

S-commerce and Digital Marketing Transformation through Tiktok Platform

Fitria Yuliani¹, Sri Dwi Fajarini², Juliana Kurniawati³

^{1,2,3}Muhammadiyah University of Bengkulu, Indonesia



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ABSTRACT

Objective: Nowadays, people view TikTok not just as an entertainment medium, but as a key platform driving the growth of S-Commerce. Through TikTok, people can easily market, promote, and buy goods. TikTok has also become a very promising platform for business and marketing by business actors. **Method:** This study uses a qualitative approach with literature review analysis, utilizing secondary data from articles, books, journals, and research reports. Researchers analyze TikTok's role in S-Commerce by observing interactions related to marketing, purchases, promotions, and user-generated references, structuring findings into a systematic framework. **Results:** S-Commerce through the TikTok platform shows a form of digital marketing transformation where there is a change in the form of marketing which is not only centered on sellers in marketing and promoting products through buying and selling platforms but collaborates with users. **Novelty:** TikTok enables social media and e-commerce activities to be combined in one platform with the efficiency and convenience it offers.

INTRODUCTION

TikTok has experienced a very rapid increase in users since the social media platform first appeared in 2017. Reported by CNN Indonesia, TikTok users in Indonesia are even the largest in the world, beating the US and Russia. Until August 2024, there were 157.6 million Indonesians who were users of the application (www.cnnindonesia.com). TikTok itself is a social media platform that allows its users to create, edit, and share short videos (Harming & Hota, 2024). At the beginning of its appearance, TikTok was widely used as an entertainment medium, because it was easy to use and presented video content that was not too long so that it was not boring for users. TikTok is also dominated by entertainment content that requires user creativity so that the videos they upload can be recommended to other users (For Your Page or FYP).

However, along with the interest and increasing number of users of the TikTok platform, the content displayed on the TikTok platform has become more diverse, where there is an expansion of the function of using the TikTok platform by users so that the content displayed is not limited to entertaining things, but also educational things, even influencing users. Various types of content created by users with various interests, both entertainment, social, political, and economic and business. TikTok has also become a very promising platform for business and marketing by business actors. Moreover, with the TikTok shop feature, which now allows users not only to be exposed to advertisements and promotions from business actors, but can also shop directly through the social commerce (S-Commerce) feature provided by the TikTok platform.

Social commerce, or S-commerce, is an e-commerce activity carried out through social media, that involves user interaction, where users can shop, search for references, and promote their products, as well as give preferences to other users (Almahdi, 2021). Meanwhile, in the Regulation of the Minister of Trade of the Republic of Indonesia Number 31 of 2023 Article 1 Paragraph 7, social commerce is a social media organizer that provides certain facilities and features on social media that allow its users (traders or business actors) to offer goods or services through these facilities (Irsal & Sidik, 2023). S-commerce allows users to participate in marketing, purchasing, collecting, and sharing products and services with other users through social media (Sillia & Ishak, 2023).

Tiktok with its influence and popularity, plays a role in the daily lives of many users, even directing user shopping preferences through content created by creators. The variety of creators with a focus on the content created can also be a preference for their followers. Creators who focus on the beauty sector (beauty creators) can influence followers in buying beauty products. Likewise with fashion, culinary, and other creators. Electronic word of mouth can also influence the shopping preferences of other users through reviews, opinions, or information from users through the comment page on images or videos related to certain products. The form of S-Commerce through the TikTok platform is a depiction of the transformation of digital marketing from a digital shopping platform and/or E-Commerce to S-Commerce through TikTok social media.

Therefore, in this case the researcher is interested in analyzing further how S-Commerce is a depiction of digital marketing transformation, especially through the TikTok platform. Through an analysis of the interaction process of media users that support the occurrence of S-Commerce and digital marketing transformation on the TikTok platform.

RESEARCH METHOD

The method used in this study is a qualitative method with literature review data analysis techniques. This research method is carried out using secondary data from various literature sources (articles, books, journals, and research reports, etc.) to analyze and understand a phenomenon in depth. In this case, researchers observe social media, especially TikTok, related to S-Commerce and digital marketing transformation through analysis of interactions related to marketing, product purchases, promotions, and sharing product and service references with other users. Researchers also look for reference sources that are relevant to the study, identify the literature used, then pour it into a systematic framework, to then present logical and coherent results.

RESULTS AND DISCUSSION

TikTok is currently no longer seen as just an entertainment medium, but TikTok has become one of the main platforms that makes S-Commerce increasingly grow. Through TikTok, people can easily market, promote, and buy goods. Some elements of S-Commerce on TikTok include TikTok Shop, hashtag challenges with commercial elements, e-WOM, affiliate marketing, and collaboration with creators.

