



REPORT

TIKTOK: A
NEW BRAND
OPPORTUNITY

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INTRODUCTION: THE SOCIAL MEDIA REVOLUTION IS NOT A SOCIAL NETWORK

TikTok already has more than 1 billion users worldwide, and it took half the time as Facebook to reach the same milestone. The Chinese app accomplished this by introducing a new paradigm that has revolutionized media consumption and entertainment, in large part because TikTok competes much more with television or streaming platforms than other social networks.

About 90% of users access the platform daily. Three out of four claim to use it for entertainment, spending an impressive average of more than 60 minutes a day. The common misconception that this is an application for teenagers has been proven false, with 67% of users being over 25 years old.

The figures are not only impressive in quantitative terms, but in qualitative ones as well. People tend to tweet or browse Facebook while watching a series or during TV commercials, but TikTok users tend to focus on TikTok - a huge asset in the age of the attention economy. The challenge lies in vying for attention within the platform itself, where you can be skipped over at the flick of a finger. This is the central issue with marketing on TikTok.

Given these patterns of user behavior, it seems an ideal place for brands to connect with their audiences through content. But, despite its great potential, not many brands have succeeded on the platform. Success requires a good understanding of its algorithms and the evolution from "user-generated content" to "community-generated entertainment." This is what has allowed TikTok to thrive, providing authenticity, value, and its own original personality.

In this LLYC IDEAS report, we explain the key elements to brand success on TikTok.



KEYS TO SUCCESS: BRAND OPPORTUNITY

CONTENT BEFORE CONTENT CREATOR

TikTok is not a social platform, but rather a content platform. In other words, it gives more weight to the content than to the profile posting it.

This allows content creators to grow very quickly, as long as their content is of interest to their audience. On the other hand, it requires content creators to maintain a certain level and frequency of publication, because, although you can "go viral" with one piece of content, it will not translate to success if you do not maintain your audience.

It is not uncommon to see profiles that have a single piece of viral content with millions of views, but that have not managed to turn this "viralization" into stable groups of followers and a loyal community.

The platform is very adaptable, and it makes it easy to consume content. As soon as you create a profile and briefly define your interests, the algorithm offers you content in line with them. After only a few hours of use, it will typically begin to deliver content even more personalized to your specific interests.

The ease with which it understands user interests, combined with the fact that you don't need to follow a profile to see content and its simple navigation, make TikTok a platform that quickly engages users. This is one of the indisputable factors to its resounding success.

A DIFFERENT LANGUAGE

TikTok is different from other platforms not only in how content is consumed, but also in how it is shared.

Elements that are important on other social networks, such as text copy or video thumbnails, are not as important on TikTok. Instead, more creative elements take precedence, including agile, dynamic videos; background music; highlighted texts; and filters provided (and regularly updated) by the platform.



THE ALGORITHM

TikTok's algorithm is a well-kept secret, but we do have a basic understanding of how it works based on what we can learn from which pieces of content go viral. What we know for sure is that the algorithm is very effective at delivering content relevant to each individual user, a fact clearly reflected in the length of time most people spend there.

As with every platform, TikTok's algorithm is constantly evolving and improving. Initially, users navigated TikTok using hashtags, but it has since evolved toward navigation based on the most commonly shared topics, such as gaming, lifestyle, food, and humor.

TIKTOK, CONTENT HUB OR ENTERTAINMENT PLATFORM?

As mentioned previously, TikTok is not exactly a social network. Rather, it defines itself as a platform for knowledge and valuable content. This is similar to what happened to YouTube in its heyday, with TikTok now evolving as a content search tool. It is even beginning to compete with traditional search engines such as Google.

BRAND OPPORTUNITIES

Many companies are starting to use TikTok as a marketing tool to reach a much wider audience due to the platform's global reach and powerful content creation tools. As such, TikTok is not just a social network for teenagers, but a versatile communications tool for people all ages. This presents a significant communications opportunity for companies from various fields and sectors, as TikTok is an original and unique way to engage with and inform their target audiences.



