Temu’s US Ad Spend Craters Amid Escalating Trade War With China

Chinese-owned ecommerce platform Temu—once a dominant force in the U.S. digital ad space—has sharply scaled back its presence on Google Shopping. The company’s share of impressions in Google’s shopping auctions dropped to 0% in the past week, and its social ad spend has dipped as well, according to four separate data sources.

The dramatic retreat comes as President Trump tightens trade rules with China. With tariffs on Chinese goods rising to 125%, companies like Temu—whose model depends on shipping low-cost items directly from Chinese suppliers—are racing to overhaul their supply chains. The platform had previously benefited from a tariff exemption for goods under $800, but growing political pressure to close that loophole has cast uncertainty over its U.S. strategy.

Data from performance marketing firm Tinuiti found that 19% of U.S. Google Shopping ad impressions were bought by Temu as recently as March 31.

That means the platform won the impression 19% of the time when both Temu and Tinuiti’s clients were eligible to serve an ad, said Mark Ballard, the agency’s director of digital marketing research and analysis.

By April 12, that figure had dropped to zero, a strong signal that Temu is no longer aggressively bidding for visibility on Google, a key indicator of advertising intensity in the space, Ballard said.

“They’ve made a pretty big strategic change as a result of

tariffs in the U.S. marketplace," he added.

Figures from Tubular Labs, a social video intelligence firm, show sponsored TikTok videos from Temu's U.S. operations have fallen from two on April 1st to zero. This stands in contrast to the same time last year when Temu sponsored several videos on the platform each week of April.

According to a third data point from Mike Ryan, head of Ecommerce Insights at Smarter Ecommerce, who flagged the change in Temu's ad strategy on LinkedIn, Temu's impression share in early April hovered around 40%–50%—a fairly typical range. But between April 9 and 12, it abruptly dropped to zero.

"That looks like a very rapid wind down of their advertising," Ryan said.

Meanwhile, Temu's ranking as a shopping app dropped from #1 on April 9th to #11, according to Sensor Tower.

"When ecommerce brands turn off advertising, there's all this search volume that they're not getting in front of people," Ryan said. "In that case, they don't have a chance to redirect that person to download their app."

Temu did not respond to media requests.

Data from Pathmatics finds that Temu's U.S. digital ad spend across major social platforms—including Facebook, Instagram, X, and Snapchat—has cratered as well.

Impressions up for grabs

Given the scale and complexity of Google’s ad marketplace, most advertisers aren’t likely to see a major shift in their average click or impression costs from the departure of a single competitor—even one as large as Temu—according to Ballard.

“Shopping advertisers also tend to actively manage their CPCs to maintain a consistent return on investment,” he said. “So they’d likely try to scale traffic if their average click costs suddenly dropped.”

Still, given the market volatility, brands may not be quick to absorb the vacuum Temu left behind.

“If everything is smooth sailing there would be plenty of advertiser demands to pick up those impressions left behind by Temu,” Ryan said. “But it’s a sensitive moment in the market—many brands are rethinking budgets and even pulling back. So it’s ambiguous that anyone’s rushing in to fill the gap.”

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