



Social commerce in 2023

Sell directly to your customers
how and where they want

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Introduction

Consumers are discovering, researching, and buying products on more channels than ever before. In the US alone, social commerce sales are expected to reach more than [\\$53 billion](#) this year and \$107.17 billion by 2025. To facilitate and accelerate these transactions, new concepts, platforms, and apps pop up all the time. Thanks to the many channels that have made social commerce possible, it's predicted that in the next three years, more than [114 million consumers](#) will spend an average of nearly \$1,000 a year on social purchases.

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Social commerce refers to the process of selling items directly on social media with consumers discovering, researching, and buying products without ever leaving a social network. Although in-app purchasing is only available on certain platforms and in a few regions, we can expect all big players in the space to offer a full social commerce experience within the next few years.





There are two things to love about social commerce.



it reaches shoppers where they are. Someone can go from browsing their news feed to making a purchase in seconds. And because they already trust a given app, there are minimal blockers. Social commerce becomes a seamless experience for shoppers.

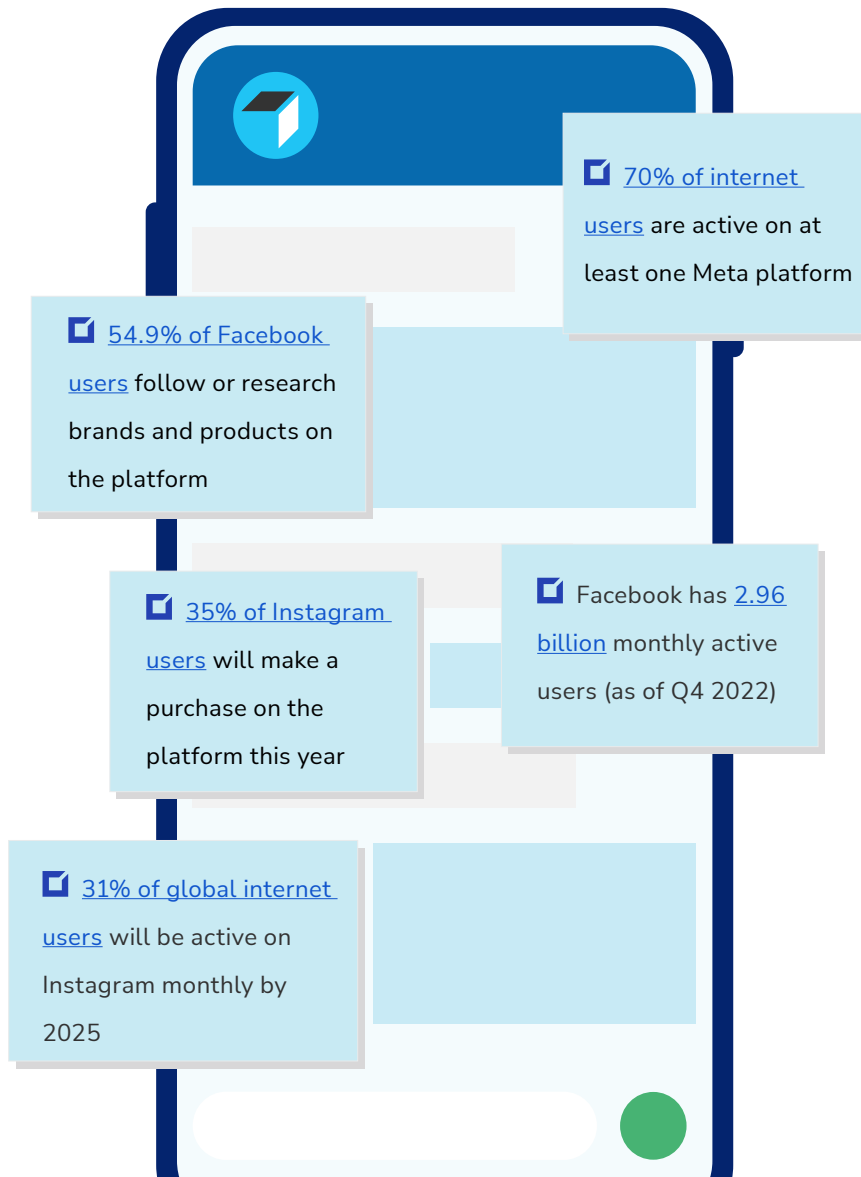


It makes it easy for brands and retailers to get started online. Digitally native, vertical brands are a popular example. You can jump on social media and start selling even when you have a small team and no ecommerce infrastructure. No matter the size or nature of your brand, social commerce enables you to build brand awareness, engage with consumers, and sell your products with ease.

