

# 'It's TikTok versus everyone else,' says our analyst

Article



Between other social media platforms, search platforms, and governments, TikTok is challenging just about everyone.

**The news:** **TikTok offers less expensive ad rates** than competitors. The platform's cost per thousand (CPM) from video advertising is almost half that of Instagram Reels, a third less than

Twitter, and 62% less than Snapchat, per 2022 data from marketing agency VaynerMedia reported by the Financial Times.

**The view:** Low costs are one reason TikTok has gained share of the digital ad pie, specifically at the expense of Meta.

“But I think context is also key here,” said our analyst Jasmine Enberg on a “**Behind the Numbers: The Daily**” episode. “Looking more broadly, TikTok’s share of social ad revenues is still a fraction of Meta’s (less than 10% versus about 72% for Meta). Meta’s share is, of course, declining, but it’s declining from a massive base, and not all of those ad dollars shifting away from Meta are going to TikTok.”

Lower CPMs will help TikTok attract more advertisers, but it still has a ways to go before its share of ad revenues can rival Meta’s.

**The news:** **TikTok’s algorithm may not be all-powerful.** TikTok employees are “heating,” or giving a manual push to specific videos to help ensure they achieve a certain number of views.

**The view:** TikTok touted its platform as democratizing the creator game. Heating allegations directly oppose that claim.

“The story we know is that anyone can become famous on TikTok through one well-timed video, regardless of their follower count,” said Enberg. “But the knowledge that even one TikTok employee could handpick a video puts a huge wrench in that story.”

It’s embarrassing, but it probably won’t change too much for TikTok.

“The potential of TikTok fame is still way too good for most up-and-coming creators to resist, and TikTok’s audience is way too good for brands and advertisers to resist,” said Enberg.

**The news:** **TikTok is making friends in Washington** as it grapples with a possible ban. The platform, along with its parent company ByteDance, has spent **millions on federal lobbyists and even more on safeguards** to secure its future in the US.

**The view:** There is momentum building against TikTok, but it’s unclear what will happen next. A US ban is possible, said Enberg, “or at least the most possible it’s ever been.” But it’s also likely that TikTok will make some serious concessions to stay.

The bigger picture is that creators and brands aren’t going to leave TikTok unless they’re forced to, according to Enberg.

“I’ve heard so many stories of students connected to mobile data so they can still access the app. It just goes to show how integral TikTok has become, especially to the younger generation,” she shared in response to [bans at universities and schools](#).

The US government could get serious about a TikTok crackdown, but users’ dedication to the platform won’t be curtailed by anything short of a full ban.

**The news:** Almost [40% of young consumers start their online searches for places to eat on social media platforms](#) like TikTok or Instagram, said Prabhakar Raghavan, a senior vice president at Google, last year.

**The view:** Gen Z uses TikTok for search and it’s encroaching on Google’s territory, said Enberg. “But not everyone is a TikTok user, and if you look at the US population as a whole, more people are still starting their searches on Google and Amazon than on TikTok.”

Still, TikTok is transforming the search landscape, and that’s going to have ripple effects on other platforms. “TikTok versus Google versus Amazon is going to be one big trend to watch this year,” said Enberg.

Search behaviors are shifting. Google and Amazon still reign, but TikTok is coming for the crown.

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