



FORRESTER®

## Cashing In On Social Commerce

As B2C Social Commerce Initiatives Gain Steam,  
Early Adopters Are Reaping The Rewards. Are You?

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FORRESTER OPPORTUNITY SNAPSHOT: A CUSTOM STUDY COMMISSIONED BY EMPLIFI | OCTOBER 2021

## B2C Social Commerce Is Swiftly Gaining Momentum

The COVID-19 pandemic accelerated digital transformation initiatives in organizations across the globe. Companies had to rapidly pivot to meet changing customer needs and behaviors. For many, this meant accelerating their B2C social commerce strategies to move beyond top-of-the-funnel efforts to direct-to-consumer revenue generation.

Social commerce is building steam and on track to become a significant sales channel for B2C companies. However, a recent survey of 228 leaders in the US, the UK, France, and Germany who are engaging, or planning to engage, in B2C social commerce found that there is still room for improvement. For sustainable growth, organizations must move beyond a revenue-first mentality and build capabilities to provide their customers with experiences that span the entirety of the social journey.

### Key Findings



B2C social commerce investments are paying off big: 86% of leaders say they expect or have achieved a return on their social commerce investment within one year.



There is, however, a significant gap between current social commerce capabilities and strategic goals, leading to issues with customer engagement, inventory management, and performance tracking.



Over the next few years, brands will take significant steps to bridge these gaps, moving beyond basic B2C social commerce capabilities to provide more personalized customer interactions and care.

**“In a pre-pandemic world, [social commerce] was a nice-to-have. ... The pandemic hit, and consumer demand just shifted. ... [Customers] don’t shop at [a retailer]; they pull up in the parking lot, or they’re doing it all online. ... Now we’re holding products back because we’re selling to the end consumer.**

**That same energy, those same products, that same supply chain, those marketing dollars, that marketing campaign — we’ve now shifted those into our social digital calendar. ... It’s only online versus when you’d [formerly] have to find those deals in a brick-and-mortar [store].”**

*— Director of marketing intelligence, CPG*

## Looking For Your Customers? They're On Social Media

Any fears that consumers are suffering from social media fatigue can be laid to rest. Social media use will continue to grow for the foreseeable future, with the number of social media users projected to reach more than 4 billion by 2025.<sup>1</sup>

B2C brands know this and are stepping up their social commerce efforts to meet current and potential customers where they are. The social commerce market will grow significantly over the next few years, with B2C playing a significant role in that growth.<sup>2</sup>

While social commerce is a common way for consumers to engage with brands in APAC, it's still a growing trend in the US and Europe.<sup>3</sup>

**So-cial com-merce: n.** The use of social media platforms to nurture, engage with, and sell to a network of current and prospective customers.



### 4.41B

social media users

In 2025, up 17% from 3.78B in 2021\*

### 28.4% CAGR

Global social commerce growth

Projected 2021 to 2028 with value of \$474.8B in 2020 (52.9% B2C market share)†



### 4 in 10

European and US online adults buy on social media monthly or more frequently

Compared with metropolitan areas of India (82%) and China (89%)‡



\*Source: Statista, "Number of social network users worldwide from 2017 to 2025" (<https://www.statista.com/statistics/278414/number-of-worldwide-social-network-users/>)

†Source: "Social Commerce Market Analysis, 2017-2028, Opportunities Beyond COVID-19 Crisis," Grand View Research © 2021 (<https://www.grandviewresearch.com/industry-analysis/social-commerce-market/segmentation>)

‡Base: 74,424 European and 76,448 US online adults (18+)

Source: Forrester Analytics Consumer Technographics® Benchmark Survey, 2021, Forrester Research, Inc.

