



What is TikTok Shop, and How Will it Influence eCommerce Marketing Strategies?

In the digital age, creative, short-form video is taking over the social media marketing landscape. As we approach the holiday season, TikTok is positioning itself to compete with [eCommerce](#) platforms like Amazon and Shopify with the launch of TikTok Shop in the US, giving “brands, merchants, and creators the tools to sell directly through shoppable content on the [TikTok app](#).”

In this piece, we outline key considerations for retailers looking to leverage this platform to reach customers -- both for the holiday season and after – and implications for how it will influence their eCommerce marketing strategies.

What is TikTok Shop?

TikTok Shop is poised to revolutionize the way businesses approach eCommerce marketing strategies across diverse industries, ushering in a new era of unprecedented opportunities and challenges for brands looking to reach their target audiences. TikTok’s new shopping capabilities are available in several features: through TikTok’s in-feed video and live streaming that allows creators to earn commissions from products; via custom product collection from profile pages; and within a “Shop” tab where businesses can display their products through a dedicated marketplace. Among TikTok’s new capabilities is the ability to upload video responses to products on a virtual store rather than text-written reviews.

The social media app plans to generate up to [\\$20 billion](#) in merchandise sales through TikTok Shop this year, and consumer spending on TikTok has already surpassed [\\$2.5 billion](#) globally. There’s no doubt that an app used to aimlessly scroll and discover new trends now being flooded with shoppable ads will impact retailers’ eCommerce marketing strategy as a whole, especially in the upcoming holiday season.

In fact, Shopify found that [nearly half](#) of Gen Z consumers plan to buy at least some gifts through social media, a greater share than the third of all U.S. consumers that plan to do so this upcoming holiday season. Shopify has integrated with TikTok Shop, allowing for more sales on both platforms. New customers on TikTok Shop receive coupons on their first purchase, which TikTok reimburses to the seller once the product is delivered. This potentially poses challenges for smaller businesses looking to sell on this platform, as they need to manage upfront costs. This is especially timely as TikTok looks to capitalize on the holiday season by offering steep discounts to lure customers.



Key Considerations for Retailers

Leveraging TikTok Shop

1 TikTok should be seen as a technology platform, including for security and data privacy, integration, and management.

Retailers and marketers alike will need to reframe their views of TikTok as a social media app used for marketing and building brand awareness, and rather consider it an omnichannel technology platform that can be used to carry out every step of a transaction. This also encompasses the security of customer data, ensuring safe transactions, and managing adherence to regulations.

There have already been existing concerns with the safety and security of user data on TikTok as a social media app. TikTok has faced allegations of failing to comply with privacy rights laws, and [reports have found](#) that employees of ByteDance, TikTok's Chinese-owned parent company, have "repeatedly" accessed nonpublic U.S. user data. These concerns are heightened with the introduction of an eCommerce platform built into the app. When someone makes a purchase, the company collects data "to provide our shopping features and facilitate the purchase and delivery of products, goods and services," according to its privacy policy. Despite the legal concerns, [75%](#) of U.S. marketers expected to increase their spending on TikTok in the next 12 months, even before the release of TikTok Shop.

In addition to security and privacy concerns, there remains the risk of fraudulent sellers and misleading information. TikTok says merchants are vetted before they can launch on TikTok Shop, and once they're live, they must follow a set of guidelines that prohibits fake, fraudulent, or misleading content. Companies looking to sell or promote their products through this platform have a responsibility to ensure the safety of their customers' information, as well as transparently communicate the measures taken to protect consumer data to earn consumer trust.

2 Influencer marketing strategies will shift, as will budgets.

TikTok has already established its ability to influence purchase decisions and brand awareness through paid partnerships, content creators, and viral trends. TikTok is best for [direct-to-consumer](#) brands with a high visual value, a creative story or brand personality, and/or a younger target consumer demographic consisting of Gen Alpha, Gen Z, and Millennials. Brands that engage with these demographic groups via TikTok will have a greater chance of securing their buy-in than those that rely on traditional marketing tactics. In fact, [49%](#) of TikTok users have purchased a product or service from a brand after seeing it advertised, promoted, or reviewed on the platform. This willingness to spend based on an influencer's recommendation is based on a high level of trust between followers

and their favorite content creators, as well as the convenience of completing a transaction without leaving the app.

TikTok Shop's convenient and seamless transactional experience will make influencers even more powerful but may also hinder brands looking to gain recognition on TikTok, as "for you" pages are now oversaturated with sponsorships and advertisements. Knowing your audience and understanding their behavior is key to an effective [social commerce marketing strategy](#) that will produce engaging content to capture the attention of casual scrollers.

The same convenience that convinces people to buy can work in favor of scammers, too, so brands will need to gain credibility and communicate authenticity by carefully selecting the [influencers](#) they choose to partner with, as well as by earning genuine reviews. Creators can appear more authentic by using TikTok's new feature, which allows them to upload video responses to products in a virtual store instead of relying on text-written reviews. This capability enables influencers create a more genuine connection between the creator and the audience during the review process. Consequently, [influencer marketing strategies](#) will see a shift, and an authentic and reliable brand message will take priority in order to earn consumers' trust and, ultimately, their business.



