US retailers are determined to get live shopping off the ground

Article





The trend: Plenty of companies are bullish about live shopping, despite a slow start in the US.

• **TikTok Shop** plans to heavily promote live shopping events as part of its Black Friday shopping strategy, and is offering creators incentives such as promotional credits to encourage them to host livestreams in the run-up to the holiday season, <u>per</u> Insider.



- **Macy's** carved out dedicated space in its flagship store to host live shopping segments, and plans to extend its livestream commerce capabilities to vendors next year, per AdAge.
- Just seven months after launching its live shopping initiative, Poshmark hosts over 100,000 live shopping events monthly, chief marketing officer Steven Tristan Young said at AdAge's Media Summit.

Why retailers are bullish: Live shopping's niche audience isn't deterring retailers, which see an opportunity to attract new generations of shoppers and deepen engagement and loyalty.

- So far, Macy's has found that "live shoppers are the stickiest," and is seeing "a lot of synergy between loyalty members and live shopping," Sara Holmgren, the retailer's senior director of social strategy, said at the AdAge conference.
- For Poshmark, livestream commerce events have enabled it to attract a new, younger audience, as well as drive interest in its other offerings.
- TikTok's rationale is even simpler: The social platform is hoping to build on the success sister app **Douyin** <u>found in China</u>, and turn its highly engaged user base and its demonstrated purchase intent into a revenue opportunity.

A long way to go: While many retailers are optimistic that the livestreaming commerce trend sweeping China will soon replicate itself in the US, that day could be a long way off. Just 14% of US adults have made a purchase from a livestream shopping event, per an August survey by Bizrate Insights conducted for Insider Intelligence.

- Those who haven't are largely ambivalent: Nearly six in 10 (58%) have neither used nor are interested in live shopping, compared with 19% who report being somewhat or very interested.
- For NBCU executive Evan Moore, livestream commerce's limited adoption stateside could be a sign that the trajectory of social commerce in the US is diverging from its path in Asia, thanks to differing content consumption habits and US consumers' general lack of trust in social platforms.
- But live shopping events can still be impactful even if users don't make a purchase immediately. They can help with brand and product discovery, as well as drive engagement. Roughly one-third (31%) of viewers watched a shoppable livestream in the past three months to learn more about a product, per Coresight Research.

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• For that reason, retailers should continue to experiment with live shopping as a brand-building opportunity and as part of an omnichannel approach, rather than primarily as a sales driver.

How Interested Are US Adults in Livestream Shopping*? % of respondents, by demographic, Aug 2023		
Female	_	
6% 15% 3% 3%	63%	10%
Male		
<mark>7%</mark> 11% 5% 16%	54%	8%
Age 18-34		
<mark>9%</mark> 13% 7% 16%	46%	9%
35-54		
<mark>4%</mark> 7% 5% 17%	59%	9%
55-65		
5% 13%	70%	8%
Total		
<mark>5%</mark> 9% 4% 15%	58%	9%
Use it regularly		
Have used before, but don't use regularly		
Have not used, but very interested		
Have not used, but somewhat interested		
Have not used and not interested		
Don't know what this is		
Note: question wording changed vs. 2022 chart; numbers may not add rounding; "buying a product/service via a live, online stream on a webs Source: "The Insider Intelligence Ecommerce Survey" conducted in Aug Insights, Aug 30, 2023	ite or social plat	tform

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