## Brands Are Placing Their Bets On B2C Social Commerce

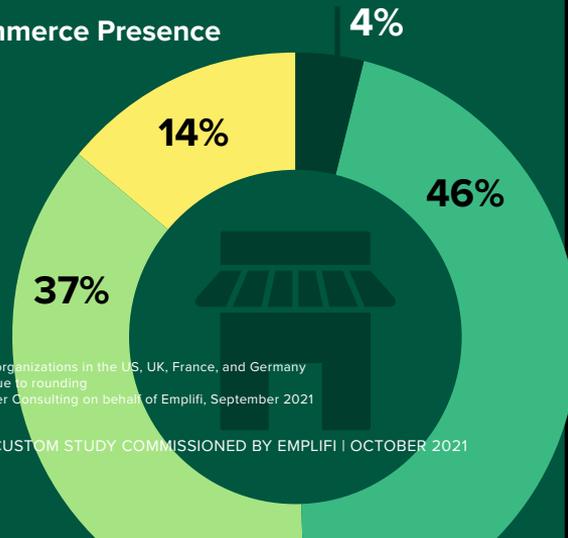
Even though brands in the US, the UK, France, and Germany are less mature than their counterparts in APAC, there are no half measures when it comes to their social commerce investments — they are casting a wide net across multiple social channels. Roughly eight out of 10 organizations are investing in two or more social media shops, and more than a third have a presence in four shops or more.

These companies see B2C social commerce as a growth channel. Top strategic objectives center around growing revenue, audience, brand presence, and the potential to capture the next generation of consumers.

**83% of B2C organizations are investing in two or more social shops.**

### Scope of B2C Social Commerce Presence

- One social shop
- Two to three social shops
- Four or more social shops
- We are driving commerce to our online shopping cart from social media but are not currently investing in social shops



Base: 228 B2C social commerce decision-makers at organizations in the US, UK, France, and Germany  
 Note: The sum of percentages may not equal 100% due to rounding  
 Source: A commissioned study conducted by Forrester Consulting on behalf of Emplifi, September 2021

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### Top Strategic B2C Social Commerce Objectives (Top five responses)

- 1 Drive revenue
- 2 Grow audience of potential customers
- 3 Increase brand affinity
- 4 Provide excellent customer experience that spans social channels
- 5 Increase brand presence and discoverability across multiple social channels

Base: 228 B2C social commerce decision-makers at organizations in the US, UK, France, and Germany  
 Source: A commissioned study conducted by Forrester Consulting on behalf of Emplifi, September 2021

## Social Commerce Efforts Yield Tangible Results

These social commerce bets are paying off. Fifty percent of social commerce leaders report that their organizations have realized or expect either incremental revenue or more distributed, cross-channel revenue as a result of their B2C social commerce efforts.

The ROI picture is just as sunny, with nearly nine out of 10 social commerce stewards realizing or expecting a return on their social commerce investment within one year.

**“We’ve made tens of thousands of pounds with zero marketing, and it’s just being on [social media platform] pages. ... And they’re incremental sales.”**

— *Global head of social marketing, telecom equipment*

## B2C Social Commerce Investments Are Paying Off

# 50%

have realized or expect incremental revenue or distributed cross-channel revenue as a result of their B2C social commerce efforts.



# 86%

expect or have achieved a return on their social commerce investment within **one year**.\*



## Revenue May Be The Goal, But It's Not A Strategy

In order to be sustainable, B2C social commerce can't just be about revenue. Forrester's study found that brands are focusing on the revenue component of social commerce but neglecting the strategic elements that help build lasting customer relationships and personalized experiences. Fewer than 30% of the social commerce leaders surveyed included goals around customer engagement, cultivating customer relationships, and nurturing customers throughout the social purchase journey among their top five strategic objectives.

A revenue-first approach may serve brands well in the short term, but for sustained success and growth, they need to have a holistic, customer-first strategy. And that means moving beyond transactions to relationships, extending the social commerce experience to personal service, customer care, and inventory fulfillment.

**“What are the primary objectives of your organization’s B2C social commerce strategy?”**  
(Top response and bottom-five responses shown)

Drive revenue

45%

Create enduring customer relationships

28%

Increase customer engagement with the brand

27%

Optimize social commerce across the most effective social channels

22%

Nurture customers throughout the social purchase journey

21%

Develop an understanding of customer needs and expectations, both in the moment and over time

