



# Social commerce on TIKTOK

Get more from **TikTok** with this complete **guide to advertising and selling** on the world's fastest-growing app



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## **TikTok at a glance**





# Introduction

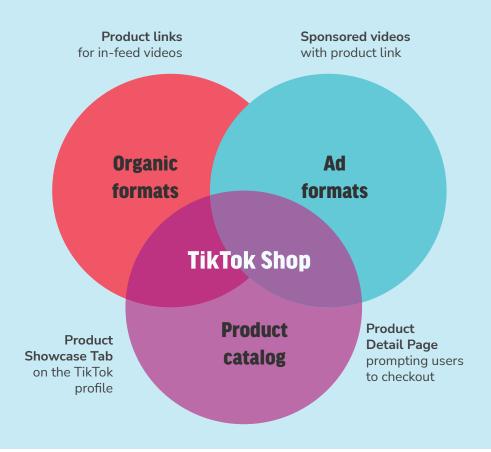
How does a small-town baked potato vendor become a global sensation, selling over 1,500 potatoes in a single day? You guessed it – by posting on TikTok, today's leading catalyst for overnight growth.

Having maintained its status as a social media giant for the past several years now, TikTok has become an essential tool for nearly every brand (whether you're a huge enterprise or a one-man spud business.) Its video-based nature stimulates a captive audience unlike any other marketing or sales channel. With Gen Alpha, Gen Z, and Millennials making up most of its user base, TikTok is shaping the future of consumer behavior by revolutionizing how people discover, research, and buy products.

One of the main factors fueling the platform's success is the authentic content experiences that users just can't get enough of. Whether the videos are created by influencers or by friends, neighbors, or other community members, the good content is always fresh, engaging, and relatable.

Companies looking to leverage social commerce opportunities on TikTok should therefore prioritize authenticity by striking the right balance between organic and paid advertising on the platform. And, remember, a TikTok-ready product catalog is the necessary foundation for any successful campaign.

#### Shopping ecosystem on TikTok



Read this guide to learn more about the shopping ecosystem on TikTok and get exclusive insights into the best tips and hacks to get the most from your TikTok commerce strategy.



# The power of organic content on TikTok



#### Create organic videos

Lean into the main TikTok content format – organic short-form videos – to tell your brand's story and promote your products. Don't overthink your strategy here. As long as you stay true to your brand and tone of voice, users will appreciate seeing you on their feeds.

Organic content can also be a great way to build connections with and among your customer base. Engage in TikTok hashtag challenges, like #TikTokMadeMeBuylt which has more than <u>64 billion views</u>, and in the comments section of other users' videos to increase visibility and establish a community around your brand.

To maintain relevancy on TikTok, it's crucial to ensure your organic content reflects current trends on the platform – which change almost daily. Keeping up with viral trends not only builds your brand's reputation but also has the power to drive sales. For example, Heinz wasted no time when a <u>ketchup challenge</u> went viral at the beginning of the year. Users would post a video of them pouring ketchup on their counter and ask their partner to clean it up to "test" their relationship. Heinz immediately made its own post in response, creating an authentic way for consumers to engage with its brand. And with TikTok's capability to add product links in your videos, organic content can inspire users to continue their buying journey, either within the TikTok app or on your own website.

Work with your media agency to identify the most prominent TikTok trends that are relevant to your brand, so you can create further awareness and selling opportunities.

#### Work with influencers



Leveraging the power of TikTok influencers, or "creators", is another way to grow your reach on the platform. Part of what makes social commerce so successful is that trusted voices engage with consumers in a genuine, authentic way. Some brands are lucky enough to have their products promoted organically through celebrity users, such as Lyma whose skincare products had a waiting list of 30,000 people after receiving unpaid endorsement from Kim Kardashian and Kate Hudson. But you can also partner directly with creators and pay them to create videos that appear organically to TikTok users.

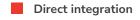
NBCUniversal and Visa launched an influencer program, "Tap into Tahiti", where they're sending a content creator to Tahiti to cover the surfing competition as part of NBCU's coverage of the 2024 Paris Olympics. The creator will post all content to TikTok using #TapIntoTahiti2024 and tagging @NBCOlympics.

TikTok offers several tools to enable brand-creator relationships. Its <u>Creative Exchange platform</u> helps facilitate partnerships between creators and businesses, and its <u>Creator Marketplace API provides</u> companies with access to audience demographics, growth trends, best-performing videos, and real-time campaign reporting. TikTok also caters to specific industries where influencer marketing is more impactful – it established a partnership with <u>Sephora</u> in March 2023 to connect #beautytok creators with founder-led beauty brands participating in Sephora's Accelerate training program.



