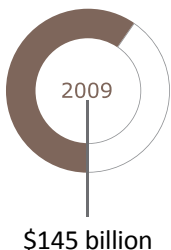
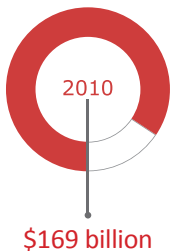


Referdia Guide to Social Commerce

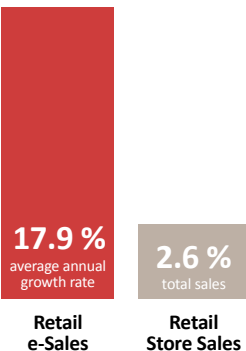
The State of E-Commerce

U.S. RETAIL E-COMMERCE
SALES REVENUE



16.3%
annual gain
from 2009 to 2010

from 2002 to 2010



THE RISE OF E-COMMERCE

More than a decade ago, the advent of online shopping offered consumers greater access to information about the products they were purchasing, a broader selection of goods and services, and more competitive pricing. Shortly after this advent, it became imperative for businesses large and small to add an online facet to their brick and mortar outlets to accommodate the growing number of consumers who preferred the convenience of shopping from home. According to a recent report by the U.S. Census Bureau, U.S. retail e-commerce sales reached \$169 billion in 2010, up from a revised \$145 billion in 2009—an annual gain of 16.3 percent. From 2002 to 2010, retail e-sales increased at an average annual growth rate of 17.9 percent, compared with 2.6 percent for total retail sales. In 2010, e-sales were 4.4 percent of total retail sales—up from 4.0 percent in 2009. Needless to say, the ongoing evolution of this phenomenon has been transformative for a wide variety of industries, and the recent bankruptcies of colossal megastores like Borders and Virgin are just two unfortunate examples of once-formidable retail chains rendered obsolete by e-commerce. The message behind these examples is clear: adapt in this new environment or get left behind.

WHAT IS SOCIAL COMMERCE?

In 2010, Facebook CEO Mark Zuckerberg

said that if he had to guess, social commerce would be the next industry to blow up. He was right. Social media has already forever changed the way we communicate online; now social commerce is forever altering the way we shop online. So what is social commerce? Put simply, it's the relatively new merger of two tried and true technologies – e-commerce and social media- that's changing the way businesses and consumers connect with one another.

Shopping has always been a social experience. We shop with friends, share recommendations and use it as a way to interact with others within our immediate circle of friends, neighborhood or community. Nevertheless, more and more people are using their online social networks to give their shopping experiences more scale, depth and personalization. With social commerce, sharing purchases becomes a means of self-expression that earns the shopper social capital, which in turn transforms otherwise passive consumers into trusted curators of quality, style and affordability. Also, building this social layer on top of online commerce turns products into conversations, which allows businesses to utilize the viral nature of these technologies in ways neither could do alone.

Businesses everywhere are using social-networking sites to promote their brands, but until now very few have found effective ways to actually monetize their efforts

The State of E-Commerce Continued...



71%

Claim reviews from family members or friends exert a "great deal" or "fair amount" of influence.

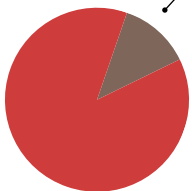
90%

of marketers use social media channels for business.

43%

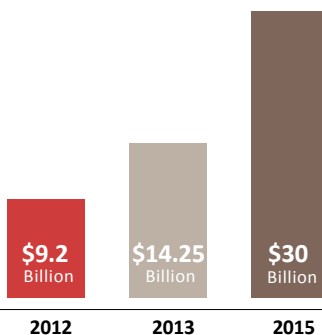
of marketers have noticed an improvement in sales due to social media campaigns.

21%



of social media users are willing to pay a premium for brands that deliver great service through social media

Total Social Commerce Sales



BENEFITS FOR BUSINESSES

- When asked what sources "influence your decision to use or not use a particular company, brand or product," 71% claim reviews from family members or friends exert a "great deal" or "fair amount" of influence
- Business get widespread publicity & exposure, gain larger reach, and have potential to reach a much larger audience
- The viral nature of social commerce means consumers do a large share of the marketing for the business
- As the technology continues to grow and evolve, every day it's becoming easier and easier to use
- 90% of marketers use social media channels for business; 43% of marketers have noticed an improvement in sales due to social campaigns
- Social media users are willing to pay a 21% premium for brands that deliver great service through social media

WHAT THE EXPERTS ARE SAYING

- "Social will have a transformational impact on shopping" - Christopher Payne, chief of eBay North America
- "The potential for social commerce today is infinite... Every e-commerce site will have to adapt" - Bing Gordon, KPCB Investment Fund
- "There won't be commerce without social. Social shopping today is where online shopping was before Amazon came on the scene. The Amazon of the space has yet to be built." -

Venky Harinarayan, founder of Kosmix and co-founder of @WalmartLabs

- "If I had to guess, social commerce is the next area to really blow up" - Facebook CEO Mark Zuckerberg

VITAL STATISTICS

- Site visitors who interact with both reviews and customer Q&A's are 105% more likely to purchase while visiting. Additionally, they spend 11% more than non-interactive visitors
- 42% of mobile users share multimedia via Facebook
- Social commerce sales should total \$9.2 billion by the end of this year and are expected to climb to \$14.25 billion in 2013 and \$30 billion in 2015
- Some 167 million people will shop online this year, which will increase to 192 million by 2016 (spending an average of \$1,800 per person per year)

Source:

<http://thesocialskinny.com/99-new-social-media-stats-for-2012/>

Bazaarvoice, Conversation Index, Q2 2011

SOCIAL COMMERCE & REFERDIA

Referdia is forging a new path with social commerce by introducing new, innovative ways to reward consumers and businesses for the online activities they're already engaged in. Referdia makes it easier than ever for consumers to scoop up hot discounts on the products and services that they love and need by consolidating all of their favorite businesses into one place. Consumers can stop surfing numerous sites and sorting through endless print ads - Referdia has created a one-stop-shop for great deals.