

# Instagram offers another sign that livestream shopping isn't ready for prime time in the US

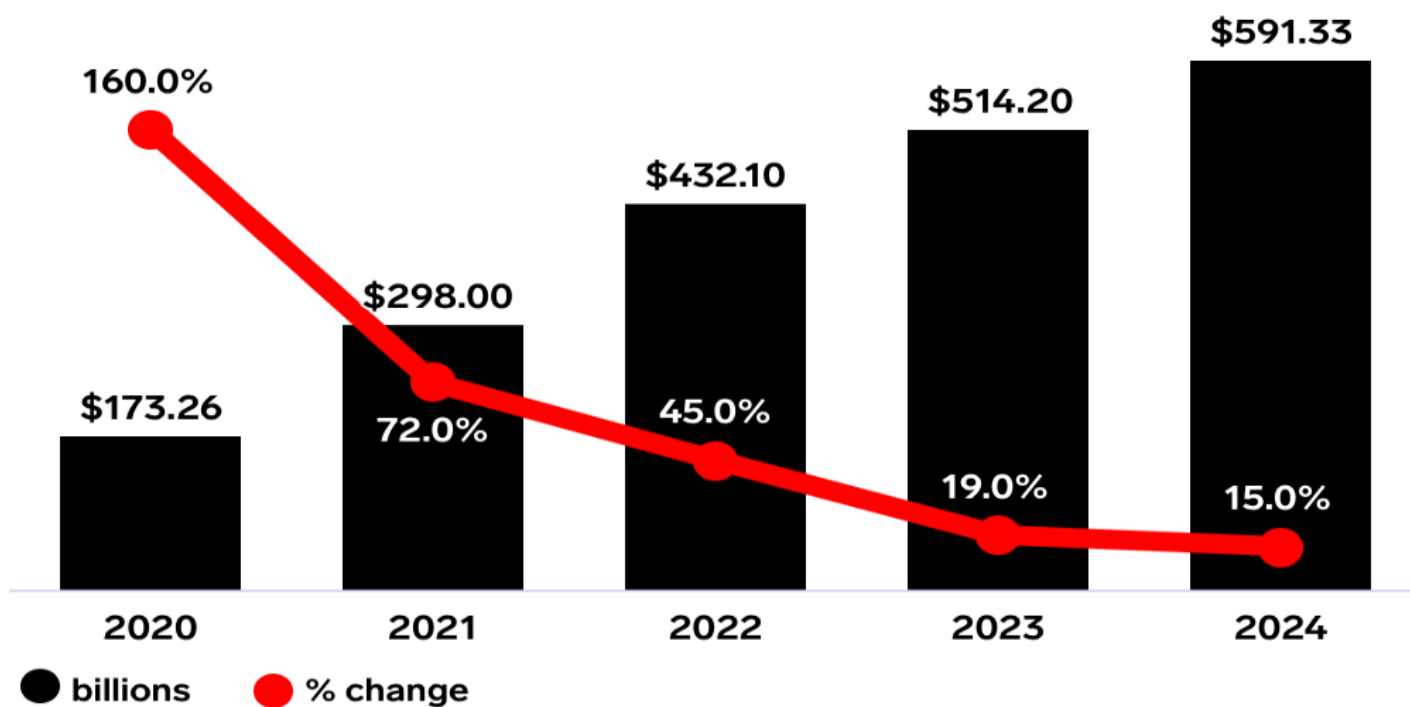
Article

**The news:** Instagram is shuttering its livestream shopping business as part of parent company Meta's "year of efficiency," per TechCrunch.

- Instagram users will no longer be able to tag products while livestreaming as of March 16; that feature has been broadly available to US businesses and creators since 2020.
- The move dovetails with Facebook phasing out its livestream shopping feature last October as the platform shifted its focus to short-form Reels videos.

