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## SOCIAL COMMERCE IN P&G: THE THRIVE IN THE ITALIAN MARKET

### Executive summary

Social media has set the stage to a complex, quickly changing and hyper-connected environment in which people interact with each other, building relationships and networks of peers.

The Social Commerce (SoCo) project aims to address the possibility to exploit the electronic Word-Of-Mouth (e-WOM) spontaneously generated in social networks in order to create economic value. Indeed, social network are used just as another showcase for traditional advertising mechanisms. Nonetheless, the state of the art agrees in identifying the sharing of knowledge, experience, and information, as activities that facilitate and encourage peers in facing purchasing decisions, opening up to a new business paradigm, shifting the power from sellers to buyers.

Pantene has acknowledged the possibility to drive trial in the Italian market, recognizing value of the consumers' e-WOM. Thus, the main specific goal for Pantene is to leverage on user generated content (UGC) in order to increase women's awareness about product's benefits, but also to foster more "perfect hair day", that has been proven to be a core psychological factor in end-user's self-fulfillment.

The main expected outcome of the project sees Pantene as first mover in the European milieu by developing the innovative Italian social market. The brand is expected to implement its penetration, providing an exemplary consumer-oriented business model. In addition, the developed model can be easily deployed in different areas, thus providing Procter & Gamble with a unique competitive advantage over counterpart brands.

### Key words:

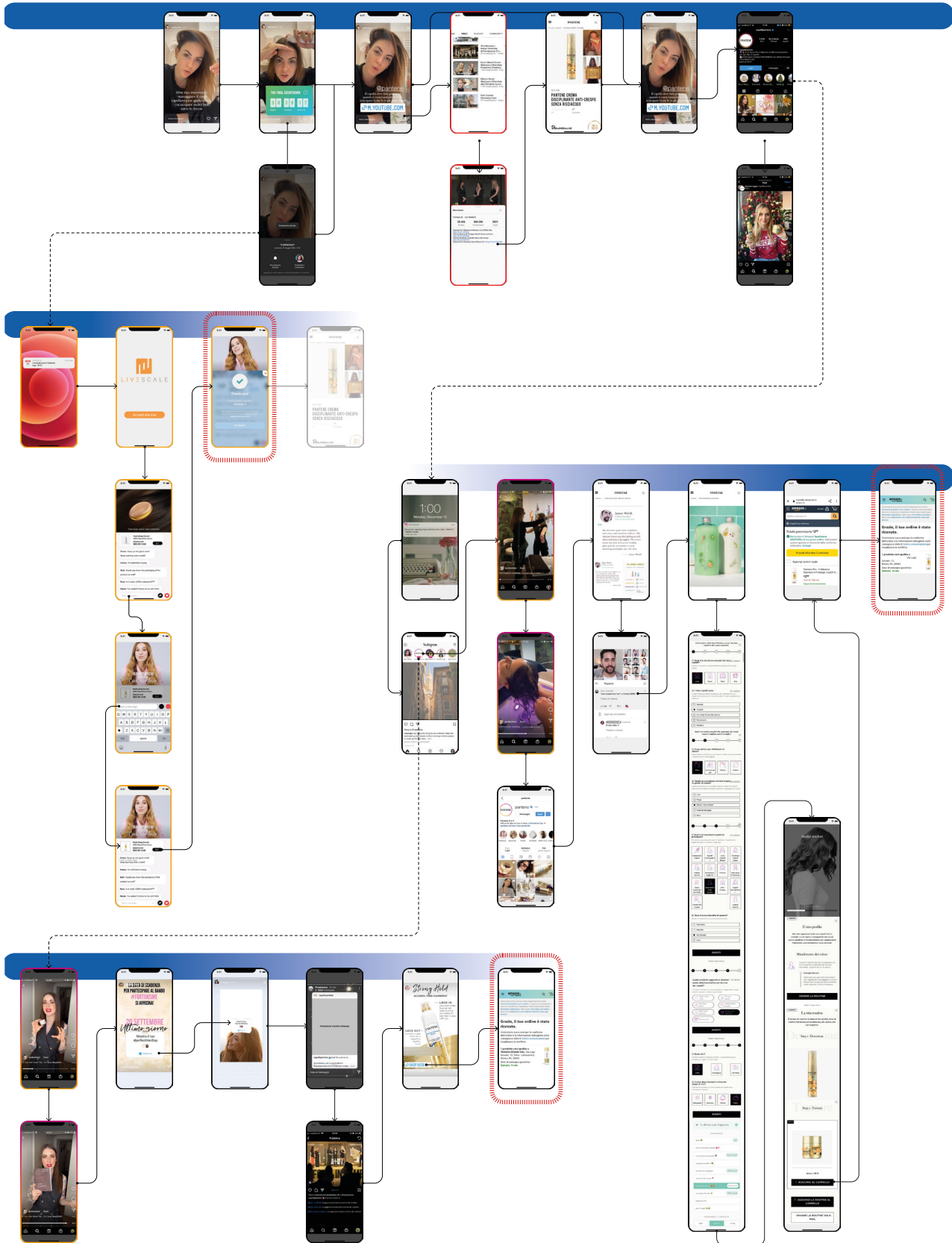
Live selling, prosumers, peer-to-peer, customer journey, social networks



