The Adaptation of Social Media Marketing Activities in S-Commerce: TikTok Shop

Nor Sheena Andon* & Sharifah Nurafizah Syed Anuar
Faculty of Business Management, University Technology of MARA, Malaysia
norsheena@uitm.edu.my*, shari339@uitm.edu.my

Abstract: The growing number of digital platforms nowadays has made the competition to gain users' attention a challenging task for businesses. Clutter in advertising and sponsored brand posts have made the task even harder as consumers rebel to avoid that clutter daily. In contrast with the past, consumers use social media to fulfill certain needs when they are aware of the needs such as hedonic needs, cognitive needs, and social needs. This is why the existence of social media marketing activities known as entertainment, interactivity, and electronic word-of-mouth (e-WOM) is crucial in the marketing planning of a business. Guided by a unique, diversified and preferences-tailored algorithm, TikTok social media app is showing significant growth over the few years since the year of its commencement in comparison to its competitors of social media providers like Facebook and Instagram. The short video app has included a new business model of social commerce called TikTok Shop to promote continuous use providing more than just entertainment. Therefore, to fulfill the objective of this paper in exploring the SMMAs impact on the s-commerce of TikTok Shop, secondary data was employed. The analysis concludes that social media marketing activities or also known as SMMAs in the newly added feature of TikTok Shop have a significant impact in influencing its users. The significant difference between traditional e-commerce and s-commerce was also highlighted to further outline the bright sides of s-commerce.

Keywords: Social Media Marketing Activities, Social Commerce, TikTok Shop, Entertainment, Interactivity, Electronic Word-of-Mouth.

1. Introduction and Background

A significant impact of the pandemic in the past few years has contributed to the growth of TikTok – a social media app featuring short videos feed. With the rapid increase of its users worldwide, TikTok has seen opportunities to further expand its base by introducing the feature of social commerce or s-commerce into the mobile app known as TikTok Shop. Launched in 2016, TikTok has become the number one most downloaded mobile app in 2022 surpassing other social media apps, Facebook and Instagram (Chan, 2021). TikTok possesses unique algorithms where users scroll through their feeds that have elements of surprises but are tailored to the user’s unique preferences. Globally, TikTok surpassed one billion users in the second quarter of 2022 (Data Reportal, 2022) where on average each user spends 1.5 hours per day scrolling through the application (Influencer Marketing Hub, 2023). The introduction of the TikTok Shop feature in 2022 has allowed its users to make in-app purchases. Even though TikTok is a little behind in the s-commerce game compared to its competitors like Facebook and Instagram, its users which are mostly Generation-Z and millennial give them an advantage in terms of loyalty. Furthermore, it makes TikTok grows more popular when everything that is trending around the globe revolves within the application in fun short videos embedded with trending music.

The interesting part of this phenomenon is that it allows the merchants to take advantage of showcasing creatively their products via the in-feed short videos while users can buy them directly by clicking the “yellow bag”. As a result, it provides the merchants with more orders, sales increment, and views and followers for their page (Digital News Asia, 2022). Conveniently, while spending time scrolling videos on TikTok that are diversified and interest-recommended, users making purchases can easily make payments, track their shipping, and order fulfillment within the app itself. Malaysia's current TikTok users in 2022 are 6.9 million compared to 2021 with 5.8 million users and expected to rise by 52% in 2026 (The B2B House, 2022). In addition to that, the total revenue of e-commerce in Malaysia in the third quarter of 2020 rose by 17% in the third quarter of 2021 (TikTok Newsroom, 2022) demonstrating that TikTok Shop launching in Malaysia possesses huge potential to tap into the e-commerce market. Strategy and Operations Manager of TikTok Malaysia, Darren Quek said that the purpose of this feature is to support the local Small and Medium Enterprises (SMEs) to better approach their target market who are yet to set up physical and brick-and-mortar shops due to huge capital investments needed. The upper hand of the e-commerce feature in TikTok is the combination of the unique algorithms of the application.
Where users enjoy scrolling their feed while enabling them to make real purchases and consume the products being showcased in the video they saw. This combination is known as social commerce or s-commerce where users socialize with each other virtually while enabling them to make real transactions. The utilization of the elements of entertainment, fun, interactivity, and electronic word-of-mouth (e-WOM) in a social media app has sparked interest among its users to use it (Gupta et al., 2020). This is what the TikTok app has been well-known for among its users. With the emergence of user-generated content (Mayrhofer, 2019) and micro-influencers, the advertising of products and services has turned the market's attention to more authentic and original content rather than published advertisements or brand posts. Consequently, studies reported that users' have been making impulse purchases on TikTok Shop because of the great influence of the promotional programs, influencers' reviews and live broadcasts passing through their TikTok feed (Edwy et al., 2023). The elements of entertainment, fun, interactivity, and e-WOM have been manifested as social media marketing activities (SMMAs) in the previous studies by Choedon & Lee, 2020; Kim & Ko, 2012; Chen & Lin, 2019 and Gupta & Syed, 2020. SMMAs are reported to have a positive influence on consumers’ purchase intention in the context of cosmetics products (Choedon & Lee, 2020) as well as users’ continuance intention, participation intention and purchase intention (Chen & Lin, 2019). Therefore, this paper highlights the utilization of SMMAs on TikTok Shop s-commerce that can trigger purchase intention among its users.

