
Reinventing the Social Shopping Experience:

An Introduction to Curated Commerce

Filtering product lines and offering unique product selections can help customers find the products they love while helping retailers find new ways to connect with customers, build a distinctive brand, and increase online sales. Learn strategies to help you get started.

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Introduction

In the early days of eCommerce, merchants focused on making as many products as possible available online. Those with the largest product catalogs—such as Amazon, Target and Walmart—dominated. And market leaders quickly adopted sophisticated search capabilities and methodologies to recommend related, also-viewed and popular products.

But as eCommerce **continued to grow** and consumers increasingly turned to the Web to find and buy the products they needed, many found themselves overwhelmed by too many product choices—and underwhelmed by product recommendations that seemed too general to hold much appeal.

Shopping the largest retail sites became an exercise in searching page after page for a specific product, while scouring blogs, designer shops, and smaller online stores became a way to discover unique, interesting products that were hard to find on large or generalist retail sites. Consumers who shared their unique product finds with friends via social media also discovered a way to make the online shopping experience more personal and enjoyable, causing consumer-curated content sites such as Pinterest and Svply to flourish.



Pinterest is coming close to overtaking email as the third most popular way to share content online.

Source: Share This Consumer Sharing Trends Report Q3 2013

The Rise of Curated Commerce

Today, as merchants look to better compete with the Amazons of the retail world and create stronger emotional connections with their customers, they're offering carefully selected product collections designed to appeal to a particular demographic or customer group. Known as curated commerce, this trend is helping newcomers and smaller merchants develop a more distinctive brand voice while cultivating brand loyalty and increasing average order values and sales.

So what exactly is curated commerce, and how is it different from the customer segmentation and personalization tactics most merchants already use? At its core, curated commerce is about organizing customer segments around niche demographics (think 30-something high-income women) or self-identified style profiles (preppy cool) and offering up a limited number of product options intended to appeal to those customers. For example, some merchants have site visitors create individual profiles based on image-driven, multiple choice questions to receive curated product recommendations.

Curated commerce uses intelligence gleaned from customer segmentation—the practice of dividing markets into discrete customer groups that share similar characteristics—to identify which customers to target. Likewise, curated commerce uses personalization techniques—such as emailing customers with product suggestions based on past purchases—to increase sales and customer engagement.

Beyond the Basics

Curated commerce takes segmentation and personalization a step beyond software algorithm-generated suggestions based on past purchases and previously viewed products. Curated commerce taps a merchant's unique understanding of its customers' lifestyles and product preferences to deliver a boutique-like shopping experience. The experience is not limited to just offering a hand-picked selection of products; it's often linked to media or branding campaigns that include celebrity or guest curators sharing their product "picks."

In fact, curated commerce is often compared to an online form of personal shopping. Most of us don't have the time or resources to hire a personal shopper or stylist, but if we did we'd expect that person to understand our lifestyle and taste preferences; the latest fashion or product trends; and have access to designers and boutiques we don't usually shop.

We'd want our personal shopper to bring us a manageable subset of the products he or she thinks we might like, rather than overwhelm us with too many choices. And, we'd want to know why we should love a particular product—is there a story behind this particular item or designer? We'd also want to know whether the people whose opinions we trust love these products, too.



Building Brands, Sales and Satisfaction

So how do curation strategies benefit merchants? There are some obvious and not-so-obvious benefits to helping customers discover great products for which they were not explicitly searching. First and foremost, curated commerce helps customers and prospects cut through the massive clutter of browsing thousands of products online. (Case in point: Even a relatively focused Google search for “ruby red slippers” will return more than 2 million hits.) Instead of randomly searching large product catalogs, shoppers can discover interesting new products based on their personal tastes—which saves time and increases customer satisfaction and enjoyment.

Shopping online becomes less of a chore, and more like the experience of wandering into a boutique or specialty shop and finding something that immediately catches your eye. Customers are more likely to return to your site to recreate that feeling of discovery and enjoyment, and even recommend your site to family and friends.

Over time, this brand affinity and loyalty can translate to higher sales frequency and increased average order values. Customers are less likely to make purchase decisions based on price, and more likely to make decisions because they identify with your brand. Choosing products to buy becomes easier and more spontaneous—as it often is when browsing brick-and-mortar specialty shops.