MAKING CONTENT THAT WORKS

There is no magic bullet for making effective content, but we do have several best practices that can help content go viral. As established above, TikTok is first and foremost an entertainment platform, which is how we should orient our content.

With this in mind, there are four fundamental attributes to viral content on TikTok:

AUTHENTICITY

Content must be original and creative. A common mistake brands and organizations make is to try to differentiate their content using corporate branding. However, the secret to TikTok success lies in interacting on and with the platform organically, just like any other user.

STRUCTURE

Even agile content must be properly structured. This makes it easier for users to know what to expect and facilitates information retention and interaction. The first few seconds of a video are essential to catching user attention and clearly set expectations for your content.

SIMPLICITY

The platform itself recommends content be cheerful, simple, and informal. Evoking positive emotions is essential to success on TikTok.

ENTERTAINING

TikTok is an entertainment network, and most users visit the app to pass the time. Therefore, content should be focused on helping users discover, learn, or satisfy their curiosity.

WHAT THE ALGORITHM REWARDS

A TikTok video goes viral when it appears more often in user feeds, specifically in the "for you" section. When positioning content, the algorithm takes a number of variables into account, such as:

Video replays. When a video is viewed several times.

View time. Like YouTube, the algorithm considers the amount of time a user spends viewing a video.

Shares. The key to going viral is getting users to share your video with their communities.

Interactions. The algorithm rewards engagement such as comments and likes.

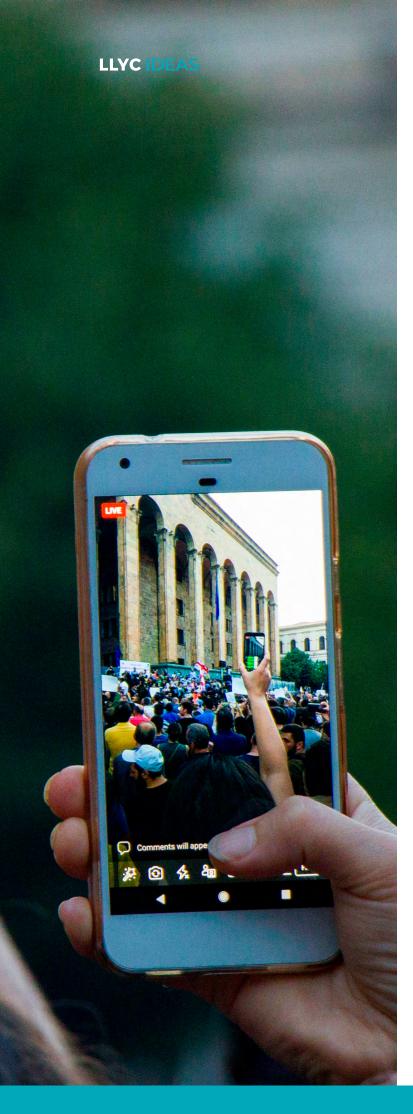
Trendiness. TikTok rewards profiles that consistently generate content that is current, making use of the latest fads and trends.

"The secret to TikTok success lies in interacting on and with the platform organically, just like any other user"

MUCH MORE THAN DANCES AND TRENDS: THREE CASE STUDIES

We tend to characterize social networks by their most prevalent content, and in the case of TikTok, there is a lingering perception that it is a teen platform for sharing dances and the latest trends.

However, surpassing this misconception opens the door to the transformative power of content that reaches millions of people of all demographics. To demonstrate this, we will focus on three examples that highlight the impact this platform can have on society: Activism, Business, and Leadership (not something we typically associate with TikTok).



ACTIVISM AND FAKE NEWS ON TIKTOK

The expansion of new technologies, and especially of communication through social networks, has been a turning point for activism.

People have become aware of their ability to influence their world through social networks. TikTok has become a tool that allows people to mobilize society, participate in collective decisions, and connect with others who are thousands of kilometers away but who share their political and social ideas.

During the recent protests in Peru, which began December 2022, young people between the ages of 18 and 24 showed massive participation in political activism. They used platforms such as TikTok to mobilize people to gather at rally points all over the country. An estimated 1 million young people participated during the protests in some way, many inspired by content from Peruvian TikTokers.