## Social Commerce

## User Journey

The interested in the Hair Care Sector



**Project description  
written by the  
Principal Academic  
Tutor**

The aim of the project is to develop an innovative market strategy, that takes its first steps from the study of the adaptability in the Italian market of the Social Commerce model, that is developing in countries outside of Europe. The goal stems from Procter and Gamble's request, specifically for the Pantene brand, to increase penetration and awareness of their products. What the Social Commerce (SoCo) project aims to address is to evaluate the feasibility of Social Commerce in the still scarcely studied Italian market, analyzing both possible advantages and drawbacks for the Pantene brand, interested in leveraging all those social dynamics arisen thanks to the advent of Web 2.0 technologies. Beside the fact that the analysis is done for the specific sector of hair-care products, the results obtained are mostly general and can be tailored on the need of several occidental markets, sectors, and companies, where Social Commerce is a developing tool for selling purposes.

New dynamics implemented subvert traditional top-down commercial penetration by fostering product adoption from consumers themselves. The work is related to the analysis of consumers' needs of social interaction and their will to be more active in the buying process. With the intention to assess the predominant key necessities of end-users and to evaluate the Social Commerce strategy proposed, the team drafted two main surveys. Qualitative and quantitative insights were found and the main behavioral patterns of Italian women willing to increase the engagement in the selling process were confirmed. Thus the omnichannel strategy proposed has been validated as a possible implementation of the Social Commerce model feasible for the Italian market.

**Team description by  
skill**

**Luca Crupi:** Focused on Machine Learning tasks from the beginning of the thesis, before specialised in automation and cyber physical systems. The background was helpful in the categorisation of people behaviour done searching typical characteristics of internet users.

**Mattia Mertens:** Studies Communication Design and is passionate about UX/UI and prototyping, its expertise contributed in the understanding of human-computer interaction and the creation of the omnichannel social media strategy.

**Rebecca Moroni:** Studies Architecture with special attention to interiors and how build environment affect people's behaviors. The capacity to understand human relations affected the comprehension of how social interaction could help in improving the experience of the user.

**Federico Piccolo:** Coming from a mechanical engineering background, he works in the Private Equity sector. The familiarity with complex business dynamics, along with the management of multiple stakeholders' interests, has helped him in developing the best strategy to achieve Pantene's penetration goals.

**Luca Francesco Rossi:** Passionate in Machine Learning, Deep Learning and Artificial Intelligence. The mathematical and data science background turned helpful in both the data analysis and data gathering processes.

## Goal

P&G's main objective is to search for new ways to drive trial and penetration in an environment which is in a continuous evolution. In order to do that it was necessary to study the applicability of the Social Commerce model in Italy for the brand Pantene.

Since habits are quickly changing, standard marketing tools have become obsolete and have lost their efficiency. This reflects on how people nowadays gather information, they inform themselves through social networks and by listening to peers, traditional media and advertisements have lost traction amongst these customers. Hence people tend to trust much more friends and influencers, someone whose opinion is seen as genuine, direct and honest, over standard communication tools. This behavior led also to the birth of various key players within the social environment, the "key informants" are *primus inter pares*. These people, also labeled as micro-influencers aspire to become a point of reference for their communities, seeking personal rewards for their online persona, such as ego. The aim is partnering up with them in a broad social media campaign, involving also live selling, to drive higher penetration growth via a more trustworthy message, creating a direct link between demand generation and sales.

The environment where everything will take place is on social media, exploiting different dynamics that will enable a successful outcome for the project. The digital environment moreover, allows for a fast-paced and broad interaction, with many different touchpoints, where the brand is able to become a point of reference by inspiring people. Pantene will also have the possibility to convey a solid, socially engaged, respectable and clear brand image where the users can see themselves and their own values, leading to a strengthening of the relationship with the brand itself.

