

How important will livestreaming be for social commerce in 2021?

Article

Livestreaming was an existing trend that gained newfound relevance during the pandemic. Over the past few months, nearly all of the major US social networks have expanded their services and introduced new livestreaming opportunities, many of which are aimed at boosting commerce on the platforms.

Here are some of the key developments:

- **Facebook:** In May 2021, Facebook introduced “Live Shopping Fridays,” during which brands can showcase products through Facebook’s live shopping feature. From the livestreams, customers can tap featured products to learn more about them, add products to their shopping carts, and check out.
- **Instagram:** The platform first introduced live shopping capabilities for merchants that use its in-app payment system, Instagram Checkout, in May 2020. In March 2021, Instagram expanded its livestreaming offering with the launch of Live Rooms, which allow users to add up to three other co-hosts to their livestreams, doubling the number of hosts per livestream from two to four.
- **Pinterest:** In late May 2021, Pinterest hosted its first in-app livestreaming event with an initial test group of 21 creators as hosts. Viewers were able to shop products promoted in the livestream sessions via Product Pins and comment to interact with the hosts.
- **TikTok:** In March 2021, Walmart partnered with TikTok for a second live shopping event on the platform, following a pilot of the livestream shopping program in December 2020. Walmart hasn’t provided sales figures from the first live event but told TechCrunch in March that it received seven times more views than expected and a 25% increase in its TikTok follower count.

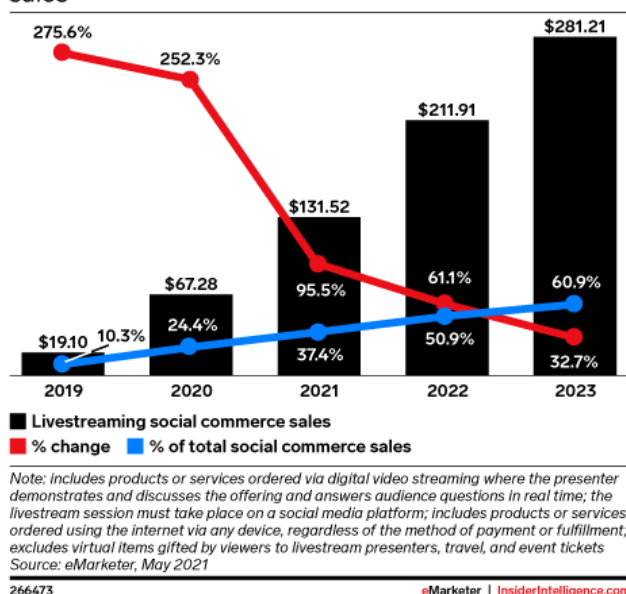
The social platforms have had no trouble getting brands to buy in to their live shopping ambitions—Facebook’s Live Shopping Fridays, for example, boasts many big-name brands from Sephora to Abercrombie & Fitch. The networks’ enthusiasm for live shopping comes directly from China, where livestream shopping is already big business for brands.

In April this year, for instance, ecommerce giant Alibaba revealed that it generated \$61.7 billion in gross merchandise value (GMV) in 2020 on its Taobao livestreaming platform for merchants alone and that the number of daily active users on the platform doubled from 2019.

According to our inaugural forecast, livestreaming social commerce sales in China will reach \$131.52 billion in 2021 and account for 37.4% of total social commerce sales in the country. By 2023, 60.9% of social commerce dollars in China will come from livestream shopping, amounting to \$281.21 billion.

Livestreaming Social Commerce Sales in China, 2019-2023

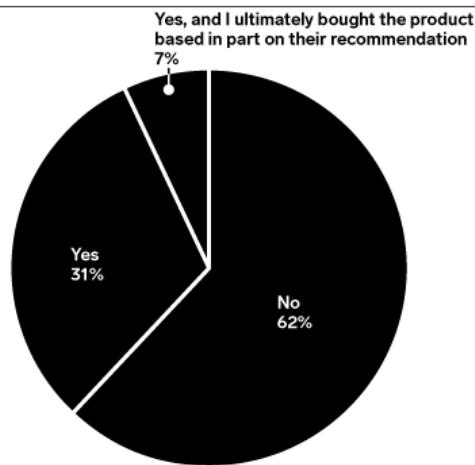
billions, % change, and % of total social commerce sales



Overall, we expect total retail livestreaming ecommerce sales in China to reach \$299.66 billion in 2021, including livestream sessions on both ecommerce and social media platforms. The total number of livestream ecommerce buyers in China will hit 320.1 million—of which 60.7%, or 194.2 million, will make a purchase via a livestream on social media at least once this year.

In the US, buying products promoted via livestreams is still in its early days. In an April 2021 survey by The Harris Poll, for example, 38% of US adults said they had watched a livestream of someone talking about a product that they might want to buy, but just 7% said they ultimately bought the product based on the presenter’s recommendation.

US Adults Who Have Watched a Livestream of Someone Talking About a Product that They Might Want to Buy, April 2021
% of respondents



Note: n=2,024 ages 18+
Source: The Harris Poll, "Covid-19 Wave 60," April 19, 2021
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But interest is rising, and livestreaming is poised to be a major driver of growth for social commerce as the capabilities expand and improve. In a Q4 2020 survey by GlobalWebIndex, for instance, 22% of US and UK social livestreamers said having a “buy” button available during a livestream session would be a top purchase driver, compared with 13% of social network users who said the same for social media content overall.