

Roundup: The latest developments on TikTok

Article



Background: TikTok is the biggest and most popular social media platform—with **1 billion** monthly active users—and leads on all social media platforms on engagement by US adult users with <u>45.8 minutes</u> per day.

No escaping layoffs: TikTok began its global restructuring this week, leading to layoffs including some of its US staff, <u>per</u> Wired. Employees in Europe were informed their jobs were at risk, and UK employees were told that job cuts were coming to various departments.

- The layoffs are expected to affect fewer than 100 employees. The company employs 10,000 people in the US and Europe.
- TikTok also <u>abandoned plans</u> to expand into online shopping earlier this month.

Our take: Hiring freezes and layoffs have become the norm as the tech sector wrestles with a down economy. TikTok's restructuring could be an adjustment to its frenetic growth.

Data harvesting accusations intensify: TikTok users have been warned about the company's data practices and its links to China. US **FCC** commissioner **Brendan Carr** called for **Apple** and **Google** to <u>remove the TikTok app from their app stores</u> last month, noting national security concerns surrounding the company's China-based parent company **ByteDance**.

- Carr cited a <u>BuzzFeed news report</u> indicating that ByteDance's Chinese staff had accessed US user data numerous times. TikTok said it grants access to US user data on "an as-needed basis under strict controls."
- Australian cybersecurity experts <u>warned</u> users that the Chinese government could use the popular app to harvest personal information from in-app messages, including precise location information.
- The warnings follow a <u>report</u> by **Internet 2.0** that revealed that TikTok is collecting "excessive" amounts of user information. The report states TikTok's data-collection methods include the ability to collect user contact lists and scan hard drives, including external ones.

Security officer resigns: Roland Cloutier, TikTok's global chief security officer, announced his departure last week, saying he was leaving in September, <u>per</u> The Wall Street Journal.

The company framed Cloutier's departure as the first step toward more cohesive user data protection. CEO **Shou Zi Chew** said the company aimed to "minimize concerns about the security of user data in the US, including the creation of a new department to manage US user data for TikTok."

Our take: Mounting government scrutiny and a heightened focus on privacy and security could result in regulation from various countries, neutralizing innovation and growth.

TikTok still has the advantage of being a popular service with <u>unprecedented growth</u>. In context, **TikTok** will grow its net ad revenues in the US by **184.4**% this year to hit **\$5.96 billion**.

Dive deeper: For detailed insights on TikTok and social video, check out our US Social Media Usage 2022 report.



TikTok Users, by Country 2022, millions **Asia-Pacific** 227.8 Central & Eastern Europe 81.2 **Latin America** 145.1 Middle East & Africa 168.0 **North America** 102.4 **Western Europe** 89.3 Source: eMarketer, April 2022 eMarketer | InsiderIntelligence.com