Frank & Oak uses curated commerce to make it easy for a generation of young men to discover and try on stylish clothing. The clothier keeps cost and pricing low by controlling product design and manufacturing, and they offer a paid membership service that includes free shipping, pricing discounts, and free at-home try on. Store credit points are used to encourage members to share their likes socially.



Glance is another example of a site that uses a radically pared down product catalog to inspire customers to buy—and also to reveal their personal product preferences. A spinoff of Zappos.com, which currently offers more than 127,000 products and 1,000 brands, Glance curates a daily selection of no more than 20 products organized around a handful of product categories. Product picks are refreshed daily, and members are encouraged to “like” products to continually refine their style profiles and generate new product recommendations.

Curated Commerce Benefits Both Customers & Merchants

Consumers

- Filters large product catalogs down to manageable, easy-to-browse collections
- Helps shoppers discover new products based on their individual tastes
- Satisfies demand for more personalized, fun shopping experiences

Merchants

- Increases customer engagement and brand loyalty
- Increases conversions
- Increases AOVs and frequency of sales
- Increases word-of-mouth marketing and social sharing
- Helps merchants demonstrate expertise and express their POV

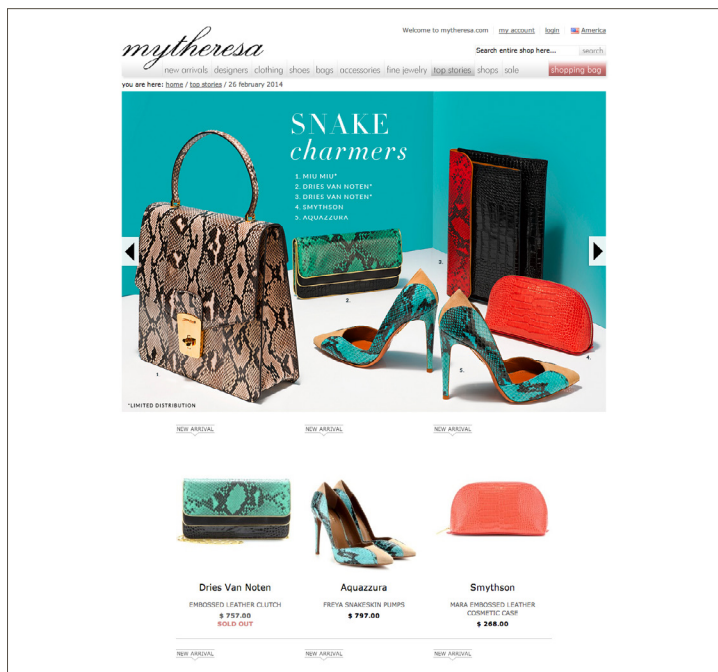
Five Approaches to Curated Commerce

While strategies for leveraging curated commerce techniques vary from simple to complex, merchants who use curated commerce all share roughly the same objective: Presenting consumers with intentionally chosen product selections that are easy and enjoyable to browse. Those that gain the most value from curated commerce strategies, [according to analysts](#), are those that use their intimate knowledge of customers' needs, lifestyles and preferences to enhance the shopping experience.

Here are some of the strategies you can use to bring the curated commerce experience to your customers:

1. Shop The Look

One of the easiest ways to get started with curated commerce, Shop The Look is a back-end storefront feature that can be leveraged to organize and highlight a few products around a particular style trend, theme or profile. For consumers, the experience is similar to browsing a magazine and seeing products being used in real-life settings.



Shop the Look is intended to inspire consumers to continue shopping, so it's important to follow through with a curated collection that builds on the style trend or theme highlighted. **Mytheresa** is a great example of a merchant that uses Shop the Look to inspire customers to search for products organized around a particular "story." Each month, the high-end fashion retailer curates a small collection of clothing and accessories to highlight what it sees as an emerging fashion trend.

Similarly, **Wittner Shoes** uses Shop the Look to organize products around fresh style trends, and enlists fashion bloggers to build stories around shoes to show customers how the latest shoe fashions might be worn. **NastyGal** is another retailer that builds editorial content around Shop the Look to inspire its customers and group curated collections around wearable themes.

2. Celebrity Picks / Guest Content

Consumers have always been fascinated by celebrity culture, and often identify just as strongly with individual celebrities as they do with individual brands. Brands are increasingly capitalizing on a celebrity's popularity with a particular target market by using curated commerce to associate a celebrity (or well-known industry figure) with their brand.

