



# Built for Change

## Transcript

### NEHA SINGH:

I loved fashion and I thought I wanted to be a fashion designer. So I started taking fashion design classes but realized I was really bad at drawing.

### MUSIC IN

**ELISE:** This is Neha Singh.

**NEHA:** So then I decided to stick to the tech side of fashion and I joined a startup where I led product and engineering.

**JOSH:** When Neha was tasked with building the website for a luxury e-commerce marketplace, she sat before a blank canvas and brainstormed.

**NEHA:** I wanted to create something that was really different.

**ELISE:** When you think of online shopping? What comes to mind? Let's say you're shopping for this week's groceries or designer sunglasses, or a car. The things you're buying might be different, but the experience of shopping—it's the same.

**NEHA:** Today's e-commerce interface is good for finding just what you want and checkout really quickly, and that's what really most of the e-commerce industry has been focused on optimizing for the last like 15 years.

### MUSIC OUT

**NEHA:** All the platforms basically give you this template, which is a grid of thumbnails on a white background.

### 01:00

**NEHA:** And this template was created 25 years ago to sell books. And somehow then just got used for every brand and every category.

**JOSH:** And to Neha, this was an obvious problem.

### MUSIC IN

**NEHA:** If you walk into stores of different brands, you have a different feel, right? But online, the only differentiation is, like, font and color.

**ELISE:** When you're at the grocery store, the sunglasses retailer, or the car dealership, There are different levels of engagement: inspecting produce, trying on different frames or taking a test drive. What Neha wanted to create for brands was something fully immersive for their customers, just like an in-person retail environment, not another infinite scroll through a grid of thumbnails.

**JOSH:** And when she launched her company, Obsess, Neha started building unique virtual stores, where brands could offer customers the kind of in-store experience that encouraged browsing, comparing items, and maybe most importantly, the thrill of discovery that makes shopping fun.

**NEHA:** Experience-driven shopping for a consumer means how can you actually have

### 02:00

**NEHA:** a different experience and really go inside the world of the brand?

**ELISE:** But as she worked to transform the online shopping experience, Neha knew there was still something missing. In the virtual shops she was building, customers were still shopping alone.

### MUSIC OUT

**NEHA:** I keep going back to how a lot of this is very similar to what we do in real life, because in real life, we go shopping with our friends. But online, this behavior hasn't translated 'til today.

**JOSH:** For years, we've known that people spend more time in a store if they're going together with friends or as part of a group. So Neha has started to build out her virtual stores with new social features.



## THEME IN

**NEHA:** We have built ways that friends can actually shop together in virtual environments and talk to each other and see each other... And now it becomes like an actual synchronous interaction where they can be with you bringing those pieces of the social elements, which include recommendations, discovery, giving opinions — ultimately you can imagine that this all will become a really immersive experience.

**ELISE:** I'm Elise Hu,

**JOSH:** And I'm Josh Klein.

## 03:00

**ELISE:** And this is Built For Change, a podcast from Accenture.

## INTRO

**ELISE:** Alright, Josh. So do you enjoy shopping? Do you do it often?

**JOSH:** Recently I went to a game store with my two kids and had a blast, just hanging out with them and seeing them be surprised and delighted.

**ELISE:** Cool.

**JOSH:** How about you?

**ELISE:** I have a lot of memories, since I grew up in the nineties, of going to malls back when they existed. It was a real social activity between me and my friends. Right? Like before homecoming dances or prom, we would always have to go to the mall together and try on dresses. And that was always fun.

**JOSH:** Shopping is most fun when it's social. And so in this episode, we're going to explore how social commerce is actually transforming the ways we shop online.

**ELISE:** Leading online retailers are building social experiences into their e-commerce transactions in new, more integrated ways.

**JOSH:** It's true.

## 04:00

**JOSH:** And as more shoppers expect to find community and connection in their online shopping experiences, brands and retailers will face the question: Not if, but when and how to join the social commerce revolution?

## THEME OUT

**ROBIN MURDOCH:** Social commerce is growing three times faster than traditional e-commerce globally. And so it's forecasted to reach over a trillion dollars by 2025. And that'll be approaching 20% of e-commerce globally.

