



Social Media and National Security

TikTok bans illustrate new types of risk to manage

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Better decisions, faster.



TikTok facing new challenges

Increased scrutiny of TikTok

Online platforms, especially TikTok, are now a [national security issue](#) around the world. In the past week, the U.S. House Foreign Affairs Committee [voted to advance a bill](#) that would effectively ban TikTok across America.

That Republican-sponsored bill carries [First Amendment rights concerns](#). However, a new [bipartisan bill](#) is also working its way through The Senate with the support of [The White House](#).

This bill broadens the scope of new powers. It focuses less on TikTok specifically and instead on [any platform with more than one million](#) annual US users or devices sold that are owned by a foreign adversary.

Bipartisan support makes it more likely to pass into law. An outright ban would only occur if the President acts on a recommendation from the [Secretary of Commerce](#) after reviewing the framework of risks set out in the bill.

There are numerous perceived risks relating to [sensitive information](#) leaking, the [blackmail of government employees](#), and the use of [content algorithms](#) with negative effects on citizens.

TikTok will [fight as hard as possible](#) to resist any ban. [Project Clover](#) is its proposal to store data in US-based cloud servers, managed by a new entity called [USDS Trust and Safety](#) with strict oversight and control of how any information is accessed.

However, it may require TikTok to be entirely removed from any Chinese Government control to avoid an eventual ban.



This is not just a US federal issue. [Government agencies](#) in many US states, Europe and Asia have mandated the removal of the app on employee devices based on security concerns.

Immediate Implications

The increased focus on privacy through national security and a geopolitical lens has numerous implications for advertisers to consider and act upon.

Even without any immediate ban, brands should understand the implications of the current [TikTok privacy policy](#) and future commitments to governments to ensure they comply with local regulations.



that give a [detailed analysis of the implications](#) and what measures brands should take.

The fact that the personal data of platform users (including [many under 18-year-olds](#)) is subject to remote access by TikTok employees in countries such as China has significant ramifications, [especially in GDPR markets](#).

In GDPR markets and elsewhere with similar laws, the advertiser and the platform are jointly responsible for information requirements and a legal basis for processing personal data for operations such as [targeted advertising](#) on social media.

Regulatory fines have generally been imposed on platforms and not advertisers, but [this risk profile is changing](#) on numerous fronts.

Detailed analysis of transparency and data mapping such as a [Data Protection Impact Assessment](#) should be set up, or existing DPIAs reviewed because of these, and future changes in circumstance.

This is especially the case when TikTok collects tag data from advertiser properties or when first-party data is uploaded.

The data subject should be informed and the social media platform named before data collection. [Any consent](#) must be channel and purpose-specific.

Implications of a possible TikTok ban

India has gone further than many other markets, banning the app entirely as part of a [wider ban of Chinese apps](#) in 2020. TikTok was the most significant, as [200m Indian nationals](#) had been using the service.

US legislators have stated that India provides an [important precedent](#) for any future ban.

Advertisers would need to [re-think media strategies](#) if the app were to be banned in major markets such as the US then advertisers would need to. The platform currently reaches over [1bn people each month](#).

A [marketing void](#), particularly with younger consumers, would be created. Some brands have gone [TikTok first](#), while some [publishers have built new teams](#) around a platform specialism. Budgets would need to be realigned and capabilities reprioritized.

A whole raft of [content creators](#) would be hugely impacted, as their primary source of revenue would be instantly removed. Some [are backing up their TikTok content](#) and focusing more on other platforms to mitigate this risk.

Efficiency would decline as brands compete to reach users in smaller inventory sources, and some of TikTok's unique engagement features would be lost.

This gap would quickly be filled by start-ups or competitive platforms launching similar products. Speculation about a potential ban has driven the stock price of [TikTok's competitors](#) up in recent weeks.



[Snap's stock price rose](#) over 10% in the past week (albeit still significantly down from highs in late 2021). Meta saw a [similar rise](#) in recent weeks alongside its renewed focus on short-term revenue and cost saving.

Thinking beyond TikTok

TikTok is the [highest-profile brand to be most impacted](#) by these issues, but it is by no means alone. Each of the global platforms has regulatory challenges as the [scale of the impact](#) of their business practices increases.

There could be [reciprocal moves by other governments](#) limiting global platforms and the transfer of data around the world. This may lead to a [de-facto de-globalization trend in media](#).



There is a trend towards greater limitations on personal data moving between markets. Governments will wish for more transparency on how [algorithms define what people see](#) - especially in the context of electoral interference.

Brands must consider an even broader range of externalities in decision-making in addition to brand safety and existing ESG prerogatives. The data ethics and data politics of a platform will need to be considered. Recently TikTok introduced [one-hour daily usage limitations](#) for users under 18, echoing policies seen in China.

The scale of influence of digital platforms is now so great that they are not just cultural or trade issues but also perceived as [geo-political assets](#) utilized by and against governments.

Brands will need to be aware of these [new risks](#) and plan around them, not overly relying on a single platform to survive, building data strategies with consumers and their societies in mind, and being fully aware of complex and dynamic local regulatory requirements.

The latest updates can be found on the [Annalect Privacy Hub](#).



Jean-Paul Edwards
OMD Worldwide Managing Director,
Product
jean-paul.edwards@omd.com