2. Literature Review and Discussions

Social commerce and TikTok Shop: Social commerce or s-commerce is an integration of both social media platforms and e-commerce. It applies the concepts of social networks and online shopping simultaneously (Yu et al., 2020). The term ‘s-commerce’ was first proposed by Yahoo in 2005 indicating a practice of information sharing over products and services ratings and opinions by online users (Yang, 2021). Enabling social and interactive relationships among its users, s-commerce provides a one-to-one interaction between the seller and its target market (Afrasiabi Rad & Benyousef, 2011). S-commerce’s characteristics mainly layover on social media apps where its users can communicate more often than the e-commerce platform which is why it is called social commerce. While e-commerce is practiced by businesses to solely promote features of products and services online, s-commerce has developed over time. Utilizing an enormous number of loyal users through social media apps, s-commerce has become crucial for many businesses today whether it’s large or small businesses. Practicing s-commerce has enabled businesses to avoid advertising clutter among their target audience because of its distinguished attributes and cost-efficient. This has allowed business activities to be performed more efficiently as interpersonal interaction becomes the core development to enhance users’ social networking rather than just a product review as traditional e-commerce does (Wang & Xie, 2020). TikTok Shop is one of the popular s-commerce platforms that has been expanding rapidly. Driven by the elements of creativity and experimentation. Bresnick (2019) stated that the app has been acting as a virtual playground and described it as a creative media more than a social media due to its audio-visual effects that intrigues make-believe providing an escape from reality.

Most people publicly know the term e-commerce only as they are buying products through the platform more often than the s-commerce. Only in the third quarter of 2021 Malaysia itself recorded a sum of RM279 billion in total revenue on e-commerce showing a hike of 17.1% than 2020 (Department of Statistics Malaysia, 2021). The report was highlighted by TikTok Malaysia’s Strategy Operations Manager, Darren Quek as they are convinced with such numbers TikTok Shop will be able to catch up with the current market. TikTok Malaysia was hoping with the new feature launched in the country, local small and medium enterprises (SMEs) can fully maximize their business potential and drives more growth with better customer engagement. With only 6.1 million users in Malaysia, TikTok is a promising platform for businesses to explore more business opportunities using the TikTok Shop feature. This is because the platform’s number of users is expanding significantly from year to year due to its unique video loop attribute which enhanced interactions between its users. Generally, the business motive of s-commerce is simply steered by a social goal, where everyone can be the sellers, consumers, content creators as well as opinion leaders (Wang & Xie, 2020). It means that the platform provides a virtual place where the society speaks to each other in written form or audio and visual which are equal to the characteristics of TikTok. Basically, it combines the roles of sellers and consumers together within an online social platform and websites (Fang & Li, 2020) where they interact with each other.
Moreover, s-commerce has a lower cost of acquiring traffic, a higher rate of purchase conversion, larger consumer stickiness and more accurate marketing (Geng, 2017). In light, these advantages lead to better business opportunities and outcomes for brands when engaging in s-commerce. With numerous promotional programs offered in s-commerce such as discounts, free shipping vouchers, flash sales and cashback, sellers can grow their sales volume (Fernanda, 2019). As an infant to the s-commerce game, TikTok Shop is committed to giving more to its users including the merchants and consumers by charging only 1% of the commission fee and rewarding with sales promotions campaign like shipping vouchers (Digital News Asia, 2022). This initiative has attracted many parties whether new or old businesses to participate in the s-commerce platform. Furthermore, more businesses joining the platform will be able to provide more exposure to millions of users, particularly while promoting their products to the users.

**Social Media Marketing Activities:** Social media has a vital role in carving the opinions of consumers and influencing their attitudes and purchase decisions (Mangold et al., 2009). Social media has revolved around the human world and has been an integral part of our daily lives. Owning smart devices is not a trend nowadays but has become a necessity for people to also own an account in several social media apps to keep up with the trend. A number of businesses have been forced to make social media their primary marketing strategy in advertising so that they can maintain and increase their market share (Schultz & Peltier, 2013). On the other hand, social media marketing is defined as the use of social media platforms to conduct commercial marketing activities and processes to influence consumers’ purchasing behavior (Dann, 2010). There is no one specific definition of social media marketing. It depends on the marketing objectives that an entity aims to fulfill. Amongst the other definitions highlighted was a basic one by Barefoot & Szabo (2010) which is the utilization of social media as a channel to promote a brand and its products.

