



# Black Friday



## Understanding Community Commerce



It's safe to say that face-to-face interactions have become a novelty in today's world. Between masks covering said faces, social distancing and digital media becoming our main form of communication it's no wonder brands are investing more in e-tail and their digital storefronts. Less small talk, more conveniences, and usually, more impulsive purchasing. And while brick-and-mortar stores haven't gone extinct – the community surrounding the shopping experience is dwindling in real life.

Is there anywhere in particular that community of commerce should be going from there? The answer is far more intuitive than you realize. But first, **a trip in the ol' proverbial time machine.**

### THE STARTING POINT OF COMMERCE



To understand commerce today, we need to understand its starting point. The history of commerce is, in many ways, a history of the world and we certainly will not even attempt to summarize ~10,000 years of it here. But the starting point is important because commerce is ingrained at the heart of the human experience – it's just how we experience it that has fundamentally changed.

### ONCE UPON A TIME...

#### Commerce was a limited experience

- The size of the community
- The way a community can be identified (of course, we didn't have any interest-based communities or skater girl sub-cultures).
- The goods that can be traded (necessities, no nice-to have's)

#### But it was also quite an intimate experience because it was:

- Direct (from person to person in real life)
- Markets functioned as a meeting place where you could truly build connections and converse
- Everyone that gathered in that meeting place was a "buyer" and a "seller". I can give you something, and you can give me something in return. Even as we evolved through the centuries and built networks of trade, people exchanged art, ideas and informations in person.

**In essence, it was a shared experience & a support system built on trust.**

### SLOWLY, BUT SURELY...

As commerce became more ingrained, naturally competition grew fiercer and we shifted our focus more on transactional selling, breaking through clutter, and reaching more people. Convenience and speed became the drivers of the purchase experience. Scale and reach became the name of the game.

And, in the process we've somehow (almost ironically) moved farther away from the most essential part of the equation and the origins of commerce: the community.

**We went from a limited but intimate experience to a scaled but distant one.**

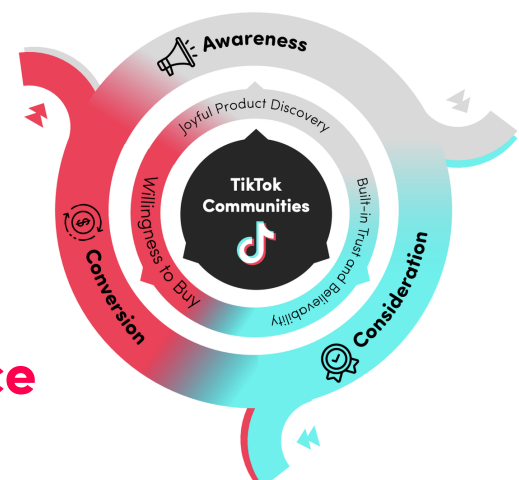
### THE QUESTION BRANDS HAVE TODAY IS IF WE CAN ACHIEVE THAT COMMUNITY 'INTIMACY' AT SCALE.

And the truth is people are doing so as we speak. They have been building the foundations of community commerce online for quite some time now. They are shifting the dynamics of commerce and telling us exactly the type of experience they desire and the type of communication they expect.

They are building the blueprint for this new commerce experience; a shared experience and a support system built on trust – and it's all come together to live on TikTok. It's like we've come 360 on the commerce graph as people position themselves to become equal stakeholders in the experience once again. The community (or essentially TikTok users) are not just the end benefit. They are the drivers.

**That's what we call Community Commerce.**

Now if you are still asking yourself, this is nice and all but – **Why should brands be interested?** It's because leaning in on a platform where the community is at the center of the shopping experience can amplify your brand in a new way.



See, on **TikTok**, there is no marketing funnel. With the community at the center, the funnel collapsed and transformed itself into a flywheel.

And the power of the flywheel is two-fold:

- 1 An **accelerated journey** where shoppers can go through the whole journey in one step or better yet skip steps.
- 2 An engine that powers itself and is in a **constant feedback loop**.

## LET'S EXPLORE IT TOGETHER.

### The Community Commerce Experience on TikTok

TikTok's entertaining, creator-centric content creates new opportunities for brands to build moments of discovery and awareness and buzz. The special kind of word-of-mouth marketing that is fueled by TikTok creators allows products to take off overnight.



### 1. Joyful Discovery = Active Awareness

On TikTok, it only takes 10 to 15 seconds to introduce millions of people to a product or brand and that's essential in a world where short video format wins. But there's a difference between general awareness and being actively aware; **aware to the point of action**.

Through video, people are exposed to products in real life context – not on shelves. It's everyday people discovering brands and products together. From unboxing a product, to styling it in real life – people are not just aware, they are eager and already propelled to consider.



**agree TikTok inspired them to find out more about products and brands.**

Nielsen Global Authenticity Study commissioned by TikTok



**agree that TikTok inspired them to shop even when they weren't looking to do so.**

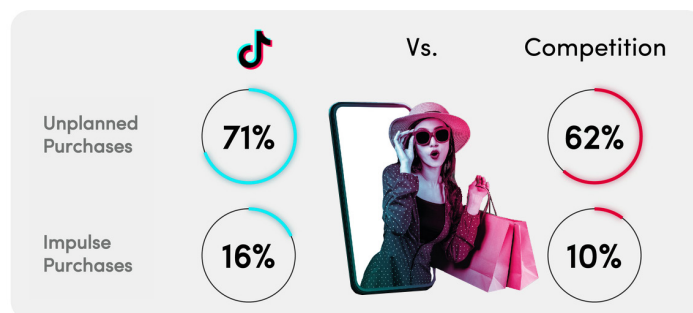
Marketing Science, Holiday shopping Behavior Research, October 2020

On **TikTok's For You Page**, **Active Awareness** is tied to the hyper-relevance of the content being served. The For You page shows users videos that they're more likely to engage with and share. That's why the platform is so influential in shaping trends and making cultural moments—like when it drove the Maybelline 'Sky High' mascara to sell out **four times over the course of two weeks**



This plays a part in the accelerated user journey; because the content on the For You page is so relevant, and people are getting product recommendations from creators they trust, they're acting more quickly on their desire to purchase. And then they're sharing their discoveries – perpetuating Word of Mouth (WOM).