## Retail Livestreaming Ecommerce Sales

China, 2020-2024



*Note: includes products or services ordered via online video streams where the presenter demonstrates and discusses the offering and answers audience questions in real time; includes purchases via any device, regardless of the method of payment or fulfillment; excludes travel and event tickets and virtual items gifted by viewers to presenters; excludes Hong Kong*

*Source: eMarketer, December 2022*

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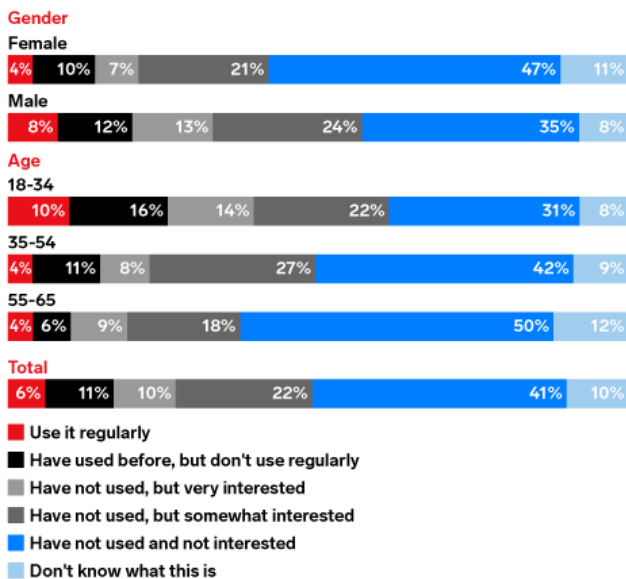
**Livestream shopping isn't resonating in the US:** Livestream shopping in China soared over the last few years. We expect retail livestreaming ecommerce sales via apps like WeChat,

Taobao Live, and Douyin (China’s version of TikTok) to reach \$514.20 billion this year.

- However, Meta (and others) found that the US market is very different from China or other Asian markets where livestream shopping has flourished.
- The majority of US adults are not interested in or familiar with buying via livestream commerce or video. Just 17% have made a purchase this way, and only 6% do so regularly, [per](#) an August Insider Intelligence survey conducted by Bizrate Insights. Those shoppers are more likely to be young and male.
- With Meta’s advertising business struggling, the company decided to shift away from livestream shopping. After two years of building out lower-funnel commerce capabilities—such as livestream commerce and Instagram’s [Shop tab](#)—the company is refocusing on upper-funnel shopping capabilities that drive advertising.

### How Interested Are US Adults in Livestreaming/Video Ecommerce\*?

% of respondents, by demographic, Aug 2022



Note: numbers may not add up to 100% due to rounding; \*buying a product by clicking on a link directly within or next to a video  
 Source: "The Insider Intelligence Ecommerce Survey" conducted in Aug 2022 by Bizrate Insights, Aug 24, 2022

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**Not everyone has soured on livestream commerce:** Even though livestream shopping has yet to resonate with most consumers, several retailers continue to look for ways to leverage the channel.

- **Fanatics** later this year plans to launch [Fanatics Live](#), which will feature digital content creators and influencers who trade cards. Those watching will be able to obtain cards through the Fanatics Live app or website.
- **Walmart** and **TalkShopLive** aim to position livestream shopping as a form of entertainment by [recruiting celebrities](#) such as E! News hosts to attract viewers.
- Meanwhile, **YouTube** last year partnered with **Shopify** to [launch](#) an integrated livestream shopping platform.

**The big takeaway:** It is easy for US retailers to be enticed by the huge livestream sales numbers in China. However, just as super apps have failed to take hold in the US, so too has livestream shopping.

- Livestream shopping, to date, simply hasn't been compelling to the majority of US consumers. While that may change, retailers (and platforms) may find more success leaning into more proven social commerce tools.

**Go further:** Read our [Social Commerce Forecast 2022](#) report.

*This article originally appeared in Insider Intelligence's **Retail & Ecommerce Briefing**—a daily recap of top stories reshaping the retail industry. Subscribe to have more hard-hitting takeaways delivered to your inbox daily.*

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