

TikTok plans US fulfillment centers

Article

The news: TikTok intends to build its own **product fulfillment centers** in the US, as evidenced by new job postings on LinkedIn first discovered by Axios.

- **One posting** lists the mission of the ecommerce global supply chain and logistics team as “to optimize the variety and cost-saving of goods and the speed and quality of fulfillment to ensure the user experience of global ecommerce service.”
- In a now-deleted quote on LinkedIn, **another** stated that by providing warehousing, delivery, and customer service returns, the team aims to “help sellers improve their operational

capability and efficiency, provide buyers a satisfying shopping experience and ensure fast and sustainable growth of TikTok Shop.”

- Another now-deleted quote from a listing for a **logistics solutions manager** suggested the platform is interested in building a free returns program.

Expanding locations?: A TikTok spokesperson said that in areas where the platform offers ecommerce programs, like the UK and Southeast Asia, it provides “a selection of merchants which offer a range of product options as well as delivery options.”

- But the spokesperson said the company’s “focus” is on its currently active ecommerce regions.

Talent wars: While this may be a ploy to lure talent from Amazon (considering some of the postings are based in the Seattle area), our analyst Sky Canaves doesn’t see this as a threat to the ecommerce giant.

- Though the job postings are based in the US, TikTok’s goal may not be US merchants.
- Canaves expects the foray will be aimed at helping Chinese merchants to engage in cross-border selling, “perhaps especially those who have found it more difficult to sell on Amazon.”
- Breaking into the US market may even prove difficult for the platform. “TikTok parent ByteDance has a strong blueprint for ecommerce from its experience with Douyin in China, but translating that success to other markets has proven more of a challenge,” she added.
- This isn’t the first time TikTok has taken a page out of ByteDance’s book. The platform announced earlier this month that it would **partner with TalkShopLive** to bring live shopping to the US.

If it works: If this model seems familiar, that’s because it is. Fast-fashion company **Shein is also investing in US distribution centers**.

- Currently, customers may have to wait up to 15 days for deliveries from the Chinese brand.
- Stateside distribution not only helps Shein cut down on delivery times, but also enables it to expand and experiment with different price points, according to our analyst Jasmine Enberg.

Going up: We expect US retail **social commerce** sales to hit \$53.10 billion this year and will continue to grow to over \$107 billion by 2025.

- While Facebook owns the lion's share of social commerce users, TikTok is generating most of the new buyer growth.
- The number of US TikTok buyers will grow by over 72% this year to 23.7 million, surpassing Pinterest for the first time.

Time will tell: TikTok has yet to reveal its full plans for its US fulfillment centers, but one thing is for sure: The platform is doubling down on social commerce and finding ways to edge out competitors like Facebook and Instagram.

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