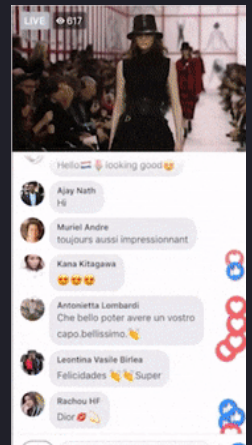
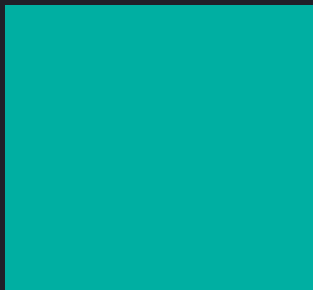
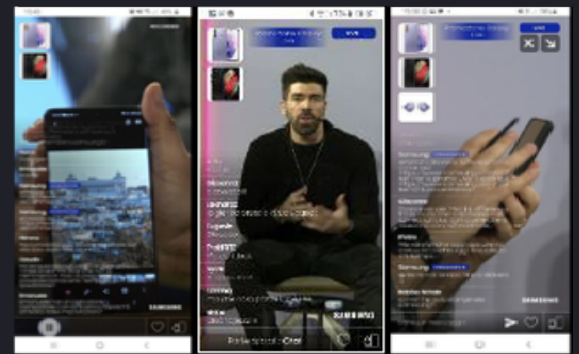
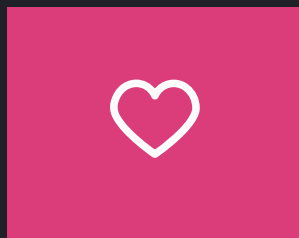


LIVE COMMERCE OVERVIEW

The Opportunity In Front Of Us



The Live Commerce Overview

Background

In an increasingly complex shopping ecosystem, social media channels are emerging as easier, more streamlined ways to unravel the discovery experience. Social commerce, representing 11.7% of e-commerce sales in China, had a head start in the West, but has been slower to be adopted, representing only 3.4% of all sales. There is a huge opportunity within social commerce, specifically within livestreaming, to make up some of this ground, as **82% of social platform users would prefer to watch a live video compared to any other type of social post**. In 2020, over 560 million people (39% of the population) in China viewed livestreams, while 24% of US users began watching livestreams during lockdown. 29% of internet users frequently watch livestreams from influencers, and 80% of those who watch say they are likely to buy a product as a result. The Harris Poll, in April 2021, surveyed US adults, with 38% saying they watched a livestream about a product that they may want to buy, but only 7% actually purchased based on the livestream. On top of this, livestreaming has entered the mainstream conversation – now Amazon is offering ad placements on Twitch. The (livestreaming) future is here!

What is Livestreaming

There are two ways to livestream: one-to-many streaming, or one-to-one livestreaming. One-to-many features real-time (or pre-produced) video feeds, where an influencer or brand is detailing out their products, while one-to-one livestreaming is video chat commerce and relies on a connection between businesses and consumers. Streaming can occur on a retailer's website or on a social media platform, which can be assisted by paid media to drive traffic. Non-shoppable streaming often drives sales after the fact, with 75% of sales taking place during a replay. Shoppable livestreaming is an alternative that allow for a functionality to shop during the stream; a transaction can occur on a platform through Instagram Checkout, for example, or drive to a retailer's product detail page.

Best Practices and Watch-Outs

Best practices for livestreaming are:

- Partner with existing live content (either pre-existing or pre-planned content), sponsorship, or brand integrations.
- Partnering with an influencer that has an existing presence on a platform is an effective way to drive views and sales, where it's possible to take advantage of the platform's existing features.
 - Consider influencers who have livestreaming experience that a brand would trust (and one who understands brand safety is key).
- Utilize shoppable livestreams that direct viewers to a URL, either as part of a commerce partnership with a retailer or the brand's own site.
 - Another option is to create a custom solution that is platform agnostic.
- Support with paid media to drive traffic.
- Acknowledge potential risks (such as live chats where people may disagree or speak ill of the products) and that there isn't much a brand can do to control or prevent.