3 Be mindful of the increased buying power among Generation Alpha.

The newest generation of powerful consumers is Generation Alpha, a digitally native demographic born after 2010 that has grown up with technology at their fingertips. Poised to be not only the [largest generation in history](#), but also [more diverse](#) than the rest of the U.S. population, this tech savvy group of upcoming consumers is expected to have big [buying power](#) as well as significantly influence purchasing decisions, with parents often turning to their children for guidance on what products to buy.

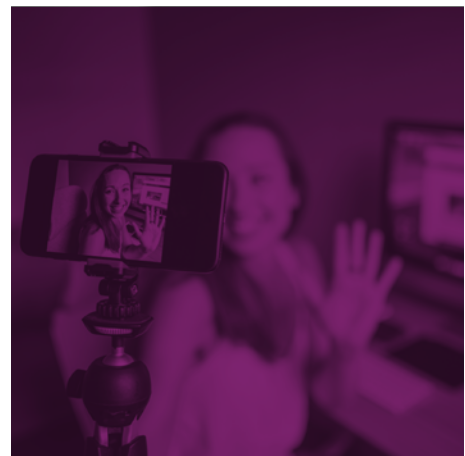
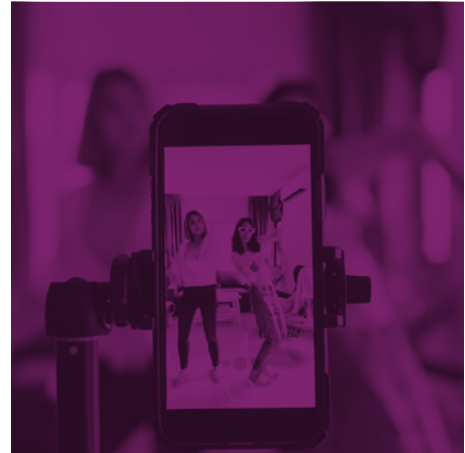
Having grown up with a smartphone in their hands, Gen Alpha members are far more focused on the visual and interactive online experience at an earlier age than Gen Z was. Marketers should leverage this by creating interactive experiences within advertisements or attaching gaming opportunities to brands to capture the attention of Gen Alpha. As true digital natives, members of Gen Alpha can spot paid promotional content immediately, emphasizing the importance of interactive, authentic advertisements that won't be perceived as interruptive or irrelevant. Companies should consider these factors in building their content strategy in order to best capture the attention of an up-and-coming generation of social commerce consumers.

As the most diverse generation, Gen Alpha values authentic diversity and inclusivity in the content they consume. Brands must create [inclusive marketing campaigns](#) that represent different races, cultures, and backgrounds, as well as products that cater to the specific needs of diverse communities. As Soniya Monga, Head of U.S. Agency Partnerships at TikTok, shared, “*The future of brand storytelling lies in the hands of multicultural creators, and by championing diverse creators, brands can unlock their full potential on TikTok.*”

4 Representation matters on the platform, so marketing teams will need to have a strategy in place to include diverse creators.

Advertising through [influencers](#) allows brands to promote an authentic and tailored brand message, as well as build consumer trust. Influencer generated content (IGC) has shown to generate far more [brand engagement](#) than companies using their own TikTok accounts for branded content or paid ads, as user-generated TikTok videos perform [46%](#) better than traditional ads. Brands that have an understanding of creator-led social media will be able to leverage diverse creators who are relatable, authentic, and align with the interests of their target audience.

TikTok can quickly make or break your brand. Its algorithm and diverse niches make it a place where brands can run influencer campaigns that resonate with their audience, build connections, and generate impressive results. Brands that fail to [represent diversity and inclusion](#), or lack authenticity, will have serious repercussions for their public perception and adoption, which is especially critical on an app like TikTok where viral videos and trends can tarnish a brand’s reputation overnight. Therefore, it’s critical for brands looking to reach consumers using TikTok to form a strategic [marketing plan](#) that includes partnering with diverse and trustworthy creators as well as having an authentic brand message and engaging or unique value offer that aligns with the values of their target demographic.



Looking to the Future

As TikTok evolves into a multifaceted platform integrating social media and eCommerce, businesses must adapt their strategies to harness its full potential. The launch of TikTok Shop signifies a paradigm shift – not just in how products are marketed, but also in how transactions occur, blurring the lines between social interaction and shopping. In this dynamic new ecosystem, where viral fame and brand reputation can change overnight, areas such as IT, marketing, and eCommerce must work cross-functionally and intentionally to craft inclusive, interactive, and genuine experiences that capture the attention and trust of the digital consumer.

In the coming months, we will see a surge of companies looking to build revenue through TikTok Shop and partnerships with influencers. The potential for diverse industries to flourish on TikTok Shop extends beyond the thriving [health and beauty](#) sectors, paving the way for [trends](#) like luxury resale and livestream eCommerce to potentially emerge in coming months. Those who successfully align with consumer interests stand to gain significant advantages, while brands that fail to resonate with their audience risk not only financial setbacks but also damage to their overall reputation.

Whether your company opts to focus on TikTok Shop or not, maintaining consistency in your brand representation across eCommerce and [social commerce](#) platforms is crucial for preserving your image. TikTok Shop is not merely a marketplace; it's a cultural phenomenon shaping the future of eCommerce—one where creativity, diversity, and authenticity will be the keys to success, foreshadowing a new era where [consumer engagement](#) and brand credibility stand as the cornerstones of lasting market influence.

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