THE TIK TOK ECONOMY: BUILDING BRANDS IN THE ERA OF 15 SECOND VIDEOS

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DOI: 10.52846/MNMK.23.1.04

Abstract:
This study examines the rapid rise and influence of short-form video management marketing for Tik Tok in the contemporary digital economy, focusing specifically on the unique role of micro-video content in reshaping marketing and brand building. The evolution of internet technologies and mobile devices has significantly transformed content creation, shifting from text and images to dynamic video formats. This transformation has accelerated with the advent of faster internet connectivity, enabling seamless video uploads and widespread content consumption. Short-form video platforms, which prioritize brevity and interactivity, have emerged as dominant players in this new landscape, catering to the evolving preferences of digital audiences for quick, engaging, and personalized experiences. These platforms have not only redefined entertainment but also become vital tools for marketing and branding, allowing creators to experiment with innovative forms of storytelling. The combination of sophisticated algorithms, personalized content curation, and highly engaging formats has led to the widespread adoption of these platforms. Their ability to reach and influence vast global audiences has redefined traditional marketing strategies, offering new opportunities for brands to connect with consumers. This paper explores how these platforms, by leveraging short, creative videos, have become central to the evolution of digital marketing, emphasizing the role of authenticity, relatability, and creativity in building brand awareness and driving consumer engagement.

Keywords: Shorts, Influencers, Internet, Tik Tok, Digital

1. Introduction

The evolution of internet technologies and the proliferation of mobile digital devices have profoundly transformed how content is created, consumed, and shared. Initially, internet content was text-based, gradually incorporating images before evolving into dynamic and interactive video formats. Early ventures into video-sharing platforms, such as ShareYourWorld.com, which launched in 1997, laid the groundwork for user-generated video content. However, technical limitations, particularly bandwidth constraints, hindered their success, leading to the platform's closure by 2001. The launch of YouTube in 2005 marked a pivotal moment in digital media history, as its innovative transcoding technologies facilitated seamless video uploads and online streaming. This development popularized user-generated video content and revolutionized the way audiences engaged with media.

The subsequent advent of the 5G era has driven the short-video industry into a period of unparalleled growth, offering immense commercial value and reshaping digital marketing strategies. The emergence of short-form video platforms reflects the shifting preferences of digital audiences toward brevity, creativity, and interactivity.

TikTok, a short-video social platform launched in China in September 2016 under the name Douyin and globally branded as TikTok in May 2017, exemplifies the transformative role of digital platforms in contemporary social dynamics and represents the apex of this evolution. It originally launched as a music-focused application, and has since evolved into a multifaceted platform that caters to diverse domains, including education, entertainment, and marketing. Its ability to blend practicality, humor, and inspiration into short, engaging formats has garnered immense popularity worldwide (Wang, 2021). Owned by the Chinese tech giant ByteDance, TikTok has rapidly grown to become the fastest-expanding social media platform in history, rivaling established giants like Facebook and WeChat. By December 2020, the app had been downloaded over 1.5 billion times across 150 countries and 39 languages, solidifying its position as the seventh-most downloaded app of the 2010s. This meteoric rise prompts critical questions: What unique strategies have enabled TikTok to thrive in an intensely competitive market? How has it managed to maintain its growth trajectory and appeal across diverse cultural contexts?

The data presented in Table 1 highlights the consistent growth in the average daily time users spend on TikTok from 2019 to 2024. Over this six-year period, user engagement on the platform has steadily increased, with the most significant annual growth occurring in 2020, where screen time rose by over 11 minutes compared to the previous year. This upward trend reflects TikTok's ability to captivate audiences through its algorithm-driven, personalized content and innovative features that sustain user interest (though we must contemplate the impact the pandemic had on this trend) By 2024, the average user dedicates nearly an hour per day to TikTok, representing approximately 6% of their waking hours. This progression underscores the platform's evolving role in the digital economy as a primary medium for entertainment, social interaction, and brand engagement, further solidifying its influence in shaping consumer habits and marketing strategies.

Table 1. TikTok Screen Time Over The Years. The average user spends around 58 minutes on TikTok each day (about 6% of the average person's waking hours)

Year	Average Daily Time Spent on TikTok	Change Over Previous Year
2019	27 minutes, 24 seconds	-
2020	38 minutes, 36 seconds	↑ 11 minutes, 12 seconds
2021	45 minutes, 18 seconds	↑ 6 minutes, 42 seconds
2022	52 minutes	↑ 6 minutes, 42 seconds
2023	55 minutes, 48 seconds	↑ 3 minutes, 48 seconds
2024	58 minutes, 24 seconds	↑ 3 minutes, 36 seconds

Source: eMarketer

Table 2 provides a comparative analysis of TikTok usage across various countries from 2020 to 2022, highlighting significant regional variations and growth trends in engagement. Globally, the average time spent on the platform yearly increased substantially, rising from 13 hours and 18 minutes in 2020 to 23 hours and 30 minutes in 2022. This trend is mirrored in individual countries, with standout growth observed in markets like Indonesia and Australia, where average usage nearly doubled over the three-year span. Notably, Australia recorded the highest engagement in 2022, with users spending an average of 29 hours and 36 minutes on TikTok.

