



The Future  
of Commerce  
Beyond  
**dot com**

# Table of Content

03 Introduction

04 Social Commerce

09 Conversational Commerce

15 Conclusion



# Introduction

Retail. Pardon us for stating the obvious, but it is one of if not the oldest industries in the world. In the thousands of years that retail has existed, we've seen dramatic shifts from bartering in 9000 BC to the invention of currency in 3000 BC. Then from the inception of markets in 800 BC to the creation of credit cards in 1920. Most recently, the advent of Internet Commerce in 1994 changed the world of retail forever. Over the last 30 years, retail has become more accessible to every human being with the introduction of e-commerce. The retail industry has spent the last 3 decades refining and optimising the digital customer funnel to enable seamless shopping experiences for our users. But where do we go from here? With so much money invested in artificial intelligence, machine learning, one-click checkouts, seamless payment options, and personalised experiences, what can we do next to optimise our funnels?



Should we take some of the time we spend thinking about our website and our user journey and invest it into thinking about interactions beyond our existing funnel?

For example, where are users spending time today? Research shows that people use social media to interact with friends, engage in online gaming, watch Netflix, and even have virtual hangouts with friends and family. Because of this, we have seen an influx of commerce-related activities within these interactions. Thus, injecting commerce into these activities will optimise consumers' time interacting with our brands.

Over the last 30 years, retail has become more accessible to every human being with the introduction of e-commerce.

The future of commerce will undoubtedly still contain branded commerce websites. Yet, the most significant shift will be the growth and optimisation of digital commerce journeys outside traditional eCommerce websites. For example, many years ago, people were reluctant to use a website to procure things as simple as books. However, today we have same-day grocery delivery transacted on websites and mobile applications.

Any modern businesses' first rule of survival is to optimize the experience of their customers in the existing channels, but at the same time, thrive ahead by developing strategies for their customers in peripheral channels as well as acquire new ones. For this reason, brands have already started to leverage platforms and technologies to build transactional journeys across social networks and digital conversational platforms.

Let's jump in and explore what these activities may look like beyond Dot Com.

# Social Commerce

Imagine a young woman in her late 20s frustrated with the skin care products she's been using recently. She feels her skin is not living up to the hype of the expensive products she bought when visiting the local mall and cosmetics store. However, she was pleased with the in-store experience of speaking to the sales associate who was well-trained on many different topics within the skin care industry. After a month, however, it was clear she would need a change.

One day she was browsing TikTok when she stumbled upon an influencer who seemed to have similar issues and values. Our potential customer decided to follow her, check out some of her past content, and quickly began to resonate with it. However, she wasn't sure if she should trust this person because she had never seen her content before and hadn't been influenced by social media content creators until now. So, over time, she enjoyed the influencer's content and started to develop an unspoken bond with the influencer because of all the similarities and commonalities in their everyday life.

Coincidentally one day, this influencer was doing a live stream on her TikTok and Instagram page. Our customer saw this and joined in watching. When she got there, she was thrilled to see that the influencer discussed the same skin care products she had seen a few weeks ago. The timing was perfect as our customer was considering a purchase but still had a few concerns and questions she needed answering before she made the decision. So, while watching the influencer's demo in which she talked about the skin care products, our customer asked a few questions in the chat. The influencer saw and answered the questions politely, with her friendly



and persuasive personality that infused trust in our customer. Her response helped our customer understand and ultimately decide to make a purchase based on those answers. In addition, the influencer conveniently had a link method for purchasing these products directly from the social media account she was streaming on. So, our customer seamlessly placed an order with all her corresponding information pre-populated and her credit card information populated from Apple Pay without ever leaving the live stream.

