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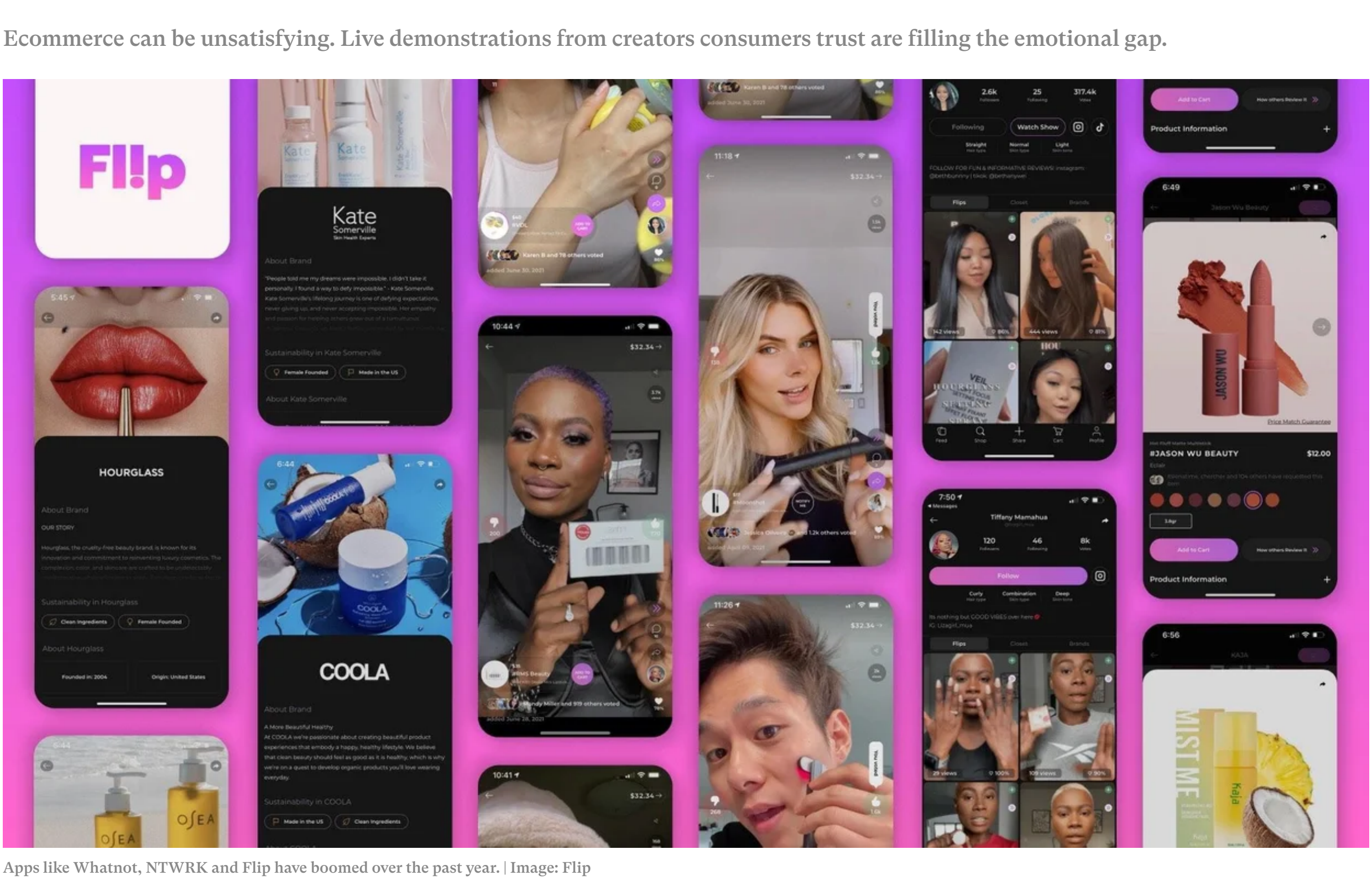
SHOPPING WEEK 2021

Livestream shopping has made the leap from China to the US

Ecommerce can be unsatisfying. Live demonstrations from creators consumers trust are filling the emotional gap.



Apps like Whatnot, NTWRK and Flip have boomed over the past year. | Image: Flip

By Nat Rubio-Licht | November 25, 2021

Shopping Week 2021 SEE MORE COVERAGE BELOW ▼

Tuning into QVC and calling a toll-free number to order the stainless-steel saucepan you just saw on TV may seem like a thing of the past. But watching someone try before you buy is having a resurgence, thanks to social media and apps designed to showcase goods for sale.