Brand Considerations

Livestreaming is important for brands to consider as it's a rapidly growing channel with considerable growth opportunity, with live selling global retail sales doubling between 2019 and 2020. Livestreaming matters and should matter for brands, because of the way that Gen Z consume content. 85% of teens consume YouTube content, and 96% of Gen Z stream media on their phones. They are effectively piloting new technologies and ways of shopping and leaning into that now will help get a jumpstart ahead of competition. The landscape of social commerce and livestreaming in general in the US is more fragmented, creating opportunities for those who participate to shape what it looks like. Gen Z has had an abundance of influences on the way the world works, including shopping – they want advertisers to cater to them. They have tremendous spending power and have launched new social media channels into the everyday vernacular for everyone from teens to brand executives. Their influence is incredible, and this is the generation of shoppers that brands should seriously think about, as they age into the products that their companies sell. Brands are comfortable selling to their loyalists – they often generate a strong return and are a sure thing to help with consistent sales – but for brands to continue to grow in an ever-increasingly crowded space, they need to think about who their next generation of shoppers are.

Livestreaming also provides the opportunity for brands to test these audiences and influencers and can help shape their social strategy – which should be part of any full funnel approach. While livestreaming is not currently essential to a social commerce strategy, given how quickly consumers have been to adapt during the pandemic, it's only a matter of time until it becomes a must. The opportunity for one-to-one livestreaming is also something to consider. While there is less scale than one-to-many, there is potential for an event or chat to feel “exclusive,” something consumers can lean into. As shoppers return to stores, while also continuing to shop online, livestreaming can help provide a positive experience for this hybrid approach. It can allow consumers to shop virtually (and potentially more confidently because they are able to see the benefits of the product in real time vs. reading reviews or viewing images), and it could also spark their curiosity where they then head into a store to check out the product.

*Sources: eMarketer, Mediapost, Proprietary Publicis Materials.

Social Commerce is sizeable

According to a September 2020 Global Web Index survey, 70% of US internet users who regularly watched influencer-led livestreams said they were likely to buy products recommended by those influencers.

eMarketer

US Social Commerce grew 34.8% y-o-y in 2021.

eMarketer

China is expected to generate \$281 Billion in Livestreaming Social Commerce sales by 2023 – representing 61% of total Social Commerce sales.

eMarketer

There are more than 1 million active Facebook Shops worldwide and 250 million people interacting with them every month.

Facebook

Livestreaming is a big deal

It is anticipated that there will be 163.4 million monthly live video viewers in the US by 2023.

eMarketer

32% of YouTube users worldwide watched a livestream in the last month, 38% watched a TV clip, 58% watched a music video (Q3 2020).

Global Web Index

Even before the pandemic, 40% of US internet users said they wanted more live video in 2020.

eMarketer

24% of Americans are consuming more livestreaming since the pandemic.

Global Web Index

56% of marketers plan on trying live video. The most popular new marketing tactic they plan to try.

Sprout Social

Live Commerce has taken off

29% of online buyers globally would be encouraged to make a purchase if the shopping experience is 'entertaining'.

GW

China generated \$131.52 billion in livestreaming Social Commerce sales in 2021.

eMarketer

22.3% of US internet users made at least 1 purchase on Facebook in 2021. 12.9% did so on Instagram and 5.6% on Pinterest.

eMarketer

The total number of livestream ecommerce buyers in China will hit 320.1 million—of which 60.7%, or 194.2 million, will make a purchase via a livestream on social media at least once this year.