## Many western brands still need to adapt and accept social commerce and livestream commerce fully.

The journey may seem like an effortless and happy path workflow for many. However, many western brands still need to adapt and accept social commerce and livestream commerce fully. It is an interesting topic because of the success we've witnessed with the same initiatives in eastern countries like China, whose growth in the social commerce space dwarfs the rest of the world with over USD 350 billion in sales. It accounts for nearly 61% of the global social commerce market, **estimated** at over USD 575 billion. With the expected market reaching about **USD 1.2 trillion** by 2025 and USD 6 trillion+ by 2030, who will continue to own that market share? It could be that China will continue to hold its 60% share of that piece of the pie into the 2030s, but if the US, the UK, and the European brands start to adopt and take advantage of social media users, there is a big piece of the pie waiting.



Over  
**4 billion**

people use social media everyday for longer durations than they're spending at school or work.

Let's take a look at the heuristics. First, with nearly 8 billion people in the world:

**65%**

Access to a mobile device

**60%**

Access to internet

**53%**

Access to social media

It means that our target audience when we think about social commerce globally is over 4 billion people daily!

## What is Social Commerce?

Social commerce uses social media platforms to aid in marketing and selling products and services. These services could include native shopping platforms like Facebook shops, peer-to-peer marketplaces, personalised product lists, live stream sales events, AR filters, and more. It just makes sense to market to the customers where they are, with over 4 billion people using social media every day for longer durations than they're spending at school or work.

So, if social commerce is that simple and the target audience is that big, why are we not seeing a more considerable investment from western countries? Instead, we have witnessed pullbacks in social commerce programs from leading social platforms like Facebook, Instagram, and TikTok. It may seem concerning at first, but all the platforms have reaffirmed their belief that social commerce is progressing but that the current user experience

is too clunky for the high expectations of today's users. As a result, their strategies have shifted from standalone commerce and affiliate programs to integrating commerce into their platforms' creator, content, and daily usage.

## A rising shift towards Social Commerce

Regardless of the temporary consolidation from the social platforms themselves, we have seen some large brands make significant investments in their social commerce strategy, reaffirming that the brands are preparing themselves for the influx of social commerce in western countries. For example, Walmart and Visa have recently implemented new Walmart Creator and Visa Ready Creator programs to drive social commerce through affiliate and partner sales.

A recent study by **Accenture** further attests to the promising social commerce prospects estimating it to triple by 2025. (See figure below)

### The Social Commerce opportunity will nearly triple by 2025

Globally, sales made through social commerce in 2021 are expected to reach

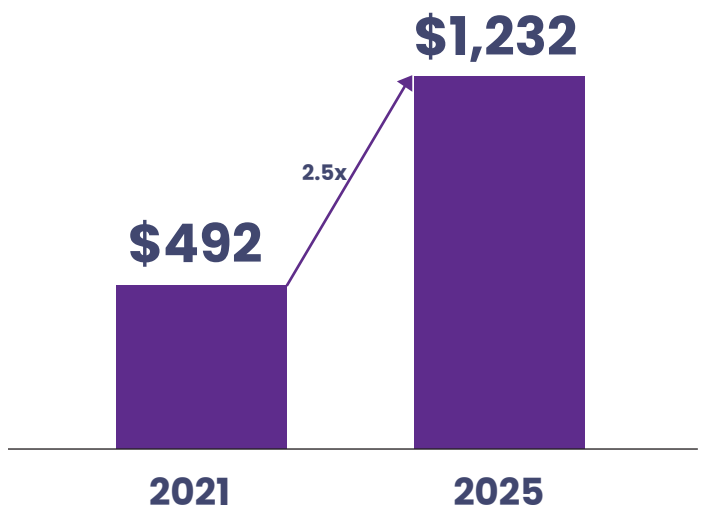
**\$492 billion**

Growing at a CGR of 26%, the social commerce opportunity will nearly triple by 2025, reaching

**\$1.2 trillion**

Today, 10% of all ecommerce spend is done via social commerce. By 2025, this number will reach 17%.

