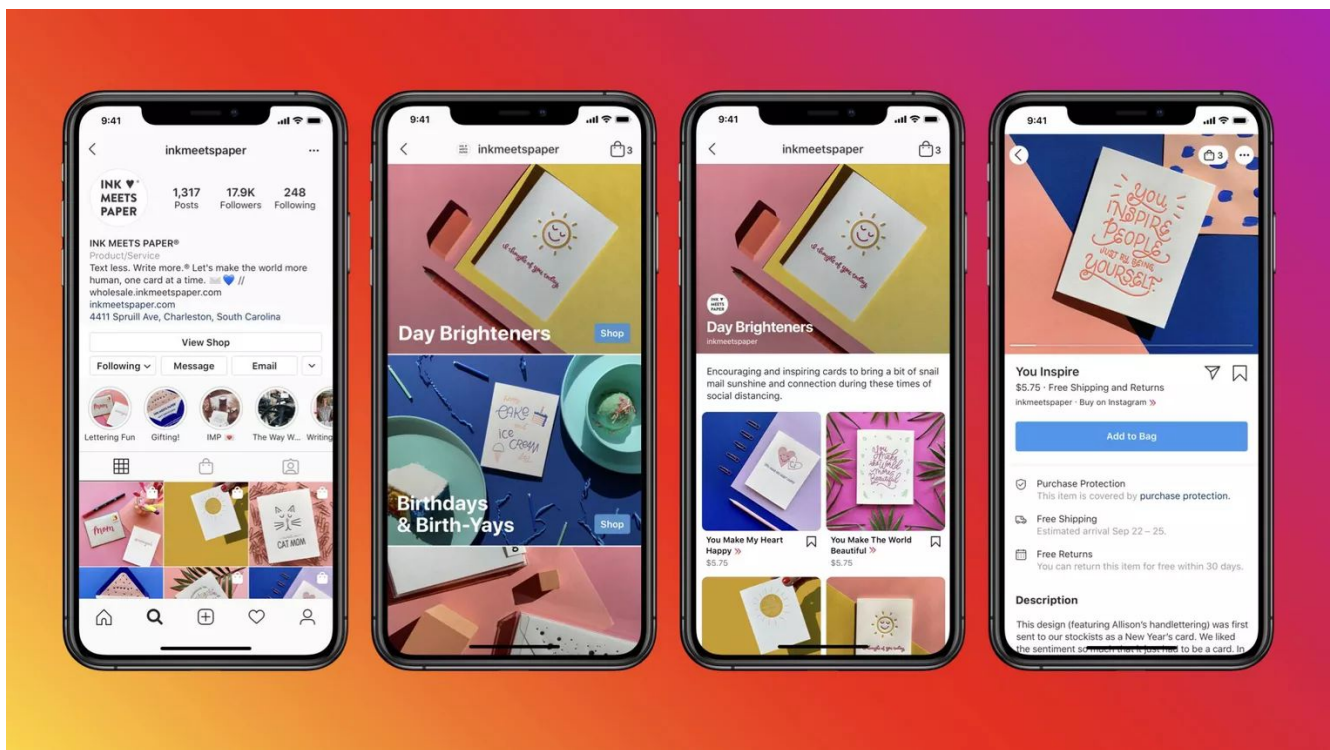




# What the Launch of Facebook & Instagram Shops Means for Brands

Integer Social POV – May 2020

In the current COVID-19 landscape, consumers are turning to social media for entertainment and news more than ever before. A recent report from [Global Web Index](#) indicated that for all generations, social media usage is up 15–30%. Pair this increase in time spent on social with the recent increase in online shopping—[eCommerce spending in the U.S. is up more than 30% from the beginning of March through mid-April compared with the same period last year](#)—and you’ll find the perfect “why” behind Facebook’s recent launch of Facebook and Instagram Shops. Though positioned as a solution for struggling small businesses, the new feature will provide all businesses with the opportunity to tap into extended commerce capabilities.



## What are Facebook/Instagram Shops?

Facebook and Instagram Shops provide an option for businesses to create a single online store for customers to access on both social platforms that includes everything from catalog to checkout. They will primarily be found on businesses’ Facebook and Instagram profiles, but will also be applicable in stories and within promoted content. The Shops will enable users to make entire purchases directly through the social platforms, or take you to the business’s eCommerce website to complete a transaction.



## How do they work?

There are a few steps to get a Facebook Shop up and running.

1. A business will first need to set up their catalog through a Facebook Business page. (Note: The catalog feature is not new and has been used previously for setup of shoppable posts or “product tags.”)
  - Facebook makes this seamless with eCommerce platforms like Shopify—however, owning an eCommerce site is not a requirement.
  - Businesses that do not currently have an eCommerce site can manage inventory on their catalog manually (primarily through forms/spreadsheets).
2. From here, businesses can set up their Facebook/Instagram Shops by choosing the products they want to feature from their catalog and then customizing the look and feel of their specific Shop.
3. Moving forward, users can then purchase from businesses’ Shops and, based on set-up, will check out directly through the platform or through the brand’s eCommerce website.
4. It is important to note that it will be asked that all users of the new feature agree to Facebook’s Merchant Terms which provide guidelines on content creation and use of user data. This includes a “small fee” for hosting and selling on their platform that has not been defined as of now.