Other definitions are by Weinberg (2009), “a process that empowers individuals to promote their websites, products, or services through online social channels and to communicate with and tap into a much larger community that may not have been available via traditional advertising channels” which is similar with community marketing (Hunt, 2009). Kim & Ko (2012) defined SMMAs as “two-way communication-seeking empathy with young users, and even enforcing the familiar emotions associated with existing luxury fashion brands to a higher age group”. In this context, social media marketing activities highlighted were entertainment, interactivity and e-WOM which contribute to social media marketing significant impacts. Chen & Lin (2019) proposed that these social media marketing activities (SMMAs) are the most important in encouraging the continuance intention of users to engage with the online community in the future, their participation intention as well as purchase intention. Implementing marketing campaigns is like playing with the emotions and mental state of users. Enterprises must be meticulous in setting up a marketing plan to cater to the users’ needs and then fulfilling those needs even before the users know the needs have to be fulfilled (Kim & Perdue, 2013). Marketing campaigns that caught the attention of users the most in their minds and hearts will be able to provide the most valuable effect (Hsu & Tsou, 2011).

**Entertainment:** One of the SMMAs which is entertainment found to be crucial in stimulating brand association, enhancing brand loyalty as well as encouraging consumer interactions (Godey et al., 2016). It is a form of communication that gives some fun and pleasure to the audience (Bates & Ferri, 2010). In the context of luxury brands’ pages on social media, users follow them to have fun, initiate interactions and opinions sharing with other users, get the latest information and gain customized service (Kim & Ko, 2012). In light, brands must provide users with an amazing experience for the users as product features are no longer the primary concern for them (Sheu et al., 2009; Kompula et al., 2006). Instead, users are seeking emotional satisfaction like fun and pleasure that can provide them with positive experiences and feelings. This is because users are spending more time on social media apps like TikTok to escape from reality. Plus, information sharing nowadays has been transformed into a more entertaining medium to catch the eye of its consumer. Being surrounded by information across various social media platforms has made us information overloaded. The contra side of the massive availability of the sources of information is downward in making decisions selecting the most relevant information (Lee et al., 2016). Nonetheless, with the Semma of entertainment, users may easily choose the relevant information that they want or need. TikTok characteristics of scroll-through feed allow the users to skip up videos they choose to ignore or let it play until it is finished playing.
Unlike other social media platforms where long texts are captioned on photos and videos, TikTok’s written text, is normally embedded within the videos or the multiple photos they posted while background sound is playing when users watch them. Thus, boredom and time taken to read the content of posts are eliminated and reduced respectively because the element of entertainment is present. What becomes more fun and interesting is when the content creators are choosing trending sounds worldwide making the users sing along as well while watching the short videos. Apaolaza et al. (2014) illustrated that in the Chinese social networking platform context, entertainment has been able to enhance teenagers’ positive moods. Positive mood can shape consumers’ attitude towards the platform which then can forecast their purchase intention and revisit intention (Verhagen et al., 2015). Merchants or sellers on TikTok Shop have taken advantage of this SMMA. They create videos demonstrating the real functions, features and benefits of a product or service with a ready built-in call-to-action (CTA) button in the platform to tell the users they can have it too. Just with one tap on the yellow bag, the users are ready to go shopping and then track their shipment conveniently after the orders are confirmed. Consequently, continuous attention from the users to use the s-commerce can greatly increase sales volume (Ren et al., 2021) resulting from the entertaining content they received.

**Interactivity and Electronic Word-of-Mouth (e-WOM):** Second SMMA is interactivity. Verhagen et al. (2015) outlined that interactivity on social media between users and brands and between users themselves has improved through two-way communication. Instant sharing by these online communities whether it is a text comment, videos or photo replies made brand promotion possible while enhancing relationship building. Interactivity has allowed brands to connect with consumers specifically not to promote products and services only, but able to initiate conversations when replying to customers’ feedback too (Hanna, Rohm & Crittenden, 2011). The nature of social media is unlike the traditional media. It provides consumers with space to express their experiences, opinions, requests, and suggestions that can assist businesses (Vukasovic, 2013) in enhancing business opportunities and improving their performance. Previously, communication of brands is made with one-way communication only, e.g., advertising. It gave us the idea that only businesses can be the senders of information for products or services while the public consumers receive the information and then they will decide on their own whether to purchase any products and services or not.

