

2022 Live Commerce Benchmark Report



The state of live commerce compared to a traditional e-commerce strategy in today's transformative retail climate.

The digitization of shopping via e-commerce set the tone for what would become a progressive and dynamic retail industry. As capabilities in this sector increase, so do seller strategies and consumer expectations.

Transformative technologies like live commerce continue to uproot retail norms by the minute. Here is a look at the state of commerce in 2022 and how live commerce stacks up against traditional retail e-commerce to date.

Live Commerce as a Sales Tactic

Live commerce (also known as video e-commerce, livestream shopping, and live selling) allows retailers to highlight their inventory through virtual livestream events, and allows customers to purchase directly from those livestreams simply by leaving a comment and without having to navigate to an additional landing page.

This retail format, compared to a standard e-commerce strategy, gives power to both seller and shopper: for retailers, their products are better showcased—video e-commerce hosts can try clothing on to show how it looks on different body types or can demonstrate how an item functions in real time, while shoppers can make instant purchases, engage with fellow viewers, ask questions about the inventory and receive immediate answers, participate in contests and giveaways, and essentially enjoy their virtual shopping experience in a way never before possible.

Why Live Commerce?

Today's market expects more than traditional retail e-commerce offers, and video commerce addresses these new demands. Driven by Gen Z and millennial shoppers, the consumer experience must now go beyond traditional product listings isolated on a single website—consumers want their shopping to be entertaining and interactive, like playing a game, and they prefer to engage with their favorite brands in more than one place, proving that a dynamic, interactive, multichannel video commerce strategy is a must.

When compared to traditional retail e-commerce, live video commerce statistics demonstrate that shoppers are leaning into short-form, live video and interactive, meaningful shopping experiences.

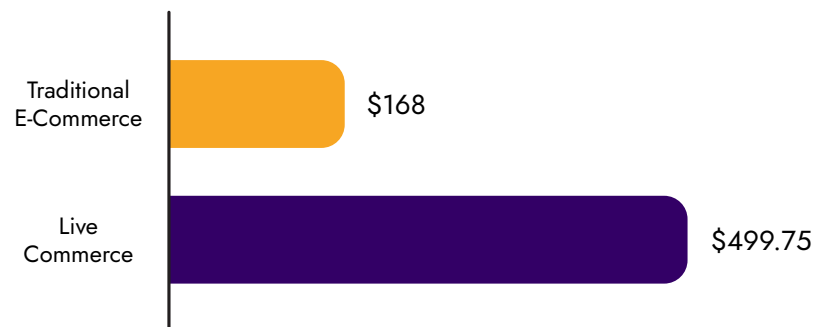


Live Commerce vs Traditional E-Commerce Report

Live commerce has proven successful for retailers that fully adopt the tactic as part of their sales strategy. Below is a look at the annual average data for live sellers using the CommentSold live commerce platform in comparison to traditional e-commerce data in the U.S. for the same year.

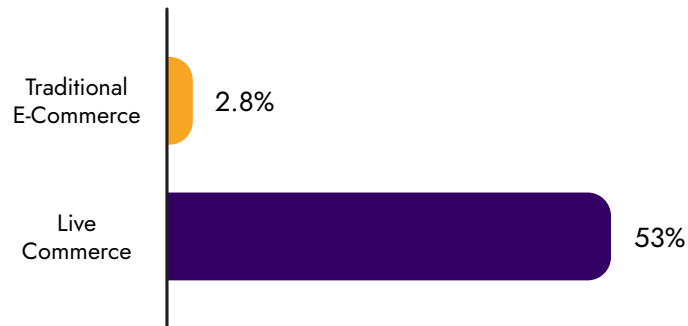
Average Customer Lifetime Value (CLV)

On average, the annual customer lifetime value (CLV) for a standard online shopper is \$168. The average annual CLV for a live shopper, however, is \$499.75—nearly 200% higher than traditional e-commerce customers.



Conversion Rates

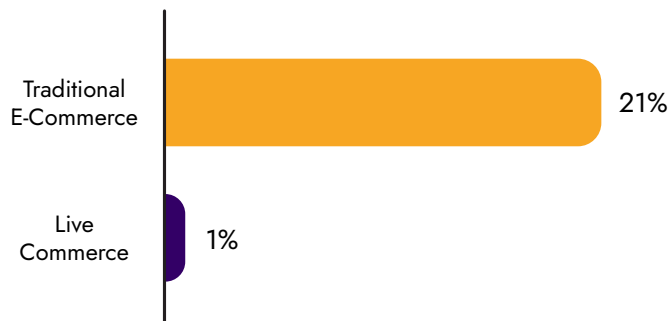
The direct communication between live selling hosts and their shoppers creates a meaningful connection that leads to conversions. The conversion rate for traditional e-commerce shoppers is 2.8% while live commerce shoppers convert 53% of the time.