# **TikTok Shop**

TikTok Shop is the platform's social commerce solution and it is evolving as you read this. The company initially partnered with Shopify in 2021 to offer merchants in-app shopping experiences. There are two ways for companies to sell their products on TikTok:





Currently available in the UK, South East Asia, and the US (officially launched in September 2023), direct integration enables businesses to sell directly on TikTok. The TikTok Seller Center and Affiliate Center form a marketplace model where creators can earn commissions through the TikTok Affiliate Program. Shoppers discover products via livestreams, video content, and Showcase – the Shop tab on each profile. This is a native shopping experience where product discovery, product detail pages, product management, shipping, billing, purchases, and returns are managed directly on TikTok. The added functionality of native checkout on TikTok allows brands to sell directly where their users are interacting with their products instead of being redirected to an external website to complete purchases.

While product discovery and product detail experiences are also native through **partner integration**, checkout and post-payment (e.g., returns or refunds) happen outside TikTok. There are three kinds of partner integrations: through commerce platforms (e.g. Shopify, BigCommerce), manual setup (create your catalog directly in your TikTok For Business account), or by using the TikTok Marketing API to set up and manage your storefront.





# Ads on TikTok

TikTok has many paid advertising options as well, and a paid ad strategy combined with your organic content will likely bring you strong results. There are <u>numerous</u> <u>ad types</u> available on TikTok, each with its own variations as well as benefits and demographics, including Spark Ads, Carousel Ads, Collections Ads, Video Shopping Ads, Product Shopping Ads, LIVE Shopping Ads, and Dynamic Showcase Ads.

The following section will dive deeper into Dynamic Showcase Ads and Spark Ads to highlight the features and benefits of each. Swipe up

### Ads on TikTok Dynamic Showcase Ads

TikTok Dynamic Showcase Ads (DSAs) are TikTok's version of Dynamic Product Ads, and they enable advertisers to promote hundreds, thousands, or millions of SKUs using personalized targeted ads. The ad templates support the creation of content that feels native to TikTok's community – including audio, text overlays, and engaging clips.

You can show your audience unique, tailored ads without the need to set them all up from scratch. Content is auto-generated by pulling creatives from your product feeds.

In general, advertisers use DSAs to build awareness and drive app downloads by promoting products and retargeting potential customers to increase purchase intent.

#### The benefits of Dynamic Showcase Ads

#### 1. Automatically generate personalized ads

Use the templates to automatically generate personalized ads for large product portfolios without having to create individual ads.

#### 2. Target customers across touchpoints

Target an interested visitor who initially browsed a website on a desktop computer and later re-visits it on a mobile device.

#### 3. Increase brand awareness

DSAs are excellent for creating more product/brand awareness or driving app downloads by promoting products and retargeting consumers.



# "

On TikTok, content that feels native to the platform is key to creating an engaging experience. We're thrilled to be working with the best-in-class partners who can help brands integrate their product catalogs and create personalized Dynamic Showcase Ads that capture consumers' attention.



### Gabe Nicolau,

Global Head of Product Solutions & Operations, Vertical Solutions at TikTok

## Ads on TikTok Spark Ads

Not all ads on TikTok have to be generated in bulk. Spark ads enable companies to leverage already popular native videos for their own advertising purposes. You can use either your own TikTok account videos or organic posts made by other creators with their prior consent.

Unlike regular in-Feed ads, these ads use posts from real TikTok accounts, which means that all views, comments, shares, likes, and follows earned from the video during the promotion are attributed to your organic posts.

#### The benefits of Spark Ads

#### 1. Authentic experience

Authentic and unique brand experiences enable suppliers to boost their brand image and brand trust by allowing them to add organic TikTok pages and posts to their ads.