Table 2. Average Tik Tok Usage per country and year

Country	2020	2021	2022
Worldwide	13 hours, 18 mins	19 hours, 36 mins	23 hours, 30 mins
Australia	-	23 hours, 24 mins	29 hours, 36 mins
Indonesia	13 hours, 48 mins	23 hours, 6 mins	29 hours
Russia	17 hours, 24 mins	26 hours, 18 mins	28 hours, 42 mins
Mexico	17 hours, 12 mins	23 hours, 24 mins	27 hours, 36 mins
UK	19 hours, 54 mins	27 hours, 18 mins	27 hours, 18 mins

US	21 hours, 30 mins	25 hours, 36 mins	26 hours, 48 mins
Canada	17 hours, 6 mins	22 hours, 36 mins	25 hours, 54 mins
Germany	19 hours, 24 mins	23 hours, 36 mins	23 hours, 42 mins
France	17 hours, 18 mins	21 hours, 6 mins	21 hours, 24 mins
Turkey	14 hours	18 hours, 48 mins	20 hours, 54 mins
Singapore	9 hours, 24 mins	16 hours, 18 mins	20 hours, 18 mins
Argentina	11 hours, 24 mins	14 hours, 48 mins	20 hours, 6 mins
South Korea	13 hours, 48 mins	16 hours, 54 mins	19 hours, 54 mins
Brazil	14 hours	20 hours, 12 mins	-

Source: Data.ai, NCBI

Emerging markets such as Indonesia, Brazil, and Turkey demonstrated rapid adoption and rising screen time, underscoring TikTok's global appeal and adaptability to diverse cultural contexts. Similarly, established markets like the US and UK maintained consistent growth, reflecting the platform’s ability to retain and deepen user engagement even in mature digital economies. These figures underline TikTok’s effectiveness in becoming a dominant force in the social media landscape, reshaping how users interact with content and brands across the globe.

A closer examination of TikTok’s platform strategies and competitive positioning reveals insights into its continued global success and potential future developments. Its rise can largely be attributed to its sophisticated algorithms, which curate content based on user preferences, fostering high levels of engagement and retention (Mudra, 2022).

Unlike traditional video platforms such as YouTube, which initially relied on long-form content, TikTok prioritizes micro-entertainment, allowing users to communicate through videos lasting mere seconds. The platform's success lies in its ability to create a personalized experience for users while offering a fertile ground for content creators to experiment with storytelling. Marketers have recognized the potential of TikTok as a promotional medium, leveraging its vast reach to create campaigns that combine creativity and relatability. In particular, the platform has become a hub for promoting hedonic products, items associated with pleasure and lifestyle, such as fashion, gadgets, and luxury goods (Durmaz et al., 2022). The use of TikTok for such purposes underscores its growing significance in the digital marketing landscape.

2. Frameworks of Success in the TikTok Economy

Unlike its predecessors, TikTok capitalized on algorithm-driven content delivery and the rising demand for concise, engaging videos. While existing research often examines TikTok's marketing strategies through traditional frameworks such as the 4Ps and 7Ps, limited attention has been paid to the broader environmental factors shaping its strategies. These traditional frameworks offer foundational models that have guided marketing strategy development for decades, providing systematic approaches for analyzing and implementing strategies that align with consumer needs and market dynamics. Despite their origin in traditional markets, they remain relevant in contemporary discussions, including those on digital and influencer economies, albeit with necessary adaptations.

Table 3 provides an overview of TikTok's business model, showcasing how the platform combines innovation, advanced technology, and strategic scalability to build a robust and sustainable digital enterprise. At its core lies TikTok's Value Model, driven by the mission to "inspire creativity and bring joy." Through its short-form video format and AI-powered personalization, the platform tailors content recommendations to user preferences, delivering engaging experiences. Interactive features such as challenges and duets further promote participation and creative expression, making TikTok a highly immersive space for users.

