

TikTok, Meta, and YouTube refine social commerce strategies

Article

We forecast US retail social commerce sales will grow nearly 30% this year to hit \$68.92 billion. Here's a look at how three of the big **social commerce** players are priming their platforms for growth.

1. TikTok goes all in on in-app purchases

Last year, TikTok showed it was serious about social commerce: It **beefed up its shopping ad types**, it began to hire staff for **US fulfillment centers**, and it tested its **Shop feature in the US**.

In 2023, the platform is investing even further into its social commerce capabilities:

- The platform is testing an **in-app checkout feature** in the US, which should help streamline the shopping experience and encourage more #TikTokMadeMeBuyIt purchases.
- It also rolled out the beta version of its Shops feature to more businesses. However, TikTok has been **struggling to attract merchants** to the program, promising discounts and free shipping to increase adoption.

Why it matters: This year, 33.3 million US consumers will make a purchase on the platform, increasing 40.6% YoY. TikTok already has a lock on product discovery and inspiration. If it can find ways to make the purchase process easier, it's a no-brainer for shoppers.

2. Meta focuses on shoppable ads

Unlike TikTok, Meta is leaning on advertising to drive social commerce.

- The company **removed the Shop tab from Instagram's home feed** in February, ending its **poorly received experiment**.
- Meta also shut down its **livestream shopping business on Instagram** as livestream shopping adoption lags in the US.
- **Meta is expanding its Shop ads** to thousands of new US businesses, which include in-app checkout and new tools like ratings and reviews and dynamic product pages.

Why it matters: Facebook has by far the most social buyers: we forecast 65.7 million people will make a purchase on the platform this year. However, the platform's growth is slowing, with the number of social buyers increasing only 3.5% YoY after an 11.9% growth last year. Instagram is growing social buyers a bit faster at 4.9%, reaching 43.0 million this year.

3. YouTube leans on creator relationships

- The company **discontinued its product tagging feature**, which allowed creators to add shoppable links to their videos.

- With that change, YouTube rolled out its affiliate program to all creators, which allows creators to earn commission from products featured in their videos. YouTube hopes this program will attract more creators and help it compete with TikTok.

Why it matters: A quarter of US consumers start their **search on YouTube when shopping online**, more than on Instagram or TikTok, per Jungle Scout. YouTube can use its strong creator relationships to entice consumers who come to the platform for shopping inspiration to actually make a purchase.

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