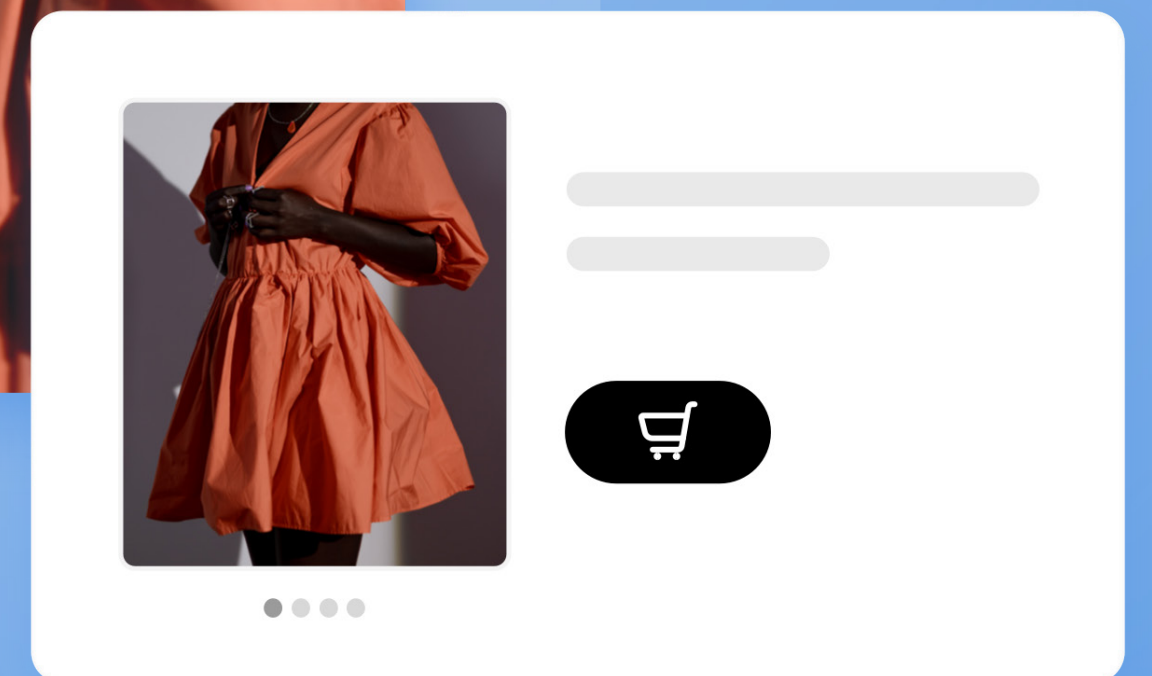
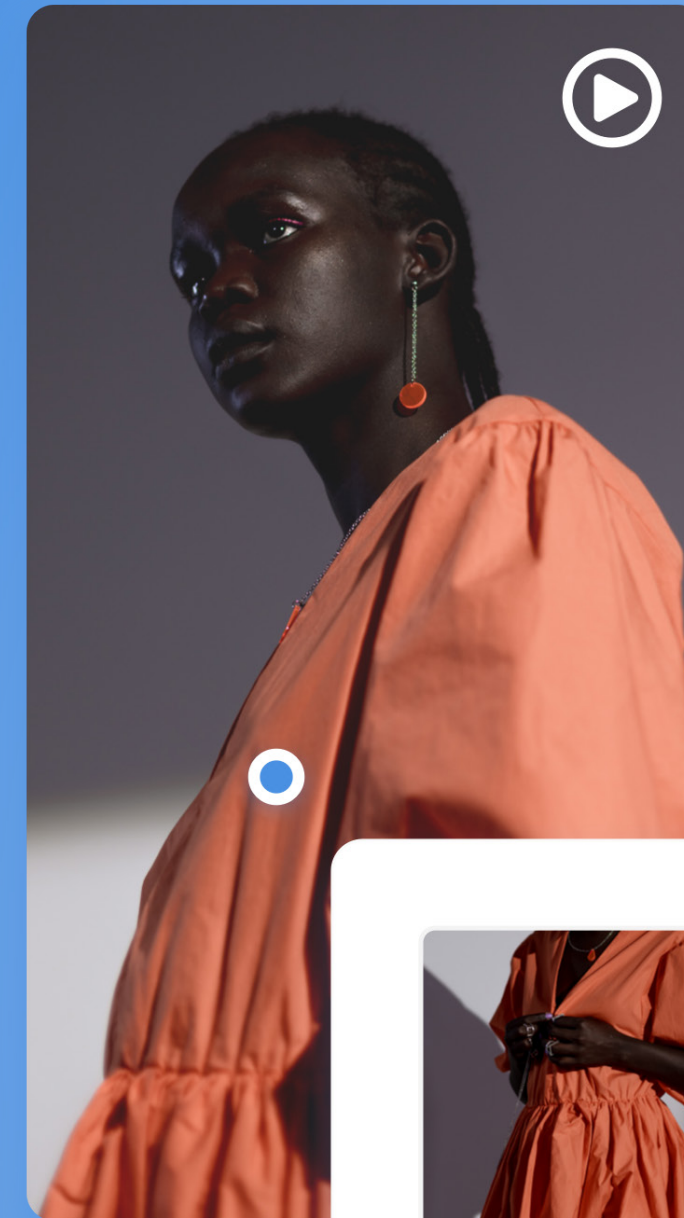