From watching people test out a new concealer to showing off their vintage comic book collections, livestream shopping is blossoming. The concept has taken China by storm and is gaining traction in the U.S. as apps like Whatnot, Flip and NTWRK attract users and venture capital funding.

China makes up a big portion of the global market for livestream shopping, with live commerce sales making up 20%, or $171 billion, of all sales in the region in 2020, according to McKinsey. Though the U.S. livestream market is worth a fraction of that (estimated to reach $11 billion in 2021), the overseas growth is a sign that it could soon take over as a major player in ecommerce and retail.

Between January and mid-November, downloads of the top five livestream commerce apps reached a total of 2.7 million, up 8% year-over-year to the same time period in 2020, according to Sensor Tower, even as downloads of conventional ecommerce apps from retailers like Amazon, Walmart and Wish declined. Randy Nelson, head of mobile insights at Sensor Tower, said these trends show that livestream shopping apps are in a fledgling growth stage, while major retail apps have reached a "maturation point."

Social media giants are also hopping on the bandwagon. Instagram launched a series of livestream shopping broadcasts set for November and December, and Facebook added a live shopping tool for businesses in August 2020. TikTok launched its own live shopping feature in September, tapping into the app's popular niche of unboxing and product-review videos. YouTube kicked off a week of shopping livestreams on Nov. 15. These investments are a signal that companies big and small believe that consumers' appetites are heading in the way of livestream commerce.

Yet it's the dedicated apps that may prove to be the biggest winners with their focus on commerce and ability to integrate purchasing and viewing more directly.

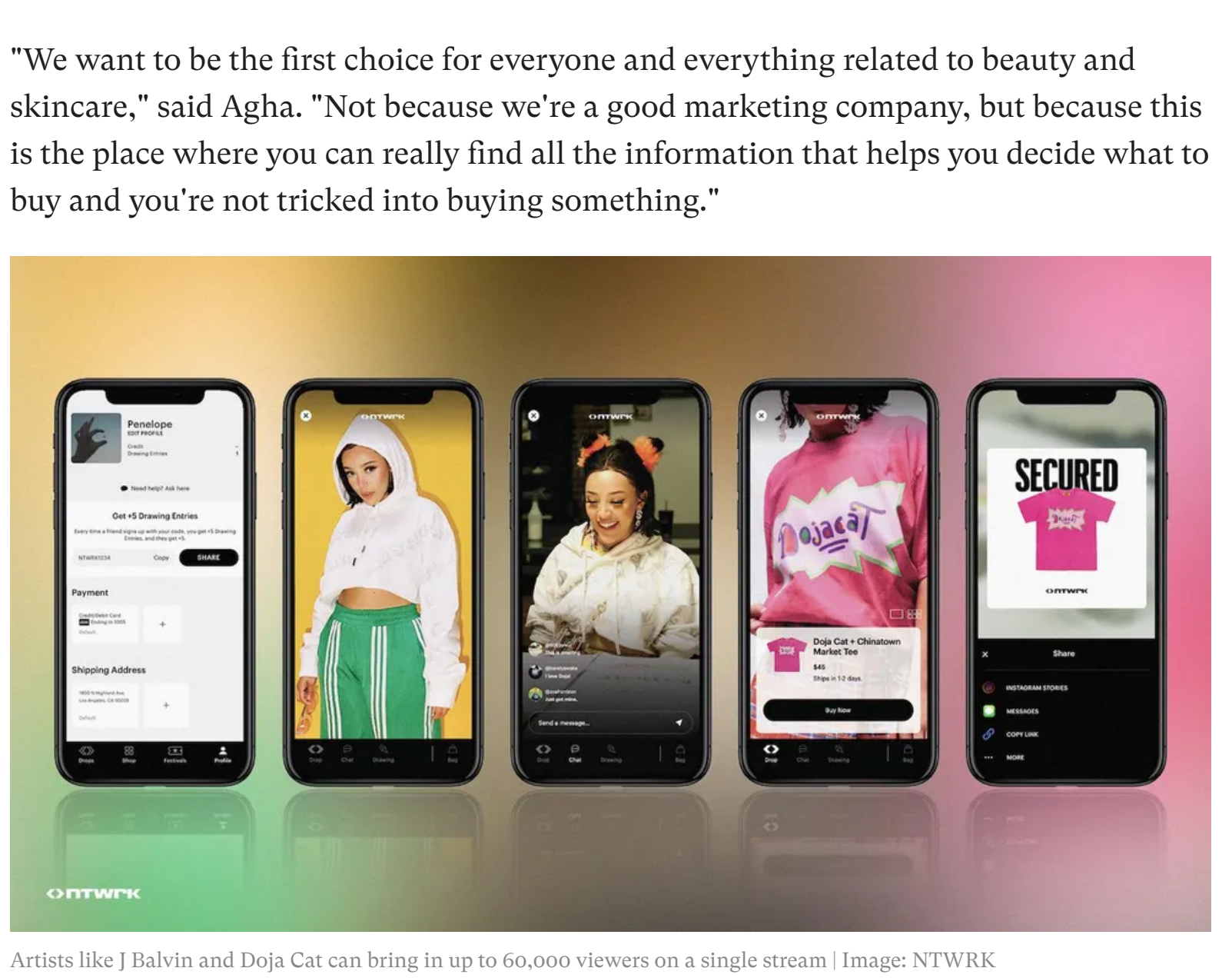
One of the fastest-growing apps is Whatnot, a livestream shopping app focused on novelty items like Funko Pop figurines, baseball cards and comic books. Last year, the Los Angeles-based company brought in just over 60,000 new users between January and November, according to Sensor Tower. This year, the company gained nearly 805,000 new users in the same period.

