

# TikTok's Ticking Clock

The Impact of a Potential  
TikTok Ban on Amazon Sellers



**Jungle Scout**

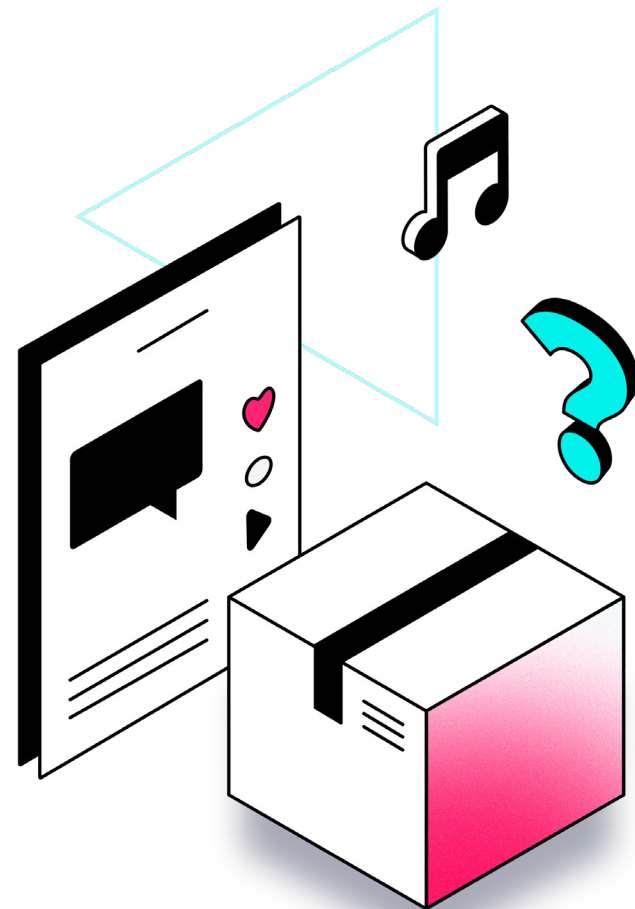


# Introduction

U.S. Congressional activity regarding the popular social media platform TikTok took a major leap forward on March 13, when the House of Representatives overwhelmingly **approved a bipartisan bill** that would force TikTok's Chinese owner, ByteDance, to sell the company within six months or face a government-mandated ban.

As questions about the federal government's intent and ability to ban the popular social media platform **continue to swirl**, concerns about such a move have primarily centered around freedom of speech and national security. Less has been said about the broader economic impact related to this proposed ban. For American businesses — and those that sell on Amazon in particular — the disappearance of TikTok would have a unique and immediate financial impact.

With more than 150 million monthly U.S. users, TikTok has become one of the fastest-growing social media platforms. Exploding in popularity just as the COVID-19 pandemic accelerated a massive shift to online shopping, we've kept a close eye on the ways in which TikTok is changing the way people shop — and how brands, sellers, and creators are cashing in. If Congress is successful in its efforts to ban Americans from using the app, all of this could change overnight.



# TikTok's role in ecommerce: What the data says

The trifecta of TikTok's massive audience, the organically derived pipeline to ecommerce, and its sophisticated algorithm have made it an invaluable tool for small businesses and marketers of all shapes and sizes. For brands, retailers, and sellers on Amazon, Jungle Scout has the data to prove it.

Of the 44% of Amazon sellers using social media to advertise their products, the percentage using TikTok spiked 65% in the past two years, according to our annual [survey](#) of more than 2,500 Amazon sellers.

The potential upside for sellers using TikTok — whether via paid ads or by posting their own content promoting their products — can be game-changing. As outlined in [this article](#), some products experienced revenue increases upwards of 2,000% after going viral on TikTok.

With more than one billion active users worldwide, TikTok provides a unique opportunity to reach a wider audience, increase sales, and establish brands in a new, engaging way. Its bespoke algorithm and powerful advertising tools can help businesses target their ideal audience with precision, increasing the likelihood of conversions and sales.

