

Instagram Brings Shopping to IGTV, with Reels Integration to Come Soon

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Nina Goetzen

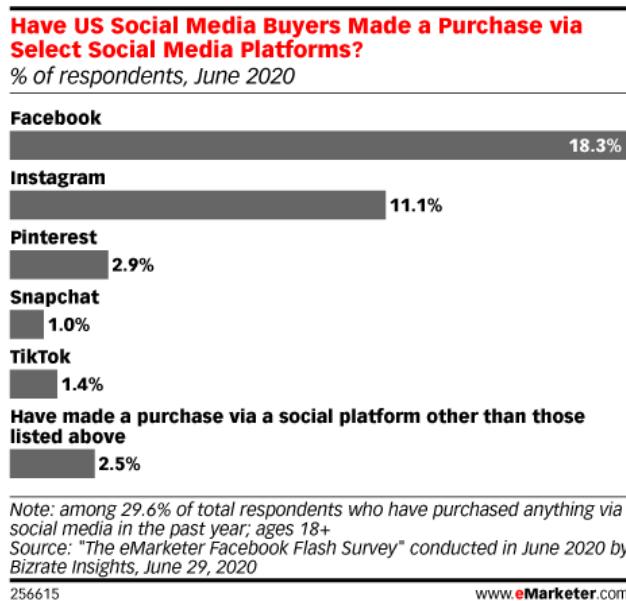
Instagram has rolled out Instagram Shopping for its long-form video platform, IGTV, as part of the company's push to make social commerce more central to the app. Users will be able to add products featured in an IGTV video to their in-app shopping cart and then check out either on the retailers' website or within Instagram.

With this rollout, Shopping is now available on almost all parts of the platform, including the main feed, Stories, and livestreams. The company plans to make Shopping available across the platform's various offerings by year-end, announcing in a company statement that it would begin testing the feature for Reels "later this year."

The move is part of parent company Facebook's shopping push, as well as a broader, industrywide push toward video-based social commerce. This year alone, Facebook has rolled out several shopping features across the two apps: launching native storefronts Facebook Shops and Instagram Shops in May; expanding Live Shopping for both platforms; and adding a centralized product discovery platform for Facebook in August. The quick succession of these rollouts is likely due in part to lockdowns, as the company attempted to capture small businesses that were forced to digitize.

But it's also part of a wider trend toward social commerce that began before the pandemic, as US companies took notes from the Chinese retail market. We estimate that China's retail social commerce industry is set to surpass \$240 billion this year, compared with the \$23.26 billion we expect in US retail social commerce sales. Shopping on video platforms in particular has been booming in China during the pandemic.

Facebook's and Instagram's rapid-fire updates and existing infrastructure make the platforms well positioned to capture share in the budding US social commerce market. Of the US social media users who reported making a purchase on social platforms in the past year, 18.3% said they bought through Facebook, and 11.1% said they used Instagram — both far more popular than competitors like Pinterest (2.9%) and TikTok (1.4%), according to our Facebook flash survey conducted by Bizrate Insights in June 2020.



Though Pinterest's flashy new augmented reality (AR) shopping features and TikTok's ecommerce partnership with Walmart have made headlines, Facebook and Instagram benefit from consumers' existing proclivity toward the platforms, as well as from having a more built-out ecommerce and advertising ecosystem. Those two qualities make the platforms better choices for risk-averse marketers looking to dip into

social commerce. Nonetheless, we think platforms like Pinterest and TikTok could be solid options for marketers looking to experiment with niche audiences.