TikTok Shop

TikTok Shop is one of the S-Commerce elements on TikTok that allows TikTok users to directly sell, buy, and/or promote products on the platform without having to switch to other applications. Before TikTok Shop was formed, initially creators had to link links from other applications. However, seeing the large market potential, TikTok launched its own shopping platform that is connected in one application on TikTok social media. TikTok Shop provides convenience, not only for business actors but also for consumers in the process of buying and selling transactions or searching for products. TikTok Shop provides facilities such as live shopping, where sellers can broadcast live in promoting, introducing, demonstrating a product, and selling it in real time, where buyers can interact directly through the chat and comment features during the live. TikTok Shop also provides facilities such as Shopping Cart, where buyers can put the products they want into the shopping cart without having to make a purchase directly so that buyers can consider before making a product purchase or make the product in the cart a wishlist of products that they will buy in the future. TikTok Shop also allows its users to share product links through the share feature that can be shared to other social media applications. This share feature makes it easy for sellers to share in order to promote products, or users who want to share their favorite products. This share feature is also very helpful in increasing brand awareness of a product.

Tiktok shop is a real illustration of the form of digital marketing transformation, which brings changes to the way transactions, buying and selling and promotions are combined with social media so that users can carry out social media activities and e-commerce activities on one platform without having to switch applications. In addition, tiktok shop is also a means for sellers to build brands (product branding) and build relationships with consumers. However, tiktok shop is not free from negative aspects because of the convenience and advantages it offers. As an S-Commerce platform, tiktok shop can help and facilitate MSME traders, but on the other hand, tiktok shop can threaten the domestic market through algorithm games and unhealthy market competition. Tiktok shop can cause unhealthy competition between traders, misuse of personal data and the potential for low quality goods because they only prioritize visuals in the videos and images displayed (Irsal & Sidik, 2023).

Hashtag Challenge with Commercial Elements

Hashtag challenges with commercial elements are one strategy in building brand awareness and increasing interaction and sales. The hashtag itself is a hash mark (#), or known as a tag, that can group content based on the hashtag used. By using hashtags, the content we create can appear in hashtag search results, thus expanding the reach of the content. In addition, the use of relevant hashtags can attract the interest of users who are interested in certain topics or interests according to the hashtag used. The most popular hashtag on TikTok is the hashtag For Your Page or #FYP. The FYP hashtag is usually used to increase the potential for content to appear on the For You page. Hashtags are also used to follow certain trends on TikTok. Videos that follow trends will be grouped according to the trend hashtag created. In digital marketing, hashtags can be used to help

group products, so by using product hashtags, users will find it easier to search for certain products. Hashtags can also increase the visibility of product content, so that content containing promotions or product advertisements can appear on the For You (FYP) pages of other users. Sellers also often create hashtag challenges to encourage user interaction through their involvement in the challenge. An example of a hashtag challenge on TikTok that is quite popular with many users is the hashtag Eyeslipsface challenge (#Eyeslipsface challenge). This hashtag is a hashtag created to increase brand awareness for E.L.F. Cosmetics.

E-WOM

E-WOM, or Electronic Word of Mouth, is a form of informal communication via the internet aimed at users or potential consumers regarding reviews of use, opinions, or reviews of product or service characteristics so that other users get an idea of a product or service (Wardhana, 2022). Lopez and Sicilia in Wardhana stated that the volume of information on E-WOM can influence consumer behavior, because the volume of E-WOM will influence brand awareness in consumers. The more E-WOM there is about a product, the greater the possibility of brand awareness in users and the more it becomes a signal for product popularity. E-WOM can be an effective marketing strategy on TikTok social media in particular, because the TikTok algorithm supports interaction through comments on TikTok so that comments on TikTok become one of the popular elements on social media when compared to other social media. The ease for users to read comments without leaving the video they are watching is also one of the advantages of the comment feature on TikTok social media.

Therefore, TikTok users tend to be active in viewing reviews via E-WOM on TikTok comments before purchasing a product. E-WOM through comments on social media TikTok also tends to be more influential, especially because of the many interactions that occur through the comment feature. Although E-WOM is not always related to positive reviews, many business actors use E-WOM to increase brand awareness among users, and become a strategy in marketing their products. Especially with the presence of buzzers or people (groups of people) who are tasked with spreading certain opinions, information, or even promotions through social media. Buzzers have now become a profession for some people, so it is very possible for the role of buzzers to be used to support marketing.