## How are sellers reacting?

*"I've seen firsthand how TikTok helps grow brand awareness and sales. For Couple's Coffee, we post videos nearly every day and have invested a lot into the platform, with plans to launch products on TikTok Shop. Our strategy aligns with data from Jungle Scout's Q1 Consumer Trends Report speaking to its rising popularity and the trend of consumers searching on Amazon for products they found on TikTok, which shows the app's impact on shopping behavior. This is why a U.S. TikTok ban is concerning. We've put time and money into building our presence on TikTok, inspired by the successes of other brands. If TikTok were banned, those efforts and investments would be wasted. We're hoping to tap into the revenue growth others have seen through TikTok, and a ban would cut off a vital sales and marketing channel for us and many others."*



**Eva Hart**

Owner of **Couple's Coffee**

*"One negative impact I could imagine many brands would face is the loss of a great channel for influencer marketing. Surely a ban would make it harder for Amazon brands to find and work with these influencers."*



**Jake Zaratsian**

Owner of **Natural Events**

*"I've been experimenting with Tiktok Shop affiliate marketing on one of my accounts, and honestly, the reach of TikTok Shop is insane. A ban would absolutely have a negative impact on sellers' businesses — for example, I know of one product that has sold more than 1.4 million times on TikTok Shop in just a couple months. Many of those sales are driven from affiliates who earn a commission for promoting the product — otherwise known as upwards of \$20 million in revenue just from TikTok."*

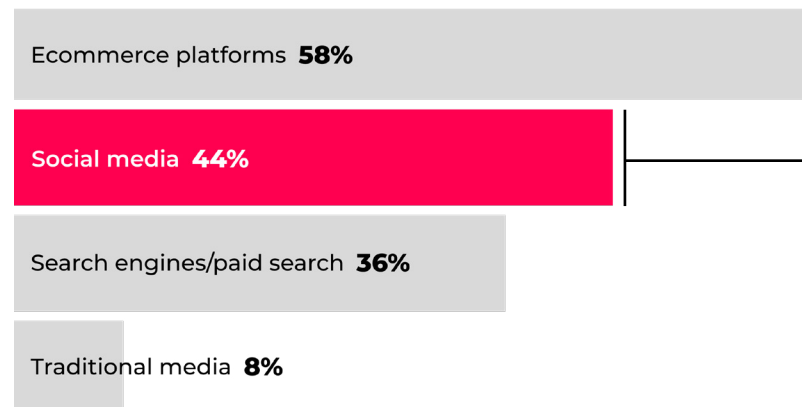


**Brian Connolly**

Owner of **Shore Boats**

Amazon sellers, brands, and retailers of all sizes turn to social media — and TikTok in particular — when building their marketing strategies. In fact, social media is the second-most popular avenue for advertising dollars after Amazon itself, according to Jungle Scout's [2024 State of the Amazon Seller Report](#).

### Popular seller advertising/marketing methods in 2024

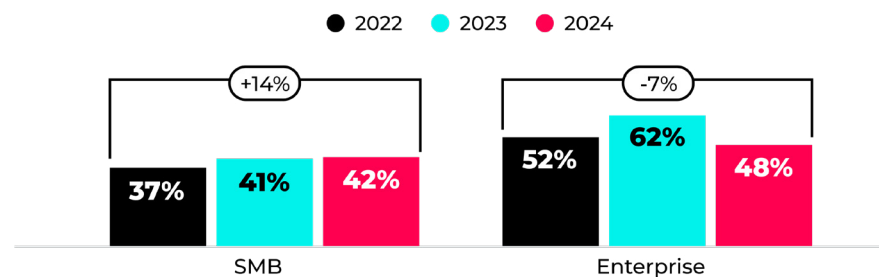


### How sellers advertise on social media in 2024

Facebook ads	72%
Instagram ads	60%
Pinterest ads	19%
TikTok ads	35%
YouTube ads	34%
Snapchat ads	8%
LinkedIn ads	14%
Branded YouTube channel	14%
Posting content on a branded or personal social media account	22%
Hiring influencers to promote products	9%

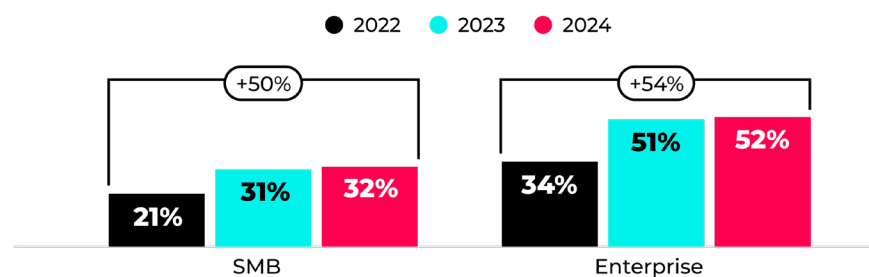
The number of larger brands and retailers advertising on TikTok has grown 54% since 2022, even as their overall use of social media marketing dipped 7% over that same period. And while a smaller portion of small-to-medium-sized businesses are advertising on social media platforms than their bigger counterparts, that portion that does — 42% — has increased at a higher rate over the past two years.

