

TikTok abandons plans to bring livestream ecommerce to the US

Article

The news: TikTok has scrapped plans to bring its live ecommerce initiative to the US and other European markets after a failed UK pilot, per the Financial Times.

The allure: Platforms like Meta and Pinterest hope to use livestream shopping—and, by extension, social commerce—as insulation from the fluctuations of the digital advertising market and Apple's [privacy changes](#).

- The success of **Douyin**, TikTok's sister app, is a potent lure: **Over 10 billion items were sold on the platform** in the fiscal year that ended April 2022, the company said. Gross merchandise value increased 320% year-over-year (YoY) in the same period.
- Livestream ecommerce sales in China will **grow 45% YoY to reach \$432.1 billion this year**, [per](#) our forecast.

Livestream shopping struggles: Despite the numerous attempts to make livestream shopping as big a phenomenon in the West as it is in Asia, consumers remain wary.

- TikTok's UK foray has been hampered by poor sales, causing influencers and brands to lose interest even when offered incentives and cash benefits, [per](#) the FT.
- An April 2022 [survey](#) by Klarna and Nepa found that the majority (60%) of UK adults had never heard of livestream shopping events, while only 11% reported participating in one.
- US shoppers are hardly more enthusiastic: **52% of US adults said they either didn't know what livestream ecommerce was or were not interested in using it**, [per](#) an April 2022 survey by Bizrate Insights.

Adults in Select Countries Who Have Participated in/Heard of a Livestream Shopping Event, Q1 2022

% of respondents in each group

	Have participated	Have not participated
US	20%	35%
Belgium	13%	31%
Sweden	12%	38%
Australia	12%	31%
UK	11%	29%
Norway	11%	26%
France	10%	38%
Finland	10%	29%
Netherlands	10%	28%
Germany	7%	36%
Austria	6%	27%

Note: ages 18-76

Source: Klarna, "Shopping Pulse," April 20, 2022

275279

eMarketer | InsiderIntelligence.com

Culture clash: It's not surprising to see TikTok attempt to cut its losses as higher interest rates and market uncertainty [force businesses](#) to focus on their core revenue streams. However, its decision to cut back on social commerce despite being a major driver of trends and purchase intent signals that the market for livestream ecommerce is not yet worth the effort.

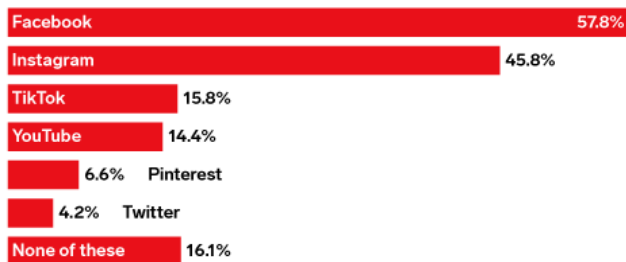
- It also shows that TikTok and other platforms can't simply transpose what's worked in China onto other markets.
- That goes for livestream shopping as well as work culture: TikTok's UK arm is struggling to retain employees amid [claims](#) of a punishing work environment, further inhibiting its social commerce rollout.

The big takeaway: It will be some time before livestream shopping adoption in Western markets reaches the level of penetration seen in Asian countries. At the same time, by putting its livestream shopping plans on ice, TikTok is leaving the door open for other platforms to take the lead.

Go further: For more on TikTok commerce, read our report [here](#).

From Which Social Media Platforms Have Internet Users Worldwide Purchased Products During a Livestreaming Event?

% of respondents, Jan 2022



Note: n=3,636 ages 13+

Source: Bazaarvoice, "Social Shopping Survey," Feb 23, 2022

273880

eMarketer | InsiderIntelligence.com