Number of UK Businesses Selling on Social To Double In The Next Six Months

Huge opportunity for small businesses to capitalise from social commerce

The number of UK businesses selling via social media sites and apps is predicted to double in the next six months – new research from PayPal reveals[1].

British shoppers will be able to shop on the social media channels of a further 600,000[2] UK businesses, as the popularity of mobile shopping expands[3] to new sites and apps. This is in addition to the 24% of British businesses already selling via these platforms.

PayPal's annual Commerce Index, which surveys the latest trends in mobile commerce across the globe, found an additional one in five UK businesses (22%) plan to sell via social in future.

Currently 8.4m[4] British consumers shop via social media, with Facebook, Instagram and Snapchat being the most popular channels. A fifth of those already purchasing through social do so weekly, with individual social spending averaging £71 monthly.

Yet whilst the research reveals positive intent amongst merchants, it also reveals the proportion of UK businesses selling through social media (24%) lags significantly behind the global average of 35%.

Of the 11 countries surveyed, the UK was found to have the greatest consumer concerns about security[5] when purchasing on mobile, with key barriers including a fear of having financial information linked to social media accounts.

Commenting on the findings, Nicola Longfield, Senior Director of Small and Medium Businesses at PayPal UK, said:

"As Brits continue to lead increasingly busy lives relying on their smartphones more than ever to help them make the most of their time, it's important that businesses are in a position to cater for this. Our data reveals a substantial rise[6] in the number of businesses that plan to sell through social media over the coming six months, capturing a consumer's attention in the very place they go to for inspiration.

"However, the UK falls some way behind the global average for selling via social, something which must be addressed if businesses are to compete and make the most of their selling potential. Security remains key for consumers shopping on social and companies of all sizes must address these fears, offering mobile-friendly payment options like PayPal to help instil trust from shoppers and ensure purchases are made securely."

Maryam Ghani of Prestige Flowers explains how embracing social commerce has helped to reach a wider community:

"Here at Prestige Flowers, we want our customers to have the best possible shopping experience. Social media is so much part of people's everyday lives that we have made social our shop window, winning sales from consumers who are actively searching on channels like Facebook to make a purchase. Letting people shop through these sites turns browsers into buyers – meaning we've fulfilled over 3 million orders since 2011. Our social platforms are where we not only gain sales, but also reach new customers and grow our social following.

"Partnering with PayPal has been an important part of this journey, as having a secure way to complete a purchase has given customers the confidence to shop and pay on social sites – especially when many of these transactions are made on a smartphone."

[1] All statistics, unless otherwise stated, are taken from research conducted by Ipsos on behalf of PayPal between 23.07.19 - 25.08.19. Ipsos interviewed a quota sample of c.2000 (22,000 in total) consumers (aged 18-74) who owned or used a smartphone and c. 300-500 (4602 in total) Business influencers or decision makers who sell or take payments online to Consumers (and businesses) in each of 11 countries (*UK, France, Germany, Italy, Spain, Australia, India, Japan, USA, Mexico and Brazil).*

[2] Office for National Statistics: UK business; activity, size and location, 2 October 2019: https://www.ons.gov.uk/businessindustryandtrade/business/activitysizeandlocation/bulletins/ukbusinessactivitysizeandlocation/2019

[3] PayPal 2018 small business research, Q5a: Is your business website optimised for mobile? (17%); PayPal 2019 mCommerce Merchant Research, Q1: Applicable statement (Net mobile optimised: 57%)

[4] Office for National Statistics: Projected UK adult population for 2018, 8 June 2018: https://www.ons.gov.uk/aboutus/transparencyandgovernance/freedomofinformationfoi/projectedukadultpopulationfor2018

[5] PayPal 2019 mCommerce Consumer Research, Q10: Business interaction on a mobile device (Security or trust issues: 64%)

[6] PayPal 2019 mCommerce Merchant Research, Q10: Payment via social media platforms likelihood (Yes - we currently accept payments via social media sites/apps in the next 6 months: 24%)

https://newsroom.uk.paypal-corp.com/Number-of-UK-businesses-selling-on-social-to-double-in-the-next-six-months	