Productsup

The 2022 social commerce guide

Reach your customers on their favorite plaforms

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Introduction

Consumers are now discovering, researching, and buying products on more channels than ever before. New concepts, platforms, and apps pop up all the time and some have grown incredibly quickly. For instance, Instagram introduced **in-app checkout** in 2019. Then Tiktok **added in-app shopping functionality** to sponsored videos. All major social platforms have launched shopping capabilities, making social commerce one of the biggest buzz phrases in retail. It is estimated that social commerce will become a **$1.2 trillion global market by 2025.**

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 the buying part is only available on a few 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:

1 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.

2 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

☑ **Over one billion people** connect with business accounts weekly via Instagram, Messenger, WhatsApp.

☑ **3.58 billion people** use at least one of Meta's core platforms each month.

☑ An estimated **8% of all product searches** globally now take place on Facebook alone.

☑ **50% of Instagram** users discover new brands, products, or services on the platform.

Meta was known as Facebook until October 2021, when the company's co-founder and CEO, Mark Zuckerberg, introduced the company's new name, brand, and mission to "**bring the metaverse to life and help people connect, find communities and grow businesses.**" Facebook has over 2.9 billion monthly active users. Meta also owns Instagram, which has 1.4 billion monthly active users, and WhatsApp, the world's most popular messaging app, with over 2 billion active users. Founded in 2004, the company has been leading the way in social commerce.

Meta launched Facebook dynamic ads in 2015, Instagram in-app checkout in early 2019, and expanded Shops to Facebook Marketplace and Whatsapp in June 2021.

"It's still obviously early, but we now have more than 1 million active Shops, and more than 250 million people actively interacting with Shops every month. So, I think the progress in terms of being able to ramp up some of this stuff and all of the different tools that now exist … it's really amazing. I think that the next five years are going to be really explosive in terms of the potential across a lot of these verticals."