Social Commerce Market Size (GMV, Billion USD)



Source : **Accenture**

At this point, it should be clear that brands should consider investing in their social commerce strategy. But they may be wondering what platform or strategy they should focus on. Well, that's not as straightforward of an answer as you might think. Ideally, you should spread your investment across multiple channels and maintain a diversified strategy. While there may be leaders from a platform perspective in the social commerce space, there will always be more than one platform that people are using. Instagram, for instance, may be a fantastic platform for brands new to social commerce because it has been around longer. TikTok, on the other hand, is a newer platform with tremendous potential if appropriately used. Still, it is a more content-heavy and influencer/creator-based platform, rather than Instagram or Facebook, which are more interactive and widespread. Well, there is no one size fits all strategy for social commerce.

# Where to start?

A relatively simple roadmap to get a brand from nothing to mature in the space could be as follows

Begin integrating your site(s) with social platform commerce functions to allow users to check out quickly.

1

Start social media accounts on all platforms for all your brands and begin to accumulate followers.

2

Begin simple marketing techniques on social platforms, like paying for sponsors' posts about your product.

3

Hire a social media manager (or hire an agency like Visionet to run this for you) to start creating simple yet engaging content that is relevant and active to your brand.

4

Start partnering with influencers to promote and test your product and share it with their followers.

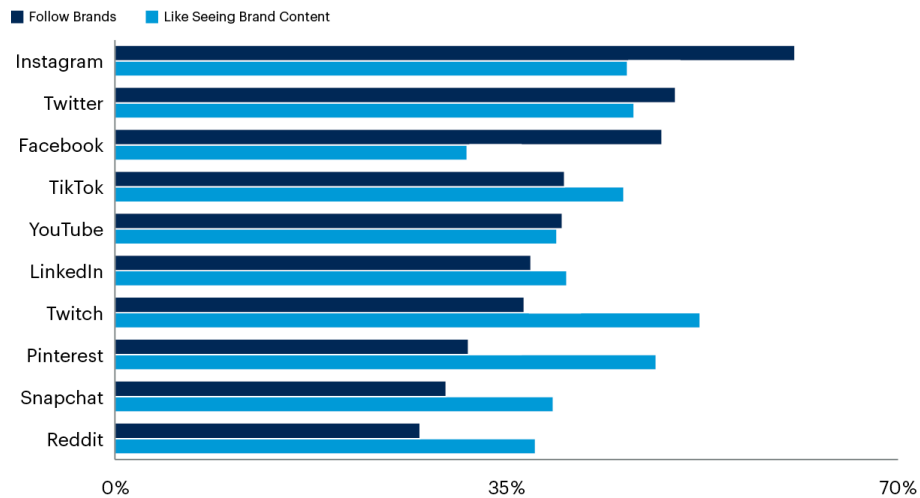
5

6

Invest in livestream commerce by hiring engaging personalities to host events showcasing your products and offering seamless purchase experiences.



### Percentage of Users Who Follow Brands and Like Seeing Brand Content on Social Media Platforms



n = 725 (Instagram); 439 (Twitter); 1,230 (Facebook); 396 (TikTok); 951 (YouTube); 282 (LinkedIn); 134 (Twitch); 377 (Pinterest); 433 (Snapchat); 216 (Reddit) who use the platform at least once a week

Q: On which of the following social media platforms do you follow brands or companies? Please select all that apply.

Q: Please rate how you feel about seeing content created by brands or companies on the social media platforms that you use regularly, where "1" is "I absolutely don't want to see content from brands here", and "5" is "I love seeing content from brands here". Percentages for "4" and "5" shown above. Responses for "I never see content from brands on this platform" excluded from analysis

Source: Gartner Consumer Advertising and Content Marketing Preference Survey (April 2021)

752030\_C

Source : **Gartner**

If you've completed this simple checklist for your social commerce strategy, you've gone from a novice to a social commerce expert. While you may not be leading the charge regarding social commerce capabilities, this is an excellent start for any brand to hit the ground running.

If we've learned anything from watching the fantastic growth China has seen from its investments in social commerce; it's that the growth of this industry is only headed in one direction: UPWARDS. So now is the right time to start investigating and researching what a strategy for your brand should look like. It's time to prepare now because come 2030, you'll want a share of that USD 6 trillion pie.