Table 3. TikTok Business Model

TikTok Business Model	Description
Value Model: Creative AI-Based Social Media.	TikTok's mission is "to inspire creativity and bring joy." With a short-video format, a continuous feed can provide content by learning what users like, at scale, with a built-in AI, and hook users around content that can be built based on interactions (things like challenges, duets, and more).
Technological Model: Two-sided network effects.	TikTok works like a two-sided network. For each additional average power user joining (what on the platform is known as "TikToker"), the more the network will become valuable for average users, and the more power users will want to join the platform. As more TikTokers generate content, this content becomes viral, generating many interactions and new user-generated content. That makes the TikTok platform increasingly valuable,
Distribution Model: User-Generated Content, Power Users, Brand, Growth Engine, Fast Product Development, AI-Driven Features.	The main challenge for TikTok is to keep improving its platform at scale, thus making it viable and able to manage a large amount of traffic and interactions. The more features will be added, and the more the platform will enable creators to build content, the more this will make the user-generated content valuable at scale.
Financial Model: Advertising Engine.	TikTok primarily monetizes its business through its advertising machine. As the company manages to monetize the traffic on top of the platform many times over, the more the advertising machine can generate revenues at scale.

Source: FourWeekMBA

The Technological Model highlights the network effects inherent in TikTok's ecosystem. As more users join and engage, the platform's value increases for both content creators and viewers. Influential creators, often referred to as "power users," contribute to this growth by producing viral content that attracts additional users, fostering a feedback loop of engagement and content generation. Under the Distribution Model, TikTok leverages user-generated content, a community of influential creators, and rapid feature innovation to maintain its relevance and scalability. AI-driven enhancements allow the platform to handle substantial traffic and interactions, ensuring that content creation and engagement remain seamless and rewarding for users. The Financial Model centers on TikTok's ability to monetize its traffic through a sophisticated advertising framework. This revenue strategy enables the platform to generate significant income while reinvesting in technology, features, and user experience improvements. Collectively, these interconnected models exemplify TikTok's innovative approach to shaping a profitable and enduring digital economy.

The 4Ps framework, conceptualized by Jerome McCarthy, represents the cornerstone of traditional marketing thought. It comprises four key elements: *Product, Price, Place, and Promotion*. Product refers to the goods or services offered by a business, focusing on their features, design, and ability to fulfill consumer needs or desires. Price pertains to the cost consumers are willing to pay, encompassing pricing strategies such as penetration pricing, skimming, or value-based pricing to maximize profitability while maintaining competitiveness. Place involves the distribution channels and locations through which products reach consumers, emphasizing accessibility and convenience. Promotion entails the communication strategies deployed to inform and persuade target audiences, including advertising, sales promotions, and public relations. Together, the 4Ps offer a holistic framework to address the supply-side dimensions of marketing.

Evolving from the 4Ps, the 7Ps framework; introduced by Bernard Booms and Mary Bitner, extends its scope to accommodate the service-dominated economies of modern markets. This model incorporates three additional dimensions: *People, Processes, and Physical Evidence*. People address the human element, recognizing the importance of employees, customer service representatives, and even other customers in shaping the service experience. Processes refer to the operational workflows and systems that deliver the product or service, emphasizing efficiency, reliability, and the ease of interaction for consumers. Physical Evidence considers the tangible elements that support the service, such as the environment, packaging, or branding cues that influence consumer perceptions of quality and trustworthiness.

The 4Ps and 7Ps frameworks remain relevant even today in analyzing the modern phenomena of the evolving market paradigms of digital branding strategies, such as the TikTok economy. As an example, digital platforms transform the "Place" aspect by creating virtual marketplaces or websites, while the "Promotion" part becomes intertwined with influencer marketing and the different algorithm-driven content. On the other hand, the "People" aspect of the framework assesses the role of influencers generated content and how this works on building trust, credibility and authenticity in digital environments.

For instance, TikTok's algorithm-driven personalization ensures that all the content is tailored to each individual user's preferences, creating a highly engaging environment that aims to keep you online and interacting with the platform's services. This feature has made the TikTok platform the worldwide leader in user-generated content, where authenticity and creativity merge together and is able to drive audience connection. In contrast to traditional advertisements, TikTok campaigns often adopt a storytelling approach, featuring content creators who craft relatable and visually compelling narratives. This approach fosters not only brand awareness but also trust and loyalty among consumers (Hariyanto, 2022).

TikTok's global appeal is also rooted in its ability to transcend cultural and geographic boundaries. By employing localized content strategies and collaborating with influencers from diverse backgrounds, the platform has successfully tapped into markets ranging from Asia to the Americas. However, TikTok's marketing model is not without its challenges. The platform has faced scrutiny over data privacy and regulatory compliance, particularly in Western markets. Furthermore, its monetization strategies, though promising, remain in a developmental stage, which raises questions about their long-term viability.

3. The Economics of TikTok: Pathways to Profitability

TikTok's ascension as a global digital phenomenon illustrates its mastery in blending entertainment with economic innovation. Its monetization strategies serve as a testament to how short-form video content can be leveraged to construct a dynamic, revenue-centric ecosystem. Through the interplay of algorithmic sophistication and a vast international audience, TikTok has established itself as a disruptive force in digital advertising and commerce, reshaping traditional paradigms in the process.

