

A US TikTok ban could fuel Meta's advertising dominance—but Google and YouTube stand to benefit as well

Article

The analysis: As presidential candidate **Donald Trump** says a **TikTok** ban **would help Facebook**, a preliminary analysis suggests **Meta** *would* benefit—but so would **YouTube** and **Google**.

- Our analysis (and not an official forecast) has Meta taking between 22.5% and 27.5% of TikTok's US ad revenues were it to be banned from the country. The high figure assumes the vast majority of TikTok's US ad revenues would be reallocated, while the low figure assumes a reallocation rate of roughly 75%.
- That would generate between \$1.94 billion and \$2.38 billion in incremental ad revenues for Meta in 2025.
- It would also bolster the company's 2025 ad revenues by 15.16% to 16.4% year over year, as opposed to the 10.85% rise they're currently on track for.
- Under this estimate, YouTube would net another \$1.24 billion to \$1.53 billion. Factoring in \$410 million to \$500 million of those TikTok ad revenues going to Google's display and search business, YouTube and Google's parent nets \$1.74 billion to \$1.94 billion from TikTok leaving the US market.
- Other social players—including **X**, **Pinterest**, **Snap**, and **LinkedIn**—all stand to benefit, but to a far lesser extent. The same is true for connected TV and retail media players like **Amazon**, **Netflix**, **Disney**, and **Walmart**.

Why Meta benefits: A **TikTok** ban would reduce competition in the social media space, especially in the video content segment. Reduced competition could allow Meta to consolidate its market share and potentially exercise greater pricing power over its ad inventory.

- It's reasonable that Facebook and Instagram could see an increase in ad revenues and CPMs if TikTok were banned in the US.
- TikTok's user base, particularly among younger demographics, is highly engaged. If TikTok were banned, these users will turn to alternative platforms for content consumption and social interaction. **Instagram**, [thanks to Reels](#), could naturally benefit from this migration with higher user engagement and time spent.
- Advertisers targeting TikTok's audience would need to reallocate their digital advertising budgets. Facebook and Instagram, with their vast user bases and sophisticated ad targeting

capabilities, would likely be among the top alternatives for these advertisers. This could lead to increased demand for ad space on Meta's platforms, potentially driving up CPMs.

- The absence of TikTok could draw more content creators and influencers to Meta's platforms —further boosting user engagement, making the platforms more attractive to advertisers.

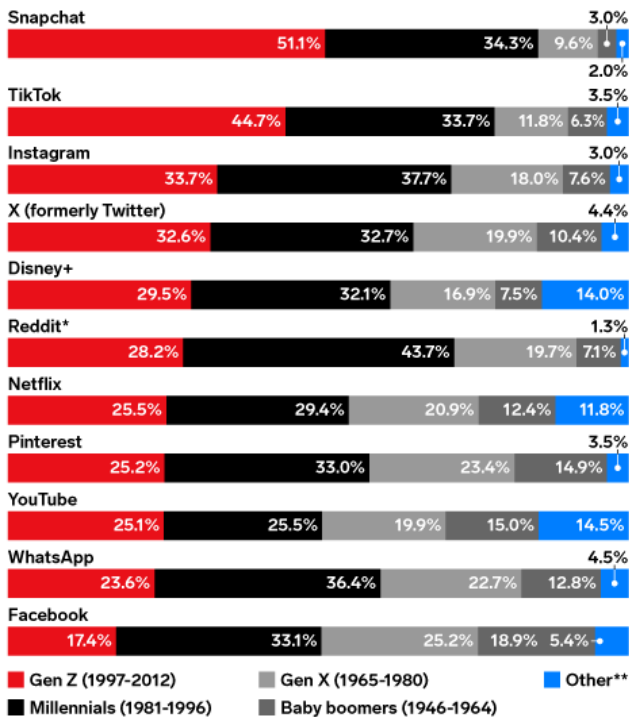
Yes, but: It's important to consider factors that could moderate these potential benefits:

- The migration of users and advertisers is not automatic. Preferences for content consumption and creation might not align perfectly with Facebook and Instagram's features or user experience. Major streaming services would undoubtedly see an increase in time spent if TikTok were removed from the US market.
- Any perceived benefit to Meta from a TikTok ban could lead to increased regulatory scrutiny, especially given ongoing concerns about competition and monopolistic practices in the tech industry.
- Other platforms could emerge or adapt to fill the gap left by TikTok, potentially diluting the benefits to Meta.

The bottom line: While there are plausible reasons to believe Meta's Facebook and Instagram could see increased ad revenues and CPMs following a hypothetical TikTok ban in the US, the actual outcome would depend on a range of market, regulatory, and competitive responses.

Share of Total US Users on Select Digital Platforms, by Generation, 2023

% of total



Note: internet users who access each platform via any device at least once per month; social network user forecasts from May 2023; *logged-in users; **includes the Silent Generation, Gen Alpha, and younger

Source: Insider Intelligence | eMarketer Forecast, Sep 2023

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