**JOSH:** This is Robin Murdoch, Global Lead of Software and Platforms at Accenture. His team has been tracking the current wave of social commerce that brings together ecommerce and our online social lives in a whole new way.

## MUSIC IN

**ROBIN:** Social commerce is the integration of social experiences and e-commerce transactions into a single path to purchase.

**JOSH:** Right off the bat, if you're in the U S you may be thinking, "wait, I know this, I shop online." At this point, we're all familiar with basic e-commerce and we're served personalized ads on our social

## 05:00

**JOSH:** media feeds every day.

**ROBIN:** At the moment, if you were to see an ad while you're on a social media website, when you click on it, you'll be taken to some other sites. And to complete the transaction, you're probably going to jump through a number of different hoops. This is quite different. This is the full transaction happening in a social experience.

**JOSH:** Imagine this: You see an influencer post some beautiful photos of their living room decor, including a really cool wavy rug that catches your eye. And when you tap the rug, instead of leaving the app, you get this seamless interactive tool that lets you mix and match different colors, use your camera to see what the rug would look like in your own room, share



it with a friend to see if they like it, then without ever signing out or creating some totally random account on another website, you just purchase the rug and get a shipping confirmation.

**ROBIN:** So it's really providing that full end to end experience in an integrated way that people enjoy.

## MUSIC OUT

**JOSH:** And this is how brands find shoppers, where they already are interacting with their friends on social media platforms, and move with those shoppers from discovery

**06:00**

**JOSH:** to purchase.

**ROBIN:** And so you can make the argument that actually social commerce is a much more natural evolution of physical commerce than e-commerce is. And it's that collision of advertising entertainment and commerce all coming together, enabled by technology that creates a much more compelling commerce experience.

**JOSH:** Think of a clothing store: you chat with sales staff, try things on, ask your friends opinions...

**ROBIN:** Going to stores was more than just to buy something. Social commerce brings back those elements that are not present in e-commerce.

**JOSH:** And Robin's team has mapped three different types of social commerce....

**ROBIN:** One is content driven, there's experience driven, and there's network driven. So when you look at sort of the content driven model, this would be a post that you'd see in a social media site where the content is provided by the seller and that really drives the discovery and engagement.

**JOSH:** Think of your basic business page on social media, where you'll see a curated selection of photo shoots, art direction, brand assets. And so on. Second,

**07:00**

they're the experiences that platforms themselves create as they develop tools and integrate features that level up a brand's interaction with users.

**ROBIN:** It's a much more interactive experience. And you see that in things like filters that show up on platforms.

**JOSH:** Take a social media platform like Snapchat, their photo filters include shopping tools that brands and retailers can use to show off their products and sell to consumers.

**ROBIN:** Finally there's network driven. So your peers are recommending certain items and that's driving the transaction.

**JOSH:** There's a huge difference between your actual friends making recommendations through your social media, and the banner ads you would see on a retail site. And for brands, that change can completely rewrite marketing budgets and open a whole new strategy, especially for smaller companies.

**ROBIN:** Social commerce is a real equalizer. So small environmentally-friendly makeup brands can compete with the major makeup brands. And so what that means is small businesses can have far greater

## MUSIC IN

**8:00**

**ROBIN:** impact in the social commerce space by leveraging platforms.

**JOSH:** So there's a democratization of exposure among brands, and there's also the peer to peer influence among social media users.

**ROBIN:** The influence of the end user in things like group buying, getting discounts, recommending certain items to their friends; there's a real democratization of influence, moving away from traditional brand advertising to much more localized influence on your commerce transactions.

**JOSH:** But depending on where you're listening from, this experience might already sound outdated to you.

**ROBIN:** China very much does lead the way in social commerce.

**ROBIN:** It's 10 times the size of the US market. And it's going to be on track to reach a trillion dollars value by 2025.



**ROBIN:** China was a mobile first country. They kind of skipped the internet on the PC. The experience that Chinese consumers were having was a very different one to the one in Western markets where we were used to being on a PC and we slowly migrated to mobile.

**ROBIN:** In China,

**9:00** everything has been happening on mobile.

**JOSH:** So all this mobile-first internet in China has led to different kinds of innovation.

**ROBIN:** So much of Chinese commerce actually happens in a social way. It's completely integrated into the social experience.