eMarketer

Definition and Differences

Shoppable	Livestream	Shoppable Livestream
Any type of content that offers consumers a direct opportunity to buy a product within just a few clicks.	Online streaming media simultaneously recorded and broadcast in real-time.	Functionality that is layered onto live video that provides consumers an easy way to shop products featured within the video, in real time.
Advertising (and digital marketing in general) is shoppable.	While not technically live, brands also pre-produce video to appear live ("fake live").	An example is an overlay on top of, or adjacent to, the video that displays a carousel of products.
Shoppable opportunities exist across a breadth of media vehicles , including Connected TV, Digital Video, Social and Affiliates. It is not specific to live video or influencer marketing.	Livestreaming can occur on a retailer's website, or on a media platform. Livestreaming may or may not include an influencer.	Transaction can occur on-platform (i.e. Instagram Checkout), or drive to a retailer's website.
	Oftentimes, paid media's role is to drive awareness and tune-in of a livestream.	

Livestreaming commerce news

Alibaba: In April 2021, Alibaba revealed that it generated \$61.7 billion in gross merchandise value (GMV) in 2020 on its Taobao livestreaming platform for merchants alone, and that the number of daily active users on the platform doubled from 2019.

Meta (formerly Facebook): In May 2021, Meta, then Facebook, introduced "Live Shopping Fridays," during which brands can showcase products through Meta's live shopping feature. From the livestreams, customers can tap featured products to learn more about them, add products to their shopping carts, and check out. Meta first debuted its live shopping feature in November 2020, partnering with women's fashion brand Anne Klein for a series of holiday-themed shopping events.

Instagram: The platform first introduced live shopping capabilities for merchants that use its in-app payment system, Instagram Checkout, in May 2020. In March 2021, Instagram expanded its livestreaming offering with the launch of Live Rooms, which allow users to add up to three other co-hosts to their livestreams, doubling the number of hosts per livestream from two to four. Businesses and creators that use Live Rooms have access to Instagram's shopping features.

Pinterest: In late May 2021, Pinterest hosted its first in-app livestreaming event with an initial test group of 21 creators as hosts. Viewers were able to shop products promoted in the livestream sessions via Product Pins and also comment to interact with the hosts.

TikTok: In March 2021, Walmart partnered with TikTok for a second live shopping event on the platform, following a pilot of the livestream shopping program in December 2020. Walmart hasn't provided sales figures from the first live event but told TechCrunch in March that it received seven times more views than expected and a 25% increase in its TikTok follower count.

Publicis Livestreaming proprietary research output

Publicis Media Analytics & Insights developed proprietary research to better understand what consumers are thinking, feeling and doing when using social platforms for commerce.

The extended report titled Social Commerce: A User's Guide to an Emerging Shopping Destination can be found [here](#).

The following takeaways around live commerce give us a glimpse of consumer preferences and adoption across the UK & US.

US & UK Key Takeaways

People like the live format as it is perceived to give a more accurate view of the product (vs. what you might see in photos). Although authenticity is key, as people are less keen on the hard sell of channels like QVC.

People like the interactivity- where they can ask questions that get answered immediately and learn from the questions that other viewers raise. It's informative but also entertaining.

The sense of immediacy/urgency can split shoppers. Some find it exciting (impulse shoppers) others stressful and unnecessary (mindful shoppers).

It can be seen to be an effective shopping method, as all the info is presented to the audience and people then have all the knowledge and product intel required without having to do the leg work.

Some privacy concerned shoppers were hesitant to buy things in a more public forum where others could watch on, e.g. if they had to put their clothing size in the comments.

Livestreaming can be entertaining if relevant to interests/passions. In this case, a subject/brand expert or relevant celebrity or influencer can bolster excitement even more.

There could be potential for items/product categories that require a little more research or for products that are hard to get a sense of in-store e.g. kitchen appliances, electronics. This provides a functional benefit in that it saves people having to do their own research and puts more confidence in the purchase.

It is early days for livestreaming and some respondents confused livestreaming with haul videos or other influencer videos. In some cases, there is a simple connection e.g. that it would be useful if a beauty influencer's make-up tutorial was shoppable.

Partner Insights: Google

The Language of Video Commerce

Experiment findings on how livestreaming principles can help advertisers make better Video for Action ads.