15%



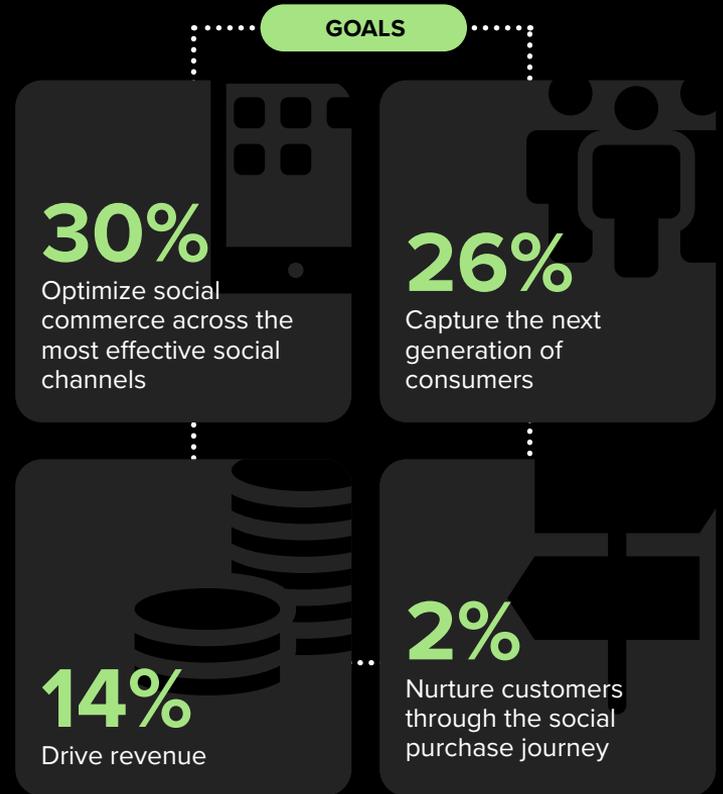
**Social commerce strategies are 3x more likely to be focused on revenue than customer needs.**

## Lack Of Strategic Alignment Can Derail Social Commerce Plans

Many brands have been in a test-and-learn phase. But now, they are looking ahead: How do we make this scale? How do we adjust our strategy to be even more successful? For many, taking that next step poses a significant challenge. Part of the issue is that companies currently don't have the tools to deliver on their social commerce objectives.

The study found that even though brands may have high aspirations for their social commerce strategies, there is little alignment between their capabilities and those goals. And as companies strive to attract and convert new customers, it's notable that just 26% of leaders report that current social commerce capabilities are closely aligned with their goal to capture the next generation of consumers.

## Percentage Reporting Close Alignment Between B2C Social Commerce Capabilities/Tools And Goals



## Strategic Disconnects Have Far-Reaching Implications

This disconnect between social commerce capabilities and strategy manifests in several areas. Social commerce leaders report challenges spanning across managing social content and inventory, engaging customers through the point of conversion, overcoming technology hurdles, and measuring the performance of their social commerce efforts.

Scaling up high-touch services poses another challenge. Some brands, for instance, have deployed store associates in the call center to provide additional product support. But that's not sustainable, especially as organizations seek to scale their social commerce strategies and provide end-to-end customer care.

**52% lack the ability to manage and/or optimize inventory across social channels.**

### Top B2C Social Commerce Challenges

#### CONTENT

**45%**

It's difficult to refresh content across multiple channels.

#### INVENTORY

**52%**

We lack the ability to manage and/or optimize inventory across social channels.

#### ENGAGEMENT

**47%**

We struggle to convert followers into customers.

#### TECHNOLOGY

**46%**

IT is overloaded and unable to support our projects when it comes to scaling across multiple social channels.

**43%**

Each social channel has its own set of technical integration requirements.

#### MEASUREMENT

**42%**

We have limited ability to analyze performance across multiple social channels.

**“Social commerce is still in a testing phase where you are basically doing trials here and there, but there is not really a way of measuring the real impact of it because there is no consistency in the tracking. Each platform can send a different type of parameters.”**

— *E-commerce and digital director, health and beauty*

**“We have limitations with our assortments. On [online marketplace] or with our own e-commerce, we control a whole range of different offerings and cross-sell and upsell. Within social shops, it needs to be much more curated.”**

— *Director, go-to-market (strategy and digital transformation team), electronics*

**“Because we want to import different types of catalogs for different countries, for different platforms, etc., we’ve had to do it manually. Our WebOps team is pulling in XML feeds from here, and XML feeds from there. ... We’ve had to work with them quite a lot — more than I thought we would have to, if I’m being totally honest.”**

— *Global head of social marketing, telecom equipment*

## Brands Must Align Their Strategic Focus With Customer Value

B2C social commerce leaders have sky-high expectations that their efforts will help them penetrate new markets (59%) and drive higher overall customer lifetime value (41%). However, in order to succeed, brands must redefine their notion of value — that is, an increase in revenue — to align with their customers' perception of value.

