Yes, Your Small Business Needs TikTok—Here’s Why And How To Use It

By Molly Burke | 9 min read | Published January 5, 2023

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Why small businesses should consider joining TikTok

Use the right tools to create winning TikTok content

/ Thank you for your feedback!
TikTok is a gold mine for small businesses looking to reach new audiences.

As TikTok rises in popularity among consumers and advertisers, there’s good reason for small businesses to pay attention to the hype. TikTok is no longer just a social media app—it’s a search engine, shopping destination, and a salve for businesses struggling to reach new, young audiences on other social platforms.

According to Capterra’s 2022 TikTok Marketing Survey*, well over half of small retailers and restaurants that market themselves on TikTok say their organic and advertising content on TikTok is extremely valuable to their overall marketing performance, and 78% say they’ve realized a positive ROI with TikTok ads.

If your company is looking for a new marketing channel—or isn’t yet convinced it should join TikTok—read on for insights into how small and midsize businesses (SMBs) are leveraging TikTok and why it’s worth your marketing dollars. Plus, get insider tips from business owners and marketing managers on how to get the most out of the app.

✔️ / KEY INSIGHTS

- **TikTok marketing yields overwhelmingly positive results:** Among small businesses that run ads on TikTok, 78% say they’ve realized a positive ROI—the majority within 6 months.

- **Most SMBs using TikTok will increase their marketing spend:** 52% of SMBs marketing themselves on TikTok plan to spend more money on TikTok marketing in 2023.

- **Organic content rules:** While the majority of SMBs say both organic and sponsored content is extremely valuable to their overall marketing strategy, they tend to derive more value from their organic content.
Why small businesses should consider joining TikTok

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 [1]. In December 2022, a bipartisan group of legislators introduced bills in both houses of Congress to ban TikTok in the U.S. [2]

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 ads provide quick ROI**

From a budget perspective, TikTok provides a serious bang for your buck: 78% of SMB marketers that run ads on TikTok have achieved a positive ROI. Among that group, nearly three-quarters saw returns within six months.

Small businesses have gotten so much value from TikTok that 52% plan to increase their marketing spend on TikTok next year, with another 21% intending to maintain their spending.

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**Most businesses leveraging TikTok will increase their marketing spend in 2023**

- 33% plan to increase spend 21% or more than 2022
- 27% plan to increase spend 10-20% more than 2022
- 20% plan to spend about the same as 2022
- 13% plan to increase spend 10-20% less than 2022
- 5% plan to increase spend 21% or less than 2022
- 3% are not sure
Users like TikTok because its seemingly endless content feels authentic and unfussy—videos made by real people, for real people. Creating ads that capture the candid nature of organic TikTok content helps businesses blend in.

According to 60% of SMBs currently running ads on TikTok, In-Feed ads are the most effective in terms of conversions. In-feed ads resemble organic content so closely that the two are virtually indistinguishable. When ads don’t look like ads, viewers are more likely to engage with your content rather than instantly scrolling past it.

**PRO TIP: Measure success beyond the raw numbers.**

“Comments are king. We love hearing what our audience has to say! If a piece of content compels somebody to stop what they’re doing to comment, we know we’re doing something right.”

*Isaac Garza*
Content brand manager for Torchy’s Tacos

“The capacity for going viral [on TikTok] is just so huge. Anyone and everyone can see your video, and it’s exciting, but you can get disheartened if you’re going through a time when you’re not getting a lot of likes. You don’t have that much control over what gets pushed out in what doesn’t, but I’m trying not to let it affect me.”

*Roz Rabbani*
Ceo and founder of Canopy Clip
Organic TikTok content offers significant value to businesses

Advertising returns aside, businesses tend to invest more heavily in, and derive more value from, their organic content.

On average, TikTok marketers put 11 to 20% of their overall marketing budget toward TikTok, with an emphasis on organic content.

More than three-quarters of 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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**Top performing TikTok content types, according to small businesses**

1. **In-Feed**
   Resemble organic posts and appear on the For You page

2. **Shopping ads**
   Posts that include viral soundtracks or dance music

3. **Branded Effects**
   Posts that leverage viral hashtags, e.g., #hesa10

4. **Trending challenges**
   Viral hashtagged challenges, e.g., #lipsyncchallenge

5. **Live video**
   TikTok’s live stream option

Source: Capterra 2022 TikTok Marketing Survey

Q: Based on your company’s experience, which of the following types of organic content results in the highest number of engagements?
Creating organic content requires few resources for most SMBs, so it’s easy to get into a consistent posting schedule. Most businesses spend less than two hours creating a single organic post, and 61% post at least weekly. Over a quarter post on the app daily.