# Conversational Commerce

If we do a quick recap of the beginning of this read, we call out the utmost importance of meeting your customers where they are and how social commerce was the logical next step. But a social commerce strategy alone is not enough.

Imagine the same young lady now loyal to the skincare brand thanks to its social commerce strategies. She has already transacted with the brand several times and possibly has a monthly subscription to her skin care product requirements running. At this point, she expects the brand to understand her buying behaviour deeply and offer her profound personalised experiences. Although it may be the norm today, very soon, it will be unreasonable for the brand to expect this customer to continue transacting through its traditional channels only. There hasn't been a greater expectation of brands to deliver excellent and personalised customer experiences on mobile devices when 8 out of 10 consumers shop on their smartphones.

Moreover, over the last few years, messaging apps have started to outpace social networks regarding where we spend our time.

Infact, this is not surprising at all.



We rely on social networks to discover news and content, share our thoughts and stories, and connect with others. However, it's in messaging apps where we do all that, make plans with our friends and family, come to decisions and make ourselves active in personal conversations.

That makes chat a channel for commerce—or “conversational commerce”—a natural next step.

Talking about meeting our customers where they are and conversational commerce would be incomplete without the mention of voice assistants. Voice assistants which once would be the hallmark of a smart home, have now

gradually seeped into being one of the everyday use digital gadgets. This, along with its ability to leverage natural conversation, positions it perfectly to usher the next generation of conversational commerce.

Imagine a world where our lady could open a messaging app—on her choice of device—and type or speak to a voice assistant:



In seconds, she'd get a reply—"Here is your moisturiser"—with a link to a personalised product recommendation and the size already accounted for from her purchase history. In addition, express shipping would be pre-selected; she can then pay for the product and track the shipping status without leaving the conversation. If she were speaking to a voice assistant, for example an Alexa, it is even capable to place an order on behalf of the customer on it's Amazon account.

From a single sentence, her need has translated into a purchase. It is just an example of conversational commerce and how it's changing how we buy things— how your business interacts with its customers.

Conversational commerce is more straightforward for consumers who, thanks to messaging apps, voice assistants and chatbots can make purchases faster with easy communication. This form of communication is similar to how you'd interact with a sales associate in a store. For example, you can read reviews when ordering from a website to see

whether a product will work for you, but using the chat or voice assistants, you can even seek advise and compare products just like you would in-store.

Similar to a social commerce strategy, this customer journey may seem very satisfactory from a customer experience standpoint. Still, many western brands have not inculcated conversational commerce into their eCommerce strategy.

At the time of **publishing this report**, conversational commerce holds about 8% of the global eCommerce market, with a market size of USD 6,147 million. This time, the Chinese neighbour India was the one to pick up the tailwinds of conversational commerce with the increasing adoption of smartphones in the country. Nonetheless, the conversational commerce market is expected to grow at

**15.6% CAGR**

2022-2023



Leading to

**USD 26.3 billion**

## What is Conversational Commerce?

But what is conversational commerce? Conversational commerce is an omnichannel communication strategy in which online retailers utilise chat, bots, and voice assistant conversations to sell their products or services directly to consumers.

The delivery medium can range from SMS messenger

apps and chat bots to the various voice assistants (Siri, Alexa, etc.) and artificial intelligence. Still, the most crucial trait is personalising the communication to leave the customer with a positive and straightforward shopping experience.

It allows the consumers to communicate with the brand representatives, get instant customer support, make queries, receive personalised recommendations, read reviews, and click to purchase from within messaging apps. With conversational commerce, the consumer either interacts with a chatbot or a human representative or a combination of both.



On the other hand, companies can benefit from chatbots by activating automated customer service messages. This way, companies enable consumers to buy from them without switching apps. Companies can automatically send order confirmation, shipping, and delivery notifications

in their messenger channels. Additionally, conversational commerce bridges the communication gaps by offering personalised recommendations, resolving customer service issues, offering wishlist options, and staying in touch with buyers in real-time.

