

What is Discovery Commerce?



Facebook Discovery Commerce is a system powered by data and machine learning that puts the customer in an "always-shopping-mode." The shopper no longer searches for the product. Instead, the perfect product finds the customer.

How the Facebook Discovery System works

To anticipate what someone will likely buy, Discovery Commerce looks further than numbers and basic demographics to understand the consumer.

There are four pillars:



The Personalisation Engine

This is powered by machine learning and is fuelled by a deep understanding of people's preferences, behaviours, and interests.



Engaging surfaces

These bring your creative to people through curated experiences where they're already spending time.



Advertising and conversion tools

These help ease people from the discovery phase to the purchase phase, usually without leaving the app.

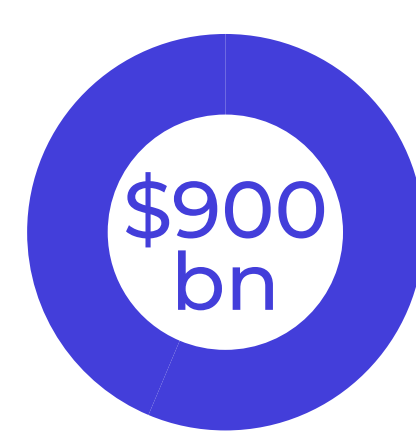


Optimisation and measurement

These solutions enhance experiences throughout the journey and over time.

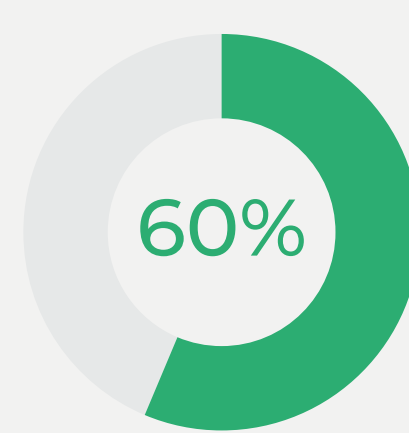
Why is it important?

Shopping habits are changing fast



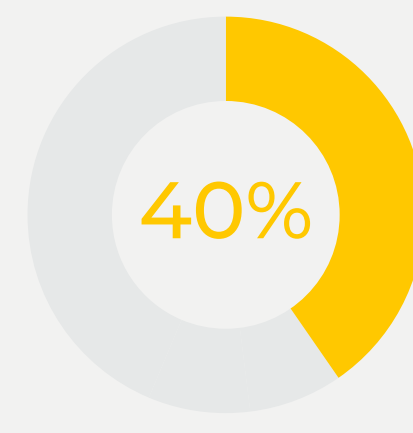
Globally, more than \$900bn more was spent in 2020 vs 2019 at online retailers. We have seen an increase of growth of digital sales across all markets during lockdown.

(Source: WARC Data, Global Ad Trends: COVID-19 One Year On, April 2021, Mastercard Economics Institute).



60% of people across Europe have changed their shopping habits, in terms of the stores they shop in, the products they buy, and how they buy them.

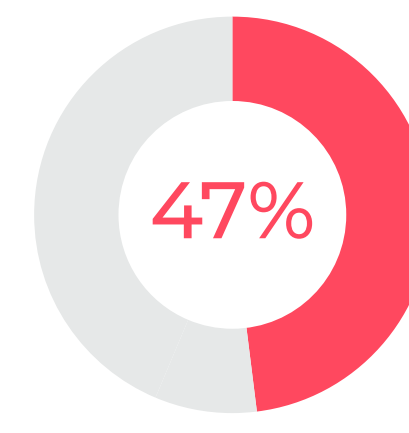
(McKinsey & Company COVID 19 Consumer Pulse Survey Sept 2020).



47% of online shoppers said the internet is making them more impulsive or spontaneous in their shopping.

We've shifted from going shopping to always partially shopping.

(FB IQ by GFK Q3 2020).

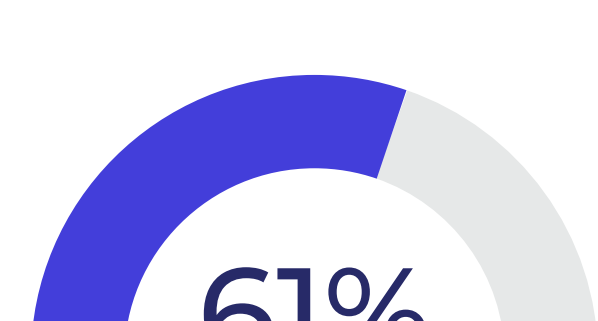


Digital sales now make up over 40% of all retail sales excluding groceries - the highest proportion ever recorded, according to the Office of National Statistics.

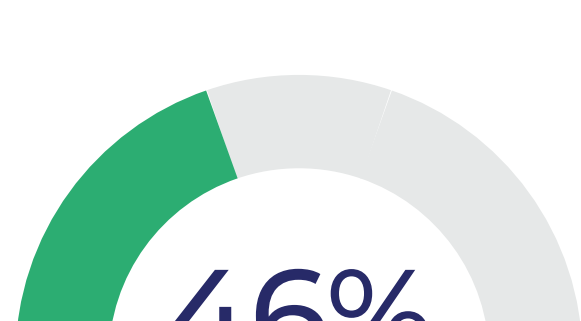
(McKinsey 2020 Report, 'How Europeans will buy groceries in the next normal').

Search is flawed

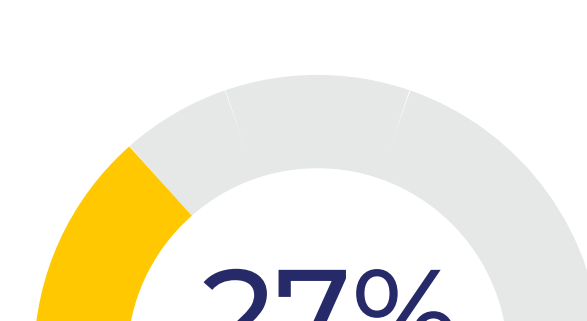
Most eCommerce search engines don't have the ability to support intuitive queries. A study by Baymard Institute found that:



61% require users to search with the same exact product lingo the site uses.



46% don't handle thematic searches, such as "office chair" or "spring jacket".



27% of sites won't yield useful results if users misspell just a single character in a product title.

So, instead of capturing the consumer's wants, the biggest opportunity now lies in understanding and creating them.



39% of people weren't intentionally shopping when they discovered a product on a Facebook platform.

(FB IQ GFK 2020)

Social media is the number one discovery platform.

Advantages of Discovery Commerce:

1. Your store can attain a wider reach of customers

urbanista

With Discovery Commerce, Urbanista was able to attribute 86% of first-time visits to its website to Facebook video ads over a four-week period.

<https://www.facebook.com/business/success/urbanista>

2. Your brand earns awareness



Through Discovery Commerce, Crunchips gained 4-point lifts in both desired brand associations and ad recall.

<https://www.facebook.com/business/success/crunchips>

3. You can cross-sell and evaluate products

SEPHORA

Sephora enhanced Discovery Commerce by using ROI Hunter's Product Insights to find their bestsellers and created a product set from them. This resulted in Sephora spending 17% less on promotion and increasing both their revenue and their number of transactions by 14%.

<https://www.roihunter.com/success-stories/heres-how-sephora-used-best-sellers-to-increase-roi-by-43>

With Discovery Commerce, businesses can go past conventional marketing: not just meeting customers' needs, but anticipating and predicting them.