Mark Zuckerberg, Co-Founder and CEO, Meta

☑ **Meta**
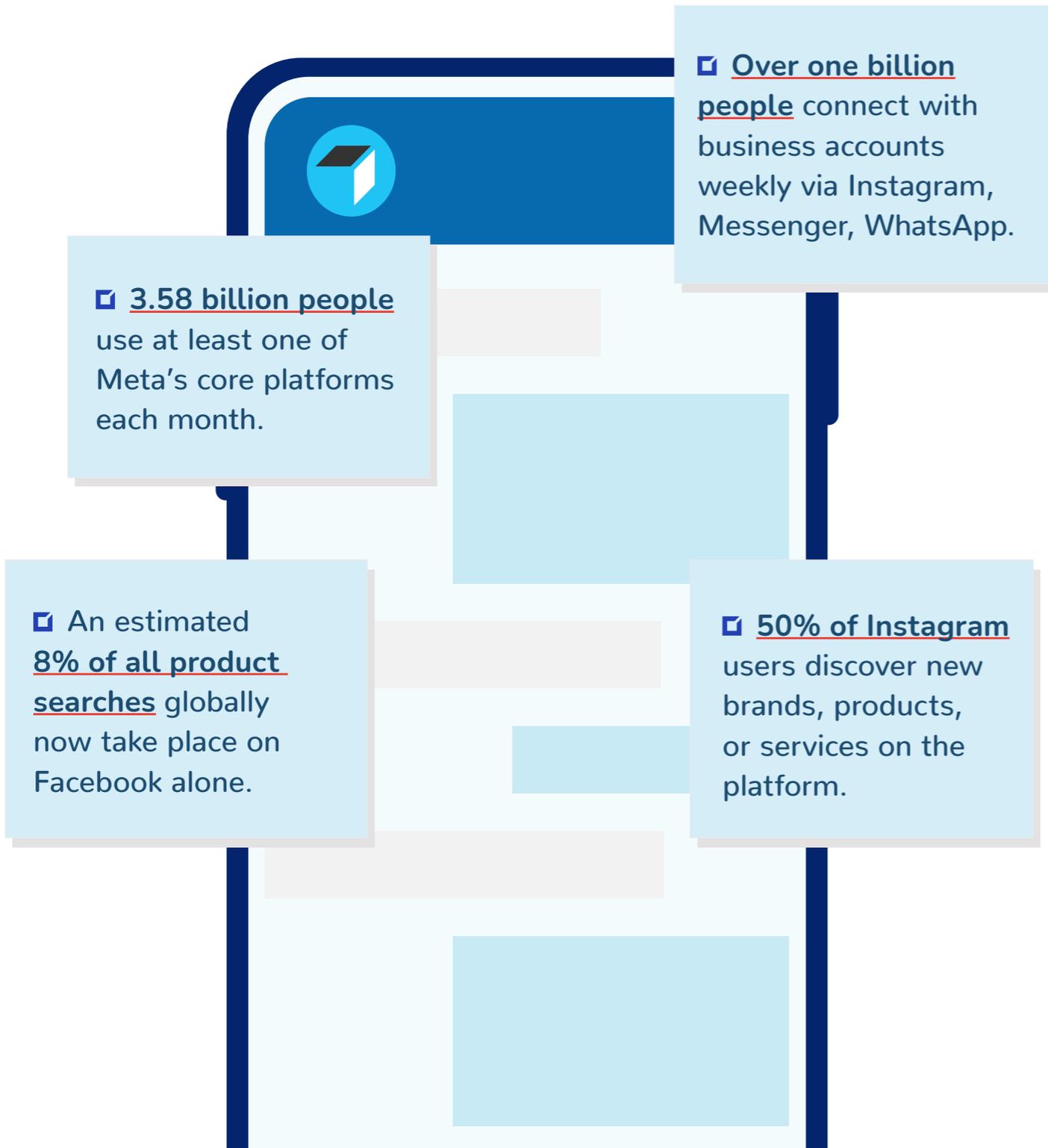
Facebook dynamic ads

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. They don't count as social commerce, as the transaction must always be completed on another platform. However, they represent the first step towards Facebook and Instagram Shops.
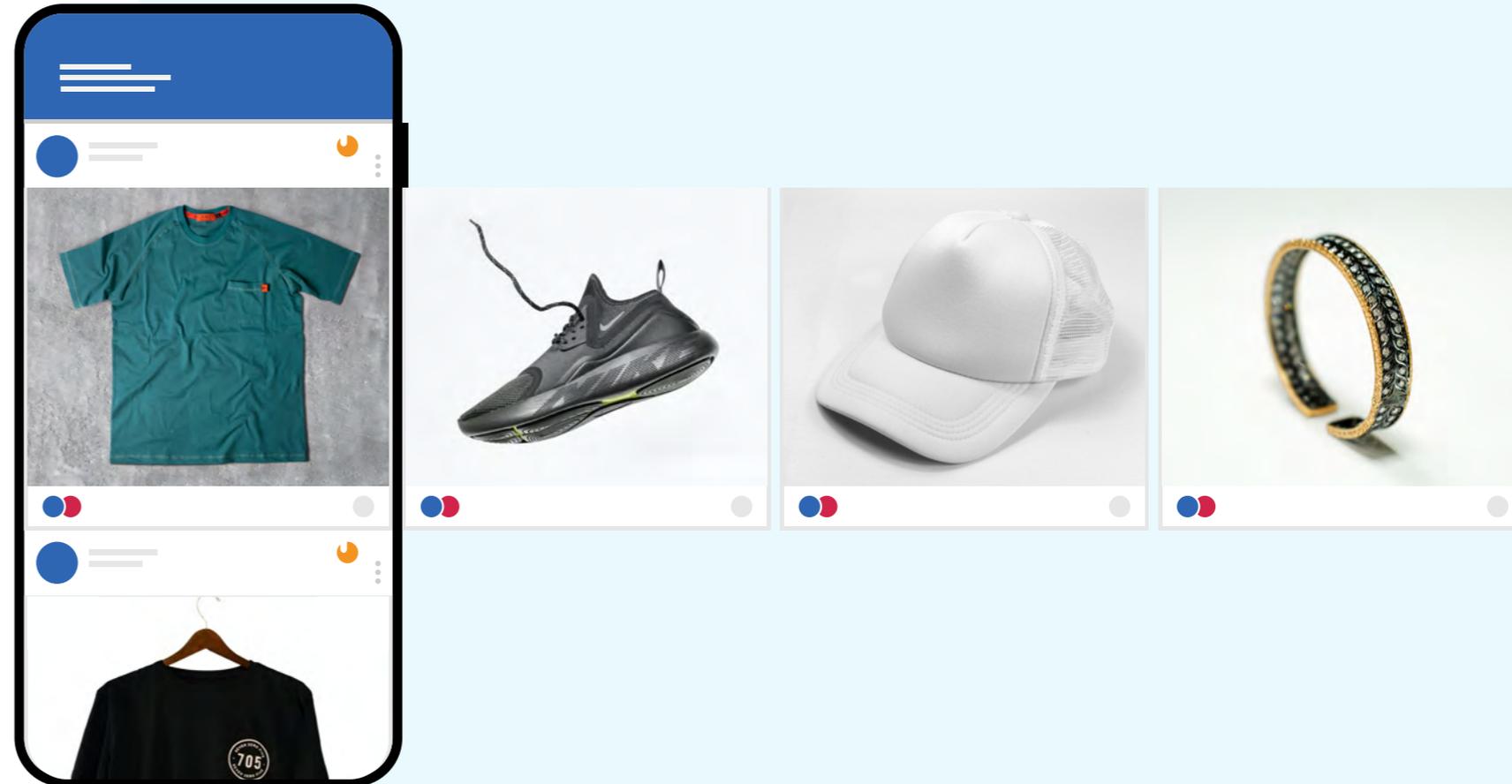
YOU CAN USE FACEBOOK DYNAMIC ADS IN TWO WAYS:

