

Despite Meta's and TikTok's latest initiatives, social commerce naysayers are staying on the sidelines

Article

The news: While **Meta** and **TikTok** continue to push social commerce, a new **PYMNTS** study finds a noteworthy 13.1% of consumers simply do not engage with social media for the purpose of making purchases, reflecting a segment of the population that remains uninterested in or unaware of social commerce.

- Nearly 1 in 3 consumers (31.8%) prefer not to intertwine their social media usage with shopping activities, highlighting a desire to keep these aspects of their online experience separate.
- The predominant reason for consumers not shopping on social media is a lack of trust in sharing personal data, with a significant 37.3% identifying it as a concern and 24% considering it the most important reason.

Undeterred: Despite pushback from some consumers, Meta unveiled new retail-focused ad products at **Shoptalk**, including the expansion of integrations with ecommerce platforms such as **Magento** and **Salesforce Commerce Cloud** and the launch of features such as Partnership Ads and ad Promo Codes on **Facebook** and **Instagram**.

- The updates also include **new elements in Reminder Ads** on Instagram, allowing advertisers to add external links to products or sales to enhance the potential for immediate consumer action.
- The introduction of Promo Codes promotions and ads with product tags on Facebook and Instagram demonstrates Meta's commitment to giving brands ways to drive sales directly within the ad framework. This feature is likely to reduce campaign costs while boosting conversion rates.

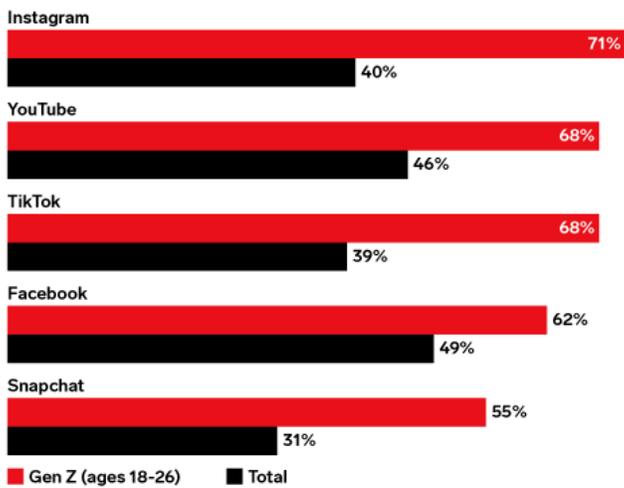
Why it matters: Meta's advertising overhaul is designed to streamline campaign management and enhance the direct purchasing process, indicating its desire to strengthen its ecommerce capabilities.

- This development is timely, considering the rising influence of social commerce, which is projected to see sales per buyer nearly double from 2023 to 2027.
- **TikTok Shop's Gen Z focus** and potential for discovery-based buying underscore social commerce's evolution, but conversion and counterfeits remain hurdles. Product quality concerns also deter social media shopping, as 26.9% of consumers in the PYMNTS study question the standard of products available through these platforms.

Our take: The social commerce innovation efforts by Meta and TikTok reflect a clear focus on integrating ecommerce further into social platforms, a significant shift in the digital marketing paradigm.

- Meta's updates, coupled with TikTok Shop's strategic push, underscore the burgeoning potential of social commerce to reshape the retail landscape.

Social Networks Where US Adults Are Likely to Make Purchases Directly, Gen Z vs. Total, Q1 2023
% of respondents



Source: Jungle Scout, "Consumer Trends Report: Q1 2023," March 21, 2023

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