

# D2C brands spent 231% more on TikTok in Q2

## Article

**The news:** Direct-to-consumer (D2C) brands spent 231% more advertising on TikTok in Q2 than last year, with expenditures totaling \$30 million, per analytics firm Triple Whale.

- Those figures come after a quarter of brutality for other social media platforms. Snapchat's dwindling ad spend caused it to [withdraw its Q3 guidance](#); Meta's average [price per ad decreased](#) by 14% as it cited "weak advertising demand"; and Twitter experienced its [worst shortfall in company history](#).
- Meanwhile, TikTok's ad spend is set to surpass both Snapchat and Twitter [combined](#).

**A home for large-to-midsize brands:** Spending on TikTok was driven mostly by brands with revenues of **\$1 million to \$5 million**, rather than larger companies—a sign of the app’s strength with brands of various sizes.

- TikTok’s hyper-personalized **For You Page** and relatively unobtrusive ad formats make it easy for **median brands** to build relationships with consumers within specific niches. Median brands had a **4.1% engagement rate** as of April 2022, with higher education, sports teams, and nonprofits ranking highest in engagement rate per follower.
- The app has been aggressively expanding its ad offerings, whether through new interactive formats, live streams, or the possible **addition of a “Nearby” feed** next to the For You page to tap into local ad spending.

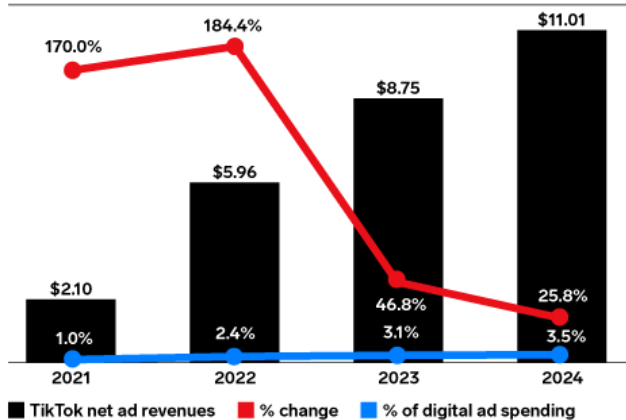
Those ad formats allow advertisers on TikTok to curate their messages in ways that “speak or resonate with consumers,” said global head of marketing science at TikTok **Jorge Ruiz** in an **exclusive interview with Insider Intelligence**.

- That customization, combined with its growing hold on young consumer demographics, is making TikTok an appealing option for marketers while other platforms struggle with addressability. We estimate that **58.1% of American teens ages 13 to 17 use TikTok once per day**.

TikTok’s appeal goes beyond short video. The app has solidified its reputation in pop culture and has become a go-to for teens looking for content or recommendations of all sorts, **eating even into Google’s market**.

## US TikTok Net Ad Revenues, 2021-2024

billions, % change, and % of digital ad spending



Note: includes advertising that appears on desktop and laptop computers as well as mobile phones, tablets, and other internet-connected devices, and includes all the various formats of advertising on those platforms; net ad revenues after companies pay traffic acquisition costs (TAC) to partner sites  
Source: eMarketer, March 2022

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**Looking down the road:** TikTok may be soaring now, but its future may eventually resemble that of its embattled social media counterparts.

- TikTok's advertising success is due in part to the current addressability crisis facing the industry; Its For You page is able to precisely target content to consumers without the use of **Apple's** now-extinct Identifier for Advertisers.
- But it's still not free of the problems plaguing competitors. **Facebook**, Snapchat, Twitter and others have all seen slowdowns—or **first-ever decreases**—in user growth. As TikTok grows older, it too will have to find ways to keep user charts moving up and to the right.
- That's only if it reaches old age in one piece. Insider reports show that TikTok has had **trouble keeping up** with the rapid pace of its own growth, and regulators have been watching it carefully for its ties to Chinese parent **ByteDance** and alleged user privacy breaches.

**The big takeaway:** TikTok's advertising lead over its social media competition is growing. Its appeal to brands of all sizes and high engagement makes it a reliable platform for ad spending at a time when advertisers are precious about where to put their money.

- But if it doesn't stabilize and find a way to mitigate issues that have plagued it through its rise, it may not meet the ripe old age of its competition.

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