Global Digital Insights

# The Renaissance of Content and Commerce



DASH HUDSON

# Contents

## Introduction | 2

## Part 1: Social Entertainment | 4

Social Entertainment Market Share

Average TikTok Performance

## Part 2: The Accelerating Growth of Social Commerce | 10

Social Entertainment Channels

Entertainment Value and Sales Growth

The Power of Social Commerce Campaigns

Key Learnings

## Part 3: Market Spotlight: Beauty on TikTok | 14

TikTok Benchmarks

The State of the Market

Brand Spotlights

## Conclusion | 17

# Context and Purpose

The competitive landscape has heated up as a result of volatile market activity, and brands are doubling down on building the strongest marketing campaigns possible. Brands that are winning market share at this point in time have all-encompassing competitive strategies that succeed in all digital touchpoints, particularly channels such as TikTok and Instagram Reels. **Content marketing is experiencing a renaissance moment, and the social entertainment era is presenting opportunities for brands to engage new audiences as consumers move away from traditional social media, and toward channels that prioritize entertainment above anything else.**

# Summary of Findings

- 1 Social entertainment is the primary vehicle for reaching consumers as they move away from traditional social media
- 2 TikTok has an astronomical growth trajectory, and its age demographics are much broader than Gen Z
- 3 It doesn't take a lot of resources to make an impact on short-form video channels, and brands that are investing in the format are performing better against KPIs
- 4 Brands that understand the importance of entertaining content on TikTok are growing at a 34% faster rate
- 5 On algorithm-based channels, number of followers is a vanity metric. Beauty brands with medium-sized follower bases are earning higher views than the biggest brands by focusing on entertainment value

# Social Entertainment

Social entertainment is the bridge between social media and the entertainment industry, where users and brand accounts are in control of the script, and short-form video algorithms are fine-tuned to serve engaging content. The last decade has primarily focused on building an active social community, with vanity metrics such as likes and followers perceived by brands as critical indicators of success. However, consumers are shifting away from traditional social media experiences and toward video-driven entertainment formats found on TikTok, Reels, and Shorts. **Short-form video is at the heart of this change and has become a primary function for social channels, brands, and creators, who are often defining trends.** The era of social entertainment is here, and it's the most effective way for brands to reach consumers.

## Social Entertainment Market Share

### YouTube Shorts

- Shorts are growing rapidly as a format—they receive an average of over 30 billion daily views, a [400% increase](#) from a year ago
- In June, Glossier collaborated with YouTube on the channel's first [Shoppable Shorts](#) Challenge, allowing viewers to directly purchase products displayed in video

### Instagram Reels

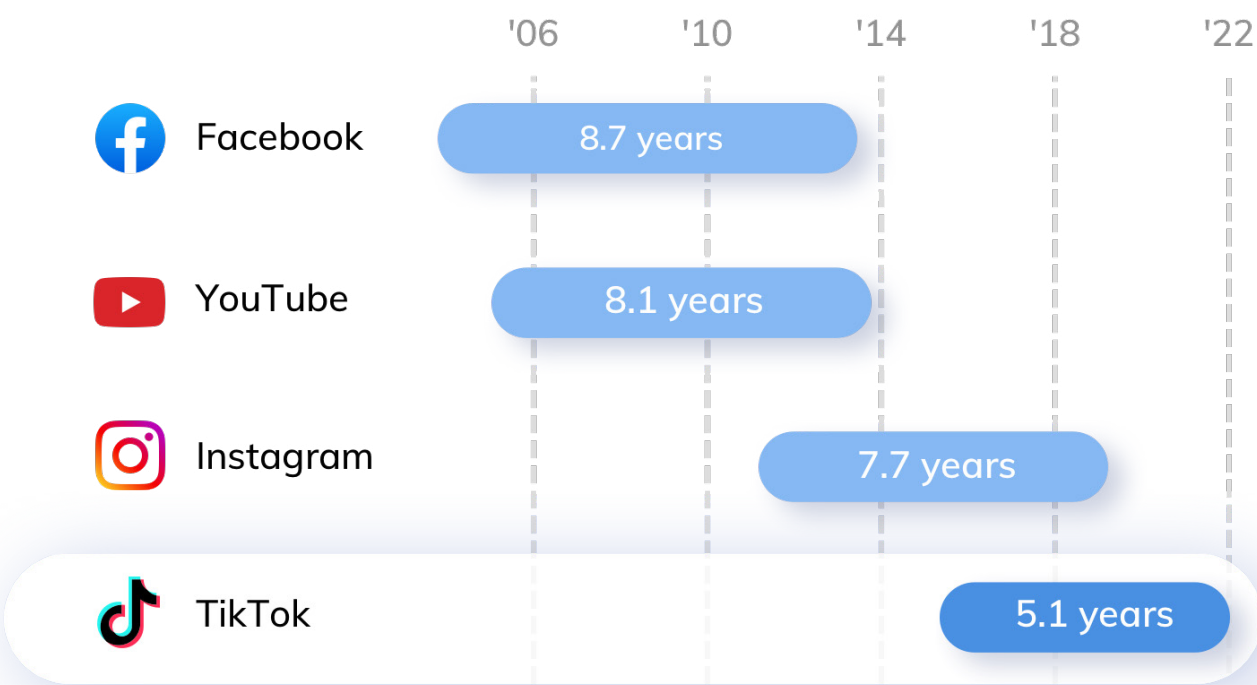
- [91%](#) of active Instagram users watch video content weekly
- [86%](#) of consumers say they would purchase, try, or recommend a product when the content is considered shareworthy

