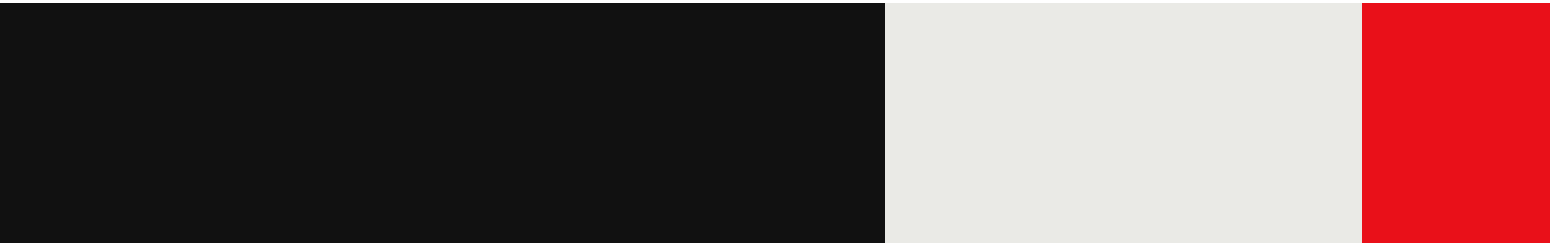



# Short-video apps are expanding their role in social commerce

## Article



**S**ocial entertainment is here to stay. With the dramatic rise of TikTok, along with the growing number of traditional social platforms and standalone apps in this space, we are convinced that short, user-generated videos will be a lasting part of the social media landscape, particularly for organic and influencer marketing, paid advertising, and social commerce.

In our latest report, “The US Short-Video Landscape,” we look at how the main platforms—including TikTok, Instagram Reels, Snapchat Spotlight, and YouTube Shorts—stack up. We also look at the role that commerce currently plays—or will play—within the platforms.

## **TikTok**

TikTok’s momentum is undeniable, and thus far all the other short-video venues covered in our report are chasing its coattails. Its notable growth in time spent last year, combined with its unique creator marketing and paid advertising opportunities, should make TikTok the go-to for most marketers looking to invest in the short-video space. The potential for a ban has died down but hasn’t been resolved, however, so we also recommend that marketers approach TikTok as a learning environment and aim to take those learnings into their work with other short-video venues.

In regard to commerce, TikTok, like most social media platforms, is actively focused on incorporating shopping into the user experience. For example, it struck a deal with Shopify in October 2020 to help merchants create and run ad campaigns on TikTok. The deal embeds features of TikTok’s ads manager into the Shopify dashboard, so merchants can build ads, create campaigns, and use the TikTok pixel to track conversions.

What’s more, TikTok ran a test of shoppable livestreaming with Walmart in December 2020. The hourlong event brought together 10 TikTok creators, who showed off Walmart fashions in a variety-show format. When TikTok viewers saw something they liked during the show, they could tap on the product, add it to a cart, and check out.

TikTok may be a powerful purchase driver for Gen Z. September 2020 polling by 5W Public Relations backs this up. Among US internet users ages 16 and older, 10.1% said they had purchased at least one product they’d seen on TikTok. Among those ages 16 to 21, TikTok’s primary audience, 28.2% said they had.

## **Instagram Reels**

After Reels’ underwhelming start in 2020, we expect Instagram to pull out all the stops to make it a worthy competitor to TikTok in 2021. The format, and shopping, were the platform’s big bets for 2020 and beyond. As a leading venue for creator marketing and paid advertising, Instagram is well positioned to capture additional spending once advertising on Reels launches, but to attract more advertiser interest, the audience needs to grow.

Instagram is laser-focused on building out its shopping features, and Reels will play a large role. In December 2020, the platform started letting businesses and content creators worldwide tag products in Reels. It also introduced a “View Products” button that consumers can use to buy, save, or learn more about products featured within a Reel.

Reels can play a role in discovery, as well as in actual purchasing. “Being able to discover a creator or brand and then very quickly get to the product, directly from inside the Reel, is also really important,” said Vishal Shah, vice president of product at Instagram.

## **Snapchat Spotlight**

Snapchat’s twist on the short-video genre is different from TikTok’s or Instagram’s—it’s a curated approach that rewards top-performing public Snaps with a daily cash payout. With a strong base of 100 million monthly active users as of January 2021, it’s definitely off to a good start. However, there are no ad opportunities and few organic marketing and creator partnership opportunities at this point, which should push Spotlight lower on the priority list for marketers.

Currently, Spotlight doesn’t offer any embedded shopping features. Brands that are part of Snapchat’s Brand Profile beta program can build a store that lives in the profile, Snap said. Creators can also connect their own stores natively to their public profile page.

## **YouTube Shorts**

After launching in beta in India last year, YouTube began testing its short-video format in the US in March. We expect YouTube to aggressively promote Shorts to users and creators, and to offer equally aggressive creator monetization opportunities, so as to keep its stars from making short videos on other platforms. Shorts don’t carry paid ads yet, and we think that YouTube may need to launch a new format that’s more mobile-friendly and similar to TikTok’s ads.

Like Snapchat Spotlight, there are no direct commerce opportunities in Shorts yet. In fact, YouTube only recently launched its first foray into social commerce. In January 2021, it began testing a feature that will enable creators to tag products featured in their videos. Viewers will then be able to click on those tags to see product information, as well as related videos, and even purchase those products.

Among a variety of traditional and digital channels, YouTube was the second-most likely to lead to a purchase, after TV ads, according to a Takumi survey of internet users ages 16 and older in the US, UK, and Germany in September 2020.

For more on how TikTok, Instagram Reels, and other key players are disrupting this fast-changing space, Insider Intelligence subscribers can read our latest report:

Report by Debra Aho Williamson Mar 15, 2021

## The US Short-Video Landscape

