

INSIGHTS

Social Proofing



Part of Data Analytics Megatrend

What is Social Proofing?

Observing where the world is moving to is crucial to future-proofing portfolios and generating strong consistent returns. Demographic and technological shifts are rapidly changing consumer buying patterns. While understanding numbers is important, grasping human behaviour delivers deeper insights. Diligently analyzing these shifts and their implications helps identify future winners.

Social commerce is transforming online shopping by integrating inspiration, research, and purchase into a seamless experience. This shift enhances consumer behaviour, with social commerce poised for remarkable growth, outpacing traditional e-commerce. In 2023, it accounted for 18.5% of worldwide online sales and is projected to exceed \$1 trillion by 2026.

Key to social commerce's success is its authenticity and user-centric approach. Consumers discover products through peer, influencer, and brand content, fostering trust and engagement. Platforms like Instagram and TikTok are essential research tools for the Gen Z generation, emphasizing relatable and dynamic content.

AI-powered recommender systems drive user engagement and targeted advertising, with companies like Meta leveraging vast amounts of data to deliver personalized content, improving ad returns and customer experiences.

Social proof is a significant behavioural phenomenon now impacting purchasing decisions. It establishes trust and credibility for brands. Positive experiences shared by others reduce perceived risk and increase consumer confidence. With overwhelming choices, social proof guides consumers simplifying decision-making. Humans are social creatures, and seeing others adopt a product creates a desire to align with perceived norms.



Insync have made targeted investments that are taking advantage of the transformative power of social commerce in the digital age. These investments are some of the most profitable companies poised to deliver sustainable earnings growth in the years ahead.