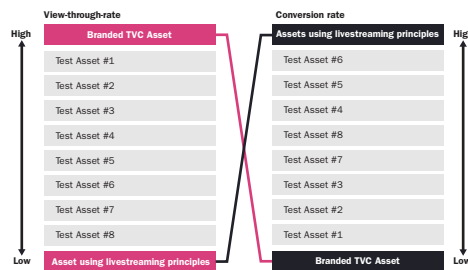
Global Creative Works designed, shot, and set 10 live unique YouTube (TrueView) Videos for Action for Nanowhite, that investigated the principles of livestreaming commerce that drive sales. 17.5M ad impressions later, four distinct learnings emerged:

Learning #1

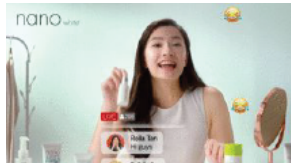
Storytelling for the lower funnel is different

What grabs attention may not drive action. From our experiment, the results suggest driving conversions may require more than just an engaging story that typically works for the upper funnel.

Effective storytelling is about generating leads



Branded TVC



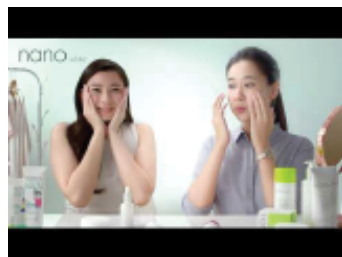
Livestream

Explicit works: More E-retailer clickouts:
vs. the Branded TVC

1.3x

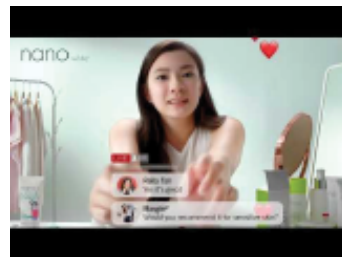


Branded TVC



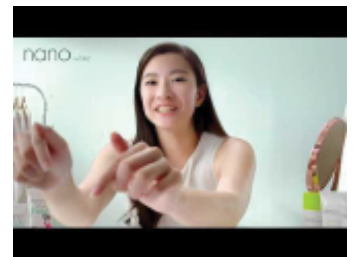
Social interaction with an audience member

1.8x



Working it out with the virtual audience

3.2x



Pointing to clickable elements

Learning #2

Show and tell us, and we'll consider

Content that spends time exploring the product drives consideration. The "Show and Tell" demo drove significant lift in Consideration, and drove 27% more people to action compared to the traditional brand TVC.

Learning #3

Invite us in and we'll take action

Give your audience a puzzle to solve together. Curiosity is one of the biggest emotional hooks for a consumer. Invite them to explore the product together.

Learning

Invite us in and we'll take action

Give your audience a puzzle to solve together. Curiosity is one of the biggest emotional hooks for a consumer. Invite them to explore the product together.

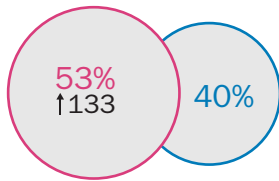
Partner Insights: TikTok

Half of TikTok users watch LIVE to shop

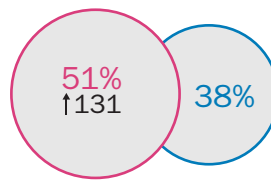
Interactions with branded live content



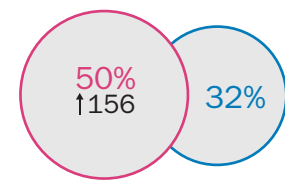
Visited the brand's website to find out more



Like/react/gift/comment



Made a purchase (net)



Users



TikTok Non-Users



Significantly higher than TikTok non-Users at 95%



Build a LIVE Program

TikTok LIVE users are committed

- The **majority (62%)** of TikTok LIVE users **watch every day.**



Enhance Engagement with Your Audience

LIVE viewers are more engaged with brands than non-live users

- **1 in 3** TikTok LIVE users say TikTok is the go-to platform to **connect with brands.**
- TikTok users are 50% more likely than TT non-users to be interested in branded LIVE content.



