

TikTok set to surpass Facebook in daily minutes by 2025—but ad spend hasn't followed

Article



By 2025, US adults will spend more time on TikTok than on Facebook, according to our June forecast. This marks a major milestone for TikTok, which is on track to become the largest





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social platform in total daily minutes by the same year.

Yet, ad dollars still favor Facebook. In fact, Facebook will claim over five times more ad revenues per person per hour spent on the platform over the next few years. By 2025, Facebook will bring in \$1.02 per person per hour while TikTok will bring in \$0.19.

"Advertisers are just wedded to Meta," our analyst Debra Aho Williamson said on our "Behind the Numbers" podcast. "From the perspective of an advertiser wanting to have a regular, reliable partner to advertise on, Meta is still going to get that lion's share of dollars."

Staying loyal: The familiarity and ease of Meta's ad tech has cemented its position as a go-to ad platform. "What Meta has going for it, even though people spend more time on a platform like TikTok, is its operational prowess and its ability to build ad products, to keep marketers engaged in the platform," Williamson said.

Hit by regulation: Meta's ad business has rebounded in spite of more stringent compliance issues.

- "Meta went through a rough period over the past couple of years where it lost a lot of its targeting effectiveness as a result of Apple's privacy changes," Williamson said. "And it's still not out of the woods."
- The company estimated it lost \$10 billion in 2022, or 9% of its total revenues, due to Apple's AppTrackingTransparency, according to Bloomberg.
- In response to the General Data Protection Regulation in the EU and its offshoot in the UK, Meta proposed a change that would require users to opt in to highly targeted advertising—a move that could impact its ad revenues in Q4 2023.

Stealing share: TikTok is closing the gap between time spent and ad spend.

- Although it is many years away, TikTok's ad business is growing fast enough to eventually overindex against time spent the way Meta does, according to our US Time Spent vs. Ad Spending 2023 report.
- The rising time spent on TikTok could convince advertisers to invest more. "If I tell you each user spends an average of 54 minutes per day on TikTok, that's a tangible statistic that you should take away," Williamson said. "I need to make sure, as an advertiser, I maximize those minutes and reach people as best as I can."



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