### Sellers using social media as part of their marketing strategy



\*Over the two-year period from 2022 to 2024

### Sellers using TikTok (of sellers using social media)



\*Over the two-year period from 2022 to 2024



## The Amazon/TikTok Crossover

The organically formed relationship between TikTok and Amazon, which continues to evolve and expand, is a force behind this increase. Amazon's independent popularity has gained it a strong presence on TikTok, with the hashtag #amazonfinds generating more than 40 billion views across the platform. The hashtag's popularity makes it easy for consumers to see real people using and reviewing products and creates a potential gold mine for sellers to reach potential buyers.

Snappy, relatable, and potentially viral content, coupled with Amazon's affordability and convenience, make for the **perfect pairing**.

### TikTok-related searches on Amazon

Search term	YOY search trend
TikTok body suit	<b>+3,230%</b>
TikTok made me buy it	<b>+2,375%</b>
TikTok scrolling ring	<b>+1,083%</b>
Chamoy pickle kit with candy TikTok	<b>+987%</b>
TikTok must haves	<b>+871%</b>
Trending TikTok items	<b>+343%</b>
TikTok trend items for kids	<b>+336%</b>
TikTok ring	<b>+326%</b>
TikTok must haves	<b>+304%</b>
TikTok stuff	<b>+299%</b>

Source: Jungle Scout's Q1 2024 Consumer Trends Report



## Amazon category snapshot: **Beauty & Personal Care**

To better explain TikTok's wider influence on retail and ecommerce, we'll drill down to the **beauty industry**. Social media is a powerful force in this world, generally, with platforms overflowing with content about makeup, skincare, hair products, and more. But TikTok's impact on sales and revenue, especially among products sold on Amazon, is particularly impressive. **Jungle Scout Cobalt** data on Amazon's skin care, anti-aging, and hair care segments — as highlighted in this **beauty products report** — offers clear examples of this impact.

### Within the Beauty & Personal Care world of TikTok\* ...

**#haircare** is the **4th** highest-ranking hashtag, with **2B views**

**#skincare** is the **10th** highest-ranking hashtag, with **1B views**

\*TikTok hashtag data reflects the past 120 days; [keyword insights data](#) reflects posts mentioning each respective word, as accessed March 25, 2024.

### 30-day TikTok keyword trends

<b>Anti-aging</b>	<b>46M views</b> (+102% MoM)
<b>Skincare</b>	<b>89M views</b> (+104% MoM)
<b>Hair care</b>	<b>62M views</b> (+117% MoM)

### Brand spotlight

#### Neutrogena

##### Brand Stats:

**4B+ views** on TikTok

Amazon Revenue: Up **33% YoY**

Units Sold on Amazon: Up **20% YoY**

#### The Ordinary.

##### Brand Stats:

**1B+ views** on TikTok

Amazon Revenue: Up **63% YoY**

Units Sold on Amazon: Up **60% YoY**

#### BIOSSANCE™.

##### Brand Stats:

**50M+ views** on TikTok

Amazon Revenue: Up **48% YoY**

Units Sold on Amazon: Up **44% YoY**

#### PAUL MITCHELL

##### Brand Stats:

**75M+ views** on TikTok

Amazon Revenue: Up **46% YoY**

Units Sold on Amazon: Up **30% YoY**

#### ILES FORMULA HAIRCARE

##### Brand Stats:

**2B+ views** on TikTok

Amazon Revenue: Up **79% YoY**

Units Sold on Amazon: Up **47% YoY**

\*Year-over-year Amazon data reflects the period of September 2022 through September 2023, as compared to September 2021 through September 2022.