Leverage the Power of LIVE Conversion

TikTok drives LIVEshopping

- TikTok Users are **>2x more likely** than TT non-Users to say LIVE is most **trustworthy** to use when shopping.



Test & Learn to Thrive on LIVE

Test concepts based on business objectives

- Livestreams should be short and sweet; time is a major barrier to engagement.

Source: TikTok Marketing Science Global LIVE Landscape Study 2021 conducted by Ipsos.

Partner Insights: Meta

86% of online shoppers who use Facebook platforms weekly ultimately purchased the fashion, beauty, furniture or consumer electronic product they discovered on the platform.

What makes a great live shopping video?



Urgency

Having items/deals only available during the broadcast encourages shoppers to buy now



Scarcity

Sellers who have limited runs of products see Live as a way to make an event out of selling their wares



Interactivity

Buyers are able to interact with the seller and each other, and sellers respond to buyers in real time



Authenticity

Sellers portray a real/honest version of themselves which gains trust and repeat viewership

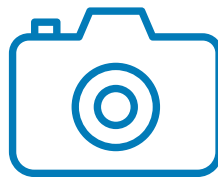
Best Practices for Live Shopping

Consistent Broadcast Structure



- Same time of day, day of week
- At least 30 min in length
- Consistent talent/personalities
- Set expectations for an audience that will grow over time

Intentional Content Production & Strategy



- Same time of day, day of week
- Engaging with audience (Q&A)
- Good quality audio
- Repeatability
- Pre-Production
 - Scripted ahead of time
 - Rehearsal
 - Items in hand

Pre- and Post-Show Promotion



- Pre: Create anticipation
- Pre: Offer teasers, behind the scenes of production
- Post: Ask audience to share
- Post: Clip great parts, repurpose as ad units where applicable

Publicis Groupe's Live Commerce Content Offering: 3 Ways In

Partnership with existing live content

How it works

1. Activated by the partnerships team
2. Review relevant live programming events, partners and timings
3. Partner selection
4. Agree and define brand integration
5. Negotiate content rights power other channels and maximize the opportunity

Value to brands

Partnership allows for endorsements and borrowed credibility from the live event or host

Guaranteed audience and scale

Opportunities for genuine integration

More of a controlled, high-quality environment

Association and credibility with a new audience and genre

Case: Campbell's x Amazon Live

E-commerce Incorporated

Challenge

Sell Campbell's Soup direct from Amazon Live

Solution

At Home Cooking with Skylar Buchard

Sponsorship included integration into 6 episodes

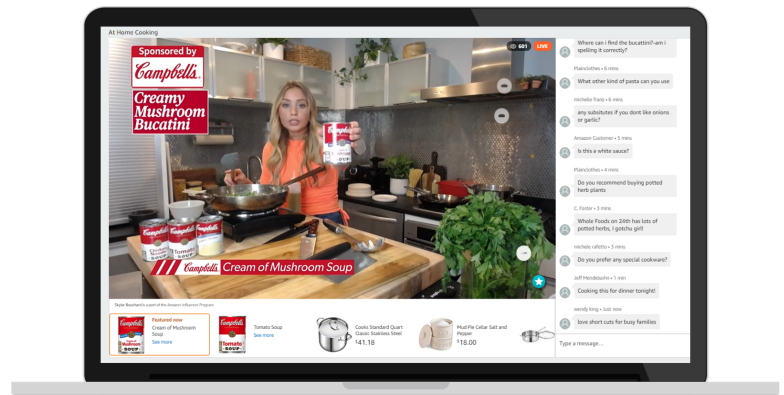
Direct link to product pages from carousel

Results

42,000 direct product page views

8,530 units sold

70% of buyers new to brand (vs 41% for other upper funnel campaign digital video)



