

How a TikTok ban could upend banking customers' incomes and banks' marketing strategies

Article

The news: President Biden has [signed a law](#) that gives TikTok's owner ByteDance nine months to sell or face a ban in the US. This move could have far-reaching consequences for the banking industry's customers and marketing tactics.

The TikTok economy: A ban would jeopardize the creator economy, which Goldman Sachs estimates is worth \$250 billion—and that will likely double by 2027, per NPR.

- From everyday librarians who make occasional videos to now-wealthy TikTok stars, content creators relying on the platform for their full-time salaries or side hustle income are scrambling.
- Companies brokering TikTok brand deals and retailers relying on viral marketing campaigns and TikTokers' commissioned shops would lose their bread-and-butter income.
- Creator marketer James Nord claims a ban would force thousands of small businesses to shut down.

These are all banking customers—some of whom have lucrative incomes—who could suddenly have less to deposit.

TikTok's financial influence: We already know that [watching highly filtered influencers can cause money dysmorphia](#) in consumers—but there's more to the equation, as highlighted by NPR.

- TikTok users often cycle through videos warning about the economic doom that younger generations face.
- Sometimes they're followed by videos offering tips on budgeting products, how to avoid debt, explanations of [new saving trends such as cash stuffing](#), and products with targeted advertising.
- In short, videos often lead young consumers to feel anxiety about their financial situations, but also instill an urge to buy products that show up on their feeds—a **confusing mixture of cortisol and serotonin**.

Some financial institutions (FIs) have used TikTok to successfully navigate these trends, [partner with influencers](#), educate potential customers, and boost their brand awareness. A ban would force them to rethink their outreach strategies and leverage other platforms.

- But this isn't the first time FIs have had to pivot on social media marketing strategies. Just last year, many brands migrated away from X (formerly Twitter) after its owner changed key policies and posted comments that fail to align with companies' reputations, per CNBC.

Migrating to other platforms: Creators, marketers, and businesses relying on influencers will find new social media homes. But they won't be the same without TikTok's algorithm.

- Instagram is wooing small creators to Reels by actively making changes to their discoverability on the app—something that may appeal to everyday creators seeking to go viral, as they have on TikTok.
- It's also making reel-formatting recommendations to help creators improve their chances at success on the app.

Key takeaways: Banks haven't embraced China-owned TikTok quite as readily as US-based social media platforms, likely for security reasons. However, those that have are using the platform to target young consumers, per American Banker.

- Banks with successful TikTok strategies should already be thinking about how to follow young customers to other platforms if the ban goes through.
- Banks without an Instagram presence should plan to incorporate it into their marketing strategies regardless, as Instagram is likely to absorb key creators' followings.

Weekly Usage of TikTok, YouTube, and Instagram by US Teens, 2022 & 2023

% of respondents

	2022	2023
TikTok	69%	68%
YouTube	69%	66%
Instagram Reels	19%	30%
YouTube Shorts	9%	15%

Note: ages 12-17

Source: Forrester Research, "Youth Survey, 2023," Nov 2, 2023

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