#### 2. Better ad performance

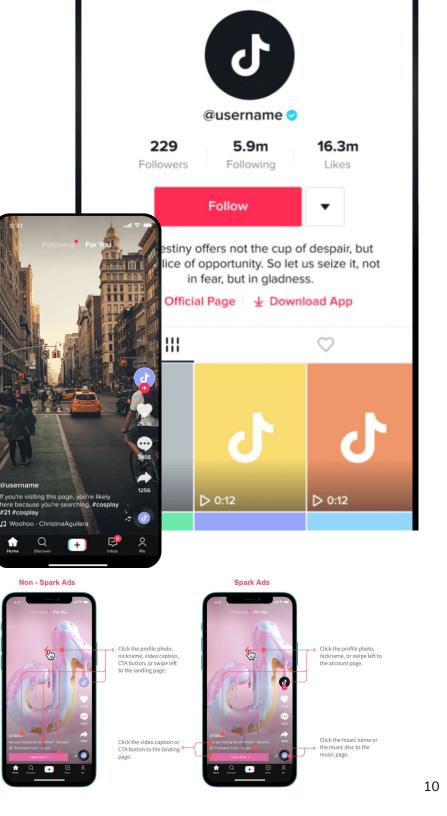
Spark Ads can provide excellent video views, engagement rates, and conversion rates compared to other ad formats.

#### 3. More trust

Their fully organic and native feel means they help improve customer retention and loyalty.

## 4. Long-term impact and improved ROI

Spark Ads post engagement is attributed to the original organic post which means it can have a positive impact on engagement with this organic post in the future.





## TikTok innovations

TikTok has managed to stay ahead of the curve because it's constantly experimenting with new features and introducing new experiences to consumers. This means that stagnant marketing strategies don't work on TikTok, and social commerce success on the platform requires you to keep up with the latest innovations.

#### Live shopping

While other platforms like Meta have pulled back on live shopping, TikTok is doubling down on it in markets like the US – and it's working. <u>More than 15,000</u> people tuned in to watch a creator in the gaming space live stream a new trend of acting out non-playable characters (NPCs) from popular video games. The audience had the opportunity to buy virtual "gifts" throughout the event.

TikTok live shopping events feature influencers or big brands in one-off sales opportunities. Brands use these shopping events to connect with consumers in real time and share direct links to products and services. In keeping with the platform's culture, the live events are not just about selling. Many brands add live music or interactive challenges with the viewers, ensuring the experience remains entertaining and fun. For example, Gwen Stefani, the main performer at this year's Super Bowl LVII TikTok Tailgate, dropped an exclusive beauty bundle from her brand that was available to purchase during the livestreamed event.

#### Audio tools

TikTok's rise to fame and unique market value is video content. Understanding that sound elements play just as important of a role as visuals, TikTok has been expanding its audio tools. Last year, it launched <u>Sounds for Business</u>, which is a collection of sounds that include music and voice overs, to help businesses easily create content on the platform.

TikTok is also testing an "<u>AI Song</u>" feature with select users, which allows you to generate your own audio from text prompts. Once fully rolled out, this capability would make it significantly easier for brands to create their own sound.

Brands tend to overlook audio as part of their branding, but creating a unique sound that resonates with consumers is a powerful way to build awareness and recognition with audiences.



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#### **Generative AI**

Easily the hottest topic in tech right now is generative AI, so it's no surprise TikTok has already started bringing it to its platform. Back in 2022, the company introduced "AI greenscreen", which is equipped to generate an image from text prompts. The image can then be used as a background for videos – an incredibly useful tool for creators.

Then last September, TikTok launched <u>TikTok</u> <u>Creative Assistant</u>, a virtual assistant specifically designed to help businesses generate ideas, understand best practices, uncover trends, and find inspiration.

And finally, while only in the initial testing stage in a few select markets, TikTok has also developed a tool that allows users to create a <u>generative</u> <u>Al avatar</u>. After selecting images and styles to generate the avatar, you can share it to your TikTok story or upload it as your profile avatar.



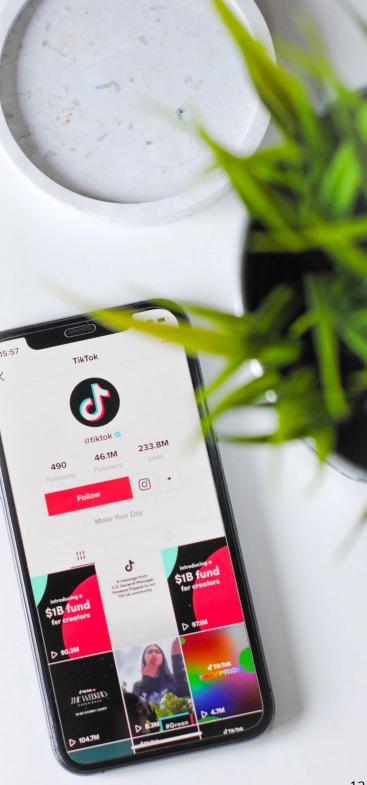
# **Tips and hacks**

To make the most of the boundless opportunities on TikTok, there are some essential guidelines for your content and ads to follow. Apart from the technical aspects of ad generation, which can be found on the <u>TikTok Help pages</u>, here are some basic tips for creating popular content.

