

Video app TikTok leans into e-commerce with Shopify deal

October 27 2020, by Matt O'brien



This May 29, 2019, file photo, shows the Ottawa headquarters of Canadian e-commerce company Shopify. Shopify said Tuesday, Oct. 27, 2020, it's made a deal with TikTok enabling merchants to create "shoppable" video ads that drive customers to online stores. (Justin Tang/The Canadian Press via AP, File)

The popular short-form video app TikTok, still under U.S. government

scrutiny for its Chinese ownership, is moving closer to becoming a marketplace for buying stuff.

Canadian e-commerce platform Shopify said Tuesday it's made a deal with TikTok enabling merchants to create "shoppable" video ads that drive customers to online stores.

The partnership was announced Tuesday amid stalled negotiations for Walmart to buy a 7.5% stake in the video app. Walmart's planned investment is part of a government-forced deal that would rescue TikTok from a threatened ban by President Donald Trump and advance Walmart's ambitions for the world of "social commerce."

"If you're watching a TikTok video and somebody's got a piece of apparel or an item on it that you really like, what if you could just quickly purchase that item?" Walmart CEO Doug McMillon [told CNBC](#) earlier this month. "That's what we're seeing happen in countries around the world. And it's intriguing to us, and we would like to be part of it."

ByteDance, the Beijing-based company that owns TikTok, already runs a thriving social media marketplace on Douyin, its twin [video](#) app for the Chinese market. Buying products through social media websites isn't yet as common in the U.S., though Pinterest and Facebook-owned Instagram have made some inroads and TikTok last year began making it easier for businesses to link to themselves from the app.



This Monday, Sept. 28, 2020, file photo, shows as logo of a smartphone app TikTok on a user post on a smartphone screen in Tokyo. Canadian e-commerce platform Shopify said Tuesday, Oct. 27, 2020, it's made a deal with TikTok enabling merchants to create "shoppable" video ads that drive customers to online stores. (AP Photo/Kiichiro Sato, File)

Shopify said its merchants will be able to select which product they would like to promote. Then, [video ads](#) will be automatically generated that could show up in a TikTok user's [video feed](#) and drive customers to Shopify for checkout.

TikTok said in a prepared statement Tuesday that Ottawa-based Shopify will be a "perfect partner to help us grow and expand our commerce capabilities globally."

It's not clear what the partnership means for TikTok's negotiations with Walmart. Walmart and Shopify are on good terms, having teamed up against Amazon in June on a deal that enables Shopify's [small businesses](#) to get listed on Walmart.com.

Trump said over the summer he would shut down TikTok unless ByteDance sold its U.S. assets to an American company, citing concerns about the potential for the Chinese government to spy on users' data.

ByteDance in September proposed to U.S. authorities a partnership with Walmart, California tech company Oracle and other American investors designed to relieve national security concerns about the app. Trump expressed support for the idea but officials haven't formally approved it.

Trump's attempt to ban TikTok was also delayed until after next week's U.S. presidential election after the company sued in federal court to halt the order.

© 2020 The Associated Press. All rights reserved. This material may not be published, broadcast, rewritten or redistributed without permission.

Citation: Video app TikTok leans into e-commerce with Shopify deal (2020, October 27)
retrieved 7 May 2024 from

<https://techxplore.com/news/2020-10-video-app-tiktok-e-commerce-shopify.html>

<p>This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.</p>
--