At the core of TikTok's revenue model lies its transformative advertising framework, which seamlessly integrates promotional content into its user-driven interface. Formats such as In-Feed Ads, Brand Takeovers, and TopView Ads exemplify this approach, strategically embedding advertisements in ways that resonate with user behavior. These ad placements are amplified by TikTok's algorithmic precision, which ensures that advertisements reach audiences most likely to engage with them. This model not only bolsters brand visibility but also aligns commercial content with user preferences, reducing ad fatigue and fostering a mutually beneficial environment for consumers and marketers.

TikTok's live streaming functionality makes a substantial contribution to its business framework, especially in areas where live commerce has already established cultural acceptance. The tool enables companies and influencers to communicate with their fans in real time, creating a stronger sense of connection and immediacy. TikTok's live streams push consumers to act quickly by utilizing techniques such as limited-time promos, unique product debuts, interactive Q&A sessions. The company makes money from this activity by taking a commission on sales made during livestreams and charging for prime advertising space during times of heavy user activity.

Figure 1 illustrates TikTok's revenue trajectory in the United States, highlighting its significant growth in recent years and projecting a continued upward trend through 2025. The figure shows a steady increase in revenue, reflecting the platform's expanding monetization strategies, such as enhanced advertising features and e-commerce integration. The 2025 forecast underscores TikTok's potential for sustained financial success as it continues to dominate the social media and digital advertising landscape, further solidifying its position as a major player in the global economy.

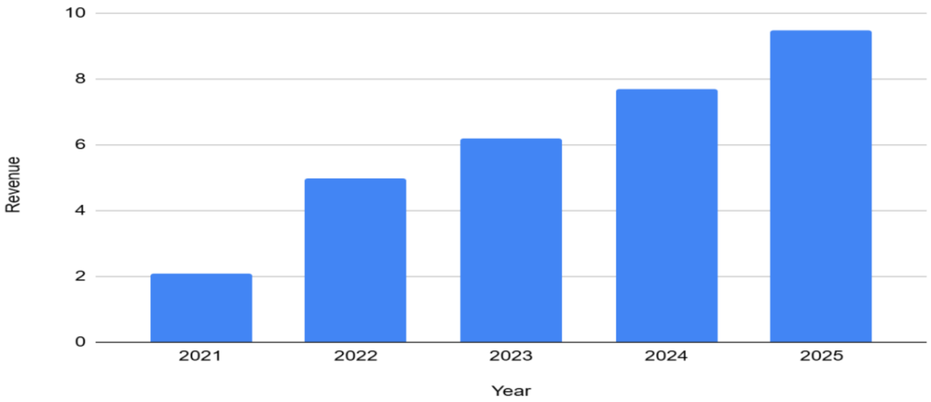

Figure 1. TikTok US Revenue (in Billion US Dollars) with a prediction for 2025
Source: Adapted from Forbes Data

In addition to commerce, TikTok generates substantial revenue through its virtual gifting system. Within this framework, users acquire digital tokens, which they can utilize to purchase virtual gifts and offer them to creators during live streaming sessions. TikTok retains a percentage of these transactions, creating a revenue stream that aligns with its community-centric ethos. The gifting system not only monetizes fan engagement but also incentivizes creators to remain active and produce high-quality content, reinforcing the platform's creative ecosystem.

Moreover, TikTok's subscription-based services reflect an emerging trend in platform monetization. The introduction of features such as TikTok Pulse, which offers premium ad placements alongside the top 4% of trending content, illustrates the platform's ability to monetize exclusivity. Similarly, potential future subscription models for ad-free experiences or enhanced creator tools signal TikTok's intent to diversify revenue streams while catering to both creators and consumers.

Underlying these monetization strategies is TikTok's mastery of data-driven personalization. By utilizing advanced machine learning and AI algorithms, the platform delivers content and advertisements that resonate deeply with individual users. This unparalleled personalization enhances user satisfaction while maximizing the effectiveness of ads and commerce integrations. However, this reliance on user data also raises ethical considerations, including data privacy and algorithmic transparency, which are increasingly scrutinized by regulators worldwide.

By merging entertainment, commerce, and community engagement, TikTok has transcended traditional advertising paradigms, positioning itself as a leader in the evolving digital economy. TikTok's monetization framework exemplifies how digital platforms can extract value across multiple touchpoints while fostering a dynamic creator economy. Yet, as it continues to expand its monetization efforts, the platform must navigate regulatory landscapes and ensure a balance between profitability, ethical responsibility, and user trust to sustain its unprecedented growth trajectory.

4. Strategic Campaigns and Competitive Dynamics in the TikTok Ecosystem

The increasing competition in the short-form video sector, driven by platforms like Instagram Reels and YouTube Shorts, introduces new challenges for TikTok. These competitors have adopted similar features to TikTok's, heightening the competition for user engagement and content consumption. However, TikTok's distinctive strategies in content creation, personalization, and viral distribution mechanisms have allowed it to maintain its position at the forefront of the short-video market, reinforcing its role as a dominant force in shaping the evolving landscape of digital media and brand development.