While the proliferation of so many new social commerce platforms may feel overwhelming, forward-thinking brands should charge ahead. Each new platform provides an opportunity to showcase products in a new environment, adding an entertainment factor to the shopping experience. Brands should tailor their approach to each platform's unique capabilities, content requirements, and audience.

Meta: Facebook, Instagram, and WhatsApp





Social commerce in 2023



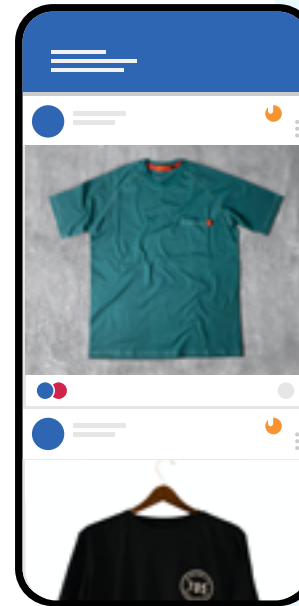
Meta has taken dramatic shifts in its direction recently. First, it rebranded from Facebook to Meta in October 2021 to “[bring the metaverse to life and help people connect, find communities and grow businesses.](#)” Throughout 2022, the company went all in on metaverse investments, introducing features that allow users to add NFTs to their Instagram profiles, for instance. However, Meta is now rolling back some of those NFT capabilities to focus resources elsewhere.

Now looking ahead at 2023, Meta seems to be moving its attention toward generative AI. Despite all of these changes, Meta has been a longstanding player in social commerce. It launched Facebook dynamic ads in 2015, Instagram in-app checkout in early 2019, and expanded Shops to Facebook Marketplace and Whatsapp in June 2021. However, in response to pushback from users, Meta has promised to rollback some of the commerce changes across Facebook and Instagram to bring the apps back to their original intent – connecting people and places. As of March 2023, [live shopping](#) is no longer available on Instagram or Facebook. While the company plans to shift its focus to advertising, Meta reportedly still intends to invest in shopping capabilities on its platforms.

“Commerce remains important for Instagram as we continue to make it easier for people to discover and shop products throughout the app from feed, stories, reels and innovations.” - Meta spokesperson ([Retail Dive](#))

Facebook dynamic ads

Facebook dynamic ads display relevant products to the right people at the right time. Brands and retailers dynamically create ads and target their audience with relevant products based on their previous actions and performance data. The Facebook platform uses machine learning to create a custom ad experience. While they don't count as social commerce directly, as the transaction must always be completed on another platform, they serve as an integral part of the shopping journey on the platform.



You can use Facebook dynamic ads in two ways:

- ❑ For broad audiences, targeting consumers who have not yet visited your site.
- ❑ For targeting previous visitors to your site or social media page who made inquiries but left without converting.

In order to generate Facebook dynamic ads, you need a product catalog. If you sell online, chances are you already have one. All you need to do is tailor and optimize it for Facebook. **A Facebook product catalog is great. However, to make the most of the Facebook ecosystem you need an enhanced catalog.** It contains more detailed product information that enables buyers to find the exact product they desire. In addition, it enables you to venture beyond the mere use of dynamic ads and sell your products through Facebook and Instagram Shops.

Facebook Shops and Instagram Shopping

While Meta removed the official [Shop tab](#) from Instagram's navigation bar in February 2023, the feature is still available to businesses on both Facebook and Instagram. Shops are digital storefronts where brands can list products while still highlighting their respective identities. Prospective buyers can either be directed to the business's website or make their purchases natively from within the Meta family of apps. The in-app checkout functionality has only been rolled out in the US so far, but look out for its availability in your market as Meta expands the capability globally.