Leaning into your brand’s unique voice will help you get the most out of your TikTok content, whether it’s organic or sponsored. Find whatever makes your business stand out from the sea of generic calls-to-action, be it an unconventional use for your product, slick tutorial content, or your marketing team’s wicked sense of humor.

**PRO TIP: Play up your unique brand voice.**
Torchy’s Tacos, a restaurant chain in Texas, has racked up over 150,000 likes on TikTok thanks to its signature edgy voice.

“[The brand voice] is definitely one of the favorite parts of working at Torchy’s. The brand voice was born long before I came here and it’s had a long-established tone of being fun. It is not only easy to take risks with the brand on social, it’s imperative. Taking risks is seen as being professional here at the company. It’s only right that we push it.”

Isaac Garza  
Content brand manager for Torchy’s Tacos

**Anything can go viral on TikTok**

According to our data, at least one in 10 small businesses using TikTok has gone viral on the app. Millions of views are within reach for businesses with great content.

Whereas Instagram’s content suggestion algorithm can feel like an oligarchy dominated by legacy brands and Hollywood celebrities, TikTok’s "For You" page has been characterized as a meritocracy. Tiktok’s algorithm suggests posts that are likely to appeal to users’ unique interests and behaviors, rather
posts that are likely to appeal to users' unique interests and behaviors, rather than preferentially pushing posts created by accounts that are already popular.

For greater discoverability on TikTok, try the following techniques used by SMBs

- **Post from a verified account**
  
  The blue check badge shows customers you're the real deal. Bonus points for using the same handle across all social accounts.

- **Post at the time of day that suits your audience**
  
  Make sure your content is seen by your desired audience by publishing it when they're most likely to be online.

- **Use SEO techniques**
  
  63% of SMBs optimize their TikTok post captions with relevant keywords and hashtags.

- **Add closed captioning**
  
  Most people watch mobile videos with the sound off. Make your message clear by using automatic closed captioning, or writing your own.

Source: Survey Name

Q: Which of the following, if any, does your company do to increase accessibility or discoverability on TikTok? Select all that apply.

n: 98

Note: 2% of respondents do not use any of the above techniques.

TikTok also seeks to present a variety of topics and themes as users scroll its seemingly bottomless content recommendations, so it's constantly looking for fresh posts[^4]. If yours can hook viewers in the first few seconds of play, it has a decent chance of doing numbers.
While there’s no magic recipe for creating viral TikTok content, you can follow a few best practices to hook viewers:

- **Prioritize video quality.** Businesses marketing on TikTok say a post’s image quality and aesthetic appeal is the most important performance determinant. Attractive visuals will help keep viewers engaged.

- **Set the mood.** Over half of businesses stick to content that’s either humorous, energizing, or educational. Ambient or calming videos are best left to other platforms.

- **Offer a unique perspective:** 66% of businesses say their best-performing organic content is original and not inspired by trends, beating out posts based on viral sounds (44%) or hashtags (38%).

**PRO TIP: Post content, even if you think it won’t perform.**

Roz Rabbani’s Los Angeles-based bakery business account has received over three-million likes and 73,000 followers on TikTok. Her cake decorating videos regularly rack up tens of thousands of views.

“"You never know what’s going to go viral. I’ll make a whole cake video I’ve spent so much time on and it looks amazing, and then it’ll get a thousand views. And then on my For You page there’ll be a video of someone who’s never made a cake before, they’re barely putting effort into their video and it gets a million views. But once you see that anything can go viral, it’s like, ‘just post!’”"

Roz Rabbani  
Owner and founder of Roz Got Cake

**Vertical video is here to stay**

Lately, every tech company is trying to copy TikTok’s signature vertical video format. YouTube, Twitter, and Instagram have all launched content to compete with TikTok. That’s great news for marketers because it’s easier than ever to repurpose social content across multiple platforms.
Cross-posting TikTok content to Instagram Reels and YouTube Shorts can help users locate your account across different apps, boost your engagement, and increase the likelihood of conversion. The vast majority (82%) of businesses using TikTok cross-post their content to other social platforms.

Just remember that in order to succeed on TikTok, your content needs to suit the candid, authentic vibe users prefer.

**PRO TIP: Cross-post TikTok content to Instagram and YouTube to increase your reach.**

Roz saw a huge spike in engagement on TikTok when a cake she was commissioned to make for Kris Jenner appeared on the celebrity’s Instagram story.

