

LTK launches new creator shopping tool, but Instagram is unlikely to let the DMs slide

Article

The news: Creator commerce platform LTK today unveiled **LTK DM**, a free creator tool designed to direct more **Instagram** shoppers to LTK.

- When users comment “Shop” on an Instagram post from an LTK creator, they automatically receive a direct message (DM) with a link to the creator’s LTK account featuring the product.
- LTK DM is similar to ManyChat, a paid tool that allows creators to send automated DMs to users who comment on posts using select keywords.

Why it matters: LTK has emerged as an important creator shopping platform and a contender for social commerce spending, which we expect will surpass \$100 billion in the US by 2025.

- LTK has over 40 million monthly shoppers, hundreds of thousands of participating creators, and more than \$4 billion in annual sales worldwide, according to the company.
- Launched as newsletter service LiketoKnow.it in 2011, LTK is also one of the largest affiliate link providers, allowing creators to earn commissions from their shopping content. LTK said that creators who enable LTK DM can increase their earnings by up to 60%.

Yes, but: Instagram is unlikely to allow LTK to run with its DM feature for long, especially as Meta considers new ways to monetize its messaging services.

- Instagram has long allowed third-party commerce services on its platform, but it recently published a video announcing that it won’t recommend content that asks people to comment with a specific “word, number or emoji.” That could include words like “Shop.”
- Instagram later clarified that its policies toward third-party tools like ManyChat hadn’t changed and that “open-ended questions and calls-to-action” were “a great way [for creators] to engage with [their] audience[s].”
- Even so, Instagram’s intentions are clear. “I have zero doubt that [LTK DM] will get turned off at some point—or dinged, or damaged,” said **Amber Venz Box**, CEO and co-founder of LTK, in an EMARKETER interview.

Catch up quick: It wouldn’t be the first time Instagram has thwarted LTK’s operations.

- In 2021, Instagram rolled out a test of a native affiliate program in an effort to replace third-party links on its platform. Instagram ended the program one year later but expanded in-house product tags to all users that lead to Instagram storefronts, rather than external sites.
- Instagram’s moves caused LTK to focus more on its LTK app, which launched in 2017. “We anticipated that Instagram would eventually move in,” Venz Box said.

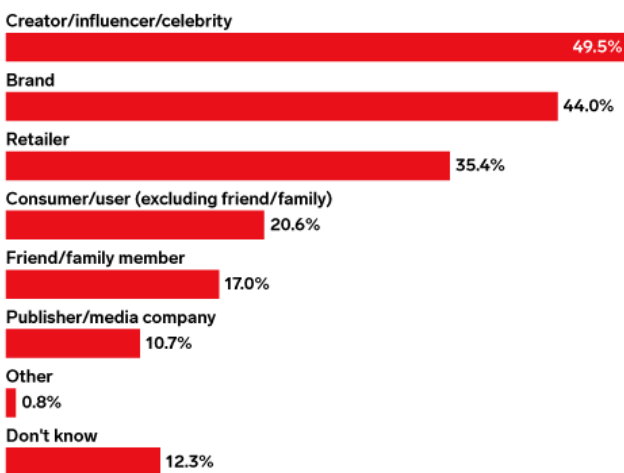
Between the lines: The opportunity for LTK to generate more traffic to its app and expand its business in the meantime is massive.

- Nearly half (49.4%) of US social media users said that influencer or creator content has prompted them to make a purchase on social media, per our March 2024 survey.
- Shopping via DMs is still a nascent activity in the US, but that’s likely more due to a lack of functionality than interest. Over half (53.3%) of Gen Z social users, for instance, use social DMs, per our July 2023 survey, including to communicate with brands and creators.
- “We basically looked at how much [LTK DM] would cost to build and what value we can get out of it in the meantime,” Box said. “We’ll run the race as long as we can, and ultimately we’re training the consumer [to use LTK].”

The big picture: Instagram is still a much larger shopping platform than LTK, but its pullback in creator commerce features has allowed competitors to encroach on its turf.

- We expect roughly 46.8 million US consumers ages 14 and older to make at least one purchase from Instagram in 2024.
- LTK has also been making its app more social-like, with new features like longer video, that help to attract and retain shoppers.

Types of Shopping-Related Content That Have Influenced US Social Media Users to Make a Purchase on Social Media, March 2024
% of respondents



Note: n=1,207
Source: EMARKETER Survey, "US Social Commerce 2024," June 2024

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