In 2022, Meta also introduced [ads to its Shop pages](#). In addition to Reels and the Explore feed, sponsored products appear among other posts on the Shop home page. Businesses can pay to increase the visibility of their products in an environment where consumers are already in a shopping mindset.

Here is a full set of features that allow people to easily interact with brands' photos and videos all across Facebook and Instagram:

- ❑ **Shops:** Think of them as windows on the high street. Shops are where people can browse products and explore collections.
- ❑ **Collections:** They enable brands to customize their Shops by curating products under themes. Think new arrivals, gifts, seasonal trends, or sales.

- ❑ **Product detail pages:** They contain all product data, like titles, pricing, sizes, images, etc. When in-app checkout is not available, they can also drive people to your website to complete a transaction.

- ❑ **Checkout:** The checkout feature is what truly makes social commerce social commerce. The transaction is completed on Facebook or Instagram, so shoppers can have a seamless experience on a single platform. Although, checkout is still not available globally.

- ❑ **Product launches:** This new feature highlights new product drops, allowing users to preview products details and set reminders for when products become available for purchase.

LATEST UPDATES

In March 2023, Meta announced it's winding down its work on NFTs and disabling those features on Facebook and Instagram. Instead, the company will invest in creators, creating more monetization offerings directly from Meta. It's also building more ad options across its platforms, such as [ads that appear in search results on Instagram](#). And throughout 2023, we can expect to see more incentives for users to upgrade to [paid verification accounts on Facebook and Instagram](#).

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TikTok



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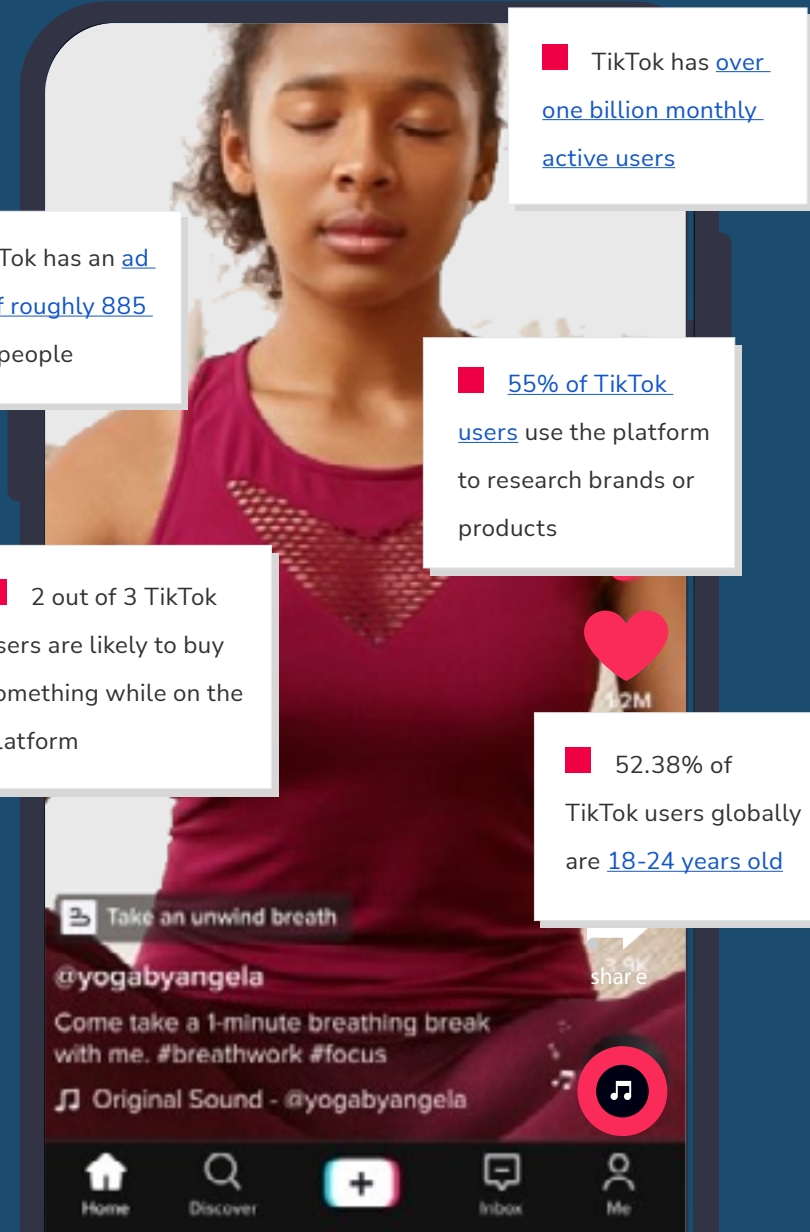
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TikTok calls itself the “destination for short-form mobile videos,” and is one of the fastest-growing social media platforms. It began as Musical.ly, a lip-sync video app launched in 2014. Musical.ly was bought by Chinese tech company Bytedance and relaunched outside of China as TikTok. The company still owns a separate version of the app, Douyin, which is only available in China. **TikTok’s relatively young users are tech-savvy and highly engaged.** Whether memes, lip syncs, or dance challenges, the content is short, funny, and relatable. TikTok has been testing the social commerce waters for a while now. In late 2020, [it partnered with Shopify](#) to launch shoppable video ads. TikTok Dynamic Showcase Ads were launched in September 2021. And in August 2022, it unveiled [TikTok Order Center](#), a new display feature that allows users to see an overview of their shopping activity on the app.