# TikTok's Reach & Influence on Consumers

Amazon remains the most popular consumer starting point when searching for a product online, but TikTok's rapid acceleration as a first stop — particularly among younger generations — is increasingly significant. Among Gen Z, 43% start searching on TikTok — a higher number than those who begin a search on Google.

## Where people start their search for a product online

	Google	42%
	Amazon	56%
	Facebook	10%
	Instagram	7%
	TikTok	7%
	YouTube	13%
	Walmart.com	29%

## Generational breakdown

	Gen Z	Millennials	Gen X	Boomers
Google	32%	40%	43%	43%
Amazon	42%	51%	56%	61%
Facebook	21%	21%	12%	5%
Instagram	26%	16%	5%	2%
TikTok	36%	14%	5%	2%
YouTube	38%	25%	13%	6%
Walmart.com	34%	30%	30%	28%

Overall, **20%** of consumers say they're likely to purchase a product from TikTok. The platform's significance among younger generations is undeniable in looking at that same percentage for Gen Z and Millennials — **70% and 43%** of whom, respectively, say they're likely to buy something directly from the TikTok platform.



## The rise of TikTok Shop

Building on its growing influence on consumers and ecommerce, in September 2023, TikTok launched its U.S. ecommerce business, TikTok Shop. The in-app shopping service allows users to browse and purchase products without leaving the platform. Data from Jungle Scout's **Q1 Consumer Trends Report** reveals consumers have taken note — **more than 1 in 3 are browsing or shopping on TikTok Shop at least once a week**, and 23% have purchased a product there. Those numbers are — naturally — notably higher among Gen Z and Millennial consumers.

## How often do consumers use TikTok Shop?

> Once a day	12%
> Once a week	34%
> Once a month	46%
< Once a month	8%

## How often different generations of consumers use TikTok Shop

	Gen Z	Millennials	Gen X	Boomers
> Once a day	24%	16%	11%	6%
> Once a week	49%	56%	34%	20%
> Once a month	87%	63%	41%	23%
< Once a month	0%	8%	10%	9%

## What's next?

Now that the bill, known as the **Protecting Americans from Foreign Adversary Controlled Applications Act**, has passed through the House, it will move to the U.S. Senate for consideration. A timeline for Senate action on the legislation is unclear, but it will involve committee hearings and debates as well as potential revisions to the bill.

In the notoriously slower-moving body, political observers expect the bill to face a more challenging path, especially as no action has been taken on the Senate's own version of a similar bill calling for TikTok's sale or ban — the Restricting the Emergence of Security Threats that Risk Information and Communications Technology Act, also known as **the RESTRICT Act** — since it was introduced last year.

In the meantime, a number of **states have taken up the cause individually**, introducing independent legislation aimed at restricting use of the app. Dozens of states have joined the federal government in banning public employees from downloading TikTok on government devices, and in Montana, the country's first proposed statewide ban is on hold pending a lawsuit.

## Further reading

CBS News

**When would a TikTok ban go into effect?**

Modern Retail

**At Shoptalk, TikTok makes a pitch to retailers amid proposed ban**

Reuters

**TikTok advertisers will look to rivals if US Senate moves ahead on ban**

*“A potential TikTok ban raises significant concerns among small and medium-sized business owners, who rely heavily on the platform’s vast reach and marketing capabilities. The platform’s unique blend of entertainment and product discovery has opened up unprecedented avenues for brand and product visibility. Small and medium businesses, in particular, use TikTok to showcase their products through engaging content and collaborations, leading to increased traffic and sales on Amazon. **A government-imposed ban would disrupt sales and marketing strategies and impede future opportunities for growth and innovation.** The potential ripple effects are far-reaching and undermine the entrepreneurial spirit and innovation that are hallmarks of the digital economy.”*



**Greg Mercer**

Founder & CEO, Jungle Scout

Information for how to contact your Congressional representatives can be found [here](#).



## About the report

This report includes insights from Jungle Scout's [Q1 Consumer Trends Report](#) and [2024 State of the Amazon Seller Report](#) that are representative of the U.S. Amazon market. Amazon category and product data were sourced from [Jungle Scout Cobalt](#), an industry-leading market intelligence, advertising optimization, and ecommerce reporting platform powered by nearly 2 billion Amazon data points.

We encourage you to share, reference, and publish this report's findings with attribution to "Jungle Scout" and a link to [this page](#).

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