Once orders are placed, all customer support issues can be handled through Messenger, Instagram, and WhatsApp.

## Who can use them?

Any business can set up a Facebook/Instagram Shop. Facebook does note that the feature best serves both retail and eCommerce advertisers. Outside of this, the main requirements are that a business:

1. Sells physical items.
2. Agrees with Facebook’s [Merchant Terms](#).
3. Provides a link to a valid U.S. bank account.
4. Provides their Taxpayer Identification Number (TIN).

## What implications are there for brands?

1. Now that Facebook/Instagram Shops present brands with the ability to reach customers with an opportunity to purchase virtually everywhere, the impulse purchase can now come to life



on social media. This means that what are usually traditional shopper marketing strategies (in-store demos, recipe/coupon machines, in-store signage, etc.) may need a revamp to live in the social world.

- An interesting way in here may be Facebook’s additional extension to Shops that includes loyalty programs where "you'll be able to easily see and keep track of your points and rewards."
2. A need for a more seamless combination of organic and performance marketing executions.
- Being that the “Shops” will be an extension of the brand’s account, brands will need to unify their organic and performance marketing efforts, which in some cases are kept separately. There will need to be an increased level of intentionality behind the execution of both, meaning attention should be paid to where each piece of content is placed in the funnel and their relation to one another.
  - If a brand currently solely prioritizes community building/organic in-feed content, how they can tie back to conversion-forward pieces should be taken into consideration.
  - On the other hand, if performance marketing is the top priority, leaning into organic content that helps curate your space should be a new focus point to consider.

Both executions will (and should) vary due to the differing objectives, however, executions should always feel cohesive. We predict this will be one of the more challenging elements for brands to address how to more closely integrate their business-first and brand-building strategies. Both organic and performance marketing are vital in differentiating ways—this update will force brands to take a deeper look at both.

3. Although community management already serves as a tool to accelerate the shopper journey on social media, its role in this new experience will be more important than ever before.
- In terms of customer service, community management teams could see a large influx of questions regarding orders, shipping, etc., so making sure that community management teams are prepared with proper staffing and understanding of these processes will be essential.
  - The accessibility to eCommerce capabilities also presents an opportunity for community managers to play a role in the digital shopper marketing strategy mentioned above, where sparking trial may be easy when answering brand questions about products.

## What does this mean for the future?

Social platforms hosting eCommerce capabilities is not a new concept. Instagram has been slowly rolling out in-app checkout for about a year. Not to mention, Facebook Marketplace has been a thriving hub of commerce as well. The launch of Shops has been a natural progression, sped up by the economic devastation of COVID-19.



The economy as a whole, small business in particular, has suffered greatly. Unfortunately, according to economists across the country, businesses will undoubtedly continue to suffer economic fallout as a result of the economic shift caused by COVID-19.

Thus far, these new capabilities have been positioned as additional support for smaller businesses looking to streamline access to their customer base, which benefits the consumer as well.

Facebook will lead the rollout with Instagram slated to follow suit in the coming summer months. There is even a dedicated @Shop Instagram account where consumers can “browse selections from your favorite brands and creators, filter by categories like beauty and home, and purchase the looks you love all in one place.”



**Adam Mosseri** 🗨️🔵 @mosseri · May 19

Today we're introducing Facebook Shops, an easy way for businesses to set up an online store on Facebook and Instagram. We hope this helps businesses grow – and helps you shop the things you love.

Find out more: [about.fb.com/news/2020/05/i...](https://about.fb.com/news/2020/05/i...)



Although this rollout is geared towards smaller businesses, larger corporations can undoubtedly benefit. This will allow all businesses to curate a “storefront” space right within the walls of their curated content. Consumers will have access to brand representatives just as they would in a brick-and-mortar. These new capabilities are not poised to disrupt the commerce ecosystems already established by larger brands. This launch will just serve as another point of purchase.

Without question, consumers will still have a sense of loyalty to some of their favorite eCommerce sites. One may be a firm advocate of Amazon Prime, another may have incentive to shop directly from a DTC, and so on. As it stands, this will not majorly disrupt current ecosystems. As mentioned previously, shopping in-app, albeit not widespread, is not anything new within the landscape.

As this rollout infiltrates the eCommerce landscape, a close eye will be paid to its results. One constant within the social commerce landscape is the ebb and flow of change. We will continue to be on the pulse of those developments.

*Additional resources: [Global Web Index](#), [Facebook for Business](#), [The Verge](#), [CNBC](#), [Tech Crunch](#)*



## ABOUT THE INTEGER GROUP®

The Integer Group® is the world's leading commerce agency, relentlessly focused on delivering Great Work That Works. We believe in creativity that is fueled by data, informed by culture, and delivered to the touchpoints that create connections and ultimately drive transaction. Through Retail Marketing, eCommerce, Brand Communications, Media & Connections, and Data & Analytics, we accelerate conversion and build a brand's lifetime bond with its consumers. It's what we call living at the Intersection of Branding and Selling®.

The Integer Group is a key member of Omnicom Group Inc. (NYSE: OMC) ([www.omnicomgroup.com](http://www.omnicomgroup.com)), a leading global marketing and corporate communications company. Omnicom's branded networks and numerous specialty firms provide advertising, strategic media planning and buying, digital and interactive marketing, direct and promotional marketing, public relations and other specialty communications services to over 5,000 clients in more than 100 countries.

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