It is particularly important to note that, during these protest, TikTok has not only helped gather protesters, but has also been a source of information for many Peruvians - not all of them young. Many formed opinions about the political and social situation based on user-generated TikTok videos rather than traditional media.

The misinformation we find on social networks is a problem that affects society as a whole. According to a report by NewsGuard, a journalism and technology tool that tracks online information, 20% of TikTok's search results on prominent news topics yield false information. One example concerns health: according to the report, TikTok's search engine "is consistently feeding millions of young users misinformation about health, including some claims that could be dangerous to user health."

Other studies provide insight into how fake news affects mental health, such as the study by Praesidio Safeguarding, an independent agency that provides strategic advice and research. Some 63% of teenagers surveyed in the study claim to have had problems with this type of content, and of these, 3% believe certain hoaxes are completely real.

The platform has implemented several ways to help users detect fake news or report inappropriate content. For example, one of its options for reporting a video is "Harmful Disinformation" associated with health, elections, and other topics that distort reality. However, the term "fake news" is never used.

The most commonly removed content from TikTok is on topics like illegal activities and regulated goods, while content related to integrity and authenticity is removed to a lesser extent (0.7% between July and September 2022).

The question, then, is whether social networks have the capacity to detect and, above all, eradicate false information. From our point of view, this is a challenge for the state, organizations, and media, which should promote educational campaigns focused on users of this network and the entire population – not just young people.

Collectively, users view 1 billion videos each day, and not all are related to entertainment. We find profiles that promote social activism with clear and specific objectives and ongoing narratives on the subject. Such profiles promote everything from social or environmental activism to political activism and changes in society.

One example is Mari Terán, a Colombian lawyer and sustainability activist who promotes responsible consumption. Her content uses the latest trends to generate up to a million interactions per video. Another is Arturo Isla Allende, a Mexican actor and environmentalist who uses his account to denounce animal abuse.

Other examples include 17-year-old Chilean Isidora Gúzman, who is committed to shining a light on disability through her profile and her own platform Encuentra tu lugar (Find your place), which offers information on inclusive and accessible places for Chile's disabled population.

LGTBIQ+ activism is massive, expressed by thousands of people on the platform, including Mauro Alexandri in Mexico. Also prevalent

are gender, feminism, and equality, promoted by content creators such as Alessandra Rojo de la Vega, a Mexican activist and former congresswoman, and Alessandra Otazzi from Peru, who talks about self-esteem and feminism.

The range of conversations on TikTok is endless, presenting an opportunity for brands to find communities to connect with and promote change in society.

This is what Levi did with its "Beauty of Becoming" campaign, which tells the stories of people who have followed very different paths to transforming their individual experiences into collective value. One of example is young activist and TikToker Hanan Midan, who fights racism with her account.

THE TIKTOK REVOLUTION IN THE REAL ESTATE SECTOR

One of the sectors that has benefited greatly from TikTok's growth is real estate. At a time of economic slowdown in the U.S. housing market and with an expected market decline of 13.1% in home sales, views for videos of high-end or luxury properties using the hashtag #LuxuryHomes amassed 3.3 billion views.

Real estate agents have found that a perfect combination of aspiration and escapism can help them amplify their reach. But it's not all fantasy. TikTok's ability to reach a wider global audience gives real estate companies more opportunities to expand their audiences and market their listings directly. Video tours of properties, more commonly known as "House Tours," became a trend on TikTok and Instagram when short-format videos increased in popularity.

https://www.tiktok.com/@summernewmann/

With a only brief description of the property, the focus is on producing a creative video with the right music. They can get over 2 million views. In fact, the keyword #property now boasts 3 billion views - closely following #luxuryhomes, which has 3.3 billion views.

But what has made TikTok into a revelation for the real estate sector?

Greater authenticity

TikTok allows agents to intimately share their day-to-day lives, give their customers direct access to new listings, and initiate conversations organically and authentically.

Lead generation

A 2022 survey conducted by the Association of Realtors in the United States asked them to cite the three most important technology tools for generating leads. 52% of agents responded that social media generated more leads than other sources, such as aggregator platforms or private databases.