Return Rates

Real-time video allows product demonstrations to take place: if a retailer is selling clothing, models of different body types can showcase garment fit and feel, while answering questions as they come in. Similarly, retailers selling household items, furniture, sports equipment, and more can accurately demonstrate product functionality in the moment.

This in-depth and transparent access to inventory keeps shoppers informed ahead of purchase, so return rates are significantly lower: traditional e-commerce return rates are 21% of total sales while live commerce return rates are only 1% of total retail sales.

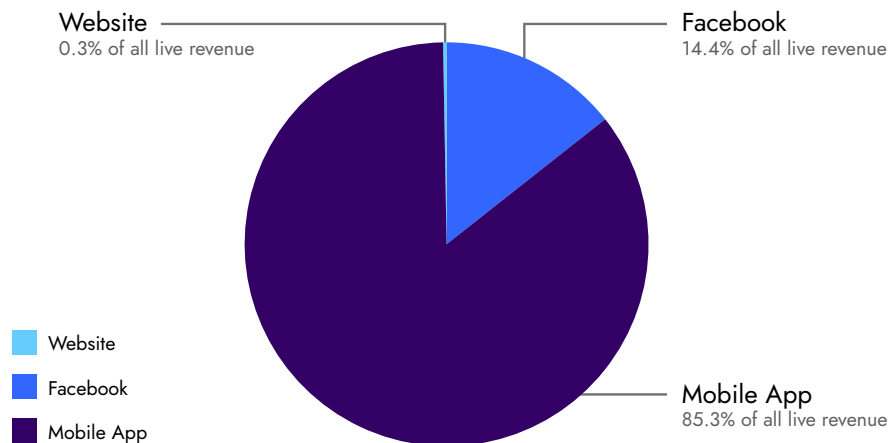


Live Commerce Annual Averages

Successful video e-commerce sellers pair the revenue stream with other proven e-commerce strategies, like omnichannel retail and using influencers as live sale hosts. The following is a look at the annual average data for live sellers using the CommentSold live commerce platform in 2021.

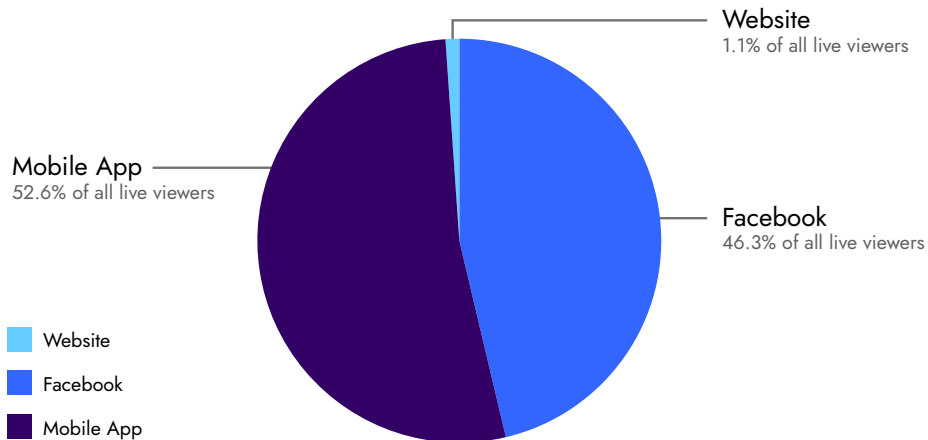
Live Sale Total Revenue

Across channels, video commerce sales through a mobile app more than quadrupled those from live sales streamed to Facebook.