### Net Number of Active Monthly Users



# TikTok's Meteoric Rise

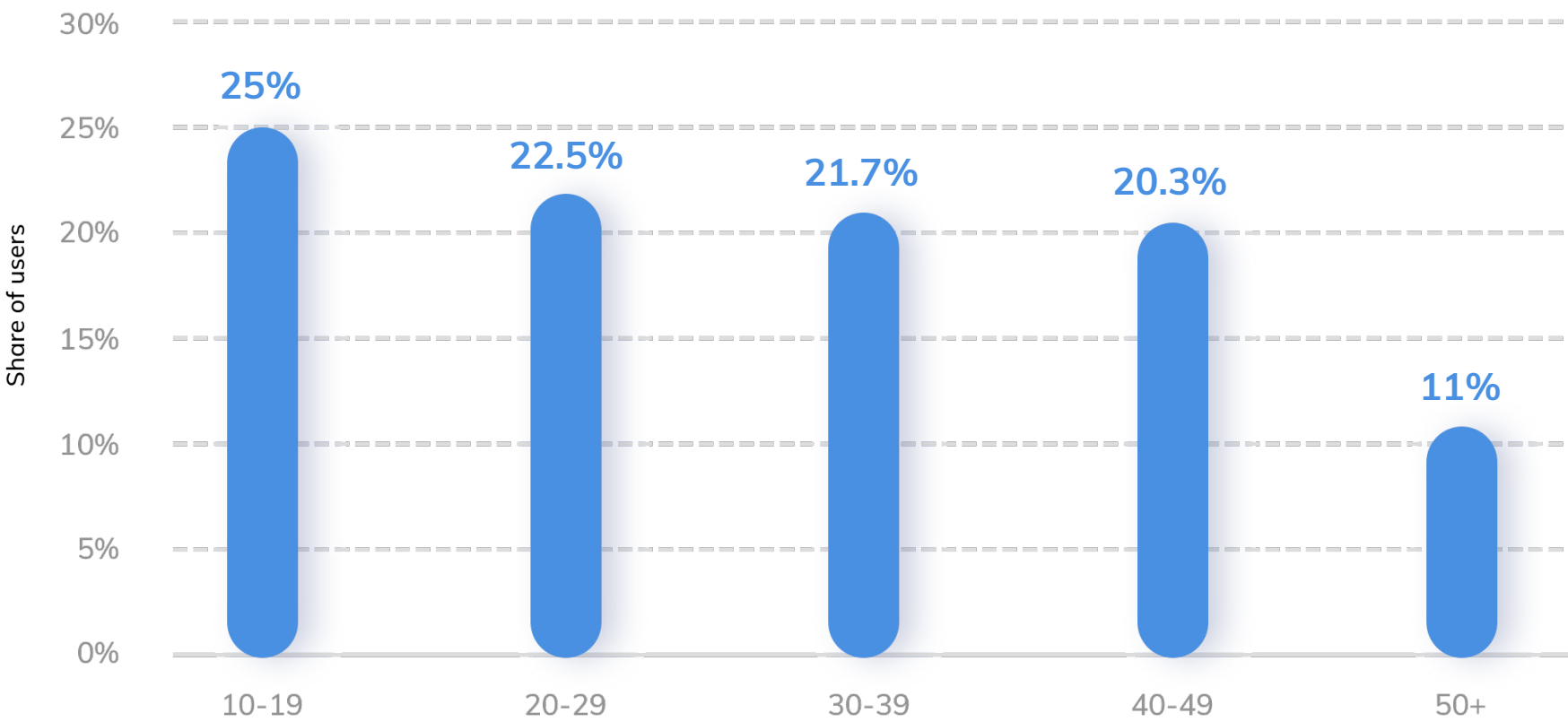
Time from launch to reach 1B active users



TikTok reached **1 billion users** faster than any other social network. Competitive platforms have responded by introducing short-form video formats of their own, creating the social entertainment landscape that we see today.

# TikTok Age Demographics

Distribution of TikTok users in the united states as of March 2021, by age group



Source: App Ape ©Statista 2021  
Additional Information: United States; App Ape; March 2021; active users only; Android users

Short-form video content has wide appeal across all audiences.

# Average TikTok Performance

Dash Hudson analyzed the average TikTok performance of the top brands in the world to create exclusive performance KPIs to help brands level their strategy.

## Average Retention Rate

The average percentage of the selected video that people watched.

*Retention Rate = Average Time Watched / Video Duration*

## Average Completion Rate

The percentage of viewers that watched your entire video.

