

Meta and TikTok vie over ad dollars at NewFronts with new formats and offerings

Article

The news: At the IAB NewFronts, Meta and TikTok went head to head in competing for ad dollars.

Why it matters: Both rivals are at a major inflection point, with a [potential TikTok ban](#) looming, while Meta faces concerns over [lagging innovation](#) after [slow Q1 growth](#).

Meta's newness:

- The company announced AR Ads are launching globally across **Reels** (both **Instagram** and **Facebook**) and **Facebook Stories**; **Sephora** created a successful AR experience in a recent ad test, resulting in increased reach and engagement.
- Meta is also **testing bigger call-to-action buttons and extra info** on Reels ads.
- On Facebook, users can now pause video ads and preview the linked destination.
- New **multi-destination product ads** let users swipe through products without leaving a Reel.
- Meta also announced Reels viewability is now accessible to third-party measurement partners for interstitial Reels Ads campaigns. The social giant will be launching viewability reports with **DoubleVerify, IAS, and MOAT**.

TikTok's pitch:

- The platform unveiled **Pulse Premiere** and other TikTok Pulse ecosystem updates. Expanding from last year's Pulse, which allowed marketers to pair their brand with top 4% content, Pulse Premiere better targets audiences and benefits publishers. Launch partners include **BuzzFeed, Conde Nast, DotDash Meredith, Major League Soccer, NBCUniversal, and WWE**.
- Pulse Premiere lets brands appear alongside premium publisher content on the platform. Ads are placed after videos from premium partners in various categories, such as lifestyle, sports, entertainment, and education.
- In theory, Pulse Premiere should generate significant revenue for premium publishers producing engaging TikTok content while simultaneously offering brands control by placing ads after suitable premium publisher TikToks in the For You feed.

Our take: TikTok's announcements are partner-heavy. Clearly, prospective advertisers are not being scared by the prospect of a US TikTok ban—perhaps because nearly half of US voters [oppose such a move](#), partners view it as unlikely to come to fruition, despite TikTok bans [spreading worldwide](#).

- TikTok's move comes the same week that competitor [Snap unveiled attempts to drive more influencer marketing dollars](#) through its own platform, building on its announcements at its

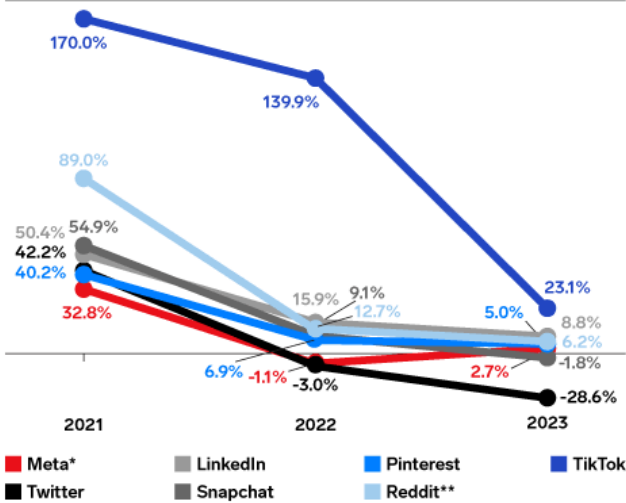
April partner summit.

- TikTok needs to continue to offer ad products for another reason: The fight for short-form video dollars is heating up. Earlier in the week, **YouTube** announced a number of ways advertisers can incorporate Shorts into their ad campaigns.
- Meta is leaning into AR at a time when more than one in four US adults use the technology, per our forecast; by 2027, that figure will rise to 30.7% of the population and 33.8% of all internet users. AR ads boost brand performance, particularly among Gen Z: Meta campaigns with AR effects surpassed non-AR ones, enhancing ad recall for 18- to 24-year-olds in 87% of cases, per company data.

The final word: We expect digital ad spending to increase 9.5% this year (globally) and social media ad spending to grow 3.4% (US only). Given the restricted growth potential, Meta and TikTok are fiercely competing to capture a larger market share.

US Social Network Ad Revenue Growth, 2021-2023

% change



Note: paid advertising only; includes advertising that appears on desktop and laptop computers as well as mobile phones, tablets, and other internet-connected devices; net ad revenues after companies pay traffic acquisition costs (TAC) to partner sites; excludes payments to influencers or other creators to produce sponsored content; includes branded content amplified as paid media; *includes Facebook and Instagram ad revenues; excludes revenues reported under Meta's Reality Labs segment; **excludes non-advertising revenues (e.g., Reddit Premium, Reddit Coins)
Source: eMarketer, March 2023

281445

eMarketer | InsiderIntelligence.com

Go further: Read our recent report on [how Reels and Shorts stack up against TikTok.](#)