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Research Article

TikTok Strategies for Nurturing Business Viability for Online Start-Up Sellers in Cebu City Philippines

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ABSTRACT

This study investigates which of the five TikTok strategies (content format, engagement tactics, hashtag usage, paid advertising, and live streaming) is most effective in driving sales growth, and to provide feasible recommendations in increasing profitability for online start-up sellers and aspiring business owners based on the findings of this study. Addressing the gaps in understanding how TikTok can be effectively utilized by online start-up sellers in Cebu City. This study utilized a quantitative research method and uses the Principle Component Analysis (PCA) to identify the most effective TikTok Strategy in leveraging sales growth. The results reveal that the principal component represents 73.70% of the total variance. The findings revealed that there is a clear indication that all of the five (5) TikTok strategies have an effect in increasing sales growth. The result showed that live streaming is the most effective TikTok strategy, which would boost platform efficiency and engagement while paid advertising to be the least effective when it comes to gaining sales growth. These findings contribute to the existing literature by providing insight towards how these factors can affect the sales growth of online sellers or businesses that are utilizing TikTok to market and sell their products and services.

Keywords: *TikTok Strategies, Online Start-Up Sellers, E-commerce, Social Media, Business Viability*

Introduction

Over the past decade, the rapid growth of technology and the Internet has transformed the way people connect and do business. Social networking platforms, in particular, have

played a major role in improving communication between businesses and their customers, driving economic growth in the process (O'g'li, 2023). Among these platforms, TikTok quickly became a game-changer for businesses,

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offering creative features that helped with marketing and sales. Many platforms, including TikTok, embraced social commerce strategies to keep users engaged and grow their audiences (Rezek, 2022).

Launched in 2016, TikTok grew into a global sensation, boasting over 600 million users by 2021 (Ma & Yu, 2021). By expanding into e-commerce with the introduction of TikTok Shop in April 2021, the platform allowed businesses to showcase products through reviews, unboxing videos, and interactive content (Simanjorang & Nawawi, 2022). Studies even found that 60% of businesses using TikTok saw significant increases in sales (Meylinda et al., 2023). For many online start-up sellers, TikTok opened up exciting opportunities to grow their businesses in the digital space (Yuwono, 2023).

But as promising as it was, using TikTok as a marketing tool wasn't without challenges. Many online sellers struggled to figure out how to make the most of the platform and its features to boost sales and connect with customers (Pieter et al., 2021). Decisions like which strategies—content format, engagement tactics, hashtag usage, paid advertising, or live streaming—to focus on made a big difference in results. Despite TikTok's rising popularity, there was little research on how it could help start-up sellers in Cebu City specifically, leaving a gap in understanding their unique needs and challenges.

This study set out to close that gap by exploring how online start-up sellers in Cebu City used TikTok to grow their businesses. It focused on identifying the most effective strategies for driving sales and provided practical recommendations to help these sellers succeed.

Methods

This study used a combination of surveys and focus group discussions (FGDs) to

understand how TikTok strategies impact sales growth among online start-up sellers in Cebu City. A carefully designed survey questionnaire was reviewed by experts and tested with 15 participants to ensure it was clear and reliable. The survey used a five-point Likert scale to gather feedback on the effectiveness of TikTok strategies.

Participants were selected using purposive sampling, focusing on those aged 18–30 who were active members of online seller groups like TikTok Affiliate Sellers and Basak Pardo Buy and Sell. They also needed to have been using TikTok for marketing for at least three months and operate physical stores in Colon, Cebu City.

To analyze the data, the Weighted Arithmetic Mean was used to evaluate how effective the strategies were overall, while Principal Component Analysis (PCA) ranked the strategies based on their contribution to sales growth. The results revealed that live streaming stood out as the most effective strategy, followed by engagement tactics, hashtag usage, content format, and paid advertising. FGDs added depth to the findings, highlighting the importance of live streaming in building real-time connections with customers and boosting engagement.

It is important to acknowledge that this study faced limitations, including a low response rate and reliance on self-reported data. Future studies could expand the sample size and track long-term trends to strengthen the findings.

Results and Discussion

This section presents insights from survey data gathered from 130 online start-up sellers in Cebu City, focusing on how TikTok strategies influence their business success. The findings are illustrated with clear tables and practical interpretations to make the results more actionable for sellers and stakeholders.