Partner with an influencer or platform

How it works

1. Agree KPIs/ambition and reason for content to be live (e.g. limited run, special price, event)
2. Activated by the influencer or partnerships team
3. Decide on right influencer and/or content for the audience
4. Define and obtain required usage rights
5. Brief creator and/or platform
6. Approve script/content ideas
7. Comments and questions – moderator to approve and respond live
8. Test environments, rehearsals and tech set up
9. Pre-live content to promote the stream
10. Go live
11. Route to sales or other next steps
12. Post-live content

Value to brands

Influencers handle live elements

Quick to activate - uses native features of the platform

Association and credibility with influencer's audience

Hosts bring personality and relevant insights

Hear from trusted experts

Potential for additional content outside of the stream (e.g. pre-event promotion and post-event cut downs, content for brand owned channels)

Potential to drive sales

Case: Samsung Galaxy

S21 Live Shopping

Challenge

Explain and build interest around and sell the Galaxy S21, Buds Pro and Smart Tag

Solution

3 well known influencers (tech, lifestyle, photography)

45 min live streaming event featuring Samsung product expert to explain each feature in depth

Live Q&A session about products, with moderator

Results

10k visits

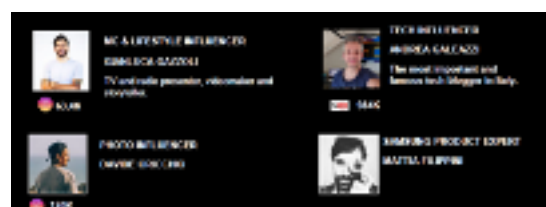
35k link clicks

Live shopping experience on Samsung.com

Products featured in real time

Moderated live chat with comments and chance to ask questions about the products and special offers

The option to buy directly by clicking on the product icon



Creating a custom livestream solution (Live Event)

How it works

Production and project management

- Oversee the project, including resource management, budget control, project plan
- Ensure milestones are met
- Communicate status updates

Onsite stream production and transmission

- Producer and streaming technician on site delivering the livestream
- Video feed optimized for all platforms requested
- Stream recorded and transcoded to create additional assets
- 4G backup transmission in addition to internet available to show location

Digital platform services

- Set up and stream to brand's owned platforms, such as .com, Instagram, Facebook, YouTube and Twitter.
- Embed code and syndication for external partners/publishers
- Dedicated support for the event including technical support for the embed installation

Value to brands

Drive the audience to your own brand site for sales; data capture etc.

Host on multiple channels

Incorporate existing brand talent or influencers

Professional production team

Process managed end-to-end

On-site production and transmission support

Digital platform services to stream to brands' owned social channels (e.g. Instagram, YouTube, Facebook etc)

A dedicated marketplace is not required

Bespoke activation

Case: Dior Live Fashion Shows

2018-present

Challenge

Engage and expand Dior's global digital audience

Solution

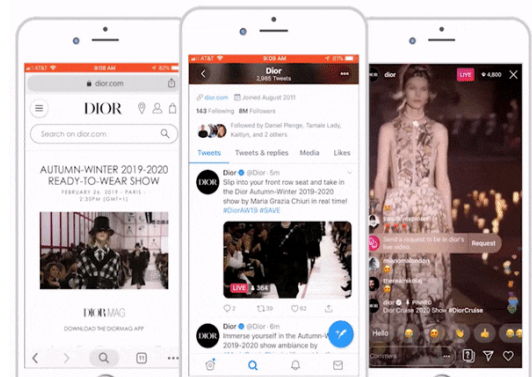
Publicis Content worked with Dior's Social Media and e-Reputation team to develop and execute a streaming strategy to grow their live reach.

Eight seasonal runway shows were simultaneously streamed to all Dior's social channels including Instagram, LinkedIn and Twitch, as well as the Chinese social ecosystem including: Tencent, Weibo, Kakao, Line and WeChat.

Shows streamed concurrently to Dior.com globally, with localized content across 12 geo-targeted markets, including China.

Results

- Since going live in 2018, Dior has grown its mainstream platforms and website's reach substantially
- Average views have grown by **20%**
- **20M+** views across its 12+ owned social platforms.