It also raised $200 million in funding, climbing to a valuation of $1.5 billion. Y Combinator Continuity partner Anu Hariharan, one of the service's lead investors, called it "eBay 2.0" in a statement in May.

Flip, a live commerce app where users can review and sell beauty products, closed a $28 million series A funding at the end of August. Since then, Flip CEO and founder Noor Agha has seen a huge influx of brands wanting to work with creators on the app — including one he'd urged to join and had turned him down just a few months before.

The app's fast growth has given it a springboard for international expansion in 2022. Agha said he aims to launch Flip in at least one or two new countries each quarter starting in April.

"We want to be the first choice for everyone and everything related to beauty and skincare," said Agha. "Not because we're a good marketing company, but because this is the place where you can really find all the information that helps you decide what to buy and you're not tricked into buying something."



Artists like J Balvin and Doja Cat can bring in up to 60,000 viewers on a single stream | Image: NTWRK

NTWRK, a creator-focused livestream shopping app for artists and designers, closed a $50 million series B round in September. Revenue grew by more than 300% from 2019 to 2020, it said. President Moksha Fitzgibbons attributed its growth to the overall rise of the industry and its use by major artists like J Balvin and Doja Cat, who can bring in up to 60,000 viewers on a single stream.

"We're educating North American audiences on the value of livestream shopping," Fitzgibbons said. "It's obviously massive in China, but here, it's a more emergent experience for consumers."

Even legacy shopping networks have shifted to keep up. Qurate Retail Group, which owns QVC and HSN, now streams on services like Amazon Fire TV, Roku, Apple TV and Android TV, along with its own dedicated livestream apps.

Growth in the space seems unlikely to slow down. By 2022, McKinsey estimates that livestream shopping sales in China are going to grow to $423 billion. The market could more than double its current value in the U.S. by 2023, reaching an estimated $25 billion if current trends continue, according to Coresight.

Based on those projections and their own experiences of growth, companies and investors have high hopes for the sector. Even as the pandemic subsides, consumers will still have the apps installed — and a new habit ingrained.

Shopping Week 2021

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Nat Rubio-Licht
Nat Rubio-Licht is a Los Angeles-based news writer at Protocol. They graduated from Syracuse University with a degree in newspaper and online journalism in May 2020. Prior to joining the team, they worked at the Los Angeles Business Journal as a technology and aerospace reporter.

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CES 2022

CES is returning to Vegas. Will the tech world follow?

Expect a smaller show with some major absences, vaccine passes and a digital component.

The first in-person CES since the beginning of the pandemic is likely going to look very different. | Photo: Robyn Beck/AFP via Getty Images

By Janko Roettgers | November 30, 2021

This time of year, consumer electronics companies tend to be busy making plans for CES, the annual industry gathering that in pre-pandemic times drew up to 180,000 people to Las Vegas every January. But with just a few weeks left before the show once again opens its doors after an all-virtual event in 2021, the industry's CES outreach has gotten a lot less aggressive. Instead of invites to extravagant after-show parties, lots of emails instead ask just one question: "Are you going?"

For many, the answer still seems to be up in the air.

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Janko Roettgers
Janko Roettgers (@jank0) is a senior reporter at Protocol, reporting on the shifting power dynamics between tech, media, and entertainment, including the impact of new technologies. Previously, Janko was Variety's first-ever technology writer in San Francisco, where he covered big tech and emerging technologies. He has reported for Gigaom, Berliner Zeitung, and ORF, among others. He has written three books on consumer cord-cutting and online music and co-edited an anthology on internet subcultures. He lives with his family in Oakland.