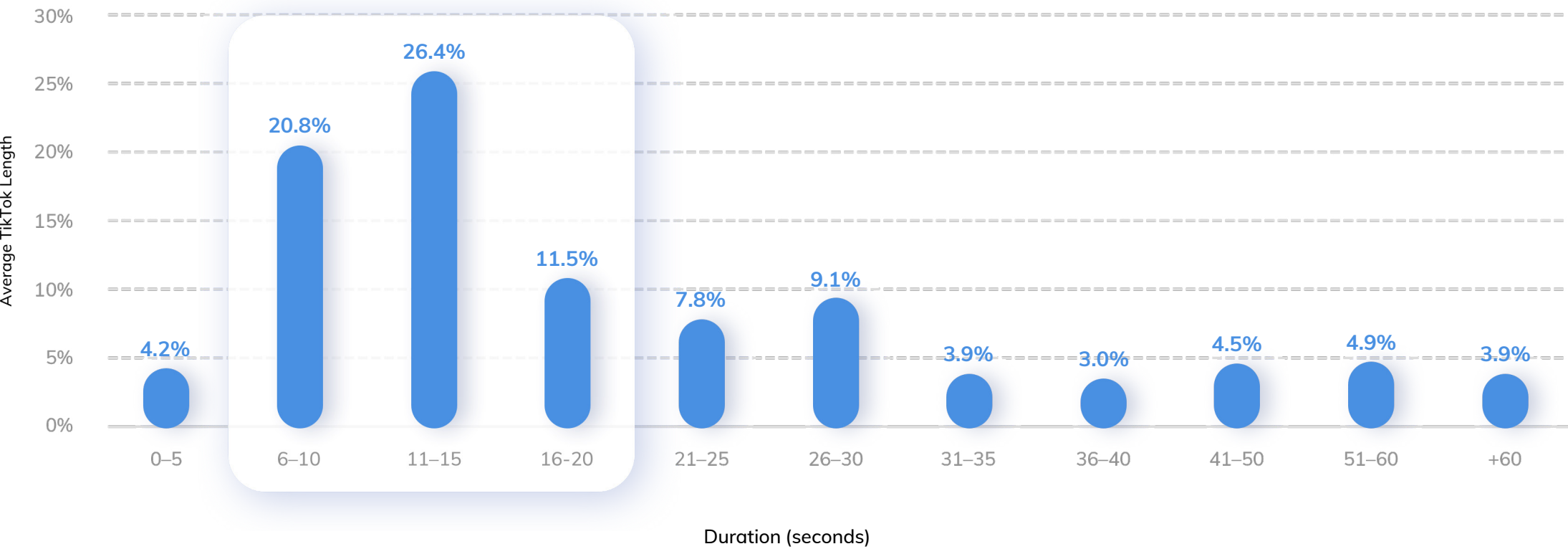
## Average Entertainment Score

Measures how entertained your audience was by your TikTok videos using Engagement Rate and Retention Rate.

### Average Performance Per Post on TikTok

	Retention Rate	Completion Rate	Entertainment Score
Overall	43.5%	15.0%	4.5
Emerging Brands <small>(10K–100K followers)</small>	41.2%	13.6%	4.1
Established Brands <small>(100K–500K followers)</small>	44.1%	15.4%	4.6
Large Brands <small>(500K+ followers)</small>	49.4%	18.7%	5.5

## Average TikTok Length

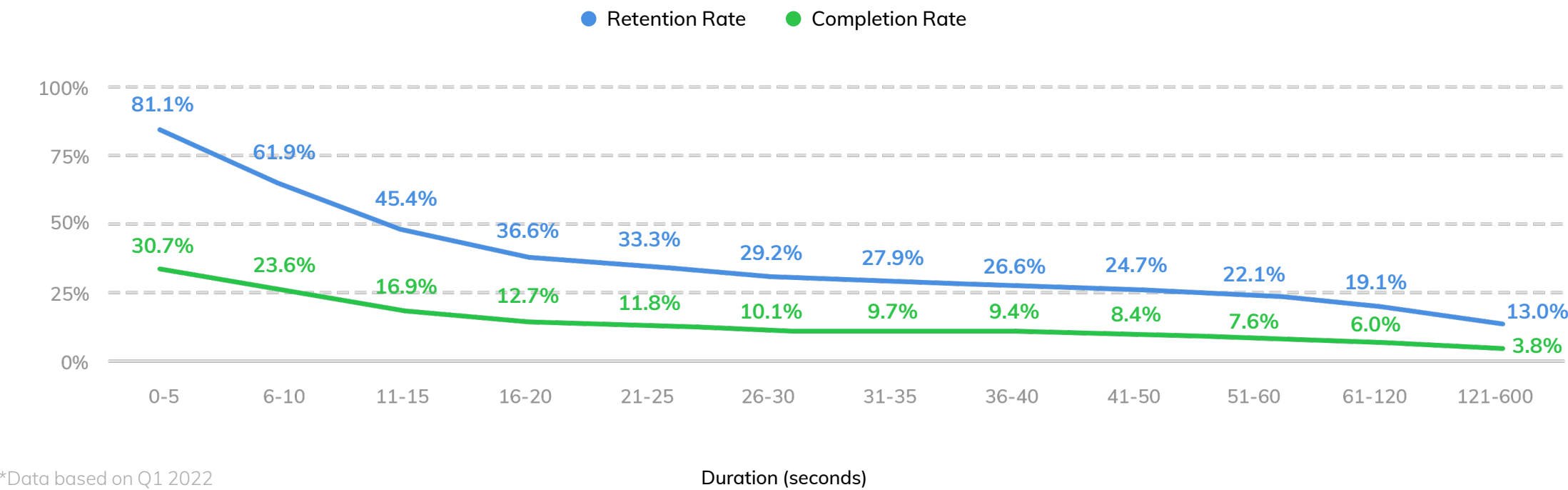


\*Data based on Q1 2022

## What Marketers Need to Know

- The majority of TikToks are between 6 to 20 seconds in length
- Good first impressions are essential, as the drop-off in retention is steep in the first 15 seconds
- Keep TikToks as short as possible
- Longer TikToks should be frontloaded with your brand value to make the greatest impact