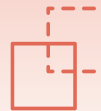
## Primary goals of conversational commerce

The primary goals of conversational commerce are:



### Ensuring

that the customer feels they were adequately assisted through the buying journey.



### Seamlessly

navigating them through the purchase funnel, reminding them of notifications via direct chat or voice assistants.



### Introducing

them to new products they were not familiar with.



### Providing

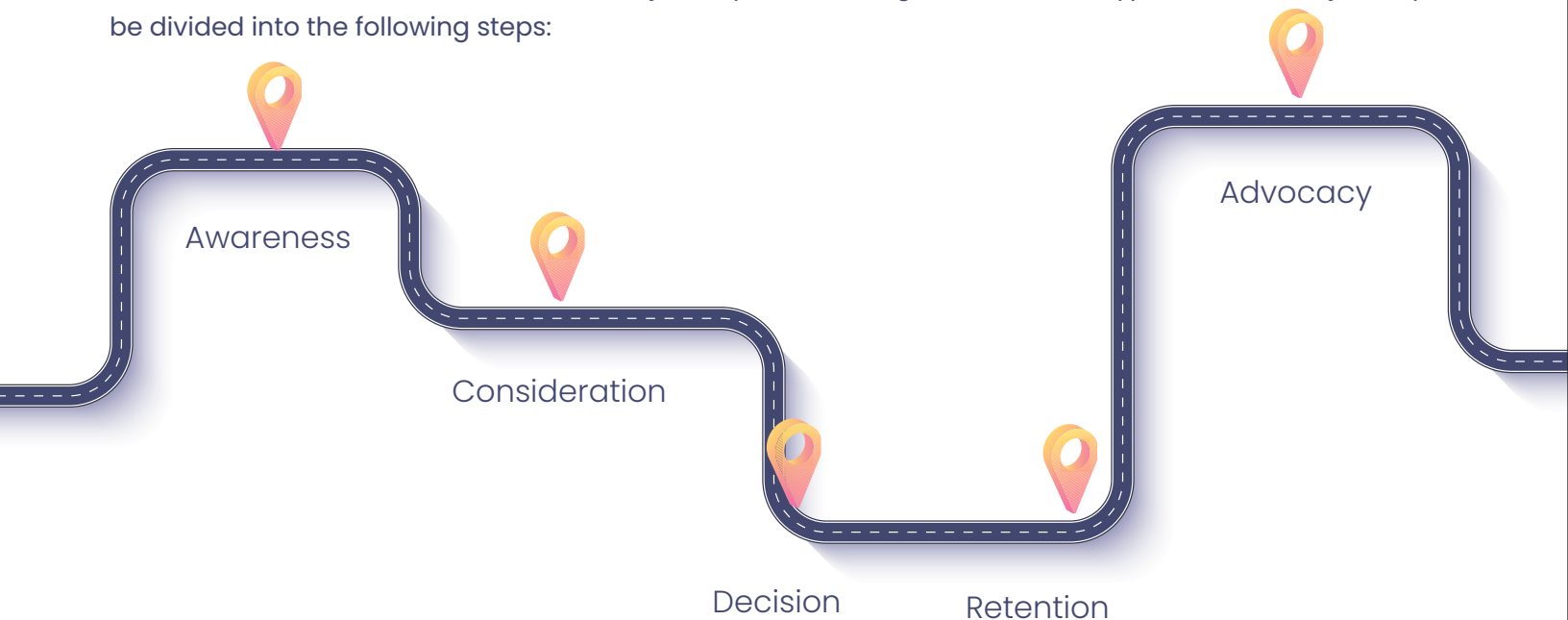
assistance and recommendations after order closing.

This marketing approach benefits both consumers and companies. Direct query with an agent or a chatbot improves the quality of information on the brand offerings. Additionally, it establishes consumer and producer relationships that lead to high customer service, more customer satisfaction, improved sales, and brand confidence. The latter is particularly the cash cow of marketing. Happy customers are more likely to make repeat purchases and are easy on the budget to support and maintain than acquiring prospects and starting from scratch.