TikTok has also been focused on improving the creator experience. It created a new platform to help facilitate partnerships between creators and businesses, [Creative Exchange](#), and announced it’s building its own [AR development platform](#). TikTok’s [Creator Marketplace API](#) provides companies with access to audience demographics, growth trends, best-performing videos, and real-time campaign reporting. The API also enables brands and retailers to better work with TikTok influencers on marketing campaigns.



TikTok has an [ad reach of roughly 885 million](#) people

TikTok has [over one billion monthly active users](#)

[55% of TikTok users](#) use the platform to research brands or products

2 out of 3 TikTok users are likely to buy something while on the platform

52.38% of TikTok users globally are [18-24 years old](#)



TikTok Dynamic Showcase Ads

In a nutshell, TikTok Dynamic Showcase Ads enable advertisers to promote their hundreds, thousands, or millions of SKUs through personalized, targeted ads. The available templates enable the creation of content that feels native to TikTok’s community, including audio, text overlays, and engaging clips. You can show your audience unique, tailored ads, without the need to set them all up from scratch. Content is auto-generated by pulling creatives from your product feeds.

What makes TikTok Dynamic Showcase Ads special? **TikTok is a home for creative self-expression that nurtures authentic, entertaining content.** Its Dynamic Showcase Ads offering follows the same creative principles. This means that your ads will make an engaging and entertaining product showcase and will enable you to connect with new audiences. TikTok can help you drive app downloads, website traffic, and conversions through personalized ads targeting at scale.



As your product feeds power these ads, they are rather low maintenance. And because they’re so personalized and relevant, this has a positive effect on campaign performance, leading to better brand experiences and more sales.

“On TikTok, content that feels native to the platform is key to creating an engaging experience. We’re thrilled to be working with the best-in-class partners who can help brands to integrate their product catalogs and create personalized Dynamic Showcase Ads that capture consumers’ attention.” - Gabe Nicolau, Head of Vertical Ads Solutions, TikTok



TikTok Shopping

TikTok Shopping is TikTok's social commerce solution. The company [partnered with Shopify](#) to launch in-app shopping experiences for merchants in the US, UK, and parts of Asia. TikTok Shopping is still not available globally, but new markets open up all the time. There are two ways for companies to sell their products on TikTok: direct integration and partner integration.

The direct integration allows businesses to sell directly on TikTok. TikTok Seller Center and Affiliate Center enable a marketplace model, where creators can get commissions through the TikTok Affiliate Program. Shoppers discover products via livestreams, video content, and Showcase (the Shopping tab of each profile). This is a native shopping experience where product discovery, product detail pages, product management, shipping, billing, purchases, and returns are powered and performed directly on TikTok.