☑ **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.

Meta

Facebook Shops and Instagram Shopping

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 Facebook family of apps. The in-app checkout functionality is not yet available globally. Please remember to check its availability for your market. Meta seems to be more focused on Instagram Shops than on Facebook Shops. The more recently launched Instagram Shopping entails a set of features that allow people to easily interact with brands' photos and videos all across 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 Instagram, so shoppers can have a seamless experience on a single platform. Although first announced in 2019, Instagram 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

Instagram added a **live shopping** component to its Shop Tab, which features a variety of livestream shopping events for users to tune into. Businesses can broadcast their products using influencer marketing and drive sales through purchases made directly on the Instagram app. It also introduced **ads to its Shop Tab**. In addition to Reels and the Explore feed, sponsored products now 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. The platform also launched a new tool to help connect businesses with creators. The Branded Content Partnerships feature allows brands to discover relevant creators and communicate sponsorships and deals directly on the app.

☑ Meta

TikTok

■ It was the **most downloaded app in 2021.**

■ TikTok has **over one billion monthly active users.**

■ **83% of consumers** browsing TikTok say seeing trending content has inspired them to make a purchase.

■ Approximately **68% of TikTok users** are GenZ and Millennials.

take an unwind breath
@yogabyangela
Come take a 1-minute breathing break with me. #breathwork #focus
♫ Original Sound - @yogabyangela
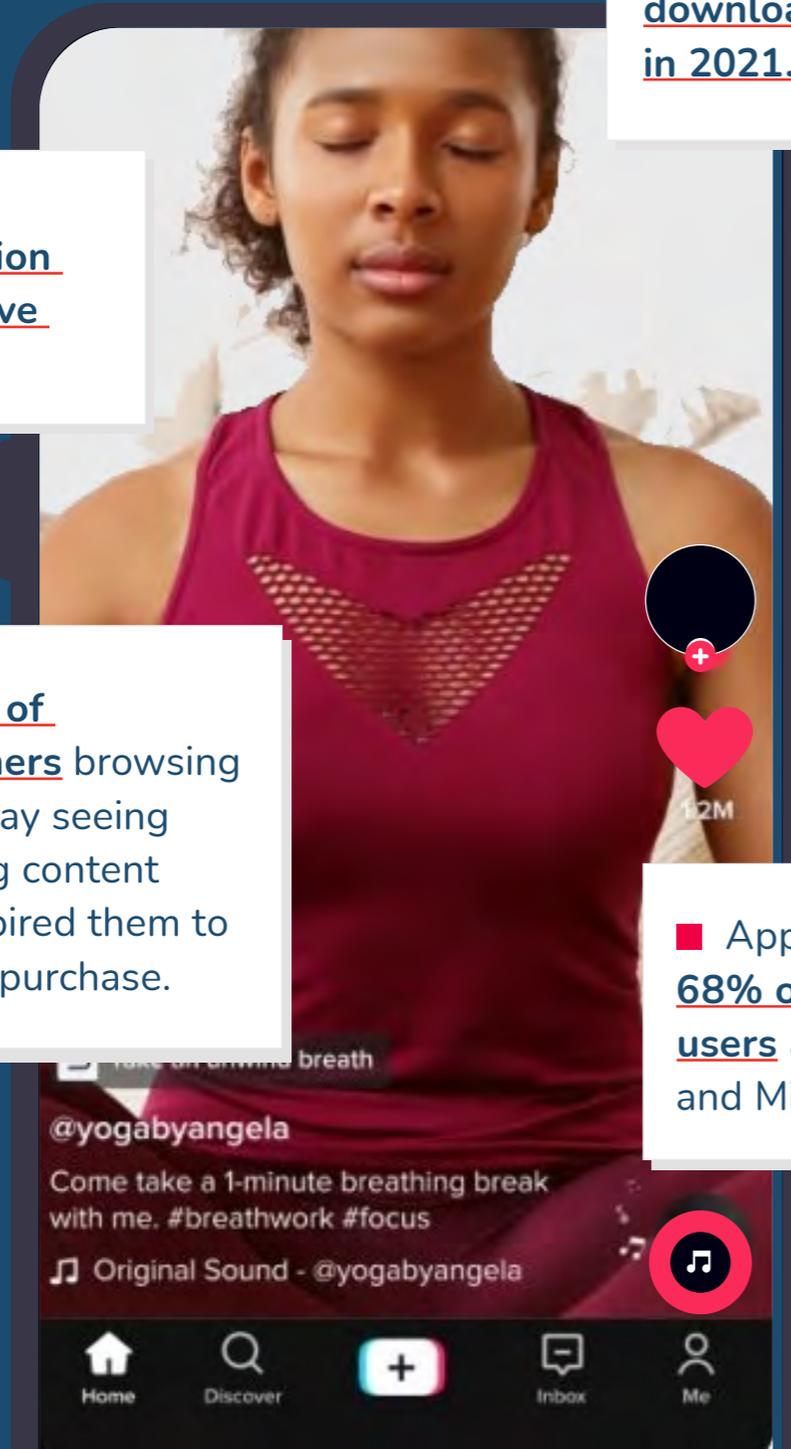
Home   Discover   +   Inbox   Me