**Tapping into the community can convert the Joy of discovery into impulse and planned purchases for brands.**



### 2. Consideration is serious when met with believable content

Content on TikTok is rooted in unfiltered reality. And consideration becomes serious when met with authentic content. Consideration requires trust.

**When it comes to considering a purchase, people want to know what other people from their community think and feel.** People trust other people – attention-based ad solutions designed to sell & interrupt is not their thing.

Content created by everyday like-minded individuals are increasingly driving what consumers consider and buy. And thanks to the immersive front-facing videos that often feel as though you're FaceTiming with a friend – there's nowhere better to feel closer to your purchase.

So, **the believability that characterizes the content drives trust and higher consideration amongst shoppers.**



**80%**

**say user generated content has a high impact on their purchasing decisions.**

TikTok Internal data, METAP, June 2020 – June 2021

**50%**

**1 in 2 of users who bought something on TikTok said they were inspired by TikTok product demonstrations.**

TikTok Internal data, METAP, June 2020 – June 2021



**56%**

**of TikTok users agreed that the platform has helped them decide what to buy.**

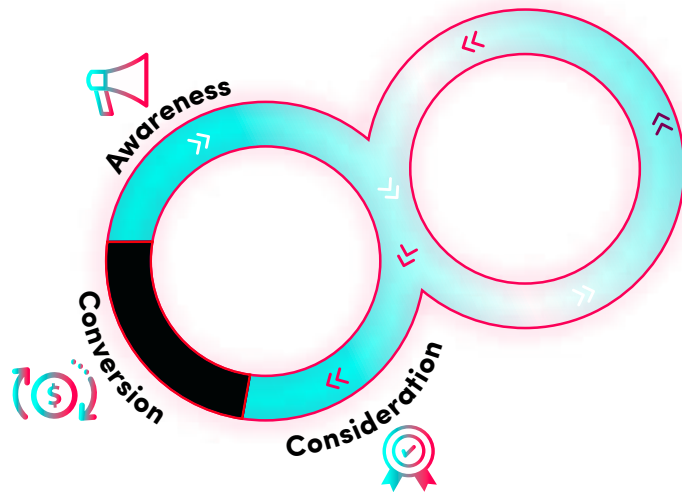
TikTok Internal data, METAP, June 2020 – June 2021



### 3. But... Shoppers can journey through discovering and considering without ever actually converting.

How many times have we browsed and 'added to cart' never to end up making the purchase? Let's zero-in on the journey between Discover & Consider more closely, because it's arguably the most critical one.

The Cart Drop Out - every marketer's worst nightmare.



The reason it mostly happens is because naturally - people want to avoid fear and anxiety before a purchase which arises from a desire from this need to seek one final confirmation or one final **reassurance and confidence boost** before committing a purchase. And they also want to avoid regret after a purchase.

On TikTok, communities give confidence to each other to hit that 'buy' button through reviews and recommendations.

Shoppers will get the validation and confidence before and their expectations are matched post-purchase too.



of users share their opinion about products or services online post-purchase.

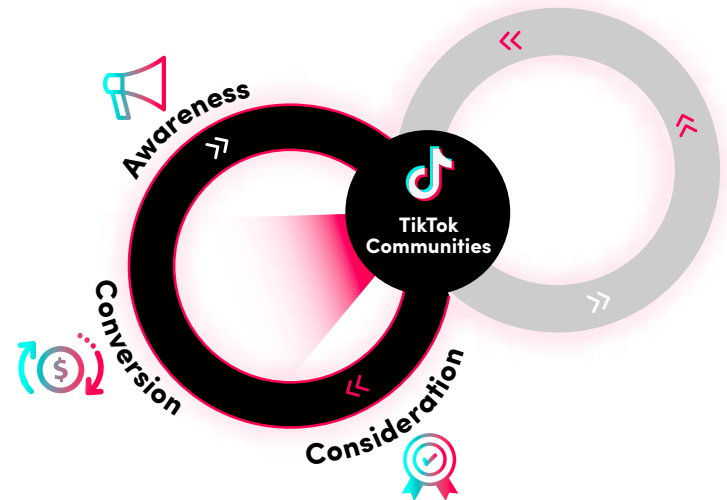
Kantar, Authenticity Study, 2020



of TikTok users say they read the comments on the videos on TikTok.

Global Web Index, Consumer Insights, Q1 2021

Within this support system, conversions become "**community proofed**". A community proofed conversion breaks the potentially endless loop between awareness and consideration. And according to a recent study by Behave, that overall journey leads to a **frictionless shopping experience accompanied by more joy and confidence**.



### 4. Advocacy

If you're still wondering why brands should really be interested, all we can really tell you is that a community is superior to a following; followers are people you speak to while a community is a group of ambassadors who engage with you and one another - setting the path to purchase in full cyclical motion.

Through community commerce you foster more intimate relationships. Yes, commerce is about transactions, but the community is building a new experience based on conversations, where relationships become intuitive once again. Brands that converse with them, **foster bonds and gain their loyalty**. That creates new opportunities for creators to make content about a product and start the cycle all over again.

Finally, community commerce is here to stay. And its longevity lies in the fact that we didn't create Community Commerce. Users did. They're creating a scalable & intimate commerce experience and we need to join them.