## Average TikTok Duration and Its Effect on Retention and Completion

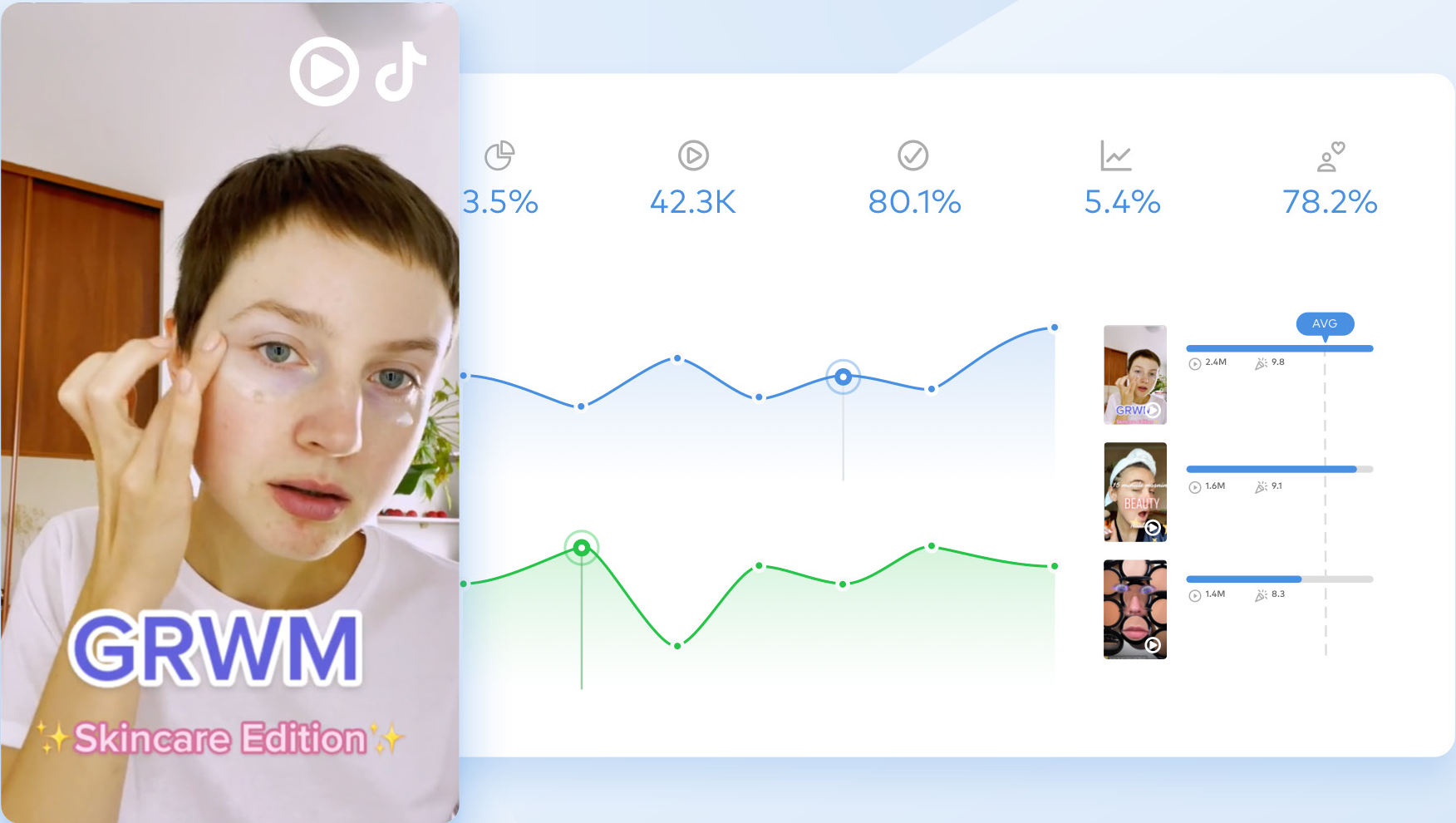


\*Data based on Q1 2022

“ TikTok is entertainment. It has fundamentally transformed how digital marketers engage consumers and is top-of-mind for the CEOs and CMOs we work with. **Dash Hudson’s sophisticated insights give brands the confidence to continue to increase their investment in short-form video.** TikTok is an opportunity for brands to get back to their best, be playful, and build new communities. We are thrilled to be working alongside the team at TikTok to help top brands and retailers create videos that entertain and bring joy to consumers around the world.



Thomas Rankin,  
Co-founder and CEO  
DASH HUDSON



# The Accelerating Growth of Social Commerce



**\$605 billion**

is the predicted value of global social commerce sales by 2027

Source: [Statista](#)



**56%**

of brands' sales lift from digital advertising can be attributed to the creative quality

Source: [NCSolutions](#)



**93%**

of US executives said their businesses are moving e-commerce efforts to social media

Source: [Statista](#)






**46%**


of US adult shoppers plan to do more in-app shopping in 2022


Source: [Insider Intelligence](#)


# Social Entertainment Channels

Formats	Effect on Sales	Commerce Tools	Commerce Tools
 Short-form video	<b>TikTok users love to buy what they see.</b> 49% of TikTok users have purchased a product after seeing it advertised on the platform	TikTok Shopping, link-in-bio solutions	Be nimble and post regularly; TikTok content is not precious, and audiences prefer entertainment over quality
 <ul style="list-style-type: none"><li>• Static posts</li><li>• Stories</li><li>• Long-form video</li><li>• Short-form video (Reels)</li></ul>	<b>Social entertainment introduces new sales opportunities.</b> Half of all livestream shoppers have converted on Facebook or Instagram	Shopping tags, link-in-bio solutions	Take advantage of all of the tools at your disposal, and don't hesitate to adopt new formats such as Reels
 <ul style="list-style-type: none"><li>• Stories</li><li>• Long-form video</li><li>• Short-form video (Shorts)</li></ul>	<b>YouTube is the biggest streaming service in the world.</b> YouTube has over 50% of ad-supported streaming watch time on TV screens; YouTube ROI is 1.2x greater than TV ROI	Shoppable Shorts, shopping live streams, e-commerce video ads	Build a sense of community for your audience, inspiring viewers to Subscribe for more great content

