

£8bn “up for grabs” in UK online retail sales, social commerce data shows

Realwire

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18% uplift in sales for retailers implementing social commerce will translate into 20% decline in market share for those that don't, warns CEO

London, England – February 22nd 2011 – Retailers and brands that embrace reviews and recommendations into their online retail strategy see a sales uplift of some 18%, new figures show. The uplift is worth a potential £8bn to UK retailers, on top of the UK's existing £44bn of online retail sales.



Reevoo logo

Of the 18% total uplift, 11% is due to conversion improvements, 5% to increased average order value and a further 2% to repeat visitor uplift. The data, from Europe's leading social commerce company **Reevoo**, shows how, when reviews are read by consumers:

- Conversion rates increase by 177%
- Average product purchase value almost doubles
- Visitor return rates rise by 13%.

Richard Anson, CEO and co-founder of Reevoo, said: “Social commerce should now be a core strategy for every retailer, one discussed right at the top of the company - or it will, eventually, have serious consequences for the bottom line. With average disposable income likely to become tighter and tighter, there is no room in anyone's wallet for “buyer's remorse”; people will increasingly adopt a buying process that minimises the likelihood of such regrets.

“The magnitude of the sums involved makes it essential that retailers start to regard ratings and reviews as an essential and strategic part of their eCommerce strategy. There is an opportunity here for a step-change in the mindsets of retail marketing directors and boards, through a decision to put trusted reviews at the centre of their marketing strategy rather than bolt it on as an afterthought. Retailers who implement social commerce can enjoy up to 18% uplift in sales, while those who don't risk market share loss of up to 20%,” he added.

Reevoo's data is factual, observed data collected through its work with more than 100 partners who, between them, generate £1bn in online sales per year. The figures reflect the typical uplift realised by Reevoo's partners during 2010 - with some partners experiencing much larger increases.

Its findings and consequent recommendations have been collated into a new white paper entitled '[The Six Essentials of Social Commerce](#)'. The paper analyses common mistakes and how to avoid them - for example, opening up an online retail site to invalid or fraudulent reviews; limiting review volume or confining content to too few locations; and even blocking reviews perceived as negative, irreparably damaging consumer trust in the site's brand. It looks at how and why many companies are still hanging around the bottom of the learning curve in respect of social commerce, in some cases getting only half the conversion rate uplift that they should be getting. The 'Six Essentials' take the online marketer through the rationale, the obstacle, the lesson, and the benefits.

Reevoo's white paper can be downloaded from www.reevoo.com/b2b/social-commerce.