A recent CNN article tells the story of a 25-year-old real estate agent who, looking for a niche in a saturated industry, created TikTok account @theNYCAgent in early 2020. As soon as she started posting videos about properties and apartments, interest in her account skyrocketed. "There were days during the pandemic when I would get 200 or 400 inquiries for properties." Currently, her business is 100% from TikTok.

https://www.tiktok.com/@bydaviddegea/

https://www.tiktok.com/@guille_revilla/video/7167436026829376773?lang=es

Personal Branding

New, independent realtors are attracted to TikTok as a low-cost way to promote their personal brands while having the potential for viral growth.

A prime example is Tatiana Londono, founder and director of Londono Realty Group, one of the most important real estate and residential property firms in Montreal, Canada. Tatiana has become

"TikTok's ability to reach a wider global audience gives real estate companies more opportunities to expand their audiences and market their listings directly"



the most followed real estate agent on TikTok, with 2.7 million followers. Her key has been providing educational content; Tatiana offers advice, tips, and guidance on how to start investing in real estate and property with content specifically geared toward younger audiences.

BUSINESS LEADERS: A PENDING ISSUE

In recent years, business leaders have been taking advantage of the opportunities offered by social media to present their brand images to different stakeholders. This has resulted in an exponential increase in the presence of CEOs and managers of large organizations in the digital environment, as well as the rise of a much more exposed and committed leadership style.

It is common to see business leaders with strong, active social media presences, especially on Twitter and LinkedIn, where their positioning is clearer. Regarding LinkedIn, many have even become thought leaders in their industries.

And what about TikTok? Why is it that business leaders have so far avoided using this platform? The usual impediments to adopting a new social media platform have been compounded by TikTok's demanding requirements for activity and exposure. Since TikTok rewards content over relationships, success is measured

by audience interest quality content, not the relationships consumers have with brands.

A few brave people have dared to take the leap and begin using it for corporate channels. Some examples include Doug McMillon, CEO of Walmart (during Associates Week); Martins Gauss, CEO of airBaltic; and Bernat Ananos Garcia of Heura Foods. These leaders have promoted their companies through short videos aimed at capturing the attention of Gen Zers. However, none have become true content creators on the platform, and there remains a clear opportunity for company leaders to fully embrace TikTok.

CONCLUSION

In summary, we are faced with a platform that connects more than 1 billion people from all demographics worldwide through content that they consume to learn, mobilize, communicate and, above all, be entertained. As demonstrated in this LLYC IDEAS report, there are still misconceptions around this platform, but it is becoming clearer every day that it is a place where companies can communicate with their customers and target audiences directly.

See you on TikTok!



AUTORES



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Alejandro Dominguez. Senior Director of Digital Europe at LLYC. Alejandro Dominguez has more than 15 years of experience in strategic and digital communication, designing online marketing and communication strategies for brands and public institutions in Spain and Latin America. He is an expert in social media, influencer marketing, digital identity and social digital identity and social leadership, and at LLYC he leads the Digital Influence team and clients in Europe. He holds a degree in Journalism from IE University and a Master in Political and Corporate Communication from the University of Navarra and George Washington University, and teaches communication and digital marketing at Loyola University, the University of Navarra and the Instituto Europeo di Design.

adominguez@llorenteycuenca.com



y in

Carmen Gardier. Senior Director of Digital Influence Americas at LLYC. With a degree in Sociology, she has more than 20 years of experience in digital project management in Spain, Mexico, Peru and in Spain, Mexico, Peru and other Latin American countries. Experience in various sectors, FMCG, Telecommunications, Energy and Mining or Banking, among others, in projects related to reputation and digital influence for companies and executives.

cgardier@llorenteycuenca.com



🛩 in

Marta Alonso. Senior Director of Digital Influence at LLYC Miami. She has more than 15 years of experience in the digital ecosystem. Marta is an entrepreneurial and creative profile dedicated to the field of marketing and communications where she has co-created and built 3 digital agencies that have sustained have sustained national and international recognition for the development of the development of innovative and multicultural digital marketing and multicultural digital marketing strategies. Author of "We Instagram" in 2015 with. Grupo Editorial Planeta. A book that reflects the creative community of this platform. Marta has been a guest lecturer in masters and postgraduate programs in digital marketing in several Spanish universities: La Salle, UB, Abat Oliva, ISDI and guest speaker at business seminars and industry congresses such as 4YFN at the Mobile World Congress. She moved to Miami in 2017 and in 2020 she won her first American Advertising Award (ADDY).

