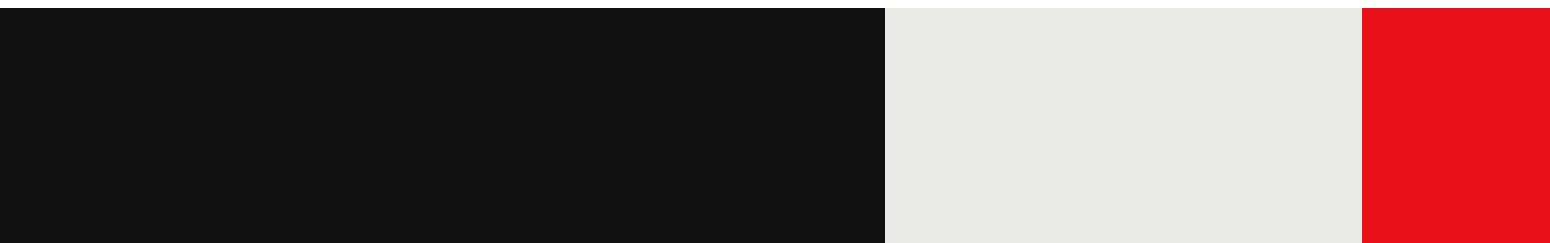



Can TikTok Shop crack the US ecommerce market?

Article



TikTok aims to quadruple the size of its global ecommerce business in 2023. But TikTok Shop's US rollout has been complicated—and that could have implications for the company's aggressive goal.

- TikTok plans to generate up to \$20 billion in merchandise sales through TikTok Shop this year, per Bloomberg.
- Live commerce is the crown jewel of TikTok Shop, which also allows merchants to sell goods directly from short videos and TikTok storefronts without using an in-app pop-up browser for checkout.

TikTok is intent on cracking the US ecommerce market. TikTok is primarily banking on countries in Southeast Asia to reach its objective, but it's not giving up on the US: In May, the Financial Times reported that TikTok had restructured its ecommerce business to focus on the US and the UK. The US is the world's second-largest social commerce market after China, generating \$68.92 billion in sales this year, per our estimates.

So far, few US merchants are buying what TikTok is trying to sell. 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. TikTok said in May that it moved TikTok Shop from alpha to beta testing in April 2023 to allow more merchants to join.

But if any social app can make live commerce and in-app checkout happen in the US, it's probably TikTok. It's already a formidable social commerce platform, especially among Gen Z. Still, it won't be easy: TikTok will have to overcome a combination of shifting consumer shopping behaviors, an economic slowdown, low uptake of live commerce, and consumer skepticism of in-app checkout—not to mention a potential TikTok ban.

- More than 80% of US adults did not participate in a shoppable livestream last year, per a December 2022 Morning Consult survey, including 62% of adult Gen Zers.
- Most people, including Gen Z, don't want to check out using a social platform's native tools: About three-quarters of US social shoppers ages 16 to 24 preferred to buy a product on a brand site, per an October 2022 SimplicityDX survey.

Is TikTok a need-to-have for US merchants? Read our latest report, "[TikTok Commerce 2023: Should US Brands and Retailers Sign Up for TikTok Shop?](#)"