

Digital players see golden opportunity in community commerce



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For the last decade, e-commerce has reigned supreme as - what many may have believed to be - the last and most advanced iteration of online shopping. Both locally and abroad, the 'e-commerce boom' attracted much media attention, raising the urgency for brands to make their mark in the digital space 'sooner rather than later' to avoid missing out on the upsurge.



Scott Thwaites is the head of Türkiye, Africa & Gaming, Global Business Solutions at METAP- TikTok. Source: Supplied.

With the onset of the pandemic, e-commerce solidified its market share, in some cases leapfrogging brick-and-mortar retail in product categories like groceries. Then, as Covid-19's dust began to settle, it began to become clearer that given the rapid acceleration of mobile penetration throughout the African continent. 'm-commerce' or mobile-based shopping was showing signs of becoming the next evolutionary step for online shopping.

This caught the attention of digital players and platforms like TikTok who identified a golden opportunity to "bring e-commerce home" in a way that leverages its ability to foster authentic conversations and build communities around inspiring, entertaining and informative content. This intuitive move from m-commerce into the world of online entertainment and onto digital platforms is what we like to refer to as 'community commerce.'

A return to the value of human interaction

Historically, commerce – the trade of goods and services – has been inextricably linked to culture. Motifs like the Great Silk Road and the bustling street markets of Africa provide us with a window into what commerce used to be – a social experience that involved skills like negotiation, driven by a cultural exchange.

At this intersection of commerce and culture, people engaged with each other, exchanged opinions and shared their experiences. Fast-forward to the twenty-first century and digital commerce at scale felt lonely – devoid of the human touch.

Now, community commerce, where users can browse, shop goods and services and pay for them without needing to leave an app or digital platform, marks a return to the building blocks of commerce: human interactions.

Biggest driver of sales is good old word-of-mouth-marketing

Community commerce happens natively, within applications, which are fully integrated with digital payment methods. And in this model, the biggest driver of sales is good of word-of-mouth marketing – social proof in the form of product reviews and testimonials are a way in which communities and individual users are reclaiming the driver's seat in the digital commerce journey.

The community is no longer a commodity to be used by retailers – they are the drivers of commerce and the determinants of the 'next big thing.'

In a sense, community commerce has therefore injected a generous dose of humanity back into online retail – a welcomed development in a world in which people long for authentic and meaningful engagement.

Convenience as the cornerstone of the customer experience

Of course, the fact that community commerce is native to apps caters to the heightened demand for absolute convenience. Before, convenience was a unique selling point – something that brands could use as a differentiator in the market. Now,

it's a must-have.

Online shoppers demand quick turnaround times, a seamless payment journey, fast response times to customer service queries and fast and reliable delivery. These are the hallmarks of the retail brands that will dominate the online shopping landscape of the future – brands will simply not survive without them. If anything, the pandemic has brought about among the online shopping community, it's more control over the retail experience – if retailers aren't fostering a convenient user experience, they're simple losing business to more on-the-ball competitors.

In this sense, the rise of community commerce marks a call to retailers to 'step it up' and get the customer sales journey right – to engage in social listening, to ensure that the integration of technology makes for a hassle-free shopping experience and to invest resources into serving customers through real-time interactions.

Content and conversation trump convincing marketing tactics

One of the most outstanding features of community commerce is the fact that it is predominantly content-driven. It could be argued that this form of commerce has catalysed a shift from "persuasion to participation."

Shoppers no longer fall for pushy marketing campaigns – they don't want to just buy products. Instead, they want to buy something more – the "why" – they want to buy into a story rather than just a sales gimmick. The challenge for brands therefore is to create content that is not disruptive or too obviously purposed towards advertising. Marketing content needs to blend in seamlessly with users' edutainment time. It needs to be compelling, engaging and insightful – very simply, it needs to add value.

Trust is the new commodity in the world of community commerce. Earn the trust of a community of content creators and consumers and half the job is done. And it's a good thing, this return to a more human-driven form of buying goods and services. It's a much-needed intervention in a world in which human interaction is just not the same as it used to be. What an exciting time to be alive and an exciting time to be online.

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Scott Thwaites is the head of Türkiye, Africa & Gaming, Global Business Solutions at METAP - TikTok. #BizTrends2023: Digital players see golden opportunity in community commerce - 10 Jan 2023

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