## How does Conversational Commerce work?

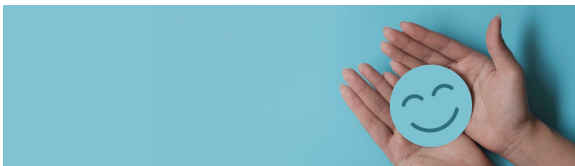
Conversational commerce enables a business to connect with its customers at each step along its purchasing journey by putting the customer and business in direct contact through various channels.

It is a well-established fact that customer journeys are no longer linear. Yet, a typical customer journey can be divided into the following steps:



To simplify, conversational commerce keeps consumers and customers aligned at every step of the purchase journey – resulting in improved CX and higher customer satisfaction.

### Awareness



Customers who feel heard and seen via 1-on-1 dialogue are more likely to trust your brand to meet their underlying needs. As a result, your conversions increase, and customers will likely stay longer with your brand.

### Consideration



Answering your customer's queries and concerns and providing them the information not easily available on the forums and webpages increases your impression as a reliable brand among buyers. So, customers will likely consider buying from you compared to the competitors.

## Decision



In this stage, communicating directly with the customer can bolster trust in the brand. Hence, more customers will likely continue buying from you. Additionally, by establishing communication that feels personal and authentic, brands can expand on sales and cross-selling opportunities in the form of various pricing options, explaining offerings and reassuring quality.

## Advocacy

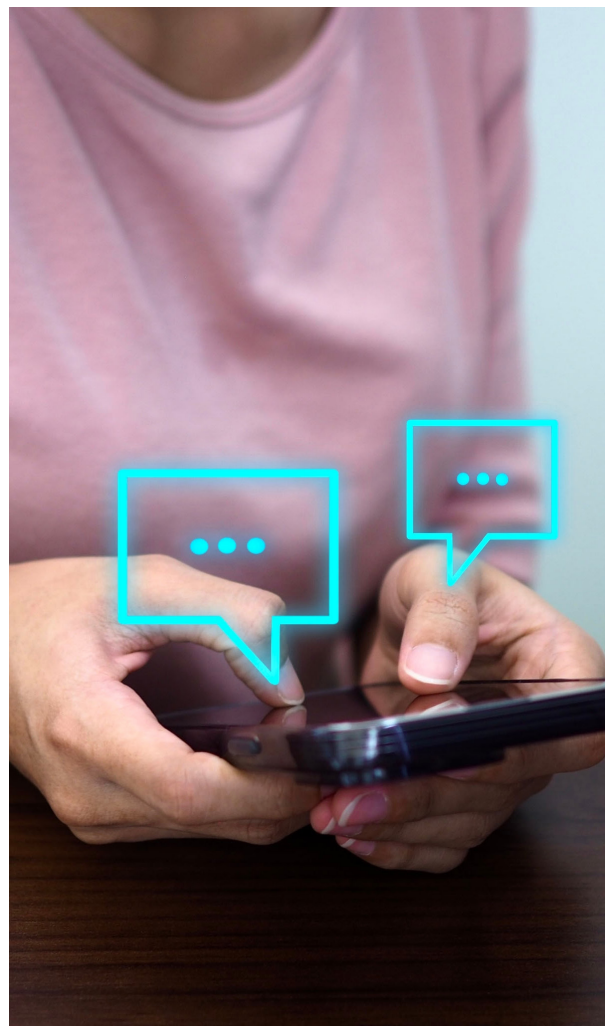


One crucial element of conversational commerce is that it intensifies your efforts to ensure your consumers and partners reach this stage with contentment and satisfaction. If companies are able to achieve this, it can make a huge difference in their bottom line. According to **Harvard Review**, obtaining a new customer is 5-25x more costly than cultivating and retaining an existing one. Thus, offering exceptional customer care can save your business significant time and money in the long run.