marta.alonso@llorenteycuenca.com

AUTORES



in

Ana Gómez. Digital Influence Manager at LLYC Madrid. Journalist and publicist with more than 15 years of experience in the development of advertising, communication and marketing strategies. Specialist in Digital Communication, Social Media, Social Leadership, Content Leadership, content creation and activation of communities linked to conversation territories. At LLYC she leads Digital Influence projects for clients from different sectors such as banking, energy or consumer goods. She holds a degree in Journalism from the University of the Basque Country and in Advertising and Public Relations from the University of Navarra.

agomez@llorenteycuenca.com



in

Francisco (Kiko) García Donate. Senior Consultant of Digital Influence at LLYC Madrid. Communications and Digital Marketing Consultant Digital with more than 7 years of experience. He holds a Bachelor's Degree in Audiovisual Communication at Centro Universitario Villanueva Universidad Complutense), with a Master in Screenwriting at the University of Navarra and Executive Program in Digital Marketing at The Valley Digital Business School. He began his professional career in the development of fiction, advertising and fiction, advertising and branded content. He is specialized in the development of narratives and digital strategies with a focus on content plans. He combines his work in consultancy with teaching at the Universidad Villanueva University.

fgarciad@llorenteycuenca.com

Management Team

losé Antonio Llorente

Alejandro Romero

Luisa García

Global

Antonieta Mendoza

amendoza@llorenteycuenca.com

de López

Arturo Pinedo

Partner and Chief Client Officer Global apinedo@llorenteycuenca.com

Tiago Vidal

Partner and Chief Talent y Technology Officer Global tvidal@llorenteycuenca.com

Marta Guisasola

Partner and Chief Financial Officer

Albert Medrán

Communications and ESG amedran@llorenteycuenca.com

Juan Pablo Ocaña

José Manuel Casillas

Europe

Luis Miguel Peña

Rafa Antón

f Creative Officer Europe

CHINA

rafa.anton@chinapartedellyc.com

Madrid

Jorge López Zafra

Partner and Managing Director Madrid jlopez@llorenteycuenca.com

Ioan Navarro

Amalio Moratalla

Partner and Senior Director Sport and Business Strategy

Iván Pino

Marta Aguirrezabal

CHINA

Pedro Calderón

ding Partner and Executive Director

Barcelona

María Cura

Oscar Iniesta

Partner and Senior Director of Health grosell@llorenteycuenca.com

Lisbon

Marlene Gaspar

mgaspar@llorenteycuenca.com

Américas

Juan Carlos Gozzer

jcgozzer@llorenteycuenca.com

lavier Marín

José Beker

Chief Creative Officer Americas



jose.beker@beso.agency

United States Darío Álvarez

North Region

David González Natal

artner and Managing Directo

Mauricio Carrandi

Managing Director LLYC Mexico mcarrandi@llorenteycuenca.com

Michelle Tuy

Iban Campo

Managing Director LLYC Dominican

Andean Region

María Esteve

Partner and Managing Director Andean Region

Daniel Titinger

Managing Director LLYC Peru

