

TikTok offers free listings, free shipping, and zero commission fees to attract sellers

Article

The strategy: TikTok aims to rapidly grow its online marketplace by offering merchants free listings, free shipping, zero commissions, as well as warehousing space, per Bloomberg.

- It also recently opened a pop-up shop in London that is open to existing and prospective merchants as well as creators who can use the space to host livestreams and to learn more about social selling, per InternetRetailing.
- TikTok has already rolled out full-fledged marketplaces inside its main app in the UK and Saudi Arabia that offer that type of “full-custody” model, and it aims to launch a similar service in North America in the next few months.

TikTok parent company **ByteDance** has major ambitions for its social commerce efforts: It plans to generate up to **\$20 billion in merchandise sales** through TikTok Shop this year.

How it works: TikTok aims to make its offering too good to refuse.

- Chinese merchants need to enter product information, then ship their goods to a Guangzhou warehouse.
- TikTok will then handle everything else including marketing, logistics, and invoicing.

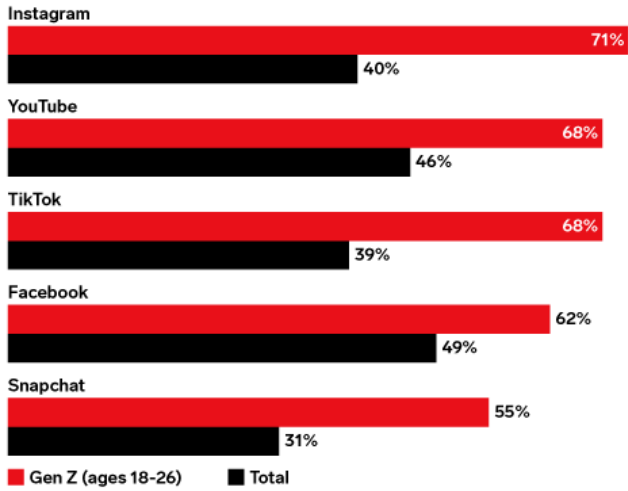
The big takeaway: As TikTok prepares a large-scale ecommerce push in North America, it is competing with **Temu, Shein**, as well as **Amazon**.

- That’s forcing it to look for ways to stand out in an environment where Temu also offers a full-custody model and Shein is waiving commissions on a selective basis.
- However, in the push to grow its merchant base, it may be entering a race to the bottom.

Go further: Read our latest report, [“TikTok Commerce 2023: Should US Brands and Retailers Sign Up for TikTok Shop?”](#)

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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