## MUSIC OUT

**JOSH:** The result? "Super Apps" that combined pretty much everything in a single place.

**ROBIN:** These apps are kind of walled garden internet experiences.

## MUSIC IN

**ROBIN:** So different apps are integrated into the super app and you can transact and pay and do most of your e-commerce.

**JOSH:** And they are massively popular. In China, just a few super apps connect over a billion users each.

**ROBIN:** So much of people's internet experience in China is through super apps and it's fully integrated.

**JOSH:** In China, India, Brazil, and elsewhere, the economic might of social commerce is a huge slice of the overall economy. So why haven't western markets experienced the same growth?

**ROBIN:** For a lot of Western markets you see people's first port of entry into an ecommerce experience

**10:00**

**ROBIN:** is going directly to that e-commerce website. What you're having to do is create brand new capability in social platforms to allow those social e-commerce experiences.

**JOSH:** Social platforms need to be set up for dynamic social commerce. We're talking a restructuring from the bottom up. As such Robin says to start with the basics.

**ROBIN:** When you move to social commerce, there are the brands, there's influencers, there's the end user themselves. And all of those different groups need to interact to allow a commerce experience to happen on a social media site.

**JOSH:** And transactions between these different groups also need to feel secure.

**ROBIN:** Can people transact safely and securely? When they order items are they going to show up? Are they the things that they thought they were ordering? And when something goes wrong, are they taken care of?

**JOSH:** These are pretty high stakes for a business, no matter how basic they sound, because social commerce involves multiple parties. It's about building relationships.

**ROBIN:** On major

**11:00**

**ROBIN:** sales days we see influencers driving incredible volume of transactions in the nearly billions of dollars.

## MUSIC OUT

**ROBIN:** So it becomes incredibly important who you trust. And as these influencers become even more influential in driving the commerce experience. They want to protect their brand as well, so it cuts both ways. They want to make sure that items that are sold using their brand and influence meet the expectations of the end user and the transaction goes through well.

**ROBIN:** I think the reality is most people who are online will have done a social commerce transaction. So the chances are, most of us will have experienced a time where something we saw advertised on a social media site didn't meet our expectations. And that is problematic.



**JOSH:** And as with all relationships, it's a lot harder to build back trust once you've lost it.

**ROBIN:** In the end of the day, it's critical that trust is there supporting a good experience.

**JOSH:** Shoppers need to be able to trust influencers and brands, but they also need to trust the overall process

**12:00**

**JOSH:** that, behind the scenes, all the players are coordinating just as they would in a traditional retail transaction.

**ROBIN:** Things that we take as being standard in traditional e-commerce platforms need to get built and that trust needs to be built within social commerce experience. You have to effectively orchestrate brands, influencers, payment processors, logistics providers, handling returns.

**MUSIC IN**

**ROBIN:** All of those components need to be seamlessly provided to the end user so that you're effectively replicating the great experience you have on a traditional e-commerce platform.

**JOSH:** As processes become more integrated, user experiences need to feel natural and seamless, but also... fun.

**ROBIN:** There's some incredibly creative things happening with brands around augmented reality on platforms. But one can expect these technologies to be brought to bear more and more in a social context. So you can really kind of immerse yourself in it. An even more compelling

**13:00**

**ROBIN:** interactive, engaging experience by using augmented reality. And our expectation is that we'll see that grow over the next few years. It's already a key part of the social commerce experience.

**JOSH:** In a minute, we'll dig into just how creative brands can get with augmented reality technology. But for now, Robin says the immense potential of social commerce is undeniable.

**ROBIN:** Social commerce will become synonymous with e-commerce writ large. You'll see social experiences integrated into all of our online commerce experiences. And so that's where it gets exciting. It means that your traditional e-commerce experiences are going to become a lot more social. It means the way that you're influenced to buy certain items is going to be far more engaging. And across the entire fabric of how we buy things and how we're entertained, this collision of commerce, advertising, and media — social commerce is at the heart of that, and

**14:00**

**ROBIN:** we're only just getting started.

**MUSIC OUT**

**ELISE:** Josh, do you have a time when you were shopping in a traditional online shop and wished it was easier to share the experience with someone or the other way around. I guess, have you been in-person in a place and wished it was easier to share that experience online?

