

5 key stats on TikTok Shop: Gen Z, off-price shopping, and fast fashion

Article

Since its launch in September 2023, over 11% of US households have purchased items via [TikTok](#) Shop, according to data from a recent Earnest Analytics' report, which analyzed [credit](#)

[card](#) transaction data to learn more about TikTok Shop users.

Here are five insights into TikTok Shop's performance and what that means for brands.

1. TikTok Shop is driving [social commerce](#) sales

Key stat: TikTok Shop sold 68.1% of social shopping gross merchandise value (GMV) in February 2024, per the report. Livestream shopping app Whatnot has captured 31% of GMV, while the combined GMV of Instagram Checkout, Facebook Shop, and Flip App amounted to less than 1%.

What it means: Consumers aren't just using TikTok for [social](#) inspiration, they're actually making purchases on the platform.

Some context is required:

- This report didn't include data from Facebook Marketplace, where many consumers search directly for secondhand goods. This gives it a strong lead in social buyers—64.6 million US consumers will buy something via Facebook this year, compared to 40.7 million on TikTok, per our forecast.
- While TikTok Shop encourages users to make a purchase directly on the platform, [Facebook and Instagram are shifting away from embedding checkout](#) on their platforms, instead using ads to send users to other platforms to finalize their purchases.

2. TikTok Shop keeps customers coming back

Key stat: 81.3% of TikTok Shop sales came from existing customers in February 2024, up from 64% in November 2023, according to Earnest Analytics.

What it means: TikTok Shop has earned consumers' [loyalty](#).

- Soon after launching, TikTok Shop was inundated with counterfeit items and cheap goods, which many brands were concerned would hurt TikTok's standing with shoppers and invite more government scrutiny.
- Though TikTok hasn't won over the US government, TikTok Shop has won over consumers, drawing more repeat purchasers over time.

3. Gen Z consumers are most likely to shop on TikTok

Key stat: [Gen Z](#) adults between 18 to 24 are 3.2 times as likely to make a purchase on TikTok Shop than the general adult population, said the report.

What this means: While not surprising, it validates what we've been saying: Brands need to be on TikTok to reach Gen Z.

It's not the only way to reach younger consumers. Instagram, retailer sites, and even brick-and-mortar stores play a role in how Gen Z shops, according to our [Gen Z's Path to Purchase](#) report, meaning brands should have a presence across all to ensure success.

4. TikTok Shop users also shop off-price, fast-fashion brands

Key stat: TikTok Shop customers spent 26% of their apparel wallet on off-price department stores and 11% on fast fashion in the 12 months ending February 2024, compared with 24% and 7% for non-TikTok Shoppers.

What it means: TikTok Shop users are price-conscious—just like everyone else.

- The main action that US digital shoppers take to [combat rising shopping costs](#) is looking for discounts and coupons, per a December 2023 survey from Intelligence Node in partnership with Dynata.
- Brands can stand out on TikTok Shop by offering exclusive discounts. They also might consider partnering with off-price retailers like T.J.Maxx or Burlington to add a physical component to their strategy.

5. Shein, Temu have the highest customer overlaps with TikTok Shop

Key stat: Around 28% of Shein customers shopped at TikTok Shop in its first months, one of the highest overlaps of any fast-fashion or general apparel brand. A quarter (25%) of Temu's customers also shop via TikTok Shop, as do 17% of Etsy, 14% of Ebay, and 12% of [Amazon](#) customers.

What it means: The competition is heating up among retail marketplaces.

- Amazon lost 2.6 million daily active users between Temu's launch in September 2022 and January 2024, while Temu gained 51.4 million in the same time frame, according to data from The Wall Street Journal as reported by Forbes.
- [If TikTok is banned](#), that's one less marketplace in competition for consumer dollars. However, it's also one less marketplace to help merchants diversify their reach.

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