While product discovery and product detail experiences are also native through partner integration, check out and post-payment (e.g. returns or refunds) happen outside of TikTok. There are three kinds of partner integrations: through commerce platforms (e.g. Shopify, BigCommerce), manual setup (create your catalog directly in your TikTok For Business account), or by using the TikTok Marketing API to set up and manage your storefront.

LATEST UPDATES

While Meta has pulled back on live shopping, TikTok is doubling down on it – and it's working. [Half of TikTok users](#) have bought something after watching a TikTok LIVE. The company recently launched a [live stream trivia game](#) that gamifies the live shopping experience. Additionally, TikTok has unveiled [new advertising formats](#) for its platform: Video Shopping Ads, Catalog Listing Ads, and LIVE Shopping Ads.

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Snapchat



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Snapchat was launched in 2011 as a camera-first entertainment app. It soon became popular with younger generations across the world. Snapchat may have lost some of its market dominance to competing platforms but still gives marketers access to a large and uniquely engaged audience. The company has been investing heavily in AR technology. It introduced its iconic **Lenses** six years ago and has continued to improve the app experience for users and brands alike. In 2020, Snapchat used its 'Shoppable AR' technology to launch a virtual try-on campaign in cooperation with Gucci. It was the first time Snapchatters could purchase Gucci shoes directly via a "Shop Now" button from within the app. In 2021, Snapchat betted on social commerce with quite a few acquisitions, such as Fit Analytics - a company that assists online buyers to choose the right clothing size, WaveOptics - a company that designs AR wearables with enhanced features, Vertebrae - which enables sellers to create and manage 3D renditions of their products, and Screenshop - an app that scans user photos to determine the desired style and to make fitting recommendations accordingly. We saw these investments come to life in 2022 with the launch of "[Dress Up](#)", a dedicated AR shopping space on Snapchat, and [Catalog-Powered Shopping Lenses](#), which allow brands to connect their product catalog directly to AR experiences on the app.

85.6% of Gen Z social network users use Snapchat

Snapchat has [750 million monthly active users](#)

Snapchat ads reach [12.3% of all internet users](#)

[250 million Snapchat users](#) have engaged with AR shopping lenses in the past year

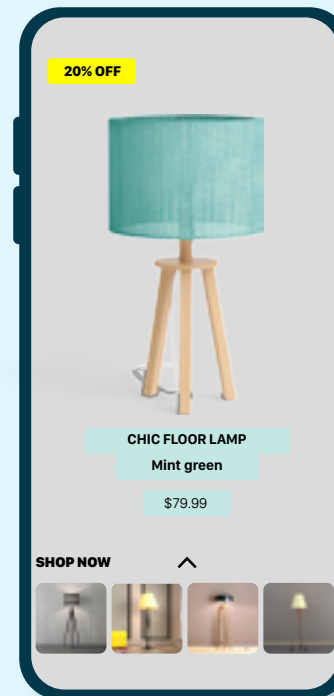


Snapchat Dynamic Ads

Snapchat's Dynamic Ads offering works similarly to that on other platforms. Just like dynamic ads on Facebook, Snapchat Dynamic Ads automate ad creation and aim to optimize campaigns.

With its in-house **Snap Pixel** and assistance from third parties, Snapchat collects users' behavioral data, such as views, contents of shopping baskets, and previous purchases. Sellers are able to target users who viewed or added items to their shopping basket but have failed to complete the purchase within a set number of days.

Dynamic Single Image Ads showcase one item from a product catalog at a time and permit the application of text fields and other creative elements. On offer are five templates, a preview tool, and both default and custom text fields – the latter of which may be pulled from a product catalog. Prospective buyers will be able to simply swipe up to open another website, the app store, or the brand's app itself.



Dynamic Collection Ads feature a single image or video with multiple tiles to advertise products. The tiles will be dynamically populated using content from a pre-selected product set and the product catalog. Sellers may choose to retarget buyers who previously have shown interest or prospect new ones.

