

Why brands should be paying attention to livestreaming right now

Article



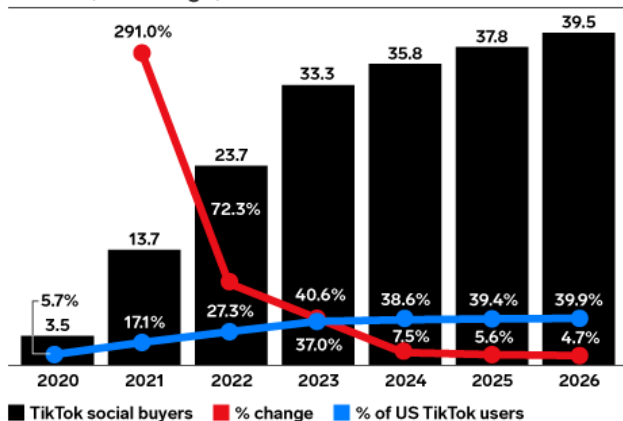
Tiktok sister app Douyin is a livestream behemoth in China, where nearly 40% of internet users also engage in livestream shopping, according to our forecast. But in the US, where just 18% of people have shopped via livestream and only 6% do so regularly (per Bizrate Insights), the format hasn't caught on in the same way.

“In China, social media is really already synonymous with commerce, so people will go to a social media platform with the mindset of buying something,” said Insider Intelligence senior analyst Carina Perkins on a recent “**Behind the Numbers: Reimagining Retail**” podcast episode. “In the UK and the US, people still primarily view social networks as social.”

The opportunity: Social buying on TikTok has skyrocketed. Considering Douyin’s road map, livestream ecommerce in the US and the UK is TikTok’s logical next frontier.

US TikTok Social Buyers, 2020-2026

millions, % change, and % of US TikTok users



Note: ages 14+; social network users who have made at least one purchase via the TikTok platform, including links and transactions on the platform itself, during the calendar year; including online, mobile, and tablet purchases

Source: eMarketer, July 2022

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During a digital ad downturn, livestream ecommerce could be a lifeline for driving alternative revenues. “You can get consumers to go directly from discovery to purchase in a very short period with very clear and direct attribution,” said senior analyst Sky Canaves.

The challenge: TikTok and other platforms with livestream shopping need buy-in from users. Buy-in was easier in China for three key reasons:

- **Super apps:** Platforms like Alibaba and Tencent created combination entertainment and shopping platforms that feature mobile payment solutions. In comparison, US shopping platforms lack a social/entertainment factor, while US social platforms don’t inherently have mobile wallet features.
- **The trust gap:** “Consumers wouldn’t necessarily have a lot of trust in brands, and this goes back a long way in Chinese retail,” said Canaves. Influencers and livestream hosts have played a factor in bridging that gap.

- **Quick delivery:** “There’s kind of an immediate gratification that takes place because goods could be delivered very, very quickly,” said Canaves. This rapid delivery infrastructure doesn’t exist for social apps in the US and the UK.

Sweet streams: For livestream shopping to catch on in the US and the UK, brands and platforms need to pay attention to what motivates shoppers. Exclusive discounts would be a big draw in the UK, said Perkins, along with games, quizzes, and giveaways. Brands also need to find the right entertainment draws like charismatic hosts or celebrity cameos.

What this means for brands: Even brands that are just entering the livestream waters should be brainstorming strategies for implementing livestreaming as adoption grows. “Gen Z is a generation that still hasn’t established its shopping habits,” said Canaves. They’re likely more open to livestreaming than older generations.

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