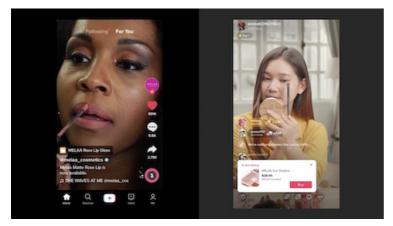


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SOFTWARE AND TECHNOLOGY

TikTok joins the ranks of social shopping

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TikTok Shopping gives brands more ways to sell products. Image credit: TikTok

By NORA HOWE

Short-form video sharing platform TikTok is cementing its value for brands with the introduction of social commerce, after becoming a springboard for products and brands through its organic community engagement.



From its #TikTokMadeMeBuylt trend, which has more than five billion views, to countless influencer product reviews, TikTok's influence on consumer trends and digital community marketing has proven exceptionally powerful. As social commerce accelerates, TikTok is equipping businesses with a new suite of commerce solutions to better serve brands, helping them utilize the authentic power of the platform to drive product discovery and sales.

"This rollout essentially means that businesses have an opportunity to create a more frictionless experience for their customers on TikTok," said Eric Dahan, cofounder/CEO of influencer agency Open Influence, Los Angeles. "These new features are a bold move because I find it very similar to Amazon fulfillment.

"A lot of companies are built around being an Amazon vendor, but now some companies could just let TikTok handle their fulfillment and not have to worry about warehousing, shipping, etc." he said.

"It makes it even more turnkey for brands to sell on TikTok and makes it easy for small brands that are driven by TikTok to control the customer experience a bit more, and to set up and manage their businesses."

TikTok Shopping

As part of a recently launched collection of marketing tools and offerings (see story), TikTok Shopping grants businesses access to a range of full-service commerce solutions.

Through this service, TikTok is offering to manage every aspect of a brand's social commerce journey from product upload and point of sale to shipping and fulfillment, all executed within the platform.

For brands who work with third-party partners, TikTok Shopping lets them connect their product catalog through its own partnerships.

In August, TikTok expanded its relationship with ecommerce company Shopify to make it easier for users to explore and purchase products they discover within the app (see story).

Shopify, Square, Ecwid and PrestaShop are currently available on TikTok, and the platform expects to welcome Wix, ShopLine, OpenCart and Base in the near future.

@afashionnerd##tiktokmademebuyit ##gucci ##nails ##guccinailpolish @gucci ep 985 The Hustle - Van McCoy

Gucci nail polish has become a popular item in the #TikTokMadeMeBuyIt trend

The platform also plans to launch a TikTok Shopping application programming interface (API), which will allow businesses to integrate their product catalogs directly into TikTok and, eventually, in their organic content.

Another aspect of the new shopping service is product links.

Product links identify specific items within a video, so users can see a product being used and make an immediate purchase.

TikTok Shopping merchants can choose to display a card featuring one or more products from their catalog in any videos containing those products, and users who see the videos will be able to explore featured products without leaving the app.

Product links are especially helpful for businesses to tap into opportunities on TikTok's "For You" page, an algorithmically curated feed where users are primed for new discoveries.

According to a July report from neuroanalytics firm Neuro-Insight, TikTok's "For You" page encourages higher levels of relevancy and engagement for brands than sponsored content on other platforms.

Ads on TikTok are also more memorable than those on television or other digital videos (see story).

While social media behemoth Facebook, which owns Instagram, beat TikTok to the social shopping game (see story), it will be interesting to compare how the two platforms perform in regards to brand revenue and community engagement and experience.

@sethobrientrying the dior backstage foundation
##makeup ##dior original sound - Sethobrien

Dedicated beauty followers suggest certain products, such as the Dior foundation, and content creators try and authentically review the products

"This is very similar to Facebook Shops in a lot of ways: they're both going after the same market opportunity, but the biggest difference is TikTok has a unique audience and user base," Mr. Dahan said. "It's successfully starting to become a competing commerce engine.

"TikTok and TikTok Live now have an even bigger opportunity to move forward with Gen-Z-focused direct-to-consumer brands."

Live commerce

Another major aspect of TikTok's new social commerce offerings is livestreaming.

TikTok only began experimenting with a livestream shopping feature in February (see story), but the channel has already proven successful in China and other parts of Asia.

According to McKinsey, livestream shopping grew 280 percent in value between 2017 and 2020, reaching an estimated \$171 billion. Intensified by the pandemic, sales are expected to reach \$423 billion by next year.

Live commerce can help brands, retailers and marketplaces primarily in two areas: accelerating conversion and improving brand appeal. These experiences can be both entertaining and immersive, keeping viewers watching longer (see story).

TikTok believes livestreaming will help businesses on its platform intimately connect with viewers and capture their attention, ultimately driving conversions.

The platform's live shopping feature allows brands to integrate products from their TikTok Shopping experience into

a live session, which will create connections in real time.

During live sessions, brands can help facilitate purchases and direct users to checkout while providing information about themselves and their products.

"Gen Z doesn't like to be advertised to, and they crave authentic content," Mr. Dahan said. "In that same token, these new shop features will add more incentive for creators to promote products, so there will be a noticeable increase in advertising from your favorite influencers.

"In some cases, you will lose some authenticity, but it won't go away as long as influencers keep finding ways to keep their audiences happy."

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