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Snapchat Shopping

Snapchat allows any business to set up shoppable product catalogs and AR filters and lets customers place orders with each business without leaving the Snapchat app. AR remains a focus for Snapchat with [Lenses being a central part of the purchasing process](#). Shoppers who can ‘try on’ products with Lenses then make their purchase. Through a new API tool, Snapchat also said it will match Lenses to available product inventory: if a new product is added, or one runs out of stock, Lenses will appear or disappear on Snapchat accordingly.

A company’s product catalog is the foundation of its digital commerce presence. Snapchat is no different than other social commerce platforms in that regard. You will need a product catalog, just like you do for Facebook, Instagram, and TikTok. Only Snapchat can do more with your product data through its AR technology. It can give your customers an experience that’s a little closer to shopping in a store.



Snapchat recently announced a new [partnership with Amazon](#) where its users can virtually try-on sunglasses from Amazon Fashion brands using Snapchat’s AR filters. Additionally, the platform has been looking for ways to allow brands to monetize avatar personalization. For instance, users can [purchase digital clothing items](#) for their Snapchat Bitmoji from their favorite brands like Adidas.



“Our focus is to reduce the friction in creating and distributing AR experiences on and off Snapchat. Each Lens features a product card, where Snapchatters are able to see real-time information about a product name, price, and description. It also gives product-level insights into the performance of specific SKUs, allowing much richer feedback for the advertiser.” - CEO and Co-Founder Evan Spiegel

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4. Snapchat

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Pinterest

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Pinterest is a visual discovery engine that enables Pinners (users) to explore and share their interests, ideas, and inspirations by pinning (posting) images and videos. **From kitchen cabinets to holiday destinations or recipes, if you can think of it, you can pin it.** Pinterest's user base is much smaller than Facebook's, but that shouldn't deter you from conquering this channel. Pinners are uniquely engaged users who are more likely to let their Pinterest experience fuel their purchasing decisions.

"Pinterest is uniquely positioned at the intersection of discovery and commerce, where inspiration meets intent. We are investing across our advertising platform to help businesses around the world reach their goals and connect with leaned in consumers at every stage of the campaign lifecycle." - Bill Watkins, Chief Revenue Officer, Pinterest

445 million people use Pinterest every month

50% of US Pinterest users use the platform for ecommerce

80% of weekly users have discovered a new brand or product on Pinterest

97% of top Pinterest searches are unbranded

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Pinterest Shopping

Shopping ads on Pinterest are automatically created with dynamic information directly from a product feed. These work similarly to dynamic ads on other platforms and require a lot of the same information. This also means that the quality standard between the two formats is similar. Product Pins make it easier for Pinners to see product information, including pricing, availability, and buying location. To get the best results from Pinterest shopping ads, you need to provide a high-quality product catalog for your product Pins.

[Idea Pins](#) make it easy for creators to publish high-quality, lasting, and preservable content directly to Pinterest. Pinterest offers Pinners the opportunity to shop directly from Pins, on boards, and from search results. **Shopping spotlights** are another way by which Pinners can find inspiration. These showcase expert recommendations and highlight trends from influential tastemakers. Another feature is **Shopping List**, a way for Pinners to have their product Pins automatically saved in one place and receive relevant price notifications. This makes it easier for them to return and complete a purchase when they are ready.

While not rolled out globally yet, Pinterest Shopping can now be used by brands and retailers in a few dozen [countries](#).



In 2022, Pinterest launched **Try On for Home Decor**, an AR-powered feature enabling Pinners to virtually place furniture items from US retailers like Crate & Barrel, CB2, Walmart, West Elm, and Wayfair in their homes. According to Pinterest, users are five times more likely to purchase something if they can try it with AR. The company also released more tools for merchants, such as product tagging on Pins and a Pinterest API for Shopping. And it appears 2023 may finally be the year we see truly native shopping experiences on the platform – Pinterest started beta testing native checkout functionality to allow for in-app purchases in the US.

