



A new age of enlightenment

Will 2010 finally be the year of social commerce? With more customers wanting to buy where they connect and connect where they buy, brands are looking to restore margins squeezed by retailers

Head over to Mattel's latest website (<http://shop.mattel.com>), and you will see something more than Barbie's now infamous fat ankles, which mercifully have been scheduled for imminent plastic surgery following laments by bootmaker Christian Louboutin.

What you will see is that you can buy Barbie directly from the toy manufacturer's site, bypassing online retailers. Furthermore, you can shop together with your Facebook friends and Twitter followers on the site, courtesy of nifty social shopping software from Decision-Step that enables co-browsing.

At Syzygy, we think the Barbie store matters. In fact, we believe the Barbie store heralds a new era of social media marketing: direct-to-consumer brand sales powered by social commerce, the fusion of social media with ecommerce.

Hold on, you say. Hasn't social commerce had a number of false dawns? Edelman's Steve Rubel predicted 2006 would be the year of social commerce, and social media guru Jay Deragon thought it would be in 2008.

Research firm Forrester still believes we are a little ahead of ourselves, and predicts that 2011 will be the year of social commerce.

But at Syzygy we think the Barbie store is a sign, and we are predicting that 2010 will be the year. Here's why.

First, brands are beginning to grab the direct-to-consumer (DTC) nettle. Stockholm Syndrome worries about upsetting traditional retail paymasters are giving way to financial imperatives to restore margins mercilessly squeezed by retailers.



Dr Paul Marsden

P&G's new chief executive Bob McDonald is certainly counting on ecommerce to future-proof his brands, and has set an ambitious \$4bn target for online sales. Social commerce technology is helping brands in this DTC challenge, allowing brands to do 'pop-up retail' in social networks—quick, temporary and inexpensive campaign stores within the walled gardens of social networks.

For example, Alvenda, the social commerce software company behind the Facebook storefront for 1-800-flowers.com, offers brands News Feed stores where Facebookers can buy directly from their News Feed. It's viral marketing reloaded, with added ROI.

Second, social commerce SAAS (software as a service) has arrived.

It's new and it's a game-changer. No need for tedious and expensive messing around with custom-developed software; a new generation of 'plug-and-profit' social commerce solutions will do all the heavy lifting for you.

Low set-up costs, simple subscription plans and no-hassle implementation allow brands and retailers to easily set up social network storefronts and integrate sales-boosting social shopping tools into ecommerce sites: customer reviews, personal recommendations, syndicated wish lists, shop-together and group-buy technology.

And with Facebook's log-in service, Facebook Connect, shoppers no longer arrive at your site solo; they bring their entire social networks with them.

Third, the social media marketing bubble has burst. As marketers, we have survived the hype cycle of social media and come out relatively intact, if somewhat jargon-laden, from a peak of inflated

expectations and a subsequent trough of disillusionment.

Guess what, echo-chamber messaging didn't turn out to shift stock or build brands measurably; monitoring—with a few exceptions—turned out to be about as insightful as listening to people singing in the shower; and brands found they couldn't join conversations, because conversations happen between people, not trademarks.

Marketers are now experiencing social media enlightenment, and understanding that the real opportunity for social media marketing is to enable customers to connect where they buy and buy where they connect—and, in doing so, drive sales.

So here's to 2010, the year of social commerce. Now get over to that Mattel site and check out Barbie's ankles with your friends. ■

Dr Paul Marsden is Syzygy's digital ethnographer. To find out more, visit www.syzygy.net

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