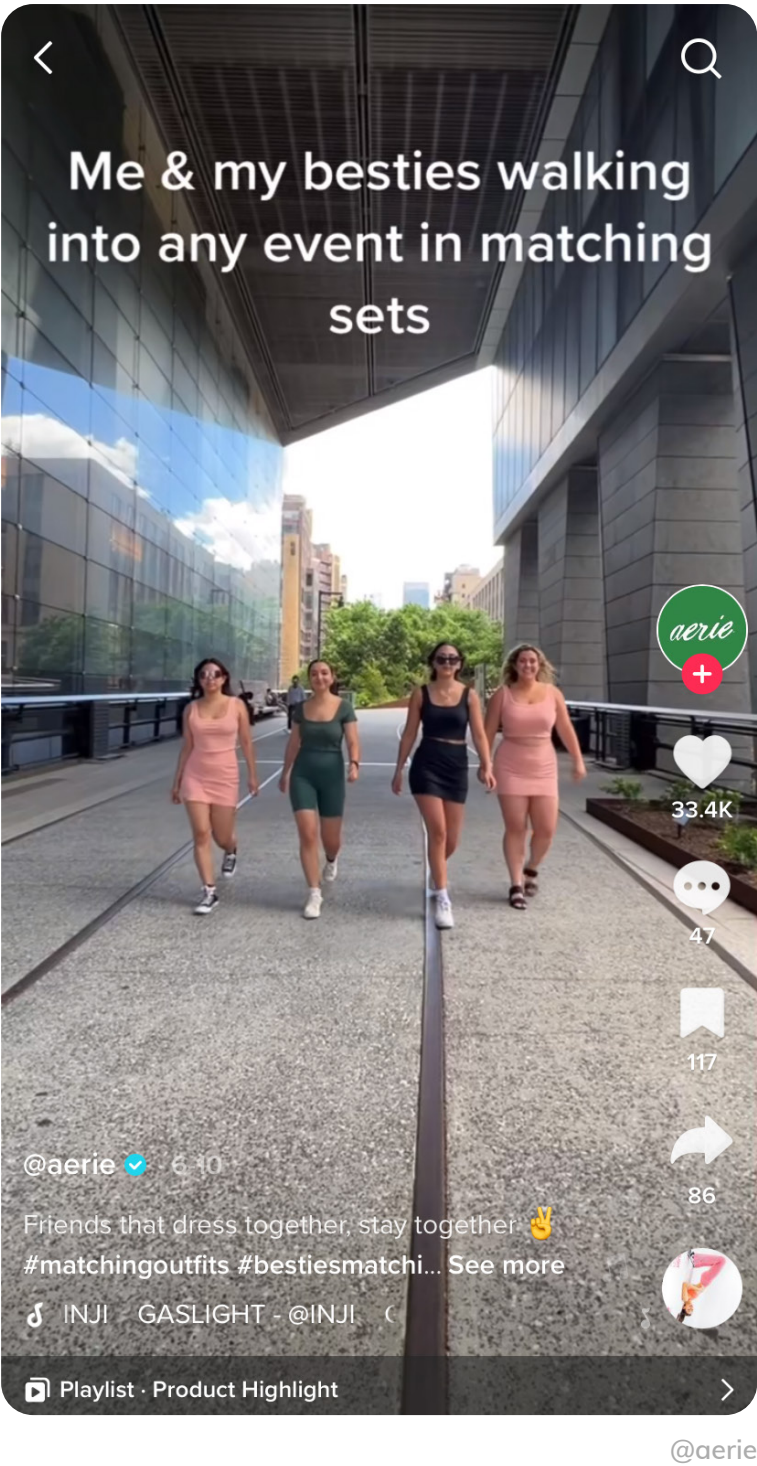
# Entertainment Value and Sales Growth

 **74%** of users say that TikTok inspired them to find out more about a product or brand

 **66%** of users say that TikTok helped them decide what to buy

 **67%** of users say that TikTok inspired them to shop even when they weren't planning to do so

Source:TikTok



Online video is 72% more effective at driving e-commerce sales than linear TV.



# Entertaining Content Drives Sales

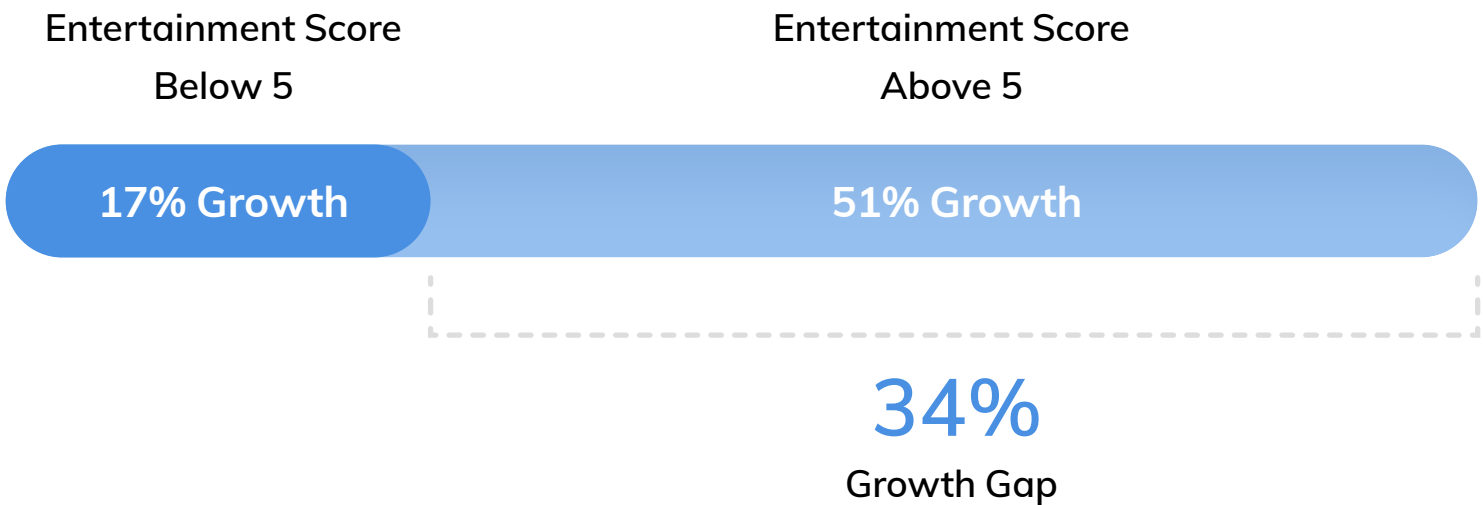
Dash Hudson utilized data provided by NielsenIQ to look at the top beauty brands on TikTok and benchmark how brands with high Entertainment Scores performed in their first six months of joining TikTok.

