TikTok introduces measurement tool to go beyond last-click attribution

Article

The news: **TikTok** has unveiled a first-party measurement tool, Attribution Analytics, to provide advertisers with a more precise and extended view of user engagement and

purchases linked to initial ad exposures.

- Given that users may be inspired by content but not act immediately, the new feature is set to challenge traditional last-click attribution models, which lack sophistication and fail to capture the true ROI of any given post.

- Performance Comparison data enables advertisers to compare conversions over various time frames, assess how well TikTok drives view-based conversions, and obtain detailed insights into user behaviors that evolve from mere click attributions.

Why it matters: There's an existing under-attribution issue in TikTok campaign conversions.

- 79% of actions attributed by users to TikTok were unaccounted for in traditional last-click models, according to a 2022 TikTok study from KnoCommerce.

- TikTok users commonly consume content for entertainment, delaying their search for products. Consequently, the current ad tracking fails to associate later product searches with prior ad views.

- Tracking tools that go beyond last-click attribution are crucial for social media platforms and advertisers because they help validate the overall value of the channel. They enable social platforms to prove their influence on purchasing decisions, justifying ad pricing and investment. They also allow advertisers to better allocate budgets, addressing the entire funnel from awareness to conversion.