The Live Commerce Opportunity Ahead of Us

By Ali Amarsy, SVP, Global Product Strategy Lead, Publicis Commerce

Historically, we've transformed new platforms' promising new paradigms into models with which we're already familiar. Banner ads ended up looking like newspaper ads, video platforms basically ran TV ads, photo platforms started looking like magazines and influencers are managed more and more like spokespeople.

Perhaps this reflects existing siloes and ways of working. It's probably also because we as an industry never took the time to think about each innovation as an opportunity to grow with new behaviors – oftentimes intrinsic to the platform – rather than our habits as marketers.

Live commerce, which is a progression from livestreaming and also called live shopping, is one of those opportunities.

We are lucky enough to have witnessed the launch of live commerce across Asia Pacific and its impressive growth into a \$131B business in 2021, according to eMarketer. We have a lot to learn from that experience. We are also lucky enough to have several platforms from YouTube and Pinterest to social networks and gaming platforms all offering live commerce to creators, with a clear understanding of each of their strengths. With the hindsight of QVC and infomercials, we realize which pitches and mindsets were the right fit for those approaches. With the right layer of technology and data, we can also gain a deeper understanding of how people are engaging with products. Through our proprietary Commerce Intelligence platform, we can see how people discover products online, what they think of them and which broader factors are affecting product categories on every major retailer.

It's this lucky position that we, as an industry, should not squander.

New research from our partners at TikTok, points to live commerce as a massive opportunity, so we are leaning in and aggressively pursuing new opportunities in this arena. What we've learned is that people's main motivation to tune into a 'live', is to learn something new, with 59% of live media users claiming it's their top reason for tuning in. This is closely followed by wanting to be entertained (51%) and by sheer fandom of a specific creator (29%). The pull of curiosity is there, it's fertile ground for discovery, with 43% of TikTok users who watch branded LIVE discovering products. As we build for this new opportunity, making sure live commerce is fresh in every sense is vital.

To truly engage users, live commerce content needs to not only pull people in but also be true to the platform. 29% of online buyers globally say they would be encouraged to make a purchase if the shopping experience was 'entertaining' according to GWI. However, entertainment needs to be balanced with interactive demonstration and Q&A to not only build credibility but reduce the number of surprises - and therefore returns and low ratings on the consumer side post-purchase. Our early research shows that live commerce may be one of the best antidotes to returns, multiplying its broader business impact to a sales and marketing organization still trying to find profitability and suitable margins from ecommerce. Valuable live commerce dictates genuine engagement that answers and delights.

Further down in the purchase journey, research shows that live commerce leads 53% of TikTok users who watch to go on to visit the brand's website to find out more, while 41% use the format to stay informed of promotions and sales. Live commerce has a role to play across the purchase funnel and can have positive effects on profitability. It also has an entire set of ecommerce solutions needed to provide a holistic online experience for consumers who have more options than ever to gather information and make purchase decisions.

Live commerce at its core is live and interactive entertainment, brought to life by a creator pushing creative boundaries with a product playing an active role in it. The content should be true to the creator and generate genuine excitement all while giving as honest and deep a product experience as possible. Our job as marketers is to support that entertainment by bringing it to light and to give its main actors (talent and products), the frameworks to play within and push this opportunity further. It's key to keep in mind that the format requires authenticity from the creator, transparency around the product and support from the brand and its resources.

If we can set new principles for live commerce – elevating it to a business strategy not just a channel, harnessing the energy that is already there, it can have a real chance to flourish into a freestanding operation of its own. With a clear understanding of the tactics that drive discovery, content increases consideration and a new broader marketing network – of creators acting as affiliates – where we can build a flywheel for products with intelligent optimization down to the geography and day part. That's a whole new paradigm worth getting excited about.

Source: TikTok Marketing Science Global LIVE Landscape Study 2021 conducted by Ipsos.



Ali Amarsy

SVP, Global Product Strategy Lead,
Publicis Commerce