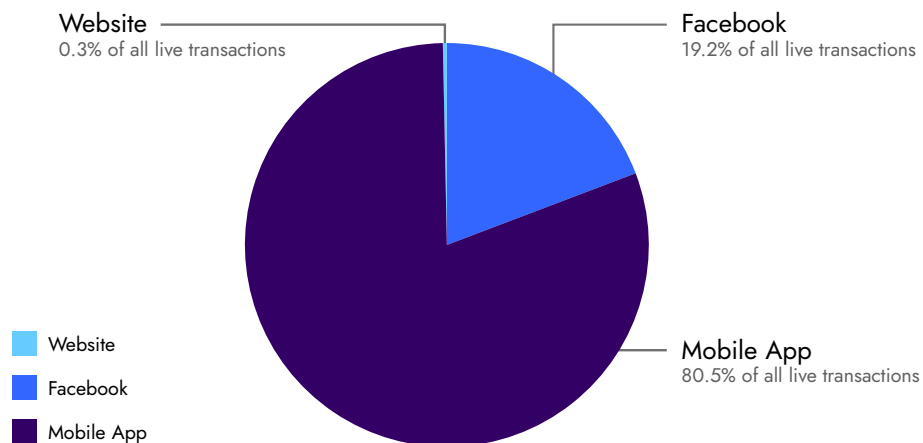
Live Sale Viewership

Livestream shopping viewers prefer watching live commerce events on mobile apps and Facebook more than on traditional webstores by 4,400%.



Sales Transactions Per Live Sale

Mobile app transactions significantly exceeded those on Facebook and on webstores.



Live Sale Revenue Per Minute with and without an Influencer

Live sellers using influencers saw a 730% increase in revenue earned per minute.



2023 Retail Recommendations

Based on extensive research and the performance of live sellers using the CommentSold platform, here are our retail recommendations for 2023.

Sell with (Live) Video

The data indicates that video is now the new top dog in content. It has overtaken blogs and infographics as the #1 form of media used in content strategy, with 9 out of 10 Instagram users watching videos on the platform daily. These figures have inspired marketing teams to rethink their content strategies, and it's worked—93% of brands reported acquiring a new customer because of a video they shared on social media.

Even more popular and lucrative for brands than video alone is live video—80% of consumers would rather watch a brand's live video stream than read a blog post while 90% of consumers claim to want more live video from brands they engage with.

Compared to other content formats, live video is:

- ✓ Consumed by 63% of millennials on a routine basis.
- ✓ Watched 10-20 times longer than pre-recorded video.
- ✓ Set to see its highest growth in the video streaming market by 2028.

The numbers speak for themselves. Retailers that want to remain relevant in today's market need to make the shift to live video. But what's even better than live video is shoppable live video commerce that not only engages consumers but lets them complete purchases directly from the live stream.

Multichannel + Mobile is a Must

Not only do consumers today want a visually stimulating experience when shopping—they want it in more than one place. Multichannel marketing has now become the standard for retailers and brands that want to lock-in customers and keep them shopping for years to come.

A whopping 75% of US consumers research and purchase across channels. This means that brands must exist across channels so as not to be overlooked. Businesses with an effective multichannel marketing strategy have an 89% customer retention rate while retailers using three or more channels to showcase their products see a 500% increase in order rates.

Incorporate Interactivity

Retailers must think strategically in order to capture new shoppers and maintain their attention and affection over time. One way to do this, according to Forbes, is by encouraging shoppers to “play to pay” through gamification—a tactic deemed “the future of retail apps.”

This interactive means of commerce engages consumers by inviting competition, playfulness, and connectivity through games, contests, giveaways, reward systems, and more—and users can't seem to get enough. Why? Humans are naturally curious, competitive, and looking to have fun, qualities that come from engaging in games online.

So how do retailers integrate these elements when it comes to shopping? Live commerce presents the perfect opportunity.

- ✓ Livestream video gets 2x the engagement of pre-recorded video posts
- ✓ E-commerce sees a 278% lift in engagement when push notifications are enabled

Video commerce, when paired with the right platform, provides all of these elements without a ton of additional heavy lifting.

Aim for Authenticity Over Perfection

One of the more endearing elements to successful a live commerce strategy is the opportunity for retailers and brands to showcase their authentic and earnest, humanized selves. 88% of shoppers cite authenticity as a high-value factor when making purchasing decisions. According to Forbes, when brands showcase authenticity and even humility, followers appreciate being clued into the real story.

This means the majority of consumers do not want polished advertisements, but would rather see humans (or brands) being human, stumbling over words, laughing, making mistakes, and showcasing emotion—assets that today’s customers value. Through live video, viewers are able to get this un-glamourized access more than anywhere else online—and are willing to put dollars behind their preferences here.

The Future of E-Commerce is Live

Retail is everchanging. As retailers, it’s important to understand the fluid nature of sales and remain adaptable in strategy and execution.

The numbers—both in China, where live commerce is now commonplace, and in the U.S., where the interactive retail strategy is picking up steam and trending upwards—demonstrate that live video commerce is a must-adopt tactic for sellers looking to address consumer preference, increase return-on-investment, and remain competitive in today’s crowded e-commerce environment.