Table 1. Level of Perceived Measures of the Online Start-Up Sellers towards all TikTok Strategies (n=130)

| TikTok Strategies | Mean | SD | Description |
|--------------------|------|------|-------------|
| Content Format | 3.86 | 1.19 | Agree |
| Engagement Tactics | 3.66 | 1.21 | Agree |
| Hashtag Usage | 3.78 | 1.21 | Agree |

| TikTok Strategies | Mean | SD | Description |
|---------------------|-------------|-------------|--------------|
| Paid Advertising | 3.26 | 1.25 | Agree |
| Live Streaming | 3.67 | 1.39 | Agree |
| Overall Mean | 3.64 | 1.25 | Agree |

The survey gathered data from 130 online start-up sellers in Cebu City, focusing on how TikTok strategies influence their business success. Respondents generally agreed that TikTok is a valuable marketing and advertising platform, with an overall mean of 3.64 (SD = 1.25). Among the five strategies assessed, live streaming emerged as the most effective (Mean = 3.67, SD = 1.39), while paid advertising was rated the least effective (Mean = 3.26, SD = 1.25). These findings underscore the value of TikTok in creating content that enhances brand equity, increases customer engagement, and drives purchase intentions, as supported by

Wahyuni et al. (2024), who highlighted the platform’s role in leveraging social media engagement and digital marketing strategies to boost sales on the TikTok Shop application.

TikTok strategies can serve as a powerful tool for online start-up sellers to nurture business viability and sustain growth in an increasingly competitive digital marketplace, aligning with Felix (2021), who emphasized the importance of effective e-commerce marketing strategies in supporting small online retail businesses to thrive in competitive environments.

Table 2. Component Matrix for the TikTok Strategies for Nurturing Business Viability for Online Start-Up Sellers in Cebu City, Philippines

Eigenvalues

| Variable | PC1 | PC2 | PC3 | PC4 | PC5 |
|--------------------|-------|--------|--------|--------|--------|
| CONTENT_FORMAT | 0.416 | -0.251 | -0.405 | -0.603 | 0.486 |
| ENGAGEMENT_TACTICS | 0.446 | -0.062 | -0.209 | -0.206 | -0.843 |
| HASHTAG_USAGE | 0.428 | -0.149 | -0.426 | 0.768 | 0.155 |
| PAID_ADVERTISING | 0.402 | -0.547 | 0.729 | 0.062 | 0.057 |
| LIVE_STREAMING | 0.533 | 0.782 | 0.282 | -0.020 | 0.159 |

The Principal Component Analysis (PCA), as seen in Table 2, shows that the first principal component explains 73.70% of the total variance. This means that live streaming, engagement tactics, content format, hashtag usage, and paid advertising all contribute to driving sales growth, with live streaming making the most significant impact. These finding highlights how real-time interaction through live streaming has become a game-changer for online sellers. It allows sellers to connect with their audience authentically, fostering trust and making the sales process easier.

These results are consistent with studies by Sabila and Andni (2023), who found that live streaming on TikTok boosts sales by providing an engaging and interactive experience for consumers. Similarly, Erwin et al. (2024) emphasized how live streaming’s two-way communication builds customer trust and loyalty. However, unlike studies in urban centers, this research highlights the unique context of Cebu City, focusing on its challenges and opportunities for local MSMEs.

Table 3. Total Variance Explained for the TikTok Strategies for Nurturing Business Viability for Online Start-Up Sellers in Cebu City, Philippines

| | | | | | |
|------------|--------|-------|-------|-------|-------|
| Eigenvalue | 206.22 | 34.59 | 24.76 | 8.67 | 5.75 |
| Proportion | 0.737 | 0.124 | 0.088 | 0.031 | 0.021 |
| Cumulative | 0.737 | 0.860 | 0.948 | 0.979 | 1.000 |

The results revealed that the first eigenvector or principal component represented 73.70% of the total variance. This finding is sufficient to represent the five (5) factors affecting Sales Growth. It includes the content format, engagement tactics, hashtag usage, paid advertising, and live streaming. Hanum et al. (2023) revealed that TikTok strategies positively impact sales growth and that promoting using TikTok is effective.

Conclusion

This study explored five TikTok strategies—content format, engagement tactics, hashtag usage, paid advertising, and live streaming—to determine which is most effective in driving sales growth for online start-up sellers. Overall, respondents agreed that all five strategies contributed to increasing sales. Among these, **live streaming** was identified as the most impactful strategy, as highlighted in Table 2, due to its ability to foster real-time interaction, build trust, and directly engage audiences. Following live streaming, engagement tactics, hashtag usage, content format, and paid advertising were ranked in descending order of effectiveness.

The Principal Component Analysis (PCA), accounting for 73.70% of the total variance, underscored the significance of live streaming in boosting sales growth. Respondents perceived live streaming as both easy to use and highly beneficial, reflecting the principles of the Technology Acceptance Model (TAM). According to TAM, individuals are more likely to adopt technologies they find useful and straightforward (Davis et al., 1989; Davis et al., 2019). This study supports this connection, showing that live streaming effectively helps sellers achieve their financial goals.

Further evidence from Li et al. (2018) emphasized the critical role of live streaming as a cost-effective and impactful content delivery method. By reducing the expense per content piece and enhancing message effectiveness, live streaming has become a preferred strategy for driving engagement and sales. As a result, online start-up sellers in this study recognized live streaming not only as a tool for interaction but also as a key driver of their business growth and sustainability.

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