We can see in Table 4 TikTok’s dominance in the social media landscape. Particularly in the United States, where it commands 32% of the total screen time among its users. This figure positions TikTok well ahead of competing platforms such as Facebook and Instagram, which each account for 20%. YouTube follows with 15%, showcasing its continued relevance but falling short of TikTok’s engagement levels. Platforms like Snapchat, Twitter, Reddit, and Pinterest collectively occupy a significantly smaller share. These statistics underscore TikTok’s unique capacity to transform short-form video content into a time-intensive activity for users, driven by its highly engaging format, advanced recommendation algorithm, and the seamless integration of entertainment with interactive features. Its significant share of user screen time not only highlights the platform’s appeal but also illustrates its growing influence as a hub for content creators, advertisers, and brands seeking to leverage its unparalleled reach. This comparative analysis further solidifies TikTok's role as a leader in shaping consumer behavior and engagement in the era of digital media.

Table 4. Screen time comparison between social media platforms.

Social Media Platform	Share of Time Spent Among US TikTok Users
TikTok	32%
Facebook	20%
Instagram	20%
YouTube	15%
Snapchat	9%
Twitter	2%
Reddit	2%
Pinterest	2%

Source: Apptopia

TikTok’s rise underscores the transformative impact that short-form video content can have on brand marketing. In a time when attention spans are increasingly short, and consumers want to get all the information possible in a short period of time, TikTok’s 15-second shorts meet the demand for concise, yet impactful communication. This format enables brands to deliver messages efficiently, ensuring they capture the audience's attention within a brief window. The platform’s interactive elements, such as challenges and Q&As forums, foster deeper engagement, facilitating two-way interactions between brands and their target audience.

At the same time, it is important to note that effective marketing campaigns on TikTok rely significantly on the creativity of its content creators. These creators employ unique storytelling approaches to elevate everyday products into aspirational narratives. By blending humor, relatability, and a deep emotional connection, they craft content that resonates profoundly with their viewers. Furthermore, TikTok offers more than just a promotional space; it serves as a valuable tool for analyzing consumer behavior and mental frameworks. By tracking user interactions and engagement patterns, brands can derive insights into evolving trends and preferences, allowing them to refine and adapt their marketing strategies effectively in preparation.

Furthermore, platforms like TikTok do more than facilitate communication or create business opportunities; they shape the nature and dynamics of interactions and create waves with a considerable impact. Van Dijck (2013) argues that the social media platforms provide technological advancement and configurations that either promote or inhibit different forms of exchange between users. This perspective is further expanded by McVeigh-Shultz and Baym (2015), who introduce the novel concept of vernacular affordance, a process through which users may negotiate their practices within the constraints and limits of the platform structure. Gibbs, Meese, Arnold, Nansen, and Carter (2015) further refine this idea, defining it as the distinctive combination of practices unique to each social media platform. TikTok’s vernacular, characterized by its emphasis on creativity, interactivity, visual storytelling, and even more important relatability, illustrates how platforms can redefine the boundaries of social belonging and have an impact across the world.

Table 5 offers a comparative overview of TikTok's key competitors in the short-form video market, highlighting their unique features and competitive overlap. Platforms like Instagram Reels, YouTube Shorts, and Snapchat Spotlight leverage their integration within larger ecosystems to challenge TikTok’s dominance. Triller and Likee differentiate themselves with a focus on music and creative effects, while Byte emphasizes looping video content. Despite shared competition in the short-form video space, TikTok’s innovative features and standalone platform continue to set it apart from its rivals.

Table 5. TikTok Competitors

Competitor	Description	Key Insights	Competitive Overlap	Differentiation
Instagram	A feature within the Instagram app that allows users to create and share short-form video content, often set to music. Instagram Reels competes directly with TikTok in the short-form video and social media space.	Instagram Reels is a short-form video feature within Instagram, directly competing with TikTok in the short-form video and social media segments.	Both compete in the short-form video and social media space, offering tools for creating and sharing short videos, but within the Instagram platform.	Instagram Reels' integration with the Instagram ecosystem.
Youtube Shorts	A feature within the YouTube platform that enables users to create and share short video clips. YouTube Shorts competes with TikTok in the short-form video and video-sharing market.	YouTube Shorts is a short-form video feature within YouTube, competing with TikTok in the short-form video and video-sharing segments.	Both compete in the short-form video and video-sharing market, offering a platform for creating and sharing short video clips, but within the YouTube ecosystem.	YouTube Shorts' integration with the YouTube platform.
Snapchat Spotlight	Snapchat Spotlight is a feature within the Snapchat app that allows users to create and share short video clips. Snapchat Spotlight competes with TikTok in the short-form video and social media market.	Snapchat Spotlight is a short-form video feature within Snapchat, competing with TikTok in the short-form video and social media segments.	Both compete in the short-form video and social media space, offering tools for creating and sharing short video clips, but within the Snapchat platform.	Snapchat Spotlight's integration with the Snapchat ecosystem.
Triller	Triller is a social media platform that focuses on short video content creation, often with music. Triller competes with TikTok in the short-form video and music-based social media space.	Triller is a short-form video and music-focused social media platform, directly competing with TikTok in the short-form video and music-based social media segments.	Both compete in the short-form video and music-based social media space, offering tools for creating and sharing short video clips set to music.	Triller's emphasis on music and partnerships with artists.

