

What's the future of shopping?

The future of shopping seems to be heading towards a space where online and offline will be merged. This development might bring a new digital experience to shoppers, allowing an immersive and experiential shopping experience. This development could also make it easier for brands and consumers to be brought closer together, especially as we see Covid-19 having accelerated the trend of e-commerce.



Elizma Nolte

Elizma Nolte, regional marketing manager at Facebook Africa, presented a keynote talk at the SingularityU South Africa Summit Online 2021.

Nolte said that social media has become a key method for people to discover products, how they research products, and also where they buy products. Online consumers are embracing digital tools and they want brands to meet them in that space. Mobile has become the most important shopping tool, and that's what people are stating across all markets. The future of shopping is going to be e-commerce, largely socially driven and it's going to be on mobile.

The power of messaging

According to Nolte, people want to communicate with brands the same way that they communicate with their friends. Chat platforms like WhatsApp, Messenger and Instagram are essential to buying into this idea. There's been a massive rise in chat over the past year, specifically during the lockdown with a 40% increase year on year. There are a hundred million messages sent every month between businesses and consumers on the WhatsApp API, and more than 3 million advertisers now use messaging to interact with their customers. Nolte also mentioned that in South Africa specifically, 61% of shoppers indicated they're much more likely to buy from a brand that will engage with them by messaging.

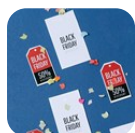
Nolte noted that people can ask for more information about your company and for support for your products and services in a chat-based way. Quite possibly, if you are at the consideration phase, you're going to chat and ask questions which could then lead to people literally buying products in WhatsApp. That behaviour is likely to accelerate as things like Shops on WhatsApp will be launched.

The rising trends

There's the loyalty factor at the end of the purchase journey – an opportunity for brands to serve a link in your Facebook

feed a month after your purchase, Nolte said. They know what product you have bought and now they're showing you something else that you might like, starting the purchase funnel all over again. This is happening, on Messenger, WhatsApp and Instagram.

According to Nolte, the second trend is shopper-tainment. People don't just go shopping because they need to get something. They go shopping because it's fun. It's an experience, a way to hang out with friends. While in the store, they grab lunch or rummage through the sales corner and people want brands to replicate that experience online.



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This has led to the rise of live shopping. There's been an incredible 200% increase in live shopping over the past year and research done in emerging markets, including Africa, showed an increase of 68% in live shopping over the last year.

Live shopping and influencers

How does live shopping work? You might be an influencer like Nikki Taylor, selling make-up, doing demos and giving tips. You're selling one product, but moving thousands of units at a time. Nolte said that for a brand, it is a way to build brand trust. In terms of satisfaction, 90% of people indicated they were very satisfied with their live shopping experience. That means they're likely to come back and do more of it. It's a trend that's likely to continue to grow. It's very much fashion-focused at the moment, but what about sports equipment and auto accessories? Think about how you can give people early access to deals and products that you're launching.

Nolte noted that if a brand can team up with an influencer, they should as it promises interaction. They want Q and As. They want polls, they want potential live triathlons and special programming. It's all about adding experiences, across many different products, again and again. People want brand interaction, for brands to respond to their comments or queries or to assist when that product that they really wanted, is not available.



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The third trend that Nolte believes is going to drive the future of shopping is augmented reality. When research was done in 14 emerging markets, including Africa, 87% of people said they have used an augmented reality feature. Augmented reality is really helping bridge the gap between offline and online as it works through the entire shopping funnel, creating

excitement. For example, if there's a sofa you're thinking of buying, augmented reality lets you can see what it would look like in your own living room. It's also a great way to generate leads. There is much excitement about augmented reality with 75% of businesses globally stating that they are looking at using augmented reality in one way or another, a figure that is up from 40% in 2020.

Problems and solutions

A big problem, according to Nolte, is this growing demand for products and this growing demand for experiences, but we don't have additional time. You have an infinite shelf of products, but you still have the same amount of time to explore. This is where we rely on people recommending things to us. Usually, that's a machine making recommendations. Netflix has been doing it for a very long time. 80% of content that you watch on Netflix is because Netflix recommended it to you. Spotify is very similar. Over the last five years, they've driven 2.3bn hours of music discovery.

The Facebook feed is heavily built on AI as well. You're served an experience based on what you have indicated you enjoy and what you want to see more of. With strong technology in that space, Facebook is also in the perfect position to then serve ads to people based on what they already know that they would like to see and might be likely to engage with.



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Nolte says that if you can combine AI with Chat, this personal assistant can learn what your style is, what clothes you have in your closet, what new items you might want, and actually recommend items to you. Based on that, we are continuing to build technologies driven by machine learning. A new area is image recognition on Instagram. You see something you like and take a photo of it. You upload it to Instagram and the AI will be able to find other products out there that you can go and buy and discover. The future will be about products finding people. The machine will learn what you're interested in and present this to you in fun and interactive ways.

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