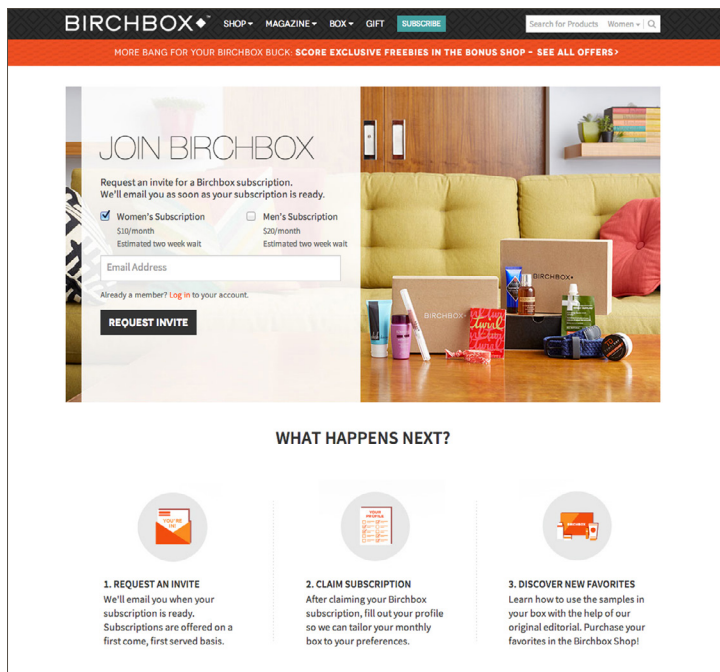
JCrew has partnered with celebrity fashion designers to act as guest editors for its online catalog, curating selections for shoppers that reflect the designers' individual taste preferences. In addition to creating YouTube videos highlighting curated collections chosen by its own style editors, **Rebecca Minkoff** gives site visitors the option to choose from a menu of more than 60 celebrities to view images of that celebrity wearing the designer's signature fashion.

Anchored by celebrity stylist Rachel Zoe, **ShoeDazzle** prompts site visitors to take a fashion quiz before receiving personalized weekly recommendations and members-only pricing. And **Harper's Bazaar**, America's first fashion magazine, lets consumers shop directly through the pages of its print magazine; digital watermark codes send visitors directly to the **ShopBazaar** website, where they can purchase merchandise featured in the magazine all using one convenient shopping cart.



3. Subscription Services

Also known as the continuity model, subscription services give consumers a great way to regularly sample a curated selection of new products for a small monthly fee. For retailers, the repeat business can translate into increased sales frequency and higher lifetime customer values (LTVs).



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Subscription or continuity services work by offering customers free, often consumable sample products—such as tea, coffee, makeup and personal care products—in exchange for a nominal fee to cover shipping costs. Consumers are usually given the option to cancel their “subscription” at any time. Retailers benefit by being able to use post-sample delivery sales to gauge a product’s popularity with a particular audience.

Birchbox literally built its business around the curated commerce subscription service model, offering customers a monthly delivery of lifestyle and grooming samples for \$10 per month. Customers can either shop the **Birchbox site** directly to buy full-size products, or sign up to receive the monthly box. Birchbox subscribers numbered 400,000+ last August, and full-size product purchases represent more than 25% of its revenues, according to the company. Non-subscribers—attracted by Birchbox’s editorial content and how-to videos—now represent 15% of all eCommerce orders.

