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SMALL BUSINESS

78% of Small Businesses Say TikTok Ads Have Boosted Profits

In addition, one in 10 small businesses went viral on TikTok organically, according to a new survey from Capterra.

Jason Bramwell • Jan. 09, 2023



A [new survey from Capterra](#), an online marketplace for the enterprise software industry, found that 78% of small businesses that run ads on TikTok have already realized a positive return on investment—the majority within just six months.

That success rate has led 52% of survey respondents to say they plan to spend more money on the immensely popular social media platform in 2023. Only 18% of businesses not currently using TikTok say they have concerns over its data practices, according to Capterra's TikTok Marketing Survey.

Capterra says:

Let's get this out of the way first: TikTok has its drawbacks. For one thing, its ad business has been affected by the same global digital ad slowdown currently plaguing its peers. Furthermore, TikTok has been criticized for circulating COVID-19 misinformation and is [under scrutiny by government officials and lawmakers due to its data practices](#). In December 2022, a bipartisan group of legislators introduced bills in both houses of Congress to [ban TikTok in the U.S.](#)

Despite all that, TikTok is skyrocketing in popularity among advertisers, and SMBs should strongly consider getting on board. If your competitors aren't yet on TikTok, that likely won't last.

[...]

TikTok marketing yields undeniable power, especially with Gen Z. More and more consumers are turning to TikTok search over Google to find their next local boutique or restaurant. With Google and Meta's advertising dominance fading, TikTok is becoming more advantageous for small and midsize businesses. In fact, one in ten surveyed businesses have gone viral on TikTok organically, indicating a level playing field that's not dominated by large name brands.

TikTok helps mitigate choice paralysis by giving users immersive, vertical videos that take them inside a business instantly, rather than sifting through text-heavy review sites like Google or Yelp.

The survey found that more than three-quarters of small businesses that use TikTok post organic content, while less than two-thirds run ads on the platform—some only use TikTok to discover trends or keep an eye on their competitors. Among businesses that post both organic and sponsored content, 72% say organic TikTok content is extremely valuable to their company’s overall marketing performance, while 55% say the same for ads.

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