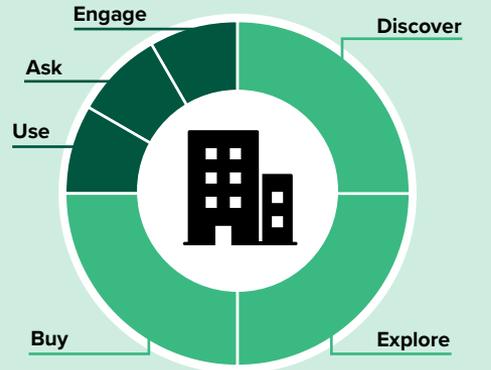
Focusing on the front end of the customer journey is at odds with what brands hope to achieve through social commerce. Effectively building a presence in new markets and driving customer lifetime value (CLV) requires building a sustained relationship with consumers — one rooted in providing a connection with the brand throughout the customer social journey.

### Brands Need To Shift To Where Customers Get Value

#### COMPANY PERSPECTIVE

More **sales...**

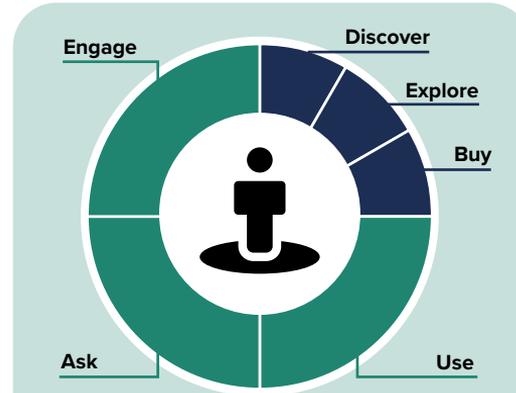
- More profit/fewer costs
- Better stock value
- Increased market share



#### CUSTOMER PERSPECTIVE

More convenience, ease, and **trust...**

- Services when I need them
- Less complexity
- Taking care of my needs



## Upleveling Capabilities Will Be Key To Social Commerce Success

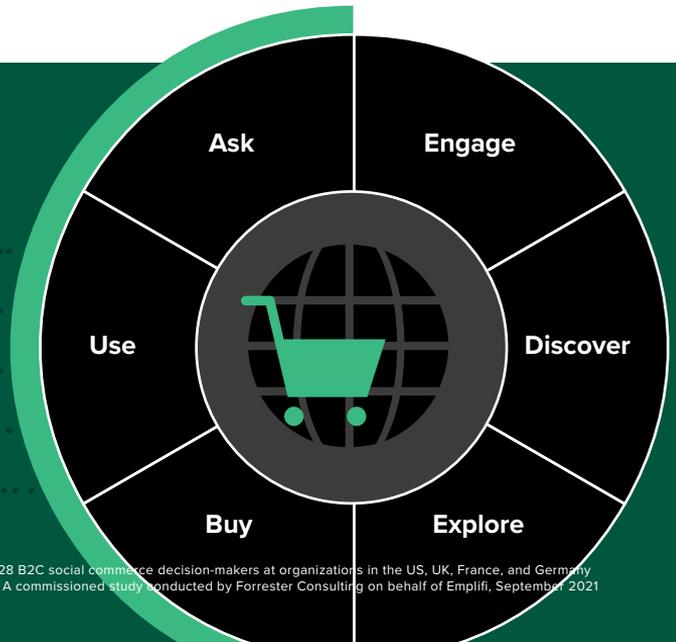
Social commerce leaders recognize that they need to make a conscious effort to bolster their capabilities and bridge the gap between building brand presence and audience and converting that audience into loyal, engaged customers. They believe that sharpening their tools — particularly in the areas of comprehensive customer care and holistic social commerce reporting — will help significantly accelerate their social commerce efforts.