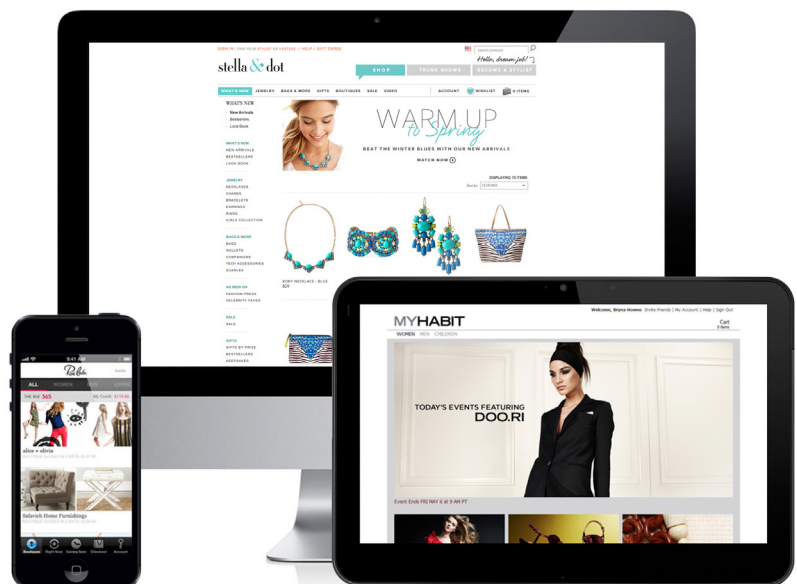
4. Private / Flash Sales

French retailer **Vente-privee** is credited with pioneering the private sales eCommerce model. Founded in 2001, the site began offering online members steep discounts on designer clothing, accessories, and home décor as a way to help suppliers quickly sell excess inventory. Vente-privee has since grown to become a \$2 billion company, with more than 19 million members.

While the company has since expanded its retail catalog to include lifestyle products, travel and entertainment tickets, the private sales model remains much the same: Sales happen daily, with members receiving an email in advance to preview merchandise. Sales typically last just a few days, with time limits placed on how long members can save items in their shopping carts. Customers are motivated by a sense of urgency to grab great deals before they're gone.

Other large retailers that have built their businesses around the private sales model include **MyHabit.com** (an Amazon spin-off), **Coach Factory** and **Rue La La**. However, scores of smaller retailers use private sales to attract and retain customers and increase revenues. **Stella & Dot**, for example, regularly announces private sales to its customers on Twitter and Facebook.

Carefully curated product selections are key to the success of the private sales model, since consumers are asked to review sale items on a regular basis. Product discounts and incentives are also important for getting consumers to participate, as is laser sharp customer segmentation. Product selections should be highly relevant to targeted customer groups, and ready to ship to ensure a positive customer experience.



5. Social / Community Commerce

Social media is playing a larger part in commerce, giving consumers a way to share their personal tastes and excitement for products with others. Many retail sites today give customers the option of sharing their purchases with friends online. But the rise of curated commerce is taking “liking” products to a new level and empowering consumers to use product choices as an expression of their identities. And increasingly, the retail site itself is becoming the platform for self-expression.

Social commerce sites such as [Wanelo](#), [Fancy](#), [Svpply](#) and [Polyvore](#) tend to fall into one of two categories: Those that are curated by a third-party retailer, and those that are curated by the site’s member community ([Pinterest](#), [Etsy](#)). In both cases, site visitors are encouraged to like, pin, save, fancy, or otherwise indicate those products that appeal to them the most. Many of these sites also allow site members to create pages of their own curated collections, and “follow” designers or brands they love.

Merchants typically get a cut of sales purchased through their curated collections, but product inventory is sold and managed by the suppliers themselves—which shields socially curated sites from the risks of managing inventory and returns. Site visitors get to share their product choices and self-curated pages with family and friends, which drives traffic and marketing for these sites.



Examples of Merchants Leveraging Curated Commerce

MERCHANT	DESCRIPTION
AHALife	Partners with industry figures who act as guest curators for unique luxury lifestyle products. Customers can follow the curators, and purchase products or save to their own curated collections page.
BeachMint	Offers curated private label goods across six retail sites: JewelMint , StyleMint , BeautyMint , ShoeMint , HomeMint , and intiMint . Members follow the selections of celebrity curators and complete style profiles to receive personalized product recommendations.
Birchbox	Offers customers a monthly delivery of personal care and grooming samples for \$10 per month. Customers can subscribe to receive the monthly sample box and shop the Birchbox site directly to buy full-size products.
Buyosphere	Features community created style guides of fashion products across a wide spectrum of retailers. The site's goal is to unearth unique designers and products not found through traditional search. Visitors can follow advice from the community of shoppers and stylists, or follow editor curated style guides.
Frank & Oak	Brings curated fashion, with monthly collections and key style advice, to men. They also offer a membership rewards program with free shipping, store credit, and free at-home try on.
Glance	Combines curated product collections from Zappos with social media functionality. Customers can subscribe to a weekly digest of trending products.
ShopBazaar	Complements print and online versions of Harper's Bazaar magazine, allowing readers to buy featured merchandise from a variety of designers and shops using one convenient shopping cart.
JCrew	Partners with celebrity fashion designers to act as guest editors for its online catalog, curating selections for shoppers that reflect the designers' individual taste preferences.
Lyst	Partners with brands, boutiques and department stores so shoppers can follow their favorites from one place. Members select five brands and stores to start a style feed. When following a brand or store, members are alerted when items are new or on sale.