**JOSH:** Recently, I had both of those situations at once where I was in a store trying to find a shirt for a formal event and wanted to get my wife's opinion. And at the same time, my wife was shopping for our kids and needed me to weigh in, so I was trying to get online to the same shopping cart, and it was just a complete mishmash and nothing was compatible...

**ELISE:** Yeah. So she was trying to actually bring you into her online experience and you were trying to bring her into your in-person one.

**JOSH:** Yeah. It wasn't working at all. The mix just wasn't right.

**ELISE:** So in our social commerce future, ideally all of this is more seamless and natural.

**JOSH:** I mean, it would be really nice if all the different parties could just be together in a space, whether real or virtual.

**ELISE:** Well, because social commerce involves so many different



**15:00**

**ELISE:** parties, your approach and implementation will look a little different depending on if you're on the brand side or on the platform side.

**JOSH:** Yes! And to that point... we're gonna look at Social Commerce from both perspectives. So next, let's go back to Neha Singh and talk a little more about the approach by brands.

**JOSH:** What if you could shop... anywhere?

### MUSIC IN

**NEHA:** Many of our customers transport their users into different worlds. Anywhere from planets to islands, to completely fantastical locations.

**JOSH:** Neha and her company Obsess create valuable immersive experiences in some truly creative settings.

**NEHA:** Once you have gone through that, you actually remember the brand so much more versus just if you were looking at their site today and it's something that stays with you.

**JOSH:** Their virtual shops offer visitors coveted front row seats at virtual fashion shows. They open the door to dynamic interactive pool parties that completely transform from day to night. One luxury

**16:00**

**JOSH:** outerwear brand even rented a museum in the Alps.

**NEHA:** They took out everything from the museum and instead put all the products from the brand inside it. So it was a pop-up store because of its location and because of how well it matched the brand. It was a spectacular experience that you have never had before. They were using a real life location, but it was just for the purposes of a virtual experience.

**JOSH:** But creating virtual shops was one thing, creating social experiences? That was another. But it was always in Neha's plans.

**NEHA:** It had always been in our roadmap that social shopping should be a key element of how you're shopping in this new version of the internet.

**JOSH:** Of course, multiplayer gaming already offers an extremely popular model, and profitable one too.

**NEHA:** In gaming, it's super common that you are live streaming together with your friends and you're playing games. Um, so now that technology is starting to make its way to e-commerce and we have built ways that friends can actually shop together in virtual environments.

**17:00**

**JOSH:** Working with brands, Neha's team pulls together the tools that offer shoppers a safe and seamless social shopping experience, by keeping things simple.

**NEHA:** Anyone can share a unique link to a virtual store with their friends. And when their friends join, they will basically be placed in a session together with you in the virtual store. And what we see is that people are spending more time in these experiences when they are with their friends, versus when they are just by themselves.

### MUSIC OUT

**JOSH:** And more time in the store is as big a benefit for brands as it ever has been.

**Neha Singh:** They're also discovering more things as a result of that, because you might follow, let's say a certain path in the store, and your friend might follow a different path, and you're talking live at the same time, right? So you could be like, "oh, I'm in the piano room and look what I found over here." And then you can jump to that section...

**JOSH:** Neha's team isn't just working with fashion and beauty brands to build these kinds of shops.

**NEHA:** Other verticals that we are also looking at is toys and games and babies and kids.

**JOSH:** And social commerce can level up your grocery shopping too.

**18:00**



**JOSH:** But of course, different verticals will want different kinds of looks.

**NEHA:** Quality's very important to them, especially for luxury brands. So we spent a lot of time making our technology extremely photorealistic and almost to the point that you can't distinguish whether we might have photographed this from a real physical location or it's completely digitally created.

**JOSH:** But all of this intricate world-building is only as successful as the technology that supports it. This rich, vibrant graphics processing has to perform perfectly, end to end.

**NEHA:** If a page doesn't load in two to three seconds, people abandon it. Consumers are not going to wait around. So we really had to focus on those pieces and also on the e-commerce integration, being able to add to your cart from these experiences.

**JOSH:** Finally, the technology has to be both accessible and easy to use. Ideally it should fit right into a consumer's life.