## Retention



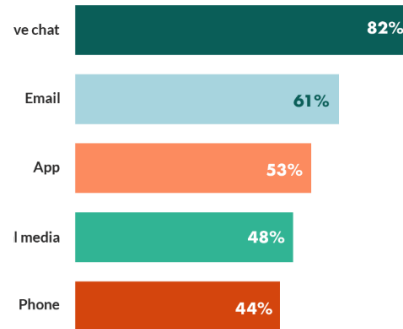
Sending reminders to your customers via multiple mediums and providing assistance throughout the purchase decision to ensure customer confidence will motivate them to complete the purchase. Furthermore, given a personal and more integrated approach, you can also utilize other marketing mechanisms.



# Where can we put Conversational Commerce into practice?

## As a communication channel

Chat is a popular private channel for customers to engage with a business. In fact, live chat has 82% customer satisfaction rate, the highest rated even compared to traditional channels like email 61% and phone 44%.



Source : Super Office

## As a payment instrument

Payments are the arch support of commerce. Be it B2C, B2B, or P2P networks; payments are one of the crucial elements in conversational commerce. With many notable brands like Facebook and Snapchat already testing payment options via chat, conversational commerce holds excellent potential in unravelling new dimensions of commerce.

## As a medium for content

If you re-evaluate how sponsored content and adverts utilise the content for marketing purposes, you'll be able to identify the scope it has for brands to serve up personalised content for consumers. However, this concept is not entirely new on an international level. China is making marks in numerous innovations already by bringing mobile commerce into action. Becoming so normalised, mobile commerce has become a crucial element of their netizens' everyday lives, with one app surpassing all others.

## As a personal assistant

Taking the consumer side into light, new concierge services powered by conversational commerce will redefine how we buy. This is particularly important for people with prior experience with virtual assistants, as it will simplify their entire purchasing process. For example, the pre-purchase research, placing the final order, and making the end payment — all can be handed over to your VA.



# Conclusion

Conversational commerce is an exciting invention that changes how businesses and the tech world function. From eliminating the hassle of pre-purchase research to making payments in a matter of a few taps, it will reshape consumers' lives with convenience and ease. As mobile and social commerce already has set the ground, conversational marketing will further build and expand on these in fruitful ways.

To sum it up, conversational commerce is infusing commerce in ways more familiar and personal to consumers. This technology is transforming customer experiences on a new scale by enabling businesses and consumers to integrate it easily into messaging apps and voice assistants.

Conversational commerce is no longer undiscovered; it's already here. Already established in China, it will continue to blur the lines between marketing, sales, and support functions across the globe. It is time to prepare for this shift, or you'll lag behind. We at Visionet have a team of experts dedicated to helping brands like you achieve this and more with our cutting-edge technologies and result-driven tech solutions.

Get in touch with our experts today.



Conversational commerce is infusing commerce in ways more familiar and personal to consumers.

## Authors



### Will Vinton

Senior Director

A dynamic digital technology leader with extensive expertise and experience in digital and omnichannel strategies, technology innovation, and IT management.



### Saurabh Jalewa

Principal Consultant - Retail

A retail industry veteran with extensive expertise and experience in the implementation of connected commerce strategies.

