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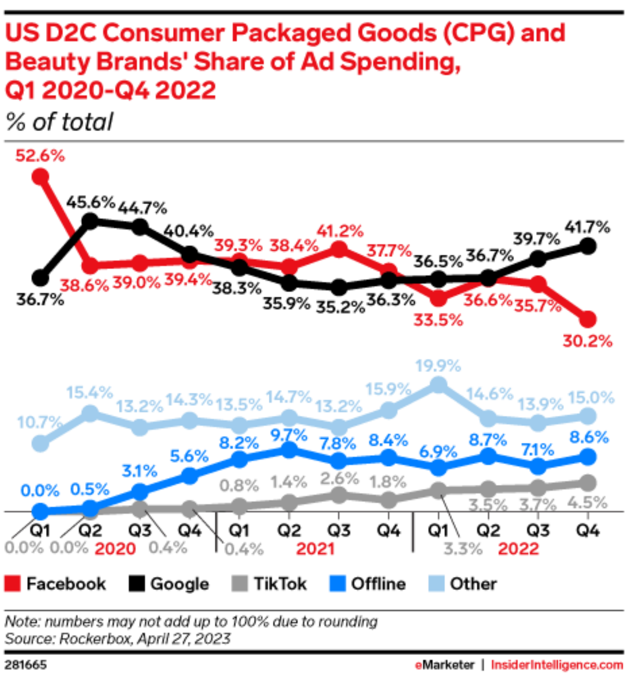
D2C CPG brands are abandoning Facebook ads while ramping up their TikTok spend

Article

As Facebook loses relevance with younger audiences, D2C ad budgets for CPG brands are diversifying into emerging channels.

- **Facebook is losing share of CPG and beauty brands' D2C ad spending fast.** The platform's share declined from 52.6% in Q1 2020 to 30.2% in Q4 2022, according to an April 2023 study by Rockerbox.
- **Most of Facebook's share is moving to video.** More than half of Facebook's lost share went to linear TV (7.3%) and TikTok (4.5%) in Q4 2022, both of which began at zero in Q1 2020, per Rockerbox. These channels tap into sight, sound, and motion to grow awareness and drive brand consideration. Plus, their improving attribution capabilities demonstrate sales effectiveness.
- **TikTok has captured the zeitgeist among CPG and beauty D2C brands.** The short-form video platform is quickly winning budgets from CPG and beauty brands as they figure out effective creative and influencer strategies to grow D2C sales. These categories leaned into TikTok last year at a 24% higher rate than overall D2C brands did, according to Rockerbox data.



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