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. **New data from TikTok** shows that ad content not created specifically for TikTok performs the worst on the app.

■ TikTok

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

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, Canada, and the UK in 2021. 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

TikTok recently launched **TikTok TV** and introduced **live shopping** events where brands can connect with consumers in real-time, sharing direct links to products and services. It also created a new platform to help facilitate partnerships between creators and businesses, **Creative Exchange**, and announced 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

Snapchat

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Snapchat reaches **75% of millennials and Gen Z.**

Around **306 million people** worldwide use Snapchat daily.

75% of the global population and almost all smartphone users will be frequent AR users.

On average, Snapchatters spend over **30 minutes daily on the app.**

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.

Snapchat

Snapchat Dynamic Ads

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

With its in-house **Snap Pixel** and assistance from third parties, Snapchat collects behavioral data concerning amongst others, 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 ladder 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.

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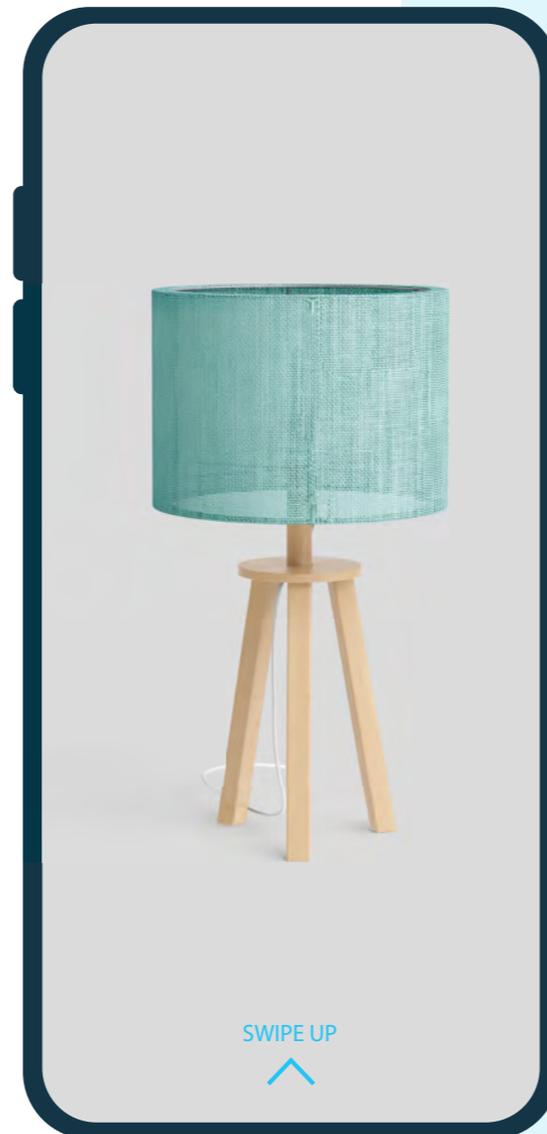
Dynamic Collection Ads feature a single image or video with multiple tiles to advertise products. The tiles will be dynamically populated using content from a pre-selected product set and the product catalog. Sellers may choose to retarget buyers who previously have shown interest or prospect new ones.