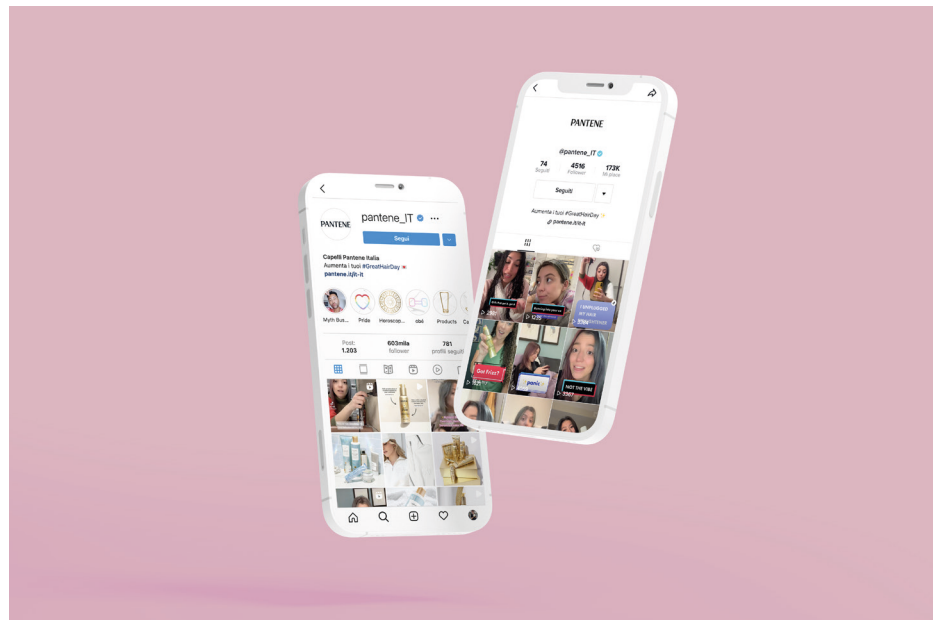
## Understanding the problem

Pantene is having problems selling their conditioners to their desired target, young women (between 15 and 24 y/o), and overall increase its penetration in the market for haircare products. They have determined that the main reason is that its target suffers from prejudices and false myths regarding the kind of product which is perceived as useless or even dangerous. The benefits and usefulness related to the product are often shadowed by the misinformation surrounding it. The misinformation was amplified by not being able to reach the targeted customers properly, by not using the correct communication channels. GenZ in Italy is widely roaming social networks to acquire information about new brands and new products, slowly shaping their opinion with what is being read online. 51% of young people are used to search for information on social media and another 22% follows recommendations gathered on social networks (The Fool, 2021). There is a lot of social talk about Pantene, its products and the benefits online, but all this content is scattered around different social platforms and comes from many different creators. Pantene needs to capitalize on what is already present, using the UGC that users already publish to gain more social media traction and thus become a reference in a digital environment for the haircare sector.

Lastly, a makeover for the brand's website was needed, adding relevant new content sections, giving more coherence and generally trying to take advantage of a platform that until then wasn't fully exploited in its capabilities. The brand's personal website needs to be transformed into a supporting element of the overall strategy, bearing the main function of information collector, easing the user in its customer journey.



Influencers' emulator: a proto-persona, representing those customers who seek a life style similar to influencers and want to create a community around them.



Mockup of the social channels of Pantene as conceived in the omni-channel strategy

## Exploring the opportunities

The project started by an extensive literature review on the topics of social commerce, customer experience, brand and peer trust and influencer marketing, in order to provide a solution and a model that could help not only with conditioner as a product, but was intended for a variety of products.

In the initial phases the team proposed a survey to better understand the envisioned customers and their purchasing habits online and in brick and mortar stores. A classification and a qualitative definition of the main consumer's profiles into proto-personas then followed, where 9 different types were found. It was crucial to understand the needs, expectations, motivations, pains and type of online content they are interested in to create a complete and comprehensive evaluation, which would be the basis of the project. Later, we analyzed the original customer journey that end-users were having to propose a renewed one, considering the digital and physical touchpoints that will keep them engaged throughout the process.