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Putting the power of software development in the hands of everyone

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By Andrew Ofstad | November 10, 2021

The Bureau of Labor Statistics indicates that by 2026, the shortage of engineers in the U.S. will exceed 1.2 million, while 545,000 software developers will have left the market by that time. Meanwhile, business is becoming increasingly more digital-first, and teams need the tools in place to keep distributed teams aligned and able to respond quickly to changing business needs. That means businesses need to build powerful workplace applications without relying on developers.

In fact, according to Gartner, by 2025, 70% of new applications developed by enterprises will use low-code or no-code technologies and, by 2023, there will be at least four times as many active citizen developers as professional developers at large enterprises. We're on the cusp of a big shift in how businesses operate and how organization wide innovation happens.

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Andrew Ofstad
As Airtable's co-founder, Andrew spearheads Airtable's long-term product bets and represents the voice of the customer in major product decisions. After co-founding the company, he helped scale Airtable's original product and engineering teams. He previously led the redesign of Google's flagship Maps product, and before that was a product manager for Android.

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OPINION

How managers can prioritize their employees' mental health

An inclusive culture is good for business — and your employees' behavioral health

Mandy Price, CEO of Kanarys, says managers are at the forefront of the efforts companies can make to support the mental wellness of their teams. | Photo: Kanarys

By Mandy Price | November 30, 2021

Mandy Price is the CEO and co-founder of Kanarys, a technology company focused on providing the tools organizations need to create long-term systemic change around diversity, equity and inclusion challenges.

As employees start to head back into offices and return to a new normal of lingering health anxiety and hybrid working environments, it's even more important for employers to have appropriate policies in place to encourage mental wellness in the workplace. Now more than ever ignoring employees' mental and emotional wellness is simply not an option for managers.

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Mandy Price
Mandy Price (she/her/hers) is an advocate for diversity, equity and inclusion (DEI) as the CEO and co-founder of Kanarys, Inc., a technology company focused on providing the tools organizations need to create long-term systemic change around DEI challenges. Kanarys uses a data-based approach to pinpoint what companies may not have been able to see before so DEI strategies and interventions are precise, measurable and result in lasting transformation. Mandy left her career as a Harvard-educated attorney to co-found Kanarys, a DEI tech platform that fosters collaboration between companies and employees on DEI in the workplace. Mandy regularly speaks at notable DEI, tech and leadership conferences and has been featured by outlets like Good Morning America, Entrepreneur, Forbes, TechCrunch, Business Insider, The Wall Street Journal and more. Her interest in DEI began early in her career when she helped create the division of diversity and community engagement at the University of Texas at Austin as an undergrad.

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Opinion

THERANOS TRIAL

Elizabeth Holmes says Sunny Balwani abused her

On the stand in her fraud trial, the former Theranos CEO alleged sexual and emotional abuse by her former professional and personal partner.

On the fourth day of her testimony, Elizabeth Holmes broke down for the first time as she discussed her relationship with Sunny Balwani. | Photo: Michael Short/Bloomberg via Getty Images

By Nat Rubio-Licht | November 29, 2021

This story contains mention of sexual assault.

Elizabeth Holmes has blamed many people along the way for the swift downfall of her blood-testing startup, Theranos. But on the fourth day of her testimony in the fraud case against her, she pointed the finger at the man who was once her close professional and personal partner: Sunny Balwani.

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Nat Rubio-Licht
Nat Rubio-Licht is a Los Angeles-based news writer at Protocol. They graduated from Syracuse University with a degree in newspaper and online journalism in May 2020. Prior to joining the team, they worked at the Los Angeles Business Journal as a technology and aerospace reporter.

TAGS:

Elizabeth Holmes · Theranos · Fraud · Theranos Trial

TWITTER

Who is Parag Agrawal, Twitter's new CEO?

The main thing you need to know: He's an engineer's engineer.

Twitter's new CEO is its current chief technology officer, Parag Agrawal. | Photo: Twitter

By Anna Kramer | November 29, 2021

When Parag Agrawal was at Stanford writing his computer science thesis, his adviser couldn't imagine that any of his students would become the CEO of one of the world's most powerful social media companies.

But much has changed since Agrawal graduated with his doctorate in 2012. On Monday morning, Twitter announced that Jack Dorsey had resigned and that Chief Technology Officer Agrawal had been promoted to CEO, effective immediately.

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Anna Kramer
Anna Kramer is a reporter at Protocol (Twitter: @ anna_c_kramer, email: akramer@protocol.com), where she writes about labor and workplace issues. Prior to joining the team, she covered tech and small business for the San Francisco Chronicle and privacy for Bloomberg Law. She is a recent graduate of Brown University, where she studied International Relations and Arabic and wrote her senior thesis about surveillance tools and technological development in the Middle East.

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