Snapchat Shopping

Snapchat's commerce strategy has moved beyond the exploration stage. Since May 2021, the company 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.

Snapchat

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.

LATEST UPDATES

In early 2022, Snapchat introduced catalog-powered Shopping Lenses, **"combining the scale and efficiency of commerce catalogs with the personalization and performance of AR"**. Lens Product Cards are a new AR-powered user interface built just for shopping. Just as you'd browse through selfie filters, you can now browse through products and see how they'd look on you (e.g. fashion, makeup) or in your environment (e.g. 'placing' a sofa in your living room). While focusing on social commerce, the company doesn't forget it is a social media platform with a community to serve. In early 2022, for instance, it announced a **Bitmoji-powered concert with Jennifer Lopez** and four new **features to boost social engagement through the app.**

"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."
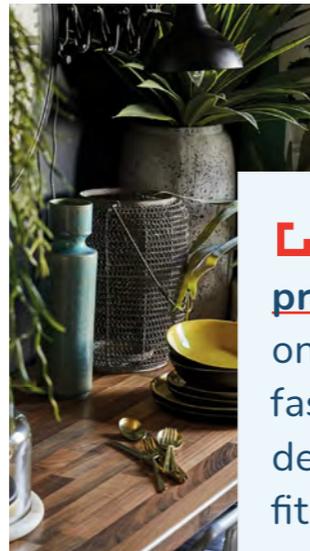
- Evan Spiegel, Co-Founder and CEO, Snapchat

Snapchat

Pinterest

431 million people use Pinterest every month.

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

The most popular product categories on Pinterest are fashion, interior design, and health & fitness.

Shoppers on Pinterest **spend 40% more** per month than people on other platforms.

Pinterest is a visual discovery engine that enables users (Pinners) 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 purchase decisions.

"Compared to people on other platforms, people on Pinterest are 3x more likely to say they're always shopping. And 40% more likely to say they love shopping. That translates to spend. On average, people on Pinterest spend 40% more than people on other platforms every month and have a 30% bigger basket size."

- Milka Kramer, UK & IE Country Manager, Pinterest

Pinterest

Pinterest Shopping

In March 2018, Pinterest announced the expansion of shopping ads, which were previously only available to select retailers. The format can now be used by brands and retailers in a few dozen **countries**.

Shopping ads on Pinterest are automatically created with dynamic information directly from a product feed. These work similarly to Facebook dynamic ads 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.

"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. We're excited that Pinterest users in more countries will now be able to go from inspiration to purchase anywhere on Pinterest, bringing us one step closer to our goal of making every Pin easy to shop."

- Dan Lurie, Global Head of Shopping Products, Pinterest

LATEST UPDATES

In 2021, Pinterest launched **Idea Pins**, making 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. In late 2021, it announced the purchase of Vochi, an app focused on helping creators bring more quality video content to Pinterest. In early 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. Pinterest has plans to begin testing native checkout functionality to allow for in-app purchases, but when will truly native shopping experience happen on this platform? We'll have to wait and see.

Pinterest

6 tips for implementing
social commerce

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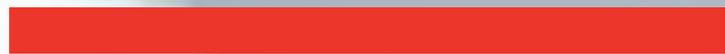
Before you plunge your brand into social commerce, plan out a clear strategy. Take the time to research the intrinsic qualities and nuances of different platforms. These insights will help you establish marketing best practices and ultimately increase ROI. Here are five tips for a successful foray into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

1

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, where the majority **(70%)** of users are under 35. Use your resources wisely and reach your target audience through the channels they use most often.

2

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.

3

Adapt content and leverage visual content

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.

5

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.

6

Engage with influencers

Influencer marketing may further advance your sales after the right platform has been chosen. A 2019 study showed that **eight out of 10** people have purchased a product after seeing an influencer recommend it on social media. 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.

Where to next

Twitter, which initially started dabbling in social commerce in 2015 and soon stopped to focus on other areas, is now back with **Twitter Shopping.** YouTube has also been **testing shopping features.** 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. **It is estimated that social commerce will grow three times faster than traditional commerce by 2025.**

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.**

Products**up**

Whether you're interested in dynamic ads or shops, we've got you covered! Our **P2C platform** 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!

Empowering commerce