Examples of Merchants Leveraging Curated Commerce

MERCHANT	DESCRIPTION
LookLab	Encourages people to ask specific fashion questions and get personalized style advice from guest stylists and bloggers, who are free to suggest products from any e-commerce site.
Mytheresa	Aims to inspire customers to search for products organized around a particular "story." Editors curate a monthly collection of clothing and accessories to highlight emerging fashion trends.
NastyGal	Builds editorial content around Shop the Look to inspire its customers and offer group-curated collections around wearable themes.
Polyvore	Community curated site that encourages members to create product collages organized around a particular theme; other members follow or like collages. Products can be purchased directly from the supplier sites, and members can choose to receive alerts when products they like go on sale.
Rebecca Minkoff	Gives site visitors the option to choose from a menu of more than 60 celebrities to view images of that celebrity wearing the designer's signature fashion.
ShoeDazzle	Curated by celebrity stylist Rachel Zoe, the shoe retailer asks members to complete a fashion quiz before receiving personalized weekly recommendations and member pricing.
ShopStyle	Features shopping guides curated by the site's fashion editors, and invites customers to participate in flash sales via social media.
Svpply	Community-curated marketplace owned by eBay Inc; Members use Svpply to keep track of the things they want to buy later, or to discover products they didn't already know about from the people and stores they find interesting.
Wanelo	Curated exclusively by members, this social commerce platform encourages members to save products and create personally curated pages. Products can be purchased directly from suppliers.

Conclusions: Reinventing the Customer Experience

Effectively applying curated commerce strategies takes time, effort and creativity. However, it can have a powerful, lasting impact on both your customers and your brand. Beyond making it easier for existing customers to sort through countless product choices to find the products they want and need, curated commerce can attract new customers who like the looks you bring together. Customers tend to “follow” those brands with which they identify and that share their aesthetic. And customers who follow your brand often become brand advocates, sharing your products with others via social media.

With so many merchants leveraging curated commerce strategies today, consumer expectations are likely to change. Online shoppers will look for more context around the products they purchase—whether that context be in the form of curated product pairings, trusted recommendations, stories about the product’s designer or manufacturer, or its limited availability.

For merchants, the challenge will become shifting consumer focus from search-based product purchases to suggestion-based purchases. Merchants may also spend more internal resources on hiring the right people—whether employees, guest bloggers or editors—to curate product selections. While using personalization features to automatically offer product suggestions will continue to be a valuable tool, offering product choices curated by real people will be key.

“Consumers will start to expect personalized service and buying advice, but won’t necessarily expect to pay more for these services.”

Forrester Research Report:
Services for the Digital Self, September 2013

“Merchants who use their intimate knowledge of their customers’ needs will add the most value and reap the biggest awards.”

Forrester Research Report:
Services for the Digital Self, September 2013

Finally, be open to forming new partnerships to increase your brand’s visibility. Search for your brand on social commerce sites, and identify sites where your products might complement existing curated collections. Research social commerce sites that might resonate with your customers, and develop relationships with style makers who may be willing to advocate for your brand. Make the most of segmentation information you’ve already gathered about your customers and offer them the most personalized shopping experience possible.

Resources

Curate Your Product Collections with Magento's All-in-One eCommerce Solution

Magento can help you leverage curated commerce strategies to bring more enjoyment to the online shopping experience while increasing sales, average order values, and brand advocacy. Create new product pages and attributes, separate store views, private sales and promotions, customer-specific catalog access, and more.

A flexible, all-in-one solution for running your online store, Magento Enterprise Edition can help you:

- Customize & Refine Your Site
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- Grow & Scale with Confidence
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About Magento

Magento offers flexible, scalable eCommerce solutions designed to help you grow and succeed online. Our cost-effective technology platform makes it possible for you to control the content, functionality, look and feel of your online store.

Magento is owned by eBay Inc., a global leader in eCommerce with a wealth of experience and resources in commerce-related technologies.

To learn more about how Magento Enterprise Edition can help you grow your online business, visit:

www.magento.com/enterprise

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