

Chapter 19

TikTok's Influence on Retail Businesses: A Case Study of Its Application in Brunei Darussalam

Fairul Rizal rashid

Universiti Brunei Darussalam, Brunei

Farhanah Izzati Japar

Universiti Teknologi Brunei, Brunei

ABSTRACT

TikTok has risen to become the world's most popular video-sharing social media platform. TikTok has a huge active user base and a higher growth rate compared to other platforms. In recent times, TikTok has been increasingly used for business purposes. But despite this, there is still a lack of empirical research on the role of TikTok in the retail sector which is widely used. Thus, by capturing retailers' viewpoints, this chapter is keen to study the influence of TikTok on the retail sector. The chapter, ultimately, found that there are still many retailers who are not using the application. While, those who have utilized TikTok merely used it as a complementary platform to the established ones. Nevertheless, TikTok utilized retailers to acknowledge the innovative features of and the benefits realized from TikTok. Thus, recommended action plans are also suggested so the retailers can maximize the potential of TikTok in their businesses.

INTRODUCTION

TikTok is currently the most trending video-sharing platform on social media worldwide. The origin company, initially named Musical.ly, was established in 2014. The company gained global prominence after being acquired by ByteDance, a Chinese technology company, which subsequently rebranded it as TikTok in 2018 (Geyser, 2023b).

DOI: 10.4018/979-8-3693-1942-0.ch019

TikTok's Influence on Retail Businesses

TikTok's popularity has surged significantly during the COVID-19 pandemic, and the usage of the TikTok-owned application has surprisingly grown to 1.6 billion users in 2022 (Iqbal, 2023). The company has capitalized on the immense potential of its audience by introducing TikTok for Business and TikTok Shop in 2022 to cater to business users. TikTok usage has continued to grow remarkably, especially in most Asian countries, providing greater opportunities for businesses, including retail, to expand their potential across borders.

Despite its rapid rise to fame, TikTok's relatively short existence has resulted in underdeveloped empirical research, particularly regarding its role in businesses. Further investigation is needed to clarify the effectiveness of TikTok in the retail sector, where it appears to be widely used, especially in the Southeast Asia (SEA) region.

Therefore, this research aims to investigate, by capturing the viewpoints of retailers, the influence of the TikTok application on their businesses. Both quantitative and qualitative data-gathering methods are deployed to capture information relevant to the research aim. This research is also arguably the first of its kind to be carried out in the Brunei context. Therefore, the research hopes to provide valuable insights into the current scenario of the TikTok application in the retail sector.

LITERATURE REVIEW

TikTok is a globally popular video-sharing application that enables users to create and share short-form videos on various topics (Hill, 2022). The application allows users to get creative with their content using filters, stickers, voiceovers, sound effects, and background music (Geyser, 2023a).

The journey of TikTok began when an application named Musical.ly was introduced in 2014 in Shanghai. Musical.ly, owned by a US company, primarily focused on lip-syncing content and had its niche in the area (Geyser, 2023a). In 2018, as part of its global expansion plan, the Chinese technology company ByteDance acquired Musical.ly and rebranded the company into TikTok (Tidy and Galer, 2020). In the Chinese market, ByteDance maintains TikTok as a separate application called Douyin, which is one of the most popular applications in the country (Geyser, 2023b).

Entertainment and dance continue to be the most popular types of videos on TikTok, but it has also evolved into an infotainment platform for users. Popular informational videos cover health, lifestyle, personal finance, and cooking. The foundation of this platform is user-generated content; the content on the network is created by the users themselves. TikTok's popularity has astonishingly increased since the beginning of the COVID-19 outbreak in early 2020, becoming the most downloaded mobile application (Geyser, 2023b; Bhandari & Bimo, 2022; Iqbal, 2023; Shepherd, 2022). According to Cloudflare Radar's findings, TikTok has not only surpassed other social media platforms in terms of access traffic but has also notably beaten Google as the chosen search engine for Generation Z (Moreno, 2021).

TikTok for Business

In recent times, TikTok has emerged as a thriving business platform, where businesses utilize the app to promote and sell products, especially since the introduction of TikTok for Business and TikTok Shop in 2022. With a vast potential audience, TikTok provides significant opportunities for businesses to showcase their product offerings. The popularity and usage of TikTok have consistently grown since its inception, reaching 1.6 billion users in 2022, and anticipated to further increase to 1.8 billion users

20 more pages are available in the full version of this document, which may be purchased using the "Add to Cart" button on the publisher's webpage:
www.igi-global.com/chapter/tiktoks-influence-on-retail-businesses/343223

Related Content

Sustainable Universities as Catalysts for Industry 5.0 Transformation

Jean H. El Achkar (2025). *Human-Centric, Sustainable, and Resilient Organizations in the Digital Age* (pp. 27-52).

www.irma-international.org/chapter/sustainable-universities-as-catalysts-for-industry-50-transformation/369634

Creation of Financial and Environmental Values With Solar Photovoltaic Projects While Managing Risks

Shantha Indrajith Hikkaduwa Liyanage, Fulufhelo Godfrey Netswera, Shivajyoti Paland Isaac Nthomola (2020). *International Journal of Sustainable Economies Management* (pp. 13-26).

www.irma-international.org/article/creation-of-financial-and-environmental-values-with-solar-photovoltaic-projects-while-managing-risks/262203

Sustainable Infrastructures: A New Infrastructure Investment Strategy

Amir Manzoor (2020). *Sustainable Infrastructure: Breakthroughs in Research and Practice* (pp. 565-584).

www.irma-international.org/chapter/sustainable-infrastructures/240860

Economic, Cultural and Religious Determinants of Perceived Level of Political Corruption

Fuat Sekmen (2012). *International Journal of Social Ecology and Sustainable Development* (pp. 53-63).

www.irma-international.org/article/economic-cultural-religious-determinants-perceived/69540

An Extensive Analysis of Technological Frameworks With the Rise of Industry 5.0

Brijesh Goswami, P. Maheswari, Kilaru Aswini, Vijilius Helena Raj, Joshuva Arockia Dhanrajand Atul Singla (2024). *Powering Industry 5.0 and Sustainable Development Through Innovation* (pp. 59-72).

www.irma-international.org/chapter/an-extensive-analysis-of-technological-frameworks-with-the-rise-of-industry-50/348215