There is a correlation between brands with high Entertainment Scores and brands that experienced stronger sales growth in their first six months of joining TikTok.

Brands that understand the importance of strong TikTok strategies are doing better in driving revenue.

Dash Hudson calculation based on data reported by NielsenIQ through its Syndicated Omnishopper database for the Total U.S. Market, according to the NielsenIQ standard product hierarchy. Copyright © 2022, Nielsen Consumer LLC.

Beauty brands with an Entertainment Score of 5+ grew by 51% on average in the first six months of joining TikTok, compared to brands with an Entertainment Score of under five that grew 17% on average in their first six months of joining TikTok (a 34% difference).



# The Power of Social Commerce Campaigns

*Reach, context, recency, and targeting are all ineffective if your creative is uninspired*  
([NCS and Nielsen](#))

Social Commerce is well-established on Facebook and Instagram, with [43%](#) of US digital buyers converting on the Meta-owned channels, while 9% of digital buyers convert on TikTok. However, TikTok's high engagement leads to more motivated shoppers. 20.6% of digital buyers buy on TikTok all the time, compared to 16.4% on Instagram and 15.8% on Facebook.

[42%](#) of social media users value entertainment more than five years ago, and that number increases to 46% when factoring in users who make online purchases daily. There is a strong correlation between delivering entertainment and engaging social media shoppers.

“ Now is the time for organic content to thrive again. TikTok is not yet a pay-to-play channel, which leaves a lot of opportunity for brands to gain unprecedented reach organically. **Consumers are ready to be entertained and to buy.** ”



Thomas Rankin,  
Co-founder and CEO  
DASH HUDSON

# Market Spotlight: Beauty on TikTok




## Benchmarks and KPI Leaders

As a leading TikTok marketing platform, Dash Hudson analyzed the performance of the most followed beauty brands on TikTok to define success metrics based on three tiers of audience size for each. This enables marketers to work off contextual data most relevant to their brand’s size on the channel.

As TikTok is an algorithm-driven channel, a brand’s number of followers is less correlated with average views. Brands with medium-sized followings are able to create great content that receives similar views per post as the brands with the largest followings. Competitively, brands should focus more on the entertainment value of their content rather than growing vanity metrics like followers or likes.

	10K–100K Followers	100K–500K Followers	500K+ Followers
Leaders	<div><div><i>fresh</i></div><div>SUMMER FRIDAYS</div><div>MARIO BADESCU</div><div>benefit</div><div>CLARINS</div><div>TULA</div><div>KYLIE COSMETICS</div><div>essence</div><div>FENTY BEAUTY</div></div>		
Avg. Engagement Rate	6.1%	6.3%	9.2%
Avg. Views Per Post	16,943	263,306	272,613
Avg. Number of Weekly Posts	4	6	9

## The TikTok KPIs

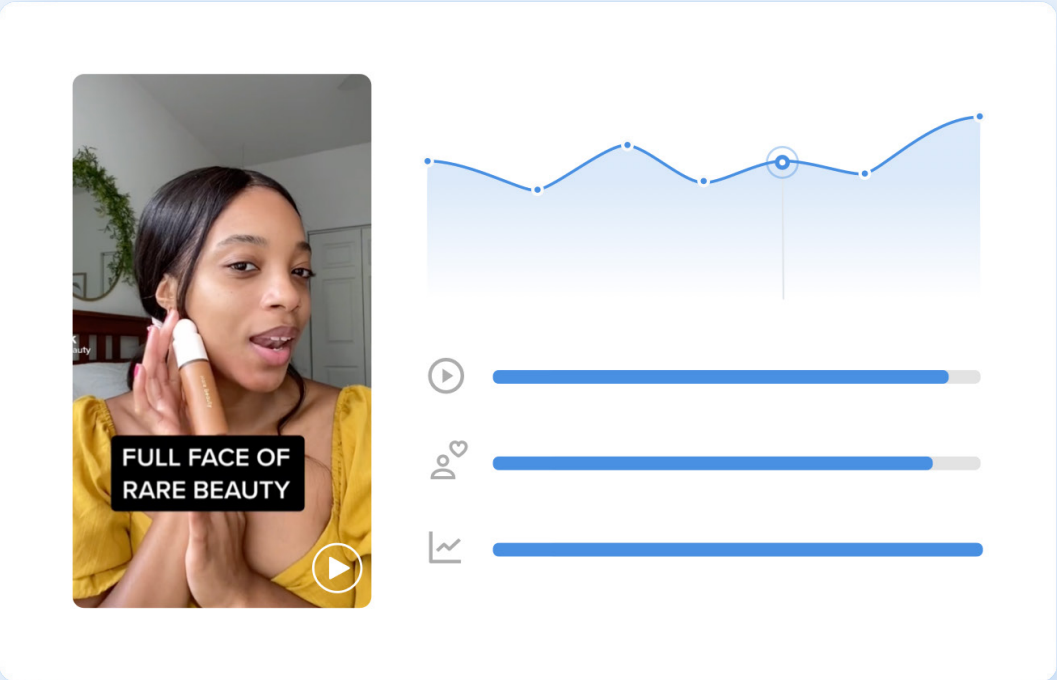
-  **Average Engagement Rate**  
Calculated as the sum of likes, comments, and shares, divided by the number of views. This KPI is paramount to assessing how content is resonating with viewers.
-  **Average Views Per Post**  
The average number of views obtained per grouping per vertical. This KPI provides brands with an understanding of the traction a specific industry has on TikTok and how to benchmark success in their category.
-  **Average Number of Weekly Posts**  
The average number of posts brands are sharing on TikTok each quarter per grouping, per vertical, uncovering which industries are investing in marketing on TikTok.

