

What's Behind the Sudden Growth of TikTok?

A powerful Chinese backer and celebrity shout-outs are helping the app make strides in the US

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We've seen plenty of social apps rise and fall (Vine, Yik Yak, Meerkat, to name a few). But the short-form video app TikTok has a powerful owner and a concept that's catching on not only with young people, but also older generations in the US. Can it take on Facebook and the other big names of social media?

What Is TikTok?

TikTok is the international version of Douyin, a popular short-form video app in China. Users can upload short, quirky videos of themselves to the app and share them with followers. ByteDance, the Chinese company that owns both apps, acquired US short-video app Musical.ly in 2017 and merged it with TikTok in August.

TikTok has been on a growth tear around the world, but its US performance has been especially notable. TikTok's US monthly active user audience grew by 30 million in the three months since the merger, and downloads were up 25% in the US and 20% worldwide, according to app tracker [Apptopia](#).

Tracking by [App Annie](#) found that TikTok was the second most-downloaded app in the Apple App Store and Google Play as of

November, among social, communication, photo and video apps. In June it ranked No. 7.

TikTok App Ranking in the US and Worldwide, June 2018-Nov 2018

	US	Worldwide
June	7	3
July	5	4
August	6	4
September	6	4
October	2	4
November	2	3

Note: based on monthly iOS and Google Play downloads among social, communication, photo and video apps; represents activity on App Annie's platform, broader industry metrics may vary
Source: App Annie, Dec 17, 2018

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Some of the uptick seen in the Apptopia and App Annie data can be attributed to the fact that Musical.ly users were automatically switched over to TikTok once that app shut down. But there are other factors, such as a promotional push by late-night host Jimmy Fallon, who used TikTok for a series of viewer challenges, including one where users could **make a video of themselves rolling like a tumbleweed** and then upload the video to the app.

Worldwide, TikTok rose to the No. 2 spot in app downloads in November 2018, according to **SensorTower**, behind WhatsApp and ahead of Messenger, Facebook and Instagram.

Though the app has natural appeal with teens, it's also catching on with people older than that. **A recent article from The Washington Post** detailed how nurses and members of the military have taken to the app, creating their own TikTok groups to share videos.

What Do We Know About TikTok's Chinese Version?

In China, Douyin is very popular. In July it had 300 million monthly active users and 150 million daily active users, according to China Daily.

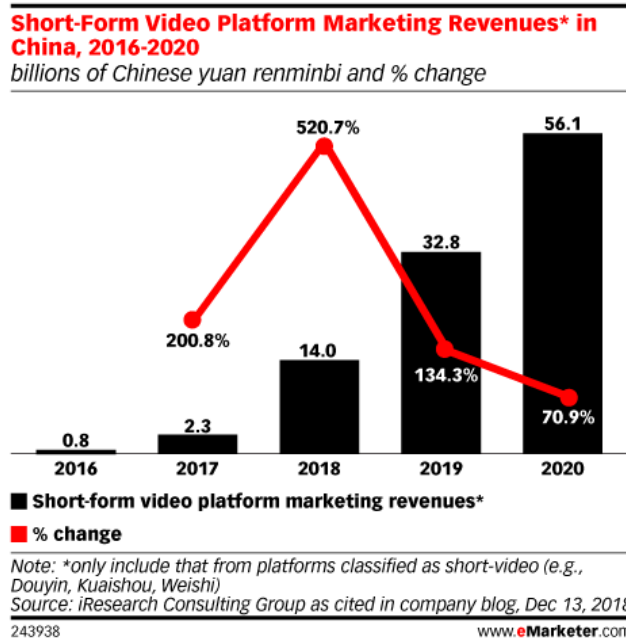
Parent company ByteDance has deep pockets and big ambitions to grow. In October, SoftBank and other investors poured \$3 billion in the company, according to Bloomberg. Subsequently ByteDance was

reported to be raising over \$1 billion for its own investments in media and artificial intelligence (AI).

What About Advertising?

TikTok has no paid advertising yet, but some brands have used it for influencer marketing campaigns or to publish their own videos. In the meantime, the app is making money in other ways—user spending on in-app purchases increased 275% between October 2017 and October 2018, to \$3.5 million, according to Sensor Tower. Users can purchase emoji and digital gifts to share with TikTok users during live streams.

Douyin does contain paid video ads and is part of a growing economy of short-form video apps that were expected to bring in an estimated RMB14 billion (\$2 billion) in marketing and advertising revenues in 2018, according to a forecast published by [iResearch Consulting Group](#).



In another sign that TikTok may be on to something, Facebook recently launched a TikTok competitor called Lasso. Facebook’s track record with me-too apps has been uneven, so it wouldn’t be wise to read too much into Lasso. But it’s definitely going to make sense to pay attention to TikTok in 2019.