Likee	Likee is a social media platform known for its short video creation tools and effects. Likee competes with TikTok in the short-form video and creative social media market.	Likee offers short video creation tools and competes with TikTok in the short-form video and creative social media segments.	Both compete in the short-form video and creative social media space, offering tools for users to create and share short videos with effects and filters.	Likee’s unique effects and creative features.
Byte	Byte is a short-form video platform that focuses on looping video content. Byte competes with TikTok in the short-form video and looping video market.	Byte is a short-form video platform known for looping videos, competing with TikTok in the short-form video and looping video segments.	Both compete in the short-form video and looping video market, offering a platform for users to create and share short looping videos.	Byte’s emphasis on looping video content.

Source: FourWeekMBA

TikTok’s popularity, characterized by over 800 million active users as of 2020 (Mohsin, 2020), highlights the consistent impact it has worldwide as a cultural and social phenomenon. Its viral qualities has companies eager to extend their reach and influence (De-Casas-Moreno, Jaramillo-Dent, & Vizcaíno-Verdú, 2020). However, as any social media platform, TikTok is not without challenges. The social media giant has been identified as a space where hate speech and cyberbullying can proliferate (Weimann & Masri, 2020).

TikTok functions both as a platform for empowerment and a focal point of debate, making it a significant subject of study within different contexts of life and potential impact on societal norms and behaviour in an increasingly interconnected social and political landscape.

Zulli and Zulli (2020) argue that TikTok’s algorithmic distribution model and emphasis on community building content creation are what makes the platform engaging and addictive to the public audience. Practices such as the ability to build your own personal branding and create innovative trends showcase the platform's capacity to empower voices, offering new avenues for agency and representation, which is what this era and generations raised with social media seeks, relatability. (Jaramillo-Dent, Alencar, Asadchy, 2021)

The COVID-19 pandemic further solidified TikTok's role as a critical medium for information dissemination. With physical channels constrained, users increasingly relied on the platform for public health updates, while content diversification expanded into domains like movie promotion and online education. Simultaneously, influencer marketing emerged as a transformative force in brand endorsement. Unlike traditional celebrity endorsements, influencer marketing thrives on the relatability and authenticity of its participants, a trend amplified by TikTok's explosive popularity. By 2023, TikTok had surpassed other platforms like Instagram and YouTube in influencer marketing, with brands leveraging its extensive reach and user engagement (Iqbal, 2023). This shift reflects a growing preference for influencers who cultivate trust and empathy, reshaping brand communication and consumer interaction.

However, the meteoric rise of influencer-driven promotions raises significant regulatory challenges, particularly concerning transparency and consumer protection. In recent years, controversies have emerged over paid promotions that lacked clear disclosure, misleading consumers into believing recommendations were organic.

For example, the Federal Trade Commission (FTC) in the United States of America has underscored the importance of influencers clearly disclosing their paid promotions to maintain transparency. Without such disclosures, influencer marketing could inadvertently breed skepticism and potential legal consequences, as consumers may feel deceived by undisclosed financial arrangements. TikTok has taken steps to address this concern by implementing features like the "Paid Partnership" tag. The intersection of brand campaigns, social movements, and influencer-driven content within the TikTok ecosystem highlights the platform’s capacity to influence various spheres, from individual routines to broader societal concerns. Whether promoting sustainability, advocating for social justice, or steering consumer behavior, TikTok serves as a powerful vehicle for reshaping how messages are disseminated and received in this new era. However, its rapid growth and transformative potential require ongoing regulatory attention to uphold ethical standards and foster a trustworthy relationship among influencers, brands, and users in this dynamic epoch of digital economy.

