TikTok Shop

Deciphering GMV Logic Change: What You Need To Know

Understand changes to GMV logic and how this will impact data of your creators' and sellers'

First, Here is What You Need to Know

- You might notice that the way GMV is calculated for your sellers has changed. The reasoning behind changing the logic is to make it simpler for you to understand what contributes to their GMV.
- GMV logic is now calculated based on **3 content types: Live**, **Video**, and **Product Card**. This means that GMV will now be attributed to the last content type that a buyer clicked on when checking out a product.

How Was It Previously Calculated?

Previous logic for GMV calculation

100% GMV =
LIVE + Video + Showcase + Other

New logic for GMV calculation

100% GMV =
Live + Video + Product Card

Previously, it would have been very difficult for anyone to know what it meant when GMV was listed under 'Other'. Therefore, to make it easier to understand, we have replaced 'Showcase' + 'Other' with 'Product Card'.

What Can You Expect Now?

- In the **Partner Centre**, under the **Analytics** section, whenever you see GMV breakdown you'll also see metrics such as '**Direct LIVE GMV**' and '**Direct Video GMV**' which previously were not available.
- These metrics refer to GMV that is generated when a buyer places an order directly from a seller's LIVE or Video content.
- You may also notice that the GMV figures for Video and Live are lower than what you might be expecting. This is because previously **attributed GMV** from LIVE and Video would have also contributed towards the overall LIVE and Video GMV figures. However, with the new logic, attributed GMV is now attributed to Product Card.

Please note: Whilst Product Card is a crucial GMV contributor, sellers should still focus on their Live and Video content. This means that they should continue to **produce quality livestreams and videos to captivate buyers**. After all, it is essential to remember that visual social content is a core attraction of what shapes TikTok.

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Scenarios for Your Understanding

Here we have a few examples that will help you to understand how the new GMV logic works.

Example 1:

1. Your seller is selling an **iPhone 15** on their Shop store page
2. A buyer searches for the iPhone 15 on TikTok Shop and proceeds to buy this **iPhone 15**
3. The GMV from the iPhone 15 sale is attributed to **Product Card**

Here **Product Card is the last content type** before check-out

Example 2:

1. A buyer sees a seller's video on their For You page, which promotes a **Black iPhone 15**
2. The buyer likes the item and so proceeds to click 'Add to basket' for this **Black iPhone 15**
3. However, before completing the sale and whilst the item is in the cart, the buyer changes their mind and decides to change the colour to **Blue** instead
4. The buyer purchases the **Blue iPhone 15**
5. The GMV from this purchase is attributed to **Product Card**

Here, although the buyer interacted with the product via Video initially, since they changed the colour, **Product Card becomes the last interacted content type** before check-out.

Example 3:

1. A buyer sees a LIVE video in which a seller is promoting an **iPhone 15**
2. The buyer likes the item and proceeds to click 'Add to basket' for this **iPhone 15** and pays for the iPhone
3. The GMV from this purchase is attributed to **Direct LIVE**

Here **LIVE is the last content type** before check-out.

What is Not Changing?

The new logic is used everywhere, **except for metrics related to Affiliate transactions (like Affiliate GMV and Est. Commission). These metrics stick to the old Commission Attribution-Based GMV model so that the commission paid to Creators via Affiliate Plans will not change.**

Key Takeaways

- The GMV logic is streamlined to be calculated on content types.
- Product Card, LIVE, and Video are the three content types.
- Each content type is equally important and you should implement strategies that consider all three content types.

Resources

If you have any questions or require clarifications, please reach out to your respective AMs. Alternatively, you can also get in touch with the Help Center.

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