> “Kris posted [the cake] story, which was crazy—a whole new bump in my engagement. She didn’t even tag me on Instagram, and my TikTok started going viral. One of the top comments on Instagram was, ‘Oh my God, that’s the cake from TikTok.’ The video I made of the cake for Kim [Kardashian] has 8.6 million views and 1.2 million likes. Before I posted those videos, I had 10-15k followers on TikTok. After going viral, I had 72.7k followers.”

Roz Rabbani
**Owner and founder of Roz Got Cake**

**Immersive experience is the next big thing in search**

Earlier this year, a Google exec lamented the search engine’s struggle to remain relevant with young internet users who prefer to search for restaurants on TikTok over Google Maps [5]. TikTok is also rising in the ranks
as a go-to search engine for Gen Z, who use it to find everything from travel destinations to products to cooking tutorials [6]. Google is reportedly planning updates involving augmented reality to compete with TikTok’s immersive approach to search [7].

Why do young people turn to TikTok? Unlike the star ratings and walls of text on Google or Yelp, review content on TikTok offers, in the words of a Gen Z-penned think piece, “maximum vibe reconnaissance”: instant, to-the-point, up-to-date information about a business or product, with POV visuals and the credibility of the living, breathing content creator who is either visible on-screen or audible in the voiceover track [8].

As an added bonus, TikTok recommends destinations users are likely to enjoy. If browsing Google Maps or Yelp feels like using a phone book, browsing TikTok feels like waving a magic wand.

You can make your business stand out in TikTok search results by doing the following:

- **Show your products or services in action:** Show users how your business goes above and beyond to provide a rich experience, whether it’s through delicious-looking plates of food, luxurious views, or beautifully lit fitting rooms. Of the businesses creating organic TikTok content, 88% use it to show product or service demos.

- **Go behind-the-scenes:** Fifty-five percent of businesses creating organic content feature their company’s employees in their videos so viewers can meet the real people behind the business.

- **Leverage SEO:** Sprinkling relevant keywords and hashtags into your post captions will help users find your content when they use TikTok’s search bar—63% of businesses creating organic content currently use SEO techniques on TikTok.

**PRO TIP: Put your own spin on content trends**

Leveraging trending sounds and hashtags in a way that feels true to your brand can help your content be discovered.

“ Especially for smaller creators, the audio can make or break your content,” says TikTok ambassador [9].
break like the ‘viralness’ of a video. For my decorating videos I’ll just use a song that is making the rounds. If there's a trend going on, I'll try to incorporate cakes into the trend.”

Roz Rabbani  
**Owner and founder of Roz Got Cake**

“"We have both a brand guide and historical knowledge of the brand that we use when thinking about the 'Torchy's angle' with social trends. We have a few categories for the types of content we like to publish, but ultimately it comes down to how we feel about a piece of content. There have been times where we shoot something and edit it, then decide not to publish because it simply didn’t feel fun anymore.”

Isaac Garza  
**Content brand manager for Torchy’s Tacos**

**Use the right tools to create winning TikTok content**

If your business isn’t on TikTok, it’s time to join. Potential drawbacks aside, the benefits TikTok offers—like new audiences and advertising ROI—are undeniable. If you’re part of a new business, it’s especially important to consider all avenues to build your brand online.

It’s possible to create great TikTok content with just your phone camera and the TikTok app. But businesses should consider using software and other tools specifically designed to produce high-quality social media content.

**Most SMBs use paid software tools to...**
Getting started with TikTok marketing is easy if you follow our pro tips:

- Lean into your unique brand voice when following content trends.
- Create high-quality content, but don’t overthink it—you never know what might go viral.
- Boost your likelihood of engagement by cross-posting your TikTok content to other social platforms.
• Measure success through engagement, both quantitative and qualitative.

If you’re looking for tools, check out Capterra’s list of the best social media management software, or check out our recommendations for video marketing software.

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Methodology

*Capterra conducted this survey in November 2022 among 164 retail and restaurant leaders to learn how small businesses are using TikTok for marketing purposes. All respondents perform social media content creation or management tasks on behalf of their employer. 126 respondents use TikTok for marketing purposes, and 38 do not.

Sources

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5. Google exec suggests Instagram and TikTok are eating into Google's core products, Search and Maps. TechCrunch


8. For Gen Z, TikTok is more than entertainment. It's a search engine. Mashable


About the Author

Molly Burke

Molly Burke is a senior analyst at Capterra, covering retail and restaurants with a focus on emerging technology. Her research on consumer trends and consumer technology solutions has been featured in media outlets and professional organizations.
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