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TikTok parent ByteDance looks to extend dominance with new social recommendation app

Article

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The news: China's **ByteDance** is extending its line of apps with **Kesong**, a social network app for shopping and lifestyle recommendations. Users of the app, which was launched in the Chinese market earlier this month, share images, videos, fashion advice, and shopping experiences.

- The app's best comparison would be Xiaohongshu, a social lifestyle and e-commerce site with more than 200 million members known as Red outside of China. Because of its appeal to younger consumers and focus on lifestyle imagery, Xiaohongshu is best compared with **Instagram** and **Pinterest**.

Zoom out: ByteDance is making the move in an effort to compete with **Tencent**, the Chinese tech giant that controls the **WeChat** super app.

- The **TikTok** parent is also trying to extend its empire with more social media applications in China and overseas.
- **Douyin**, TikTok's Chinese counterpart, has more than 700 million daily users; ByteDance also owns news aggregator **Toutiao**, which has over 200 million users.
- It is also investing heavily in the mobile gaming space, particularly outside of China.

Why it matters: By launching an entirely new app rather than embed added functionality into TikTok and Douyin, ByteDance is deviating from Tencent's strategy of encapsulating all sorts of features into WeChat. Douyin actually attempted in-app recommendations last year; lessons learned from that experiment might have suggested to ByteDance that such a feature would work better as a standalone app.

- Ultimately, Kesong highlights ByteDance's desire to make inroads into China's gargantuan recommendation economy. The open question: if Kesong takes off, how long until US consumers see a version of the app?

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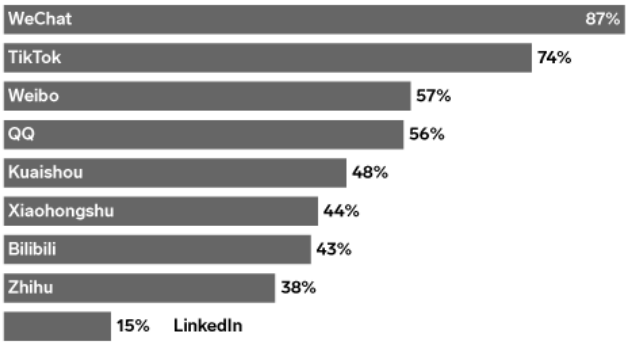
Social Networks Used by Digital Buyers in China, Aug 2021

% of respondents



Note: ages 18+; at least one a week
Source: DPDgroup, "E-shopper barometer 2021," Feb 11, 2022

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