Pinterest pins its hopes on shopping

Article



The news: Pinterest plans to embed shopping into every aspect of the core platform experience, CEO Bill Ready said on the company's Q4 earnings call, as it tries to capitalize on user purchase intent and deliver better results for advertising partners.

Pinterest's shopping strategy: Pinterest's goal is to enable shopping on its most trafficked features, from the home feed to search to personalized recommendations.

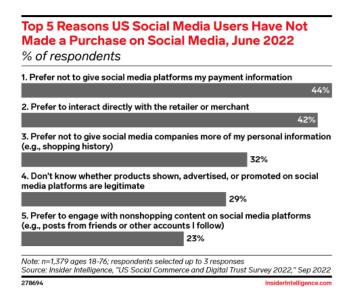
Eventually, the platform wants to make every pin—including those with video—shoppable.



- Pinterest also hopes to increase relevance and deepen engagement through more personalized content and product recommendations. The company launched a whole page optimization feature in Q4 that automatically increases ad load when a user demonstrates purchase intent, allowing Pinterest to boost ad inventory and serve more relevant ads at key points in the customer journey.
- Finally, Pinterest is reducing friction in the social commerce process by bringing users directly to merchants' product pages, eliminating a major source of frustration and streamlining the path to purchase.

Barriers to social commerce: Pinterest's strategy is savvy because it addresses many of the major pain points of social commerce while playing to the strengths of its platform.

- For example, 86% of US digital buyers reported difficulties when navigating from social media to a brand site, per SimplicityDX's State of Social Commerce report.
- Most consumers prefer to use social media to discover products rather than purchase them,
 which aligns nicely with Pinterest's popularity as a tool for inspiration and product discovery.
- Roughly two-thirds (67%) of US digital buyers don't trust social platforms with their personal data. But Pinterest's intentional repositioning as a "positive place on the internet," per Ready, helped it take the top spot in our <u>Digital Trust Benchmark</u> last year and establish itself as a <u>brand-safe environment</u> for advertisers.







The big picture: While it makes sense for Pinterest to double down on social commerce, especially as **Meta** dials back, there are two potential roadblocks standing in the way of success.

- Pinterest's user growth will remain sluggish in 2023, which could hamper its ability to attract advertisers. We expect Pinterest's user base to grow just 0.4% in the US this year, which means the platform will have to convince its existing audience to spend more time on its channels to drive social commerce growth.
- TikTok is rapidly becoming the dominant social commerce player. Gen Z's favorite social media platform will command nearly twice as big a share of social commerce buyers as Pinterest this year, per our forecast. And TikTok's plans to build fulfillment centers in the US could enable it to grab an even larger share of the market.

Go further: Check out our report on Social Commerce and the Path to Purchase.