Affiliate Marketing

Affiliate marketing is a digital marketing method that allows users to earn commissions from products they promote through affiliate links. This affiliate program is a form of collaboration between sellers and social media users who promote products until they are sold. Affiliate marketing works by directing potential buyers to visit the seller's page to make a purchase transaction (Karina et al. 2023). TikTok social media makes it very easy for users to get involved in affiliate programs, especially users who have many followers and have the potential to promote products. Affiliate marketing on TikTok does not require direct involvement between sellers and users who run affiliate programs, where TikTok facilitates users who register for affiliate programs so that all

they do is share affiliate links to stores or products they want to promote through content related to the products they create and get commissions after the products they share are sold. This affiliate program shows a form of digital marketing transformation where consumers can also participate in promoting products. Digital marketing in this case no longer only involves sellers as one party that carries out promotions and sales, but they can also collaborate with users in promoting products through affiliate marketing programs through TikTok or the TikTok affiliate platform, where consumers in this case can become buyers and promoters at the same time.

Collaboration with Creators

Digital marketing through TikTok can be done by collaborating with creators. Popular creators with many followers on TikTok have the potential to promote a product through the content they create. Especially with the popularity of TikTok with many users in it. Therefore, many users collaborate with creators as one of their strategies in marketing their products. With the potential audience they have, creators help convey brand messages to their followers through short videos they make. This form of collaboration can be said to be quite effective because creators usually have an emotional connection with their followers. There is an influence that they can have on followers so that the recommendations they convey can have a direct impact on purchasing decisions. Collaboration with creators can be said to be more efficient than commercial advertising, so that currently there are quite a few brands that utilize collaboration with creators to promote their products.

Conclusion This study shows that TikTok is currently no longer seen as just an entertainment medium, but TikTok also plays a major role in the development of S-Commerce, where with one platform, users can not only interact and seek entertainment, but can also easily market, promote, and buy goods. S-commerce elements on TikTok can be seen from the TikTok shop which allows TikTok users to directly sell, buy, and or promote products on the platform, Hashtag Challenge with Commercial Elements that can increase the visibility of product content and increase brand awareness, E-WOM which influences brand awareness in consumers through reviews of use, opinions, or reviews of the characteristics of certain products or services, Affiliate Marketing where consumers in this case can become buyers and promoters at the same time, and Collaboration with Creators where creators with high audience potential help convey brand messages to their followers through short videos they create. The form of S-Commerce on TikTok shows a form of digital marketing transformation where there is a change in the form of marketing that is not only centered on sellers in marketing and promoting products through buying and selling platforms, but also collaborates with users, through social media, which allows social media and e-commerce activities to be combined on one platform with the efficiency and convenience it offers.

CONCLUSION

Fundamental Finding : This study reveals that TikTok has evolved beyond its initial purpose as an entertainment platform and now plays a significant role in the

landscape of Social Commerce (S-Commerce). The integration of features such as TikTok Shop, Hashtag Challenges with commercial elements, Electronic Word of Mouth (E-WOM), Affiliate Marketing, and Creator Collaborations signifies a shift in how users engage in both content consumption and commercial activities. These features allow users not only to consume and interact with content but also to participate actively in marketing, promoting, and purchasing products directly within the platform. The study demonstrates that TikTok serves as a hybrid space where social interaction and commerce are seamlessly integrated. **Implication** : The transformation of TikTok into an S-Commerce platform highlights the increasing convergence of social media and e-commerce, offering businesses new and effective strategies for digital marketing. Marketers and entrepreneurs can utilize TikTok's unique environment to reach broader audiences through user-generated content, influencers, and direct shopping experiences. The integration of community-based features and commerce functions suggests that future marketing strategies should emphasize participatory engagement, where consumers also act as promoters and co-creators of brand value. **Limitation** : Despite the insights gained, this study is limited in scope as it primarily focuses on the functionalities and observable features of TikTok related to S-Commerce without in-depth analysis of user behavior or purchasing decision patterns. Additionally, the study does not consider regional or demographic differences that might affect how TikTok is used as an S-Commerce tool. These limitations suggest that further empirical investigation is needed to understand the broader psychological, cultural, and socioeconomic factors influencing S-Commerce adoption on TikTok. **Future Research** : Future studies should explore the impact of TikTok-based S-Commerce on consumer purchasing behavior across different demographics and geographic regions. Investigating user trust, perceived authenticity of creators, and the long-term effectiveness of affiliate marketing on this platform could provide deeper insights. Moreover, comparative studies between TikTok and other social media platforms with S-Commerce capabilities would be beneficial to determine which features most effectively drive user engagement and commercial outcomes.

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***Fitria Yuliani (Corresponding Author)**

Muhammadiyah University of Bengkulu, Indonesia

Email: fitria@umb.ac.id

Sri Dwi Fajarini

Muhammadiyah University of Bengkulu, Indonesia

Email: sridwifajarini@umb.ac.id

Juliana Kurniawati

Muhammadiyah University of Bengkulu, Indonesia

Email: juliana@umb.ac.id