**NEHA:** We needed to make this technology accessible to anyone with a mobile device. So we built our entire 3D rendering technology for a mobile device to work on a browser. You don't even need to download an app.

## MUSIC IN

19:00

**NEHA:** You don't need a headset. So make it super, super accessible. And that's when we started seeing traction.

**JOSH:** And brands are seeing results.

## MUSIC TRANSITION

**NEHA:** There's really huge improvement on all the core metrics that brands are interested in, which in this case is engagement such as session time: how long people are spending in these experiences; add-to-cart rates (how many items they are adding to cart); and then conversion rates, which is how much they are actually purchasing.

**JOSH:** It's going to mean thinking a little bit differently about where commerce happens, but teams like Neha's are already helping businesses, large and small...

**NEHA:** In this kind of new world, creativity will be the key currency for brands. The technology will eventually shake out and platforms like ours will let you do whatever you want, but then the question is: what are you going to build with it?

## MUSIC OUT

**JOSH:** So Elise what is your dream virtual social shopping experience?

**ELISE:** Lucky for you, I have a lot of shopping on my mind lately because just got a new house and need to decorate it.

20:00

**ELISE:** So what I'd like to be able to do is input the dimensions or the measurements of my kitchen, for example, and then have my friends in places scattered all over the world, share —

**JOSH:** Oh yeah...

**ELISE:** their vision for what it should look like. Right? Like they could put in cabinets that they think would fit or paint colors, and link me to the right paint colors for the walls and things like that. What if we all collaborated in one virtual space, one dream space that I'm trying to make in real life.

**JOSH:** So, like to simulate the real world experience of being there without actually having to be there.

**ELISE:** Yeah, exactly. I mean I just could really use their input and then if we were all sort of picturing the same thing and making choices for the same particular location I could just imagine that being so helpful... and fun!

**JOSH:** Brilliant, brilliant.



**ELISE:** All right. So with Obsess, we've explored some of the creative, new things that brands can do in the world of social commerce. But social commerce is already here, integrated into the social platforms we use every day. So in the next segment, we'll explore social commerce from the platform side, by talking to one of the leaders

**21:00**

**ELISE:** in this space.

### MUSIC IN

**CAROLINA ARGUELLES NAVAS:** We've always prioritized the use of the camera for more than preserving only special moments.

**JOSH:** This is Carolina Arguelles-Navas, the AR Product Strategy and Product Marketing Lead at Snapchat. The multimedia sharing and instant messaging app has been ahead of the curve when it comes to communicating through your phone's camera.

**CAROLINA:** The usage of the camera on Snapchat was always very secured around visual communication with close friends, rather than typing "Hey," Our users use the camera to send a selfie to say hi to their friends.

**JOSH:** This simple strategy has paid off, and it's become a big part of users' daily lives.

**CAROLINA:** There are over 5 billion snaps taken every single day.

**JOSH:** That's a lot of selfies. And over time Snapchatters use of the camera has evolved. As Carolina says the camera has changed from a toy to a tool.

**CAROLINA:** People are no longer just coming to the camera to take a photo to send to their friends. They're coming

**22:00**

**CAROLINA:** to the camera to learn, such as figuring out what song is playing or actually answering a math problem by scanning the problem in front of it through your camera...

**JOSH:** In a social network that's already used to an immersive experience. Social commerce comes as second nature.

**CAROLINA:** When they're creating content using that brand's augmented reality experience, every person becomes an advocate for the brand.

**JOSH:** Augmented Reality, or AR, blends digital elements with the photos that users take in Snapchat.

**CAROLINA:** By building in augmented reality in the camera you've created a catalyst for someone to share that with their friends. You're not just looking at the content that your friend might've captured. You can actually unlock it yourself and create with that augmented reality experience.

### MUSIC OUT

**JOSH:** For instance, a seltzer company creates a filter with an animated background of falling fruit to showcase their new flavors, and then a user snaps a selfie, and posts it to their story.

**CAROLINA:** Now all of their friends are seeing that brand firsthand.

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**CAROLINA:** Those friends can either go directly to that brand's profile or unlock that AR experience from that brand directly. So it creates an incredible social flywheel that also feels very authentic because it's everyday people becoming your influencer.