**“I think sometimes people get too caught up in their own [social commerce] programs to think more broadly about the support needs that go with those programs.”**

— Director, North America consumer affairs, CPG

### Top-Ranked Accelerators For Social Commerce Success

[% who would significantly accelerate the selling/buying process]



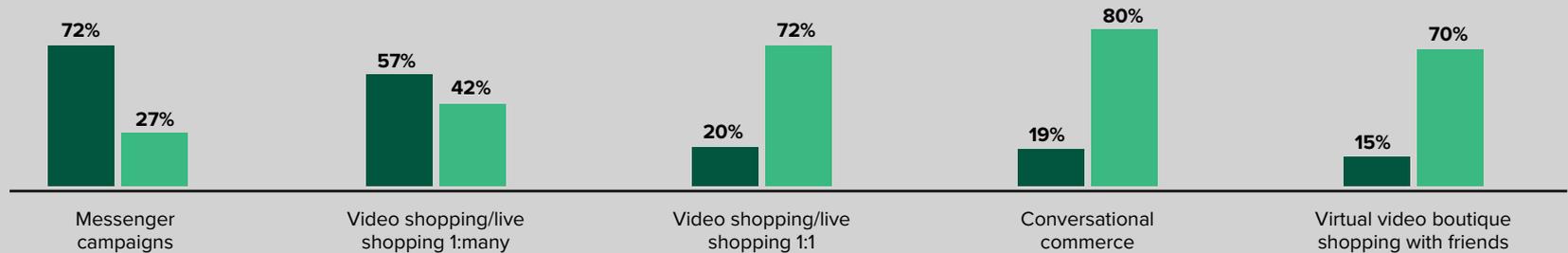
## Brands Will Accelerate Digital Maturity

The study shows that organizations are currently focused on basic social commerce capabilities — like messenger campaigns — versus providing more personalized customer interactions.

Over the next one to two years, however, brands will move beyond these basic capabilities, diving into one-to-one video shopping, implementing conversational commerce, and launching virtual video boutiques. While no more than 20% of social commerce leaders indicated that they currently have these capabilities, more than seven out of 10 are interested in developing these capabilities or plan to implement them within the next 12 to 24 months.

### Social Commerce Capabilities

- Adopted across one or more social channels and/or shops
- Plan to implement in the next 12 to 24 months/interested in developing



## Advanced Bot Capabilities Will Enable Improved Customer Care

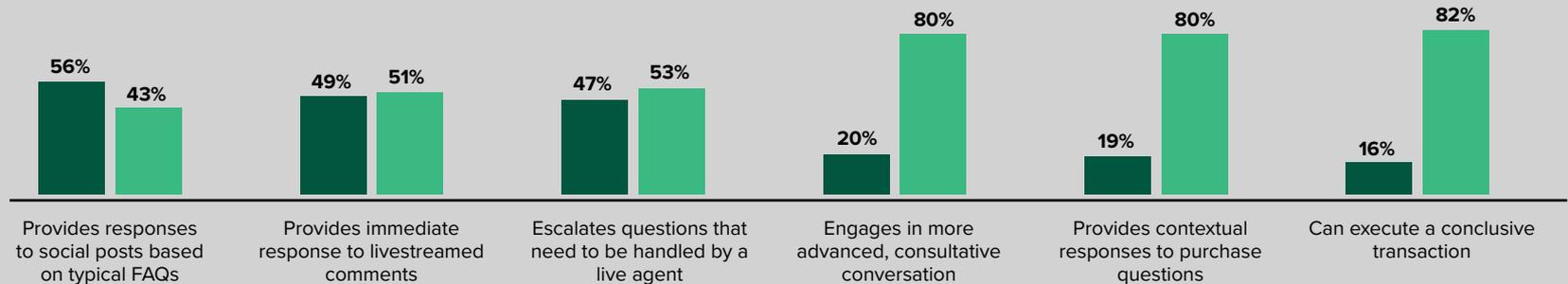
To scale customer care and ensure consumers are supported throughout the entirety of the social journey, brands will need to expand their social bot capabilities beyond answering FAQs.

