LTK wants a bigger piece of the social commerce piece

Article



How it works: As with social platforms, LTK doesn't hold any inventory itself. Instead, while shoppers can complete their orders without leaving the app, the brand or retailer is responsible for fulfilling the order.





- Influencers make commission on sales based on existing agreements with their retail partners.
- LTK makes money via transaction fees associated with sales made throughout the platform.

Swimming against the tide: LTK's decision to go deeper into social commerce comes as **Meta** and **TikTok** pull back on some of their shopping initiatives.

- Instagram is testing the removal of its "Shop" tab as it moves away from in-app shopping and refocuses on its advertising business.
- <u>TikTok</u> and <u>Facebook</u> have pressed pause on livestream shopping amid tepid consumer response.
- But LTK co-founder and president Amber Venz Box told Bloomberg that in addition to being a feature users have asked for, in-app shopping makes it easier for content creators to measure attribution and demonstrate their value to brands.

Looking ahead: While social platforms' commerce efforts have led to mixed results, it's still a huge revenue opportunity: We expect <u>US social commerce sales</u> to grow 34.4% this year, to \$53.1 billion. That growth will come not just from an influx of new shoppers, but also from existing shoppers spending more.

Go further: Check out our latest Social Commerce Forecast.