### MUSIC IN

**JOSH:** And that brings us back to the question: How do brands democratize social commerce?

**CAROLINA:** People are discovering products through their friends. Snapchat is a network of close friends, and one of the biggest things that happens in shopping is asking your friends, "Does this look good?" "Have you bought this before?" And so it's such a natural place to be able to discover trusted products.



**JOSH:** Take one of Snapchat's most powerful features: "Virtual Try-On." Using augmented reality, Snapchat's try-on features mean that customers can determine whether the product they're considering is something that they really want.

**CAROLINA:** We now have a hub. It's called "Dress Up." And this is where you can find a bunch of different products from brands you know and love that you could actually try them on and be able to purchase them right there. It's just an incredibly amazing

**24:00**

**CAROLINA:** place for fun, as well as for people to browse and discover, try on, share with their friends, and then go and purchase.

**JOSH:** Snapchat's virtual try-on features are a natural fit for cosmetics. The augmented reality features allow users to see how a lip or eye color looks in real time. And to share those looks with friends before they buy. And Snap's built-in tools do the same for clothes, allowing users to scan their bodies and get a shareable preview of what it would look like to wear the outfit. And these features are already wildly popular.

**CAROLINA:** An emerging eye-wear retailer who's driven 60 million virtual try-ons and a huge percentage of increase in conversion of those glasses... They're seeing a 42% increase in conversion rate using this brand new eyewear try-on technology that also does accurate sizing and scale.

**BEAT**

**CAROLINA:** Over the past year, over 250 million Snapchatters virtually tried on products 5 billion times.

**25:00**

**JOSH:** But all of these components need to work together to form an easy and repeatable transaction...

**CAROLINA:** How do we actually make that discovery process even more natural and seamless by allowing more products to exist natively on the platform, without having to deal with long load times of getting redirected outside of Snap?

**MUSIC OUT**

**JOSH:** Incorporating products natively on the platform means that users have the ability to complete a purchase within a snap experience with the information from their Snap account.

**CAROLINA:** The whole entire goal for native checkout is to reduce friction.

**JOSH:** Native checkout is key to any social platform incorporating social commerce, but it's not the only way to create meaningful shopping experiences for users.

**CAROLINA:** Things like being able to favorite products is really important. Being able to search for products is really important. Having a storefront on a business profile is really important. It's these really permanent places that people know they can come back to, to create a more retentive experience around things that maybe they were inspired in the moment by,

**26:00**

**CAROLINA:** but they were on the go and not prepared to go and purchase.

**JOSH:** Snapchat's goal is to make this technology as accessible, beautiful, and technologically accurate as possible, easy for brands to build and easy for shoppers to use.

**THEME IN**

**CAROLINA:** The goal is make it something easy to engage with, easy to share with friends, but also direct to be able to go purchase, and that's really where we're able to drive that lower funnel impact for brands.



**JOSH:** So for brands, there's a lot of ways to drive value through social commerce and specifically augmented reality. Carolina says brands should think outside the box of traditional value when routing this channel.

**CAROLINA:** I challenge leaders to think about how does AR allow me to change the way I'm telling the story of my brand? And how do I then make sure that I'm leveraging the right tools to create it and the right places to distribute it so that it's worth my while? Because it can be worth your while already today, in a massive way...

**JOSH:** And again, this new world is already here.

**27:00**

**CAROLINA:** People are thinking that this is the future of shopping? No, no, this is not even the future. This is today. This is actually yesterday.

**BEAT**

**JOSH:** Elise, I love the way that these changes in how we shop online mean new opportunities for businesses of all sizes.

**ELISE:** Yeah, it's great to see that as social commerce brings the human element back into online shopping, it also centers things like trust, like communication, and safety.

**JOSH:** That's got to be the foundation for a market to boom and social commerce has all the pieces in place to do just that. To learn more about how social commerce is growing around the world, check out the research by Accenture at [accenture.com/built-for-change](https://www.accenture.com/built-for-change)

**ELISE:** Thanks to Accenture's Robin Murdoch. JOSH: And to Neha Singh and Carolina Aguelles-Navas for talking with us.

**ELISE:** Built for Change is a podcast from Accenture.

**JOSH:** More episodes are coming soon. Follow, subscribe, and if you like what you hear, leave us a review.

**THEME OUT**

**28:01**