5. The Influencer Economy: Case Studies from TikTok’s Global Reach

A key area of focus in this context is the emergence of micro influencers, whose more intimate, yet highly engaged follower bases offer a challenge to conventional perceptions of influence. Although macro influencers typically receive greater attention, research indicates that micro influencers are particularly effective in cultivating genuine relationships and generating measurable results. Their ability to connect with niche audiences in an authentic manner often leads to higher engagement rates and more significant impacts on brand outcomes. Research indicates that campaigns featuring micro influencers outperform those with celebrities in terms of audience engagement and conversion metrics (Marques, Casais, & Camilleri, 2020). These influencers' perceived authenticity resonates with audiences, making them effective brand ambassadors in both developed and emerging markets (Park et al., 2021). Notably, micro influencers enable cost-efficient, long-term collaborations, a factor increasingly valued by marketers (Santora, 2023). (Hung, Kineta; Tse, David K., 2023)

In the evolving advertising ecosystem, influencers embody a new archetype of brand spokespersons. Unlike traditional celebrities, these individuals project homophily and authenticity, attributes that bridge social distances and foster trust (Ye et al., 2021). By adopting relatable personas, such as the "boy/girl next door" image, they position themselves as empathetic peers rather than unattainable icons (Hung, 2020). This approach aligns with consumers’ growing demand for genuine recommendations and most important relatability, creating a path that allows the transformation of influencer marketing into a viable career path, which can be proved by the rising aspirations of people around the world aiming to become an influencer. As the field continues to level-up, these digital trends underscore the consistent power that influencer marketing has and their ability to redefine the boundaries of communication, in business and outside it. This is particular on platforms such as TikTok, where creativity and relatability mix together and reign supreme. (Hung, Kineta; Tse, David K., 2023)

There are several distinctions between influencer types that encompass their different persuasive techniques and relationships with their audience. Macro Influencers are often regarded as "taste leaders" who leverage their particular personalities, unique lifestyles, or professional expertise to shape consumer preferences. In contrast, micro influencers aim to engage as relatable, everyday persuaders. They rely heavily on demonstrations and personal interactions to foster trust and authenticity at lower costs. Micro Influencers have the ability to connect with niche audiences and provide strategic advantages, especially for hedonic or localized products (Ehlers, 2021; Silalahi, 2021) (Hung, Kineta; Tse, David K., 2023). These distinctions underscore the nuanced interplay between reach, strategy, and audience perception in influencer marketing credibility and brand promotion (Kay, Mulcahy, & Parkinson, 2020).

Analyzing the persuasive strategies employed by influencers reveals intriguing insights. Charisma, characterized by extraordinary traits such as glamour, talent, or staged personas, has traditionally been a hallmark of macro influencers, aligning with their vast resources and professional support systems. Charisma, as a persuasive strategy, plays a pivotal role in influencer marketing. Defined within media entertainment as a combination of magnetic qualities and aspirational imagery, charisma enables influencers to inspire devotion among their audiences.

Micro influencers, often operating with limited resources, tend to avoid strategies that might disconnect them from their audience. Their followers typically prioritize relatability over grandeur, which is crucial for maintaining credibility and trust. In contrast to macro influencers, who may endorse a wide range of products across various categories, micro influencers focus on specific niches. This specialization enables them to build expertise and cultivate a loyal, like-minded following. Such a focused approach not only fosters deeper trust but also positions micro influencers as effective bridges between brands and consumers. While macro influencers rely on their broad appeal and charisma, micro influencers emphasize authenticity and personal engagement, offering a more targeted and meaningful connection with their audience.

The TikTok economy marks a significant evolution in the stage of digital branding, with the platform capitalizing on moments, niche-core’s, aesthetics and engaging an attentive, actively seeking relatable content user base. The 15-second video format has redefined how brands connect with consumers, encouraging quick, creative interactions that promote immediacy and virality. Numerous cases highlight TikTok’s profound influence on brand-building, demonstrating its central role in reshaping contemporary marketing practices and its ability to drive innovative strategies in the digital marketplace.

An illustration of TikTok’s unique ability to amplify brands organically is the Ocean Spray case. In 2020, a spontaneous video by TikTok user Nathan Apodaca sparked a viral wave that unexpectedly revitalized the brand. The video featured Apodaca casually skateboarding, sipping Ocean Spray cranberry juice, and lip-syncing to Fleetwood Mac's "Dreams." This unscripted, and relatable moment resonated deeply with viewers, triggering widespread engagement and a significant positive boost in Ocean Spray's sales and customer perception. This example highlights the platforms' extraordinary ability to turn authentic, user-generated content into a global phenomena, demonstrating the platform's power in driving grassroots marketing movements.

Another illustrative case is the success of the fashion brand Shein, which strategically utilized TikTok to dominate the fast-fashion industry. The brand has integrated TikTok trends into its marketing campaigns, particularly by leveraging the power of influencer collaborations and hashtag challenges. One notable campaign was the *#SheinHaul* trend, where influencers and everyday users showcased their affordable fashion finds through engaging unboxing and styling videos. The campaign generated billions of views, elevating Shein's visibility and driving substantial traffic to its e-commerce platform. By tapping into TikTok's short-form, visually captivating content format, Shein successfully positioned itself as a leader in the fast-fashion segment, demonstrating the platform's efficacy in driving e-commerce conversions.