Social commerce has a framework based upon three main elements: the exchange of information amongst peers, social mechanisms and the selling process. Relatively to the first element, research highlights that, based on the "equity theory" (cit needed) infor-



mation is exchanged only when the user perceives that there is something in return, as for example the gratitude of being considered a reliable information source or the credibility in building its online persona. This behavior will ultimately lead in building a strong and reliable community around the brand and its products. Inside said community, it's very important to adopt various social mechanisms to ease the exchange of information among peers. Ranging from reviews, to advice to comments, the community must be alive and active. In this view, a broader sense of exclusiveness, safeness and convenience must be spread. Users should feel at ease and privileged to be surrounded by a community that values their thoughts and from which they can learn and improve with their purchases. A sense of bargain should also be generated in the customers while reading reviews and benefiting from the other members' contributions.

## Generating a solution

After extensively analyzing existing social commerce solutions, derived from literature analysis, case studies and market research we imagined the best suited prototype, addressing all the stakeholder's needs. To be able to do that we mapped the most important requirements that the proto-personas shared, where two main performances are distinguished: the first one entails the interaction between users, the second concerns the extensive collection of reliable and well organized information. To better exploit resources and address possible outcomes, the numbers of variables are reduced and a single proto-persona embedding the main requirements is determined: the hair care lover. The overall objective is to deliver omni-comprehensive guidelines for Pantene so the focus was set on the two founding aspects of social commerce: build a valuable and complete social media campaign and the selling process.

For the first one, the brand's social channels have so been devoted to two main goals, make Pantene a point of reference for the targeted user base in digital environments, capture user generated content and online social talk that is already being produced and ultimately further foster UGC from online creators. The chosen social media for that have been TikTok, YouTube and Instagram, excluding others that resulted being off-target.

It was chosen to collaborate with micro-influencers to nudge users into the creation of branded content, also taking advantage of the giveaway contest, designed to further foster UGC and encourage the sharing of such content. The giveaway concept can be broke down into three macro phases: first, Pantene's official channels will present and introduce the contest, to increase the user generated content by offering rewards to participants. The offered rewards will be calibrated upon the engagement and commitment each one has had in the contest.

The second phase will consist in asking people to post about the brand and/or one of its products, in order to reinforce Pantene's online presence, increase media coverage and the brand awareness throughout social and online environments. Finally, the last step, is the winners announcement, through live events to favor also live selling.

In a social commerce model, online sales can be carried out mainly in two ways: the first one is directly through social networks, using Instagram and TikTok as the major drivers. Instagram directly offers this feature built-in in the app which allows verified users and brands to set up a shop and gain a boost in brand engagement and encourages impulse purchases amongst users on the app (Retail GlobalData, 2021). TikTok on the contrary doesn't offer that feature natively, but the social network is partnering up with Shopify to enable companies and creators to sell through the platform ("Social commerce: Shopify", 2021). Thus remaining a very valuable option when the dynamic will be implemented.

The second one is buy adopting a live selling model, the team expanded on the concept of live selling, not wanting to limit live streaming events to a mere sales moment, but has envisioned different typologies of lives that would accordingly be held on different media channels. In order to take advantage of the benefits that are linked with live selling, like enabling real-time purchasing with instant check-out, increasing conversion rates, perceived exclusivity for the users and offering them an interactive experience, the strategy needs also to take into account choosing the right host, a passionate and entertaining person, that has product knowledge and transmits authenticity

Other types of live streams have been designed, with a more informative or entertaining approach, where the user could assist to Q&A content, expert talks and myth debunking about products and techniques, which proves to be very influential since Pantene, from the beginning, has struggled to convey and to expose all the benefits of their products, especially conditioners. To complete the sales process, several partnerships have been imagined with distribution chains and physical stores, wanting to take advantage not

only of their capillary presence in the area, but also of the given possibility of grocery home delivery. Therefore Esselunga has been chosen as a long-lasting partner, being it one of the biggest and most diffused big distribution chains on the Lombardy area. Alongside, also drug store chains and Amazon have been taken into consideration like Aqua & Sapone, representing another vital distribution point for the brand.

Finally, as our last task we envisioned a makeover for the brand's website, adding relevant new content sections, giving more coherence and generally trying to take advantage of a platform that until then wasn't fully exploited in its capabilities.

The goal was to transform the website into a supporting element of the proposed strategy, especially by creating a trusted, reliable and authoritative source of information and communication channel that the users could visit when looking for information. We considered as very important steps uniforming the communication throughout the different platforms and channels that were provided, so that the website would reflect what was being published on social media; and reducing the necessary clicks to make a purchase (Schär & Stanoevska-Slabeva, 2019).

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