Nowadays, there are no exceptions to that cycle because of the existence of s-commerce as consumers interact intensively via social media platforms. They create content, share it with other users, initiate discussions and gather information from the opinions that they shared with each other and then reach a conclusive purchase decision. As SMMA’s goals are to obtain new customers and to increase sales (Tsimonis & Dimitriadis, 2014), s-commerce could influence the consumers’ purchase decisions when users share and communicate about a product with their peers (Sashi, 2012). Plus, more brands are realizing the facts that building relationships with their consumers and target consumers are crucial as drivers of two-way communication and facilitate interactivity which could create awareness (Choi & Sohn, 2008). Similarly, TikTok Shop enables users to interact with each other before they make any purchases. Consumers that once bought products from the same merchants are able to share their experiences through the comment section by replying using texts or videos about the products. Interactivity is what makes s-commerce a social commerce because its users are socializing actively through virtual online platforms regardless of current issues or product reviews.

In TikTok Shop, users engage actively in the live feed and comments section when replying to each other in written form or video replies. A greater audience reach is more possible for businesses that actively utilize gathering information to assist in their social media marketing strategy (So et al., 2017). When interactivity often takes place among users, e-WOM could also happen. A previous study by Cheng et al. (2019) stated that trust among members of an online community strongly encourages WOM intention. This implies that e-WOM happens when online users interact with each other with trust is greatly enhanced. The last SMMA highlighted in this paper is e-WOM, which is defined as “an informal communication between private parties concerning evaluations of goods and services rather than the formal complaints to the firms” (Anderson, 2020). Therefore, businesses need to realize that being active on social media responding to customers’ feedback and opinions is profitable to them. This is because; e-WOM can be categorized into positive e-WOM and negative e-WOM. Positive e-WOM about a business can encourage the users to purchase through social media hence, increasing the sales and profits of a business.
Likewise, negative e-WOM could also tarnish the reputation of a business if not handled excellently thus, affecting sales and profits unfavorably. High engagement of e-WOM from consumers can contribute favorable results to brands (Wu et al., 2018). The sharing of innovative ideas by consumers within the brand community (Filieri, 2013) may contribute to the performance of businesses. Initiating WOM in online platforms like s-commerce is highly unpredictable due to the dynamic and diversified needs and relevance of users. In short, every user wishes to gratify a need like social and personal needs (Nambison & Baron, 2009) whenever they visit a social media platform as implied by the uses and gratifications theory. This is consistent with a study by Brakus et al. (2009) where perceived SMMAs by consumers can trigger their sensorial, affective, behavioral, and intellectual reactions. These reactions are aligned with the highlighted SMMAs in this paper which are, entertainment that reacts as the stimuli for sensorial reactions of users where they seek fun and entertaining content; interactivity as the stimuli for affective and behavioral reactions where it is a people's norm and security needs to socialize with each other and lastly the e-WOM they initiate with other users for intellectual reactions where they share relevant information with others.

3. Research Methodology

A comprehensive literature review was made to fully achieve the goal of this paper. Secondary data was employed by using past studies which are journal articles, news articles and statistical reports by government agencies. Important terms included are “social commerce” or s-commerce, “social media marketing activities” or “SMMAs” and “TikTok Shop”. Twenty journal articles were included in this paper excluding the news articles and statistical reports to support the literature and discussions on the emergence of SMMAs in TikTok Shop.

4. Conclusion and Future Research

The objective of this paper was to explore, compare and highlight discussions on the adaptation of SMMAs in s-commerce like TikTok Shop which is able to provide positive outcomes for businesses. The behavior of online communities in terms of interaction and e-WOM was also discussed as users’ motives to engage in s-commerce besides acquiring entertainment. These elements which are readily embedded within the s-commerce app have become TikTok’s competitive advantage. However, it is too early to conclude the app’s strengths as technological advancement transformed rapidly from day to day. With growing numbers of competitors in digital platforms, TikTok must fulfill users’ needs and be relevant to that needs to retain and enhance loyalty. Thus, other influential factors on the continuous intention to use TikTok s-commerce should be made empirically by approaching its users. Since the analysis of this paper depends on secondary data, empirical evidence is lacking in terms of users’ perspectives towards the s-commerce app such as information overloading and techno stress. Other than that, factors of impulsive buying on TikTok should also be explored and how businesses can leverage profits from that behavior. These suggestions could contribute to a better understanding by businesses of the dynamic users’ preferences with supporting evidence. Lastly, future research can also be focused on the impact of SMMAs in the context of Malaysian SMEs in s-commerce like TikTok Shop.
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