Together, these examples highlight the distinctive characteristics of TikTok's economy, where traditional advertising models evolve into participatory, authentic, and community-driven approaches to branding. The platform's focus on short-form, visually captivating content creates an environment of immediacy and intimacy, offering brands an ideal space to engage with audiences in an era marked by shrinking attention spans.

The TikTok economy also serves as a powerful platform for social movements and influencer-driven campaigns that influence consumer behavior and promote public dialogue and opinion-sharing. Its ability to bridge grassroots initiatives with large-scale engagement positions it as a unique venue for both commercial promotion and social advocacy. Beyond merely enhancing brand visibility, TikTok has become a powerful tool for advocacy, with influencers driving conversations around issues such as environmental sustainability, mental health, and political activism.

A prime example of TikTok's influence in amplifying social movements is the #PlantBased movement, which champions sustainable eating practices and environmental stewardship. Influencers like Tabitha Brown, a prominent vegan lifestyle advocate, have effectively utilized TikTok's short-form videos to share plant-based recipes, insights on living sustainably, and personal stories that resonate deeply with millions of viewers. Brown's authentic and approachable style has inspired widespread engagement, prompting many to explore plant-based diets while increasing awareness about environmental sustainability.

Similarly, the *#FreeBritney* movement gained significant traction on TikTok, transforming from a niche advocacy campaign into a global call for justice. Through a blend of educational content, personal testimonies, and viral challenges, TikTok users raised awareness about Britney Spears' conservatorship case, sparking public and legal scrutiny. Influencers and everyday users alike played a pivotal role in disseminating information, underscoring TikTok's ability to democratize narratives and galvanize collective action. This case illustrates how the platform's participatory nature empowers communities to drive systemic change, blending entertainment with activism in unprecedented ways.

On the commercial side, influencers like Charli D'Amelio, one of TikTok's most prominent figures, exemplify the platform's influence on shaping consumer preferences. D'Amelio's collaborations with brands such as Dunkin' and Morphe

Cosmetics highlight how influencers can drive product sales and brand loyalty through strategic partnerships. Her promotion of Dunkin's "Charli Drink," a custom cold brew, resulted in a surge in sales and a strengthened connection between the brand and TikTok's predominantly Gen Z audience. The campaign's success reflects how influencer promotions, when authentically aligned with their personal brand, can create compelling and impactful marketing narratives.

6. Conclusion

The transformative rise of influencer marketing, coupled with the proliferation of digital platforms such as TikTok, underscores the intricate opportunities and challenges embedded within the contemporary marketing ecosystem. Across developed economies, the burgeoning influencer economy has become a pivotal force, with both domestic and international brands leveraging its potential to amplify visibility and drive consumer engagement. Central to the efficacy of these campaigns are the intertwined pillars of trustworthiness and authenticity, as evidenced by empirical studies indicating that a significant proportion of consumers are persuaded by influencer endorsements, often culminating in direct purchasing behavior.

TikTok epitomizes the disruptive power of innovation in reimagining digital marketing paradigms. Its distinctive emphasis on short-form video content has fundamentally redefined audience interaction, mirroring the evolving contours of the digital economy. While TikTok's strengths, such as its algorithmic precision, immersive user experience, and expansive global reach, position it as a dominant player, the platform faces mounting challenges. Regulatory scrutiny, algorithm-induced content fatigue, and intensifying competitive pressures underscore the complexities of sustaining its hegemony in a volatile digital landscape.

Central to the influencer-driven economy, TikTok has seamlessly incorporated features like e-commerce, digital marketing, and interactive consumer engagement. These functionalities empower users to play an active role in both promoting and engaging with products throughout the consumption cycle. TikTok's strategy has demonstrated considerable financial success, establishing a robust economic framework for the platform and companies that seek to boost their market presence online. Nonetheless, several challenges remain. The possibility for advertising saturation due to excessive algorithmic targeting, declining content quality, and ongoing intellectual property issues, are obstacles TikTok must confront. Addressing these concerns requires a forward-thinking approach that prioritizes continuous innovation and adherence to regulatory standards in order to maintain consumer trust and ensure long-term platform viability.

Future research on the TikTok economy should focus on evaluating its lasting effects on consumer behavior and its transformative role in shaping marketing strategies across various sectors, alongside potential ramifications for the near future. Comparative studies with other similar platforms, like Instagram and YouTube, could provide essential perspectives on the evolving landscape of short-video ecosystems and their broader economic impacts. As TikTok continues to innovate, its cutting-edge marketing techniques will likely serve as a key indicator for the future direction of digital engagement, especially in an era defined by brief yet impactful 15-second narratives.

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