

TikTok bets big on livestream commerce, aims for \$20B in global sales

Article

The news: ByteDance's TikTok is planning to quadruple the size of its global ecommerce business for a potential **\$20 billion** in merchandise sales annually through its **TikTok Shop**.

Growth opportunities in emerging markets: TikTok's ecommerce expansion, which it hopes will accelerate profits from last year's **\$4.4 billion** in gross merchandise sales, focuses largely on its success in Southeast Asia.

- **TikTok is specifically betting on Indonesia, where it has over 277.5 million users** and where influencers on its social video platform sell products on livestreamed videos—similar to home shopping channels on cable TV but with a much wider reach.
- **Asia-Pacific** has the most mobile phone messaging app users: The region has **2.1 billion** users, followed by Latin America (**347.1 million**), and Western Europe (**288.5 million**).
- TikTok Shop converts TikTok channels into virtual storefronts. Customers can add products from various brands and check out within the app.

Livestream commerce is coming: The fusion of mobile entertainment and impulse buying in TikTok's livestreamed videos presents a unique opportunity for marketers and brands to engage with consumers in a highly interactive and engaging manner.

- Brands can explore ways to use this format to showcase their products, collaborate with influencers, and drive conversions all within TikTok's ecosystem.
- TikTok Shop has the benefit of curating user experience, making payments seamless, and creating customer profiles for more targeted mobile advertising on its platform.

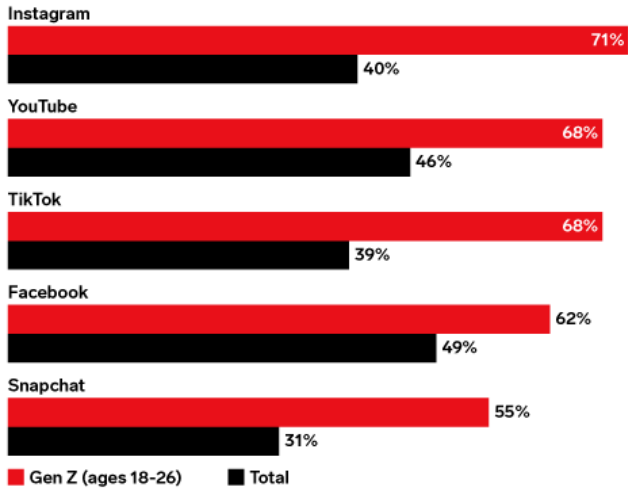
Why it's worth watching: TikTok's **1 billion active daily users** make its global commerce pivot a viable area for expansion, but it looks like TikTok Shop isn't ready for primetime in the US.

- **Fewer than 100 US merchants were selling on TikTok Shop as of March 2023**, per The Information. To be fair, TikTok Shop only began enlisting merchants on an invite-only basis in November 2022, per our [TikTok Commerce 2023](#) report.
- Conversely, **Meta's Instagram** discontinued its live shopping business in March, which opens up opportunities for other social media networks to expand.

Our take: TikTok seems to be looking for a way to replicate its success in Southeast Asia on a global scale. In the case of livestream commerce, it may work for certain product categories, such as fashion and consumer electronics, but may not resonate in markets where shoppers are returning to stores.

Social Networks Where US Adults Are Likely to Make Purchases Directly, Gen Z vs. Total, Q1 2023

% of respondents



Source: Jungle Scout, "Consumer Trends Report: Q1 2023," March 21, 2023

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