

Inside TikTok's OOH ambitions: Obstacles, advantages, and opportunities

Article

With recent moves to extend its video content to a variety of public screens, including ones at airports, gas stations, and movie rental machines, TikTok is looking to grow its presence

beyond mobile.

“Eventually, digital companies tend to turn to traditional media for branding and for reach,” our analyst Ross Benes said on the **“Behind the Numbers” podcast**, pointing to D2C brands and tech giants foraying into out-of-home (OOH) advertising. In fact, all FAANG companies (Facebook, Apple, Amazon, Netflix, and Google) except Facebook are among the top 15 US OOH advertisers, according to Kantar and the Out of Home Advertising Association of America.

“At some point when you’re a successful tech apparatus, you want to go beyond the young, digitally savvy people that you’re already talking to anyway, and OOH is a natural way to generate awareness throughout the public,” Benes said.

More than mobile: TikTok’s OOH ambitions could also open doors for advertisers and creators.

- This year, advertisers will spend significantly less per hour per adult on TikTok (\$0.16) than on Facebook (\$0.88) and Instagram (\$0.98), according to our forecast. This suggests there is plenty of room for ad dollars to be shifted between platforms.
- Advertisers can extend their mobile ad creative onto TikTok’s OOH placements to stay top of mind outside of social media.
- Creators are stepping into the “real world” too, as advertising platform **Adomni partnered with influencer marketing firm Influential** to have videos appear on new mediums such as digital billboards and shopping mall screens.

What would it take to translate TikTok to OOH?

- **Obstacle:** Nearly 90% of TikTok users agree that sound is vital to the platform’s experience, according to a July 2020 study conducted by Nielsen, but sourcing silent content that captures consumer attention in OOH spaces means prioritizing visual appeal.
- **Advantage:** This year, only six years after launching in the US, TikTok will exceed the 100 million US monthly users (two years faster than it took Instagram to reach the same milestone), per our May forecast. This underscores the mass usage and brand recognition opportunity that the platform could benefit from, even outside of the mobile environment.

The state of OOH: TikTok's venture into OOH comes as the market bounces back from a few turbulent years.

- With OOH mostly recovered, we expect US OOH ad spend to increase 7.0% in 2023 to reach \$9.15 billion, then grow more modestly through 2027, when it will increase to \$10.88 billion.
- US digital OOH ad spend will grow by double digits annually through the end of our forecast period in 2027.
- “When you factor in inflation, OOH is still down from before the pandemic. But it's bounced back quite a bit, much better than the darkest days of 2020 and 2021,” Benes said.

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