Carlos Llanos

Partner and Managing Director LLYC

South Region

Juan Carlos Gozzer

Partner and Regional Director

Maria Eugenia Vargas

Thyago Mathias

Managing Director LLYC Brazil tmathias@llorenteycuenca.com

Juan Cristóbal Portales

Deep Digital Business

Adolfo Corujo

Partner and Deep Digital Business CEO acorujo@llorenteycuenca.com

Javier Rosado

jrosado@llorenteycuenca.com

Jesús Moradillo

Business Europe CEO and Founder of Apache Digital

ĂPACHE

jesus.moradillo@llo

Federico Isuani

Business North Region y USA Co-founder and CEO of BESO by LLYC



Daniel Fernández Trejo

Anahí Raimondi

araimondi@llorenteycuenca.com

David Martín

Managing Director of Deep Digital

Diego Olavarría

Managing Director of the Deep Digital Bussiness area South Region

Luis Manuel Núñez

Business Development throughout Deep Digital Business Américas

Carmen Gardier

cgardier@llorenteycuenca.com

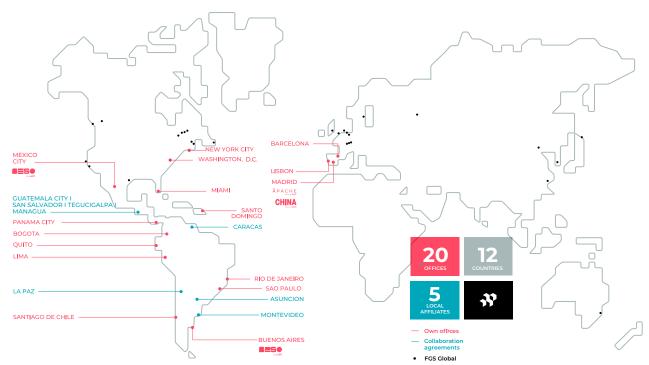
Alejandro Dominguez

Fernanda Hill

anaging Director of BESO by LLYC



Offices



LLYC

Madrid

Lagasca, 88 - planta 3 28001 Madrid, España Tel. +34 91 563 77 22

Barcelona

Muntaner, 240-242, 1º-1ª 08021 Barcelona, España Tel. +34 93 217 22 17

Lisbon

Avenida da Liberdade nº225, 5º Esq 1250-142 Lisboa, Portugal Tel. + 351 21 923 97 00

Miami

600 Brickell Avenue, Suite 2125 Miami, FL 33131 United States Tel. +1 786 590 1000

New York City

3 Columbus Circle, 9th Floor New York, NY 10019 United States Tel. +1 646 805 2000

Washington D.C.

1025 F st NW 9th Floor Washington D.C. 20004 United States Tel. +1 202 295 0178

Mexico City

Av. Paseo de la Reforma 412 Piso 14. Colonia Juárez Alcaldía Cuauhtémoc CP 06600, Ciudad de México Tel. +52 55 5257 1084

Panama City

Sortis Business Tower Piso 9, Calle 57 Obarrio - Panamá Tel. +507 206 5200

Santo Domingo

Av. Abraham Lincoln 1069 Torre Ejecutiva Sonora, planta 7 Suite 702, República Dominicana Tel. +1 809 6161975

San Jose

Del Banco General 350 metros oeste Trejos Montealegre, Escazú San José, Costa Rica Tel. +506 228 93240

Bogota

Av. Calle 82 # 9-65 Piso 4 Bogotá D.C. – Colombia Tel. +57 1 7438000

Lima

Av. Andrés Reyes 420, piso 7 San Isidro, Perú Tel. +51 1 2229491

Quito

Avda. 12 de Octubre N24-528 y Cordero - Edificio World Trade Center – Torre B - piso 11 Ecuador Tel. +593 2 2565820

Sao Paulo

Rua Oscar Freire, 379, Cj 111 Cerqueira César SP - 01426-001 Brasil Tel +55 11 3060 3390

Rio de Janeiro

Rua Almirante Barroso, 81 34º andar, CEP 20031-916 Rio de Janeiro, Brasil Tel. +55 21 3797 6400

Buenos Aires

Av. Corrientes 222, piso 8 C1043AAP, Argentina Tel. +54 11 5556 0700

Santiago do Chile

Avda. Pdte. Kennedy 4.700, Piso 5, Vitacura Santiago Tel. +56 22 207 32 00 Tel. +562 2 245 0924



28027, **Madrid**, España Tel. +34 911 37 57 92



Velázquez, 94 28006, **Madrid**, España Tel. +34 913 506 508



El Salvador 5635, Buenos Aires

Av. Santa Fe 505, Piso 15, Lomas de Santa Fe, CDMX 01219, México Tel. +52 55 4000 8100



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