

TikTok to personalize ads based on in-app activity, starting in mid-April

Article

In a message to users, TikTok **announced** it will begin personalizing advertisements based on in-app activity. In-app activity refers to user actions, such as liking videos or interacting with ads. The changes will go into effect April 15 and roll out worldwide, with the exception of the EU. Users will still be able to control whether ads are tailored based on third-party data

collected by TikTok's advertising partners. For TikTok, this is a natural progression of its paid advertising as it looks to improve the effectiveness of campaigns run on its platform.

Among the major short-video platforms, TikTok is the furthest along in developing its ad business. Aside from Triller, TikTok is the only short-video venue that offers paid advertising. Although Instagram Reels and Snapchat Spotlight will introduce paid advertising in the near future, the strategic priority for these venues is to continue growing their user bases. While TikTok's programmatic and direct-response ad offerings are still fairly rudimentary compared with other social media companies, it has taken steps to expand its offerings; in **July 2020**, it introduced its self-serve ad manager platform. TikTok also appears to be hiring with an explicit focus on improving its ad business, based on a number of current job openings on its career website related to lead generation and collecting users' online and offline activity for advertising purposes.

TikTok will continue seeing strong advertiser interest this year, with many advertisers planning to increase their investment. A December 2020 Cowen and Company survey revealed that **75%** of US ad buyers expected their largest clients to buy ads on TikTok in 2021. Moreover, a larger November 2020 **Warc** survey found that 44% of client-side marketers and agency executives worldwide said they plan to increase their spending on TikTok in 2021 versus just 5% who said they plan on spending less. Strong demand from advertisers will likely pressure TikTok to ensure campaigns offer satisfactory ROI, spurring the company toward more initiatives that capitalize on user data.

For further insights on this topic, read our new report, "**The US Short-Video Landscape: What Marketers Should Know About TikTok, Instagram Reels, and 4 Other Players in This Fast-Changing Space.**"

Expected Change in Digital Platform Investments According to Client-Side Marketers and Agency Executives Worldwide, Oct 2020

% of respondents

	Increase	Stay the same	Decrease	Do not spend on this platform
YouTube	54%	24%	3%	19%
Google	53%	28%	4%	16%
Instagram	52%	27%	3%	17%
TikTok	44%	12%	5%	39%
Facebook	39%	34%	12%	15%
LinkedIn	35%	30%	5%	30%
Amazon	30%	13%	1%	56%
Spotify	26%	24%	3%	47%
Twitter	20%	35%	8%	37%
WeChat	17%	16%	3%	64%
Twitch	17%	11%	3%	69%
Pinterest	12%	23%	6%	59%
Snapchat	10%	20%	8%	61%
Baidu	9%	15%	5%	72%

Note: numbers may not add up to 100% due to rounding
Source: WARC, "The Marketer's Toolkit 2021," Dec 2020

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