

Social media predictions: Search's impact on the commerce wars and LinkedIn's ascent

Article

TikTok's retail ambitions will go head-to-head with Amazon's ecommerce dominance, while LinkedIn's ad appeal grows with tech-powered enhancements. Here's how our analysts predict

the changing social landscape will impact advertisers in 2024.

Prediction: Search will be the next big battleground in the commerce wars

“Social platforms are taking very different approaches to commerce,” our analyst Jasmine Enberg said on an episode of the **“Behind the Numbers”** podcast. “But one of the unifying features of the social commerce experience on these platforms is search.”

What’s driving it:

- Nearly three-quarters of Gen Z internet users use TikTok for search and more than half favor it over Google, according to HerCampus.
- US social commerce buyers are expected to double their annual spend from 2023 (\$627.79) to 2027 (\$1,223.70), per our September 2023 forecast.
- This year, US retail social commerce sales will reach \$82.82 billion, marking a 23.5% YoY increase, per our September 2023 forecast.

What it means:

A broader range of ad formats. TikTok is capitalizing on its position as an emerging search engine by experimenting with new features and ad formats. In September, it tested a Google and Wikipedia integration in its search results. The following month, it released a dedicated Search Ads Toggle, an option for advertisers to show sponsored content in search results.

Rising pressure for Meta. The introduction of TikTok Shops is putting the heat on Meta. We expect Facebook to have the most US buyers of any social platform at 64.6 million this year. Instagram will come in second with 46.8 million and TikTok at third with 40.7 million. But Meta’s ecommerce popularity is bolstered by Facebook Marketplace, and when excluded from social commerce data, Facebook drops behind Instagram and ties with TikTok, according to a 2022 survey by SimplicityDX. Beyond its plans to make in-platform checkout mandatory for all shops starting in April, Meta will need to innovate to maintain its rank.

Tougher competition for Amazon. More than half (51%) of US consumers start their online shopping search on Amazon, per September 2023 Jungle Scout data. TikTok is also getting its share of shoppers starting their shopping journey on search, particularly Gen Zers. “TikTok, in particular, is going to try to capitalize on those behaviors through search ads that lead people

to purchase,” Enberg said. “That, of course, is Amazon’s turf. Amazon is going to have to compete with TikTok Shop, too.”

But Amazon’s partnership with Meta, which allows users to link their Facebook and Instagram accounts to their Amazon accounts and then shop through the social apps, will be crucial for the ecommerce giant to help fight off losing dollars to upstart TikTok Shop, Enberg said.

Prediction: LinkedIn gets its day in the sun

“Marketers are really feeling excited about its potential as an advertising platform in a way that they maybe haven't in years past,” said our analyst Minda Smiley.

What’s driving it:

- “People who used to be on X or haven't found a footing on Threads don't know where to go,” Smiley said. “And they’re ending up on LinkedIn, posting a lot.”
- Ad prices on LinkedIn jumped as much as 30% YoY due to rising demand, the Financial Times reported in December.
- LinkedIn’s US ad revenue will grow 14.1% this year, reaching \$4.56 billion, according to our October 2023 forecast.

What it means:

More ad enhancements on the horizon. The platform is innovating to make it easier for marketers and creators to use the platform, Smiley said. Last October, LinkedIn introduced generative AI-powered ad tools that provide campaign optimization recommendations for content, including copy and headlines, and audience targeting.

LinkedIn grows as a content hub. It recently enabled companies to build sponsored posts directly in the platform, requiring readers to sign up to access the full content and encouraging them to spend more time on the platform. Collaborative Articles, AI-created conversation starters that invite experts to weigh in, have gotten new features, including a revamped web layout and contributor badges.

Advertisers may lean on LinkedIn during the election. Some advertisers may prefer LinkedIn’s policies prohibiting political ads, deeming it a more brand-safe environment without controversial chatter, Smiley said..

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