

# TikTok and Instagram battle for social commerce dominance

Article

After its US launch in September, TikTok Shop faces its first holiday season, heating up competition in the **social commerce** space.

“What users are seeing more of is a combination of shoppable short videos and livestreams that are tagged as part of TikTok Shop,” our analyst Sky Canaves said on an episode of our **“Behind the Numbers: Reimagining Retail”** podcast. “It really ties into how TikTok has worked

all along, which is showing a lot of content from creators and brands ... but now it's all happening on the app where you can buy and check out in a really seamless way.”

TikTok Shop's seamless purchasing process and sales-driving content stands in contrast to Instagram's polished visual appeal and retailer collaborations with influencers. Both platforms have strengths and weaknesses.

## 1. Ad formats and aesthetics

**Where TikTok wins:** “On TikTok, it looks like anything can be an ad,” Canaves said.

With its advanced algorithm and personalized For You page, TikTok has excelled in blurring the line between creator content and advertisement. Rather than separating paid and organic social, TikTok ads feel native and can be mistaken for organic content.

**Where Instagram wins:** “[Instagram] ads are way more dynamic,” said our analyst Blake Driesch. The breadth of shoppable formats includes video, static image, Instagram Stories, Reels, carousels, and Collections.

These options unlock creative opportunities for advertisers, especially those at major heritage brands and luxury labels, which may prefer showcasing products in more traditional, polished ways.

## 2. The shopping experience

**Where TikTok wins:** Frictionless in-app checkout makes it easy for users to see something, then make immediate purchases.

“So much of TikTok now is aimed at driving shopping behavior,” Canaves said, comparing it with Instagram content, which is intended to drive awareness and sit higher up in the purchasing funnel.

**Where Instagram wins:** A new partnership with Meta and Amazon will allow users to purchase Amazon products without leaving the social media apps.

“[The integration] is going to really improve buying potential on Instagram because Amazon really is the place for low-cost impulse purchases, particularly in the CPG [consumer

packaged goods] and home goods categories,” Droesch said. Instagram can also benefit from the halo effect of widely ingrained Amazon shopping behavior.

“It definitely is no surprise why this Amazon partnership has come out so quickly on the heels of the launch of TikTok Shop,” he added.

### 3. Overall outlook

**Where TikTok wins:** TikTok has nailed the entertainment factor, which has driven time spent and will fuel ecommerce. It’s a fun experience, said Canaves, and “the rollout of TikTok Shop is putting creators front and center, empowering them to become the next breakout stars of livestreaming, for example.”

The company may look to draw on the success of Douyin in China, which saw a boost not only in ecommerce sales, but also service sales such as food delivery and travel bookings, as a result of shoppable livestreams.

**Where Instagram wins:** “Meta has, over the last year or so, taken a little bit of a step back from ecommerce to refocus their business on advertising, but I wouldn’t necessarily count them out,” Droesch said.

Going forward, “we’re going to see a little bit more willingness [for Meta] to experiment and create different partnerships that enable ecommerce,” because the company will want to capitalize on social commerce behavior as it matures, he added.

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