

TikTok's getting even more shoppable

Article

The news: TikTok announced new [Shopping Ads](#) this week in an effort to streamline in-app ecommerce.

TikTok is leaning into what it calls the "[Infinite Loop](#)," a buzzy way of redescribing the traditional ecommerce funnel as a cycle where users participate in both purchasing and marketing products. The Loop invokes TikTok's user experience of infinite scrolling and discovery with the added bonus of a never-ending revenue stream for brands.

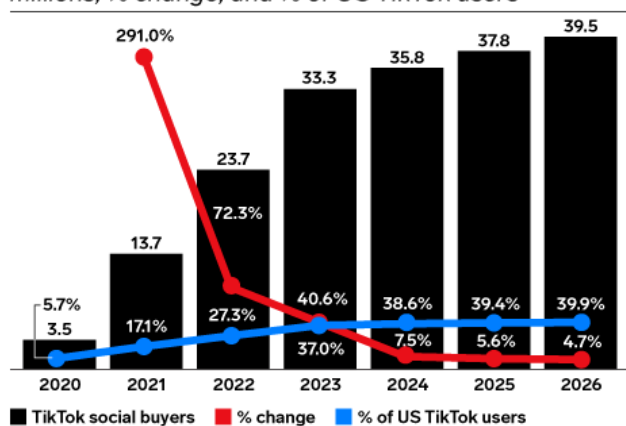
The ads are a threefold attempt at meeting scrollers “wherever they are in the purchase journey” via videos, listings, and live ads.

The breakdown:

- Video Shopping Ads will target smaller, more specific user cohorts.
- Catalog Listing Ads let brands promote products with shoppable listings without video assets.
- LIVE Shopping Ads offer a QVC-like interface directly within livestreams.

US TikTok Social Buyers, 2020-2026

millions, % change, and % of US TikTok users



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, July 2022

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The opportunity: This year 27.3% of TikTok users will make purchases via the platform, up from just 5.7% in 2020. By 2026, that number jumps to 39.9%, even as TikTok usage increases.

Over 7 in 10 [TikTok shoppers](#) worldwide are inclined to buy when stumbling on an interesting product, and 6 in 10 use the app for shopping inspiration, according to Bazaarvoice.

Will it work? Like Facebook, Instagram, and others before it, TikTok took on consumerism and meshed it with content creation, resulting in an app full of buyer-sellers, rather than dividing customers and marketers.

But the ByteDance-owned company has already [scrapped plans to make livestream ecommerce](#) happen in the US, where it hasn't caught on yet. In contrast, livestream

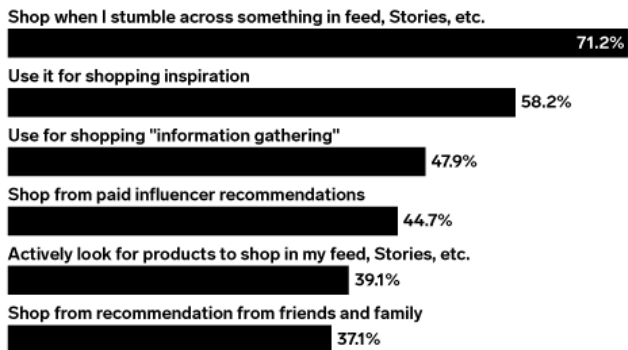
ecommerce in China will account for \$432.10 billion in sales this year.

Still, TikTok's algorithm—[which Oracle is now auditing](#)—and cohort of creators offer an advantage over platforms like Instagram and Pinterest, where users are accustomed to posting photos and often feel inundated with ads.

For a fresh face that's already moved past Twitter, Snapchat, and Pinterest in [US ad spend](#), enhancing ecommerce really is a no-brainer.

How Do TikTok Shoppers Worldwide Shop on TikTok?

% of respondents, Jan 2022



Note: n=3,613 ages 13+

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

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