5. Pinterest

“People have always come to Pinterest to shop - they use Pinterest to discover new ideas and actively consider what to do or buy to bring those ideas to life. We want to help users to find products just right for them and feel confident that they've made a solid choice from reputable merchants with a seamless shopping experience.” - Dan Lurie, Global Head of Shopping Products at Pinterest

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6. 6 tips for implementing social commerce

6 tips for implementing social commerce

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Before you plunge your brand into social commerce, plan out a clear strategy. Take the time to research the intrinsic qualities and nuances of different platforms. These insights will help you establish marketing best practices and ultimately increase ROI. Here are five tips for a successful foray into social commerce, no matter the platform:

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Know your audience

Social commerce gives marketers a unique opportunity to target niche audiences based on consumer data including demographics and geolocation. Examine which social sites your audience uses. This will enable you to utilize your resources in a targeted manner. For example, Facebook is a better platform on which to target older consumers than TikTok – [91% of Boomers](#) have used Facebook in the past few months whereas only 7% have used TikTok. Use your resources wisely and reach your target audience through the channels they use most often.



Consider customer intent

Users on different platforms consume or engage with content in different ways. An Instagram user may stumble across an ad while looking at a friend's vacation updates, not intending to buy anything at all. A Pinterest user, by contrast, is more likely to have an intent to purchase when visiting the platform specifically for discovery. Do not limit yourself to efforts aimed at raising brand awareness only. Instead, make sure the platform content will highlight your product features and help you close a sale.

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3 Adapt content and leverage visuals

Another way platforms vary is in the content they support. For example, Instagram ads let you showcase carousels of multiple items with creative or colorful backgrounds, which can tell a story about your brand and products. On TikTok, it's all video. You'll need to work with creators to ensure their videos highlight a product's key selling points without sacrificing their unique voice. Get creative! Social platforms and users alike love high-quality images and videos that inspire. Grab users' attention and stand out from the crowd by ensuring that your images and videos are platform-ready in order to boost conversions. Dynamic content in your images and videos allows for an even higher level of customization and will allow you to better reach your target audience.



4 Perfect your product listings

Each social commerce platform has unique product data requirements. To achieve success across platforms, you must provide the right product information to the right channel. Your product information needs to be up-to-date, accurate, and contextualized for each channel.

A robust commerce platform can help you advertise and sell across social commerce channels with minimal fuss.

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6. 6 tips for implementing social commerce

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Choose the right products

Sometimes less is more. Be strategic about which products you place on each platform by performing ROI analysis to identify your top performers. Users can become overwhelmed with too much choice, so make sure that you are selecting the products that will help you drive the most conversions.



Engage with influencers

Influencer marketing may further advance your sales after the right platform has been chosen. Research has shown that businesses can make [\\$5.20 for every \\$1 spent](#) on influencer marketing. Some platforms, like Snapchat and Instagram, allow certain users to have a shopping feature on their profiles thereby bridging the gap between product discovery and checkout. The combination of influencer marketing with social commerce offers a more organic and creative brand exposure to users.

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7. Where to next



Where to next

Twitter is another social media player that added commerce capabilities with its rollout of [Twitter Shopping](#) last year. YouTube has also been [testing shopping features](#) with in-app checkout for Shorts. With more and more platforms launching more and more shopping capabilities, social commerce is growing exponentially and presents a huge opportunity for brands and retailers. **In certain markets, social commerce has seen [ten times higher conversion rates](#) than conventional ecommerce.**

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The successful navigation of the complex, fractured, and fast-changing social commerce landscape demands total control over your product information flow. No matter the channel, you need to get your products to consumers through seamless experiences. That's where we come in. **The Productsup [Product-to-Consumer \(P2C\)](#) platform processes over two trillion products a month, empowering the world's biggest brands to realize their commerce potential.**

Whether you're interested in dynamic ads or shops, we've got you covered! Our [Advertising PX solution](#) comes with a sophisticated set of modules and features that are built to reach more customers and maximize sales. Plus, we work closely with all major social commerce platforms, so you'll never have to worry about meeting channel requirements ever again.



Let's talk

hello@productsup.com

www.productsup.com

Check out our platform

Watch a [demo video](#) on Productsup's Advertising PX solution to see how we can support your social commerce strategy.

Productsup⁷

Empowering commerce

Get in touch today!

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