

Big brands could pivot easily if TikTok goes away. For many small businesses, it's another story

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Some of the 30 child influencers invited by toy company Cepia LLC wave at an event held to launch its new fashion doll line called Decora Girlz, at an FAO Schwarz store on March 2, 2024 in New York. Cepia began investing in TikTok in 2019. Credit: AP Photo/Anne D'Innocenzio

If content creators and corporate executives made TikTok videos about the platform's possible U.S. demise, disco diva Gloria Gaynor's "I Will Survive" could supply the soundtrack.

Sure, businesses that built strategies around TikTok and promote products there would prefer not to seek eyeballs on another app. Smaller firms and solo entrepreneurs are bound to feel more pain in the event of a breakup. But if the popular video-sharing service remains under Chinese ownership and Congress bans it, many companies would learn to get along.

A lot of "What ifs" still surround a bill the U.S. House passed this month that would mandate TikTok's Beijing-based parent company, ByteDance, to sell its stake in the platform within six months or face a nationwide ban. It's unclear when the Senate will take up the legislation or if it will approve a ban when it does.

Big brands that have relied on TikTok to reach younger consumers do not appear to be panicking as they wait to see what happens in Washington. But they also have started planning. Some are retooling promotional campaigns that were originally intended just for TikTok. Many are testing alternatives and prioritizing work with influencers who have sizable followings on multiple social media platforms.

"I'm not the kind of marketer who wants to put all their eggs in one basket anyway," said Jeremy Lowenstein, chief marketing officer for the makeup brand Milani Cosmetics. "We can always pivot. And like any technology, there will always be something new to try."

To be sure, brands like Los-Angeles-based Milani will lose a valuable tool if TikTok isn't welcome in the U.S. anymore. Last year, sales of a new Milani mascara spiked after an influencer couple known as The Lipstick Lesbians posted a TikTok video about it, Lowenstein said. He's

already looked at alternative apps like Flip, a little-known shopping platform that allows users to earn money by reviewing beauty items and then buying them from featured brands.

Another cosmetics company, Oakland, California-based e.l.f. Beauty, created a viral sensation with a 2019 TikTok campaign that used an original song to explain the company's name stood for "eyes. lips. face." E.l.f. also was one of the first beauty brands to join TikTok Shop, the platform's e-commerce arm, during the U.S. beta testing.

E.l.f.'s chief marketing officer, Kory Marchisotto, said the in-app shop, which allows viewers to buy products from seller accounts and videos, is doing well. But she noted that Instagram Reels, YouTube Shorts and other venues also offer short real-time videos, unlike when TikTok stood alone.



Deborah Mayer shows a bag on a livestream on TikTok on Wednesday, March 21, 2024, in Freehold, N.J. Mayer has sold new and pre-owned handbags and other designer goods out of her New Jersey home for 16 years. Early last year, TikTok recruited her business for the live component of TikTok Shop. Credit: AP Photo/Noah K. Murray

"We'll take that incredible muscle that we built and develop and go with it wherever our community wants to go next, and they have always been the signal that has carried us," Marchisotto said.

Some marketing agencies are telling brands to take basic precautions in case Congress ends up sending TikTok out the door. Billion Dollar Boy, a New York-based influencer marketing agency, has encouraged clients to spread their influencer spending across platforms, Edward East, the agency's founder and group CEO said.

Well-established TikTok influencers, including beauty and fashion gurus, continue posting regularly on the app. But they're also posting exclusive content on Instagram or YouTube or devoting more attention to their other social media accounts, said Nicla Bartoli, the vice president of sales at The Influencer Marketing Factory, an agency that works to pair content creators and brands.

Jasmine Enberg, a principal analyst at research firm eMarketer, thinks a TikTok ban would have a bigger effect on businesses today than a few years ago. Even though Instagram Reels and YouTube Shorts provide competition, they haven't cracked the magic formula of a TikTok video in driving sales, Enberg said.

"Even though you can replicate the technology, you can't really replicate

the culture, and people aren't behaving necessarily in the same way as they are on TikTok," she said.

TikTok does not receive the same level of ad revenue as Instagram and Facebook, according to data from eMarketer, but the firm predicts that it will surpass the other two this year in terms of the percentage of users that will make at least one purchase that originates on the platform.

"I think the impact will be felt across the board" if TikTok goes away, Enberg said "But it will be much more dramatic for small and medium businesses, as well as creator-founded businesses."

Toy company Cepia LLC, which was behind the 2009 holiday hit [Zhu Zhu Pets](#), began investing in TikTok a decade later with the launch of Cats vs. Pickles, a collection of plush toys. Compared to other social networks, the platform has proven the best for telling stories about products and building a community of fans, Laura Frerichs, Cepia's head of marketing, said.



A luxury handbag is displayed by Samantha Mayer, Deborah Mayer's daughter, on TikTok., Wednesday, March 21, 2024, in Freehold, N.J. Deborah Mayer has sold new and pre-owned handbags and other designer goods out of her home for 16 years. Early last year, TikTok recruited her business for the live component of TikTok Shop. Credit: AP Photo/Noah K. Murray

To introduce Decora Girlz, its new fashion doll line, the medium-sized company based in St. Louis, Missouri, invited 30 influencers with a strong presence on TikTok—most of them children—to FAO Schwarz in Manhattan this month.

Since the launch event, the doll line has amassed more than 53 million social impressions—the number of times Decora Girlz-related posts were viewed across social media platforms, according to Cepia.

Yet the toy industry is used to adapting, Frerichs observed, and would again in a post-TikTok market. Until 10 years ago, Cepia focused its advertising on three TV channels—Nickelodeon, Cartoon Network and the Disney Channel.

"The world has really changed now very quickly," Frerichs said.

Deborah Mayer, who has sold new and pre-owned handbags and other designer goods out of her New Jersey home for 16 years, understands that all too well. Early last year, TikTok recruited her business for the live component of TikTok Shop.

Mayer says her sales have jumped 50% since October largely due to purchases made during Debsluxurycloset's live-streamed displays, which can draw more than a thousand viewers. She estimates that 60% of her revenue now comes from TikTok, which would make a ban "devastating."

"We put a lot of time and effort building up this platform," Mayer, 52, said. "It would be a year of work down the drain."

A classified Senate briefing on TikTok held Wednesday prompted several senators to say legislation that would force ByteDance to sell on national security grounds was urgent. Others indicated they would prefer to consider a variety of proposals rather than rush to pass the House bill.

In a tacit acknowledgement that congressional action could be unpopular with the millions of Americans who use the app, some senators called for making a public case about TikTok's alleged dangers.

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