**References:**

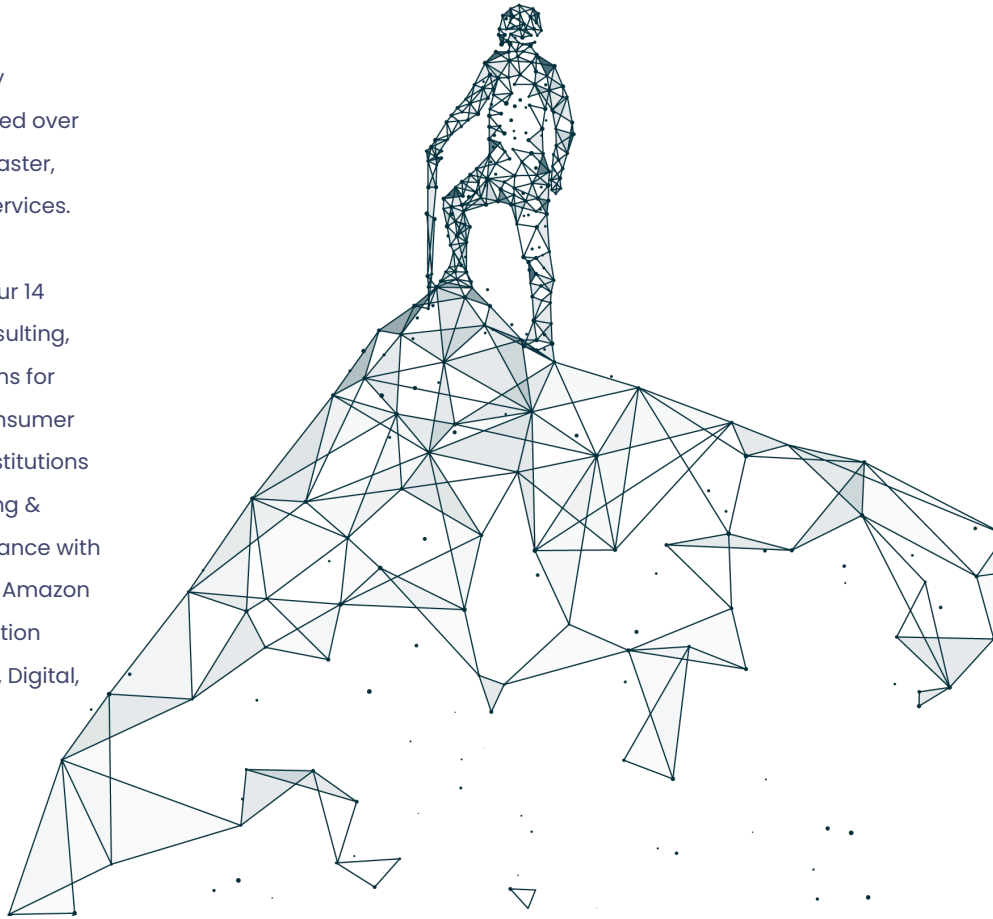
- How Retail Benefits From Amazing Customer Experience | [Qminder](#)
- The Best Gaming PC Bundles to Help You Save Time and Money | [techbullion.com](#)
- The Value of Keeping the Right Customers | [hbr.org](#)
- Shopping on Social Media Platforms Expected to Reach \$1.2 Trillion Globally by 2025, New Accenture Study Finds | [Accenture](#)

## About Visionet

Visionet is an engineering-led company driven by innovation. In our journey of 27+ years, we've helped over 350 clients across various industries to innovate faster, remain relevant, and build better products and services.

With more than 8,000 people worldwide, across our 14 locations, Visionet provides transformational consulting, technology, and outsourcing services and solutions for a broad range of industries, including Retail & Consumer Goods, Pharmaceutical, Banking and Financial Institutions (BFSI), Insurance, Foods & Beverage, Manufacturing & Distribution, and Apparel & Footwear. With our alliance with global innovators, including Microsoft, Salesforce, Amazon Web Services, and Adobe, we deliver next-generation services and solutions to our clients across Cloud, Digital, Data and AI, and Business Process Management.

Learn more about Visionet at [www.visionet.com](http://www.visionet.com)

**Visionet Headquarters**

4 Cedarbrook Drive,  
Bldg. B, Cranbury,  
New Jersey 08512  
Tel: 609 452 0700  
Fax: 609 655 5232

**Visionet Deutschland GmbH**

Budapester Straße 35  
10787 Berlin  
Germany

**Visionet EMEA Limited**

Yooserv, Dakota,  
De Havilland Dr.,  
Weybridge KT13 0YP,  
Surrey, United Kingdom

**VISIONET**

Digital Defined | Digital Delivered

[sales@visionet.com](mailto:sales@visionet.com)  
[www.visionet.com](http://www.visionet.com)