TikTok users aren't sold on TikTok Shop

Article



The insight: TikTok's aggressive push to grow its ecommerce business is hurting user engagement.

- Users interacted with 2.7% of regular videos posted by the 120 influencers tracked by Captiv8 but just 1.4% of their Shop posts, <u>according to</u> a study conducted by Captiv8 for Fortune.
- The results of the study track with data from Sensor Tower that found <u>TikTok's user growth</u> slowing around the time it began leaning into ecommerce.





Why it matters: So far, TikTok Shop is proving to be a mixed bag.

On the one hand, certain categories—most notably beauty—are performing strongly.

- The most popular item on TikTok Shop, GuruNanda Coconut and Mint Pulling Oil, is selling over 100,000 units per week; to date, shoppers have purchased 1.2 million units on the app, per Marketplace Pulse.
- As of November, TikTok Shop was the US' 12th largest beauty and personal care
 ecommerce retailer, according to a study by Dash Hudson and NielsenIQ.

On the other hand, the platform has a counterfeit problem.

- A recent video that purported to sell **Apple**'s AirPods Max headphones for a mere \$16—97% off the retail price—received 3.8 million views and led to 32,700 sales before TikTok took it down (which only happened after Bloomberg columnist **Dave Lee** flagged it to the company).
- TikTok Shop's moderation struggles are a significant barrier to its ecommerce ambitions, as they could keep brands from selling on the platform and deter users from making purchases.

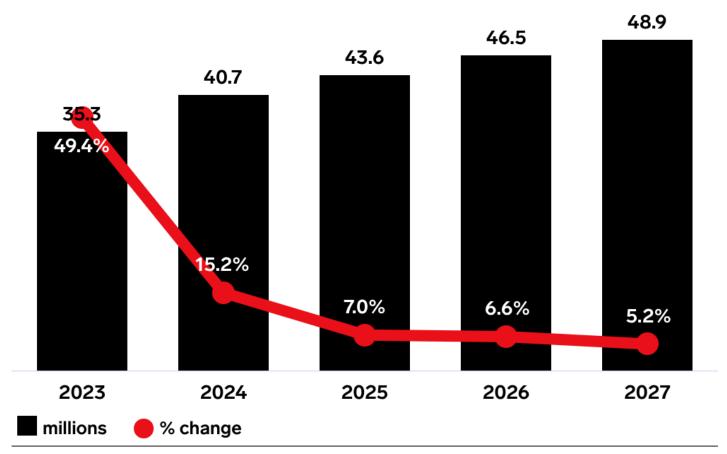
The big takeaway: If any platform can make social commerce happen, it's likely to be TikTok, given its proven ability to mint trends and drive sales—not to mention the sterling example sister app **Douyin** has set in China.

But it has significant hurdles to clear before it can become a major ecommerce player, including making sure that its shopping ambitions don't get in the way of the user experience and cleaning up its marketplace.

Go further: Check out our latest Social Commerce Forecast.

TikTok Social Buyers

US, 2023-2027



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: Insider Intelligence | eMarketer, September 2023

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