

## TikTok Shop is expanding into Mexico

## **Article**



The news: TikTok Shop plans to launch in Mexico next month, per the South China Morning Post.

- The ByteDance-owned platform is inviting merchants with a locally registered entity to sell on the platform. Those likely include retailers that performed well on TikTok Shop's US platform, as well as on Amazon and Mercado Libre.
- The move, which is expected to be the first stage of a broader rollout across Latin America,
  comes on the heels of TikTok Shop starting up in Spain and Ireland.

The Mexican ecommerce landscape: TikTok Shop is entering a fast-growing market in which we expect four key players—Mercado Libre, Amazon, Walmart, and Liverpool—to account for nearly half (49.1%) of online sales this year.

**The context:** ByteDance appears to be taking steps to diversify its TikTok Shop portfolio as the US government edges closer to <u>potentially banning TikTok</u>.

- Many experts expect the US Supreme Court may uphold the law banning TikTok while leaving room for presidential discretion in enforcement.
- President-elect **Donald Trump** has said he has a "warm spot" for TikTok since the app helped him make inroads with young voters in the 2024 presidential election. Some believe that he would intervene, which could mean that any ban may be lifted in relatively short order.
- But even a short-term ban could affect US social commerce growth, which rose 26% last year to \$71.6 billion thanks in large part to TikTok Shop. We expect social commerce sales to rise to \$85.58 billion this year and pass \$100 billion by 2026.

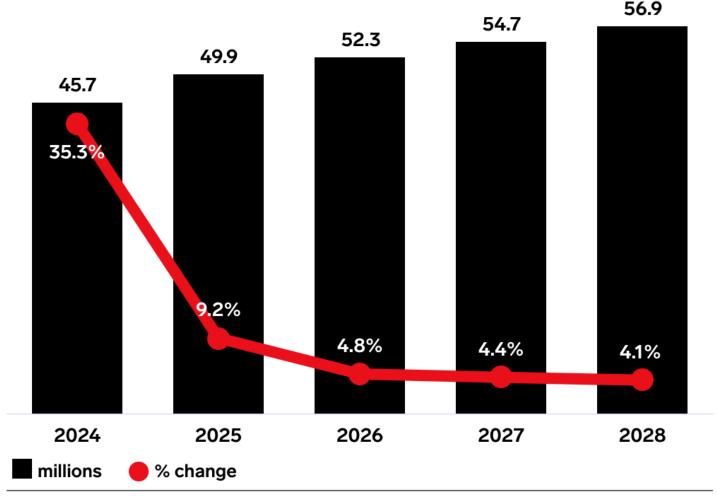
**Our take:** TikTok Shop will likely prove successful in Mexico by using a similar playbook to the one deployed in the US and other markets. That involves hooking <u>Gen Z shoppers</u>, investing in <u>live shopping</u>, and leaning on well-timed promotional events to drive buyers to spend.

Go further: Read our <u>FAQ on the US TikTok Ban: What Businesses, Advertisers, and Creators Need to Know.</u>



## TikTok Social Buyers

US, 2024-2028



Note: ages 14+; social network users who have made at least one purchase via the TikTok platform, including links and transactions on the platform itself, during the calendar year; including online, mobile and tablet purchases

Source: EMARKETER Forecast, October 2024



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