Over the next 12 to 24 months, brands will take significant steps to bolster their customer care and service through advanced social bot capabilities. Whereas companies are currently using bots to respond to basic customer questions or comments, or to escalate questions to a live agent, eight out of 10 social commerce leaders indicate that they are interested in, or planning to implement, social bots that can engage in advanced, consultative conversations; provide contextual responses; and execute conclusive transactions.

### Social Bot Capabilities

● Adopted across one or more social channels and/or shops

● Plan to implement in the next 12 to 24 months/interested in developing



“I would love to have AI-powered bots on our websites that are linked into all of our social and linked into our big care community as well. Because if I’ve complained about something on [social media platform], by the time I get to care, I want them to know everything that I’ve been talking about.”

— *Global head of social marketing,  
telecom equipment*



## Social Commerce Will Mature As A Sales Channel

It's no surprise that brands pivoted to digital commerce in response to the change in customer needs and behaviors stemming from the pandemic. What is surprising is the speed with which B2C social commerce is taking hold and maturing in the US, the UK, France, and Germany.

Looking ahead, B2C social commerce is poised to be an even bigger piece of the sales revenue pie. While roughly half of social commerce leaders attribute 10% or less of total sales to B2C social commerce shops today, nearly six out of 10 project it will account for 10% or more of sales by 2022. One-fifth are even more bullish, predicting that more than 20% of sales will stem from social commerce.

B2C social commerce strategies are swiftly moving from test-and-learn to maturity. Brands must move now to refine their approach or risk being outpaced by the competition.

“[Social commerce revenue] is growing, and we’ve actually hit an all-time high now of around 14% [of total sales]. ... We forecast by the end of the year, it will be almost 20% of our global sales.”

— Director of marketing intelligence, CPG

**54%**

say B2C social commerce revenue **currently** accounts for **10% or less** of total sales.



**58%**

expect to attribute **more than 10%** of sales to social commerce **within the next 12 months**.



## Conclusion

The future of B2C social commerce is now, and it's not a vague vision — it's about defining concrete plans and a well-articulated roadmap.

Social commerce is gaining momentum as a critical component of brands' sales strategies. In order to set a course for sustained success, companies must move from a revenue-first mindset to a customer-centric strategy. This means meeting their customers where they are and providing them an experience that spans the social journey — from awareness, to purchase, to holistic customer care and engagement. Those that get it right are well-positioned to nurture lasting customer relationships and realize continued growth.

### **Project Director:**

Heather Vallis,  
Director And Principal Market  
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### **Contributing Research:**

Forrester's Customer Experience  
research group

## Methodology

This Opportunity Snapshot was commissioned by Emplifi. To create this report, Forrester Consulting supplemented this research with a custom online survey of 228 B2C social commerce decision-makers at organizations with US\$500 million or more in revenue in the US, the UK, France, and Germany. Additionally, Forrester Consulting conducted five telephone interviews with digital executives for additional context. The custom survey began in August 2021 and was completed in September 2021.

### ENDNOTES

<sup>1</sup> Statista, "Number of social network users worldwide from 2017 to 2025" (<https://www.statista.com/statistics/278414/number-of-worldwide-social-network-users/>)

<sup>2</sup> "Social Commerce Market Analysis, 2017-2028, Opportunities Beyond COVID-19 Crisis", Grand View Research, Inc., USA, Copyright © 2021 (<https://www.grandviewresearch.com/industry-analysis/social-commerce-market/segmentation>)

<sup>3</sup> Base: 74,424 European and 76,448 US online adults (18+), Source: Forrester Analytics Consumer Technographics® Benchmark Survey, 2021

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## Demographics

### GEOGRAPHY

United States	29%
United Kingdom	27%
France	22%
Germany	22%

### COMPANY SIZE

Fewer than 1,000 employees	44%
1,000 to 4,999 employees	35%
5,000 to 19,999 employees	17%
20,000 or more employees	4%

### COMPANY REVENUE

US\$500M to US\$999M	78%
US\$1B or more	22%

### JOB LEVEL

C-level executive/vice president (48%)	48%
Director (52%)	52%

A hand is holding a smartphone, which is the central focus of the image. The phone's screen displays the word "FORRESTER" in a white, serif, all-caps font. The background is dark and out of focus, featuring several colorful bokeh lights in shades of orange, yellow, and blue. The lighting is soft, highlighting the edges of the phone and the hand holding it.

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