# Rare Beauty

“ Rare Beauty uses TikTok as an effective way to reach new and existing users who are both in the discovery and purchase phase. Rare Beauty continues to test several forms of ad types and creative but finds that user-generated content performs the best, as it allows the user to feel like they have a friend in their pocket. **We continue to learn that you don’t need a high-profile celebrity or influencer for successful marketing on TikTok.** Instead, discover relatable individuals or influencers to your target demo.

Kara Cascio-Mariana,  
Account Director  
**booyah**  
ADVERTISING

Read the Case Study



+98%

Of recent ad campaign conversions were driven by creator TikTok ads, indicating high intent to buy from content viewers

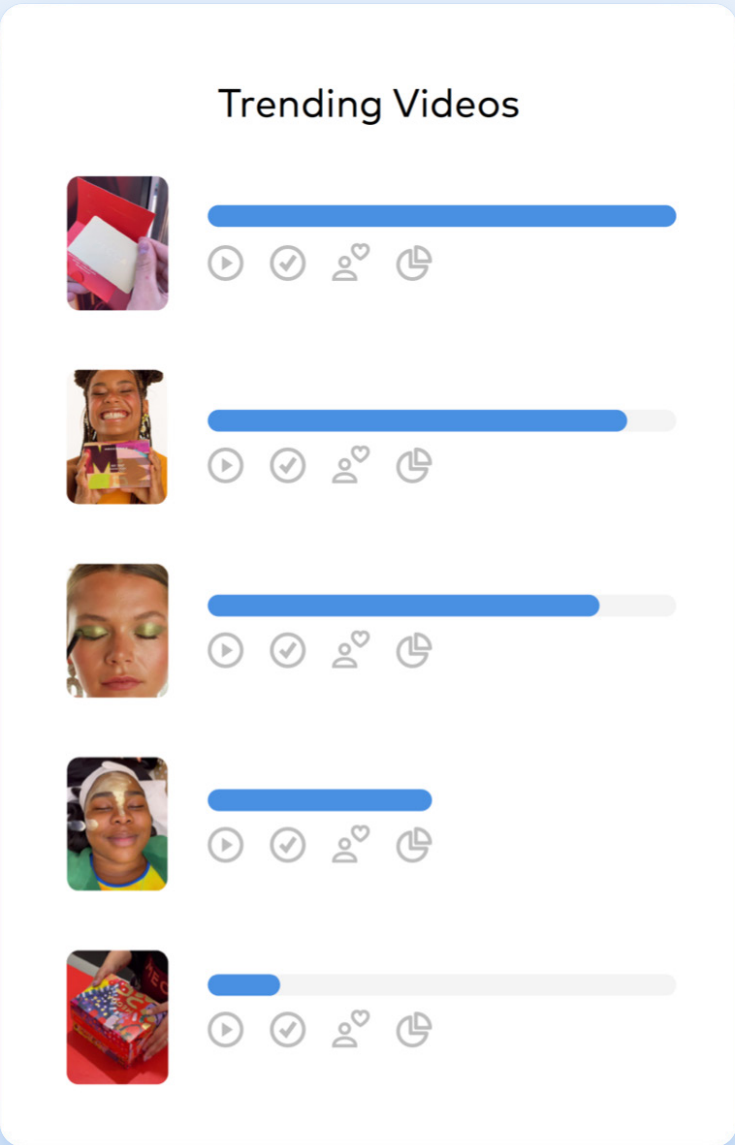
# MECCA

“ TikTok was initially an experimental channel to reach new audiences that aren’t on other social media platforms or consuming traditional media, but it has quickly become a staple in our media plan, **continuing to provide efficient reach, yield strong traffic, and revenue results.**



Hannah Fillis,  
Head of Digital Marketing, MECCA

[Read the Case Study](#)



+64%

Growth in followers on TikTok when MECCA ran ads in tandem with top performing organic content identified in Dash Hudson

# Conclusion

*In a period of tough competition and market volatility, brands are building strong multi-channel marketing campaigns that include social entertainment channels such as TikTok and Instagram Reels. Consumers are moving away from traditional social media, and entertaining content is now the best method of driving social media ROI.*

Social entertainment is not resource-intensive, but marketers need to rethink their entire approach to social media to come out ahead. Brands that understand this shift, and have delivered content with solid entertainment value, are doing better financially and are well-positioned to grow market share in the coming months. Check back this winter for more insight into social media, e-commerce, and visual marketing from Dash Hudson. And, for all the tools you need to succeed year-round, request a demo today.

[Get a Demo](#)