#### Video tips

- Videos need to be high resolution
- Ensure you have sound on for enhanced user experience
- Focus on the video story and not your budget
- Keep it short and sweet
- Videos that are full-screen and shot vertically perform best
- Spend time selecting the right products for your campaigns
- Tailor your content to the audience you are targeting
- Leverage TikTok Creators and Influencers to really connect with consumers

TikTok is evolving almost as fast as it's winning new users. TikTok ad formats, specifications, and targeting keep changing, so it can be time-consuming and laborintensive for companies trying to manage and maintain their accounts. TikTok's website hosts a useful page where you can see what they are planning to launch: What's next for TikTok?





# Product catalogs and TikTok

The social commerce possibilities that TikTok offers are expansive, especially when you consider a combination of both organic and paid advertising. However you choose to sell on TikTok, you'll need to start with a product catalog that meets TikTok's requirements. Your product catalog will power all of your commerce activities on TikTok, including product links, product information in your ads, or content for the Product Showcase Tab or Product Detail Page.

Ensuring your product information is complete, accurate, and reliable will ensure the best buying experience for consumers engaging with you on TikTok. A strong <u>Product-to-Consumer</u> (P2C) strategy and a powerful P2C platform like Productsup can help you get there.





# Productsup's TikTok solutions

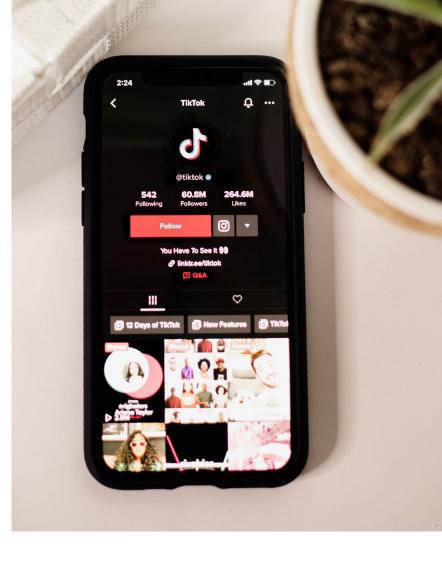
With change being the only constant at TikTok, businesses need to work with partners who know TikTok intimately and offer the kind of tech and strategy with which they can succeed. Productsup is a TikTok partner and our <u>Advertising PX</u> solution enables organizations to create the perfect content for their TikTok campaigns.

#### **TikTok Shop API**

Using our TikTok Shop API integration, businesses can sell directly to consumers on TikTok with a seamless product content and order management experience. The integration enables you to increase your operational efficiency, while also elevating the shopping experience on TikTok. With built-in automations, our P2C platform eliminates the need for IT support and allows you to easily and quickly:

- Create and manage products on TikTok
- Import orders from TikTok to the Productsup platform to make them available to the order management system (OMS)
- Notify TikTok when orders have been shipped to communicate delivery times with consumers

As a brand or retailer leveraging TikTok Shop, you eliminate the exit point where users have to leave the platform to complete their purchase. In doing so, you make the shopping experience more convenient for consumers, which can increase the number of impulse purchases.



#### Dynamic Showcase Ads

In addition to TikTok Shop, Productsup also supports brands with <u>TikTok</u> <u>Dynamic Showcase Ads.</u> Our platform ensures your product feeds are perfectly structured and fully in line with TikTok's unique requirements. And although Dynamic Showcase Ads can be a one-time setup format, you can improve your product content by leveraging our platform to analyze performance data and make sure your campaigns reach their full potential.



TikTok is, without doubt, a pioneering commerce channel for social networks, and a key player to watch for new trends in social shopping capabilities. Through this partnership, we're able to build stellar integrations and unlock more opportunities for our joint customers.

Marcel Hollerbach, Co-Founder and Chief Innovation Officer, Productsup

The Productsup <u>Product-to-Consumer (P2C) platform</u> promises strong feed management and order sync capabilities, as well as design features that can generate high-quality, high-res dynamic content for your TikTok campaigns at scale and in bulk.

Ready to generate more revenue through TikTok? <u>Let's talk.</u>

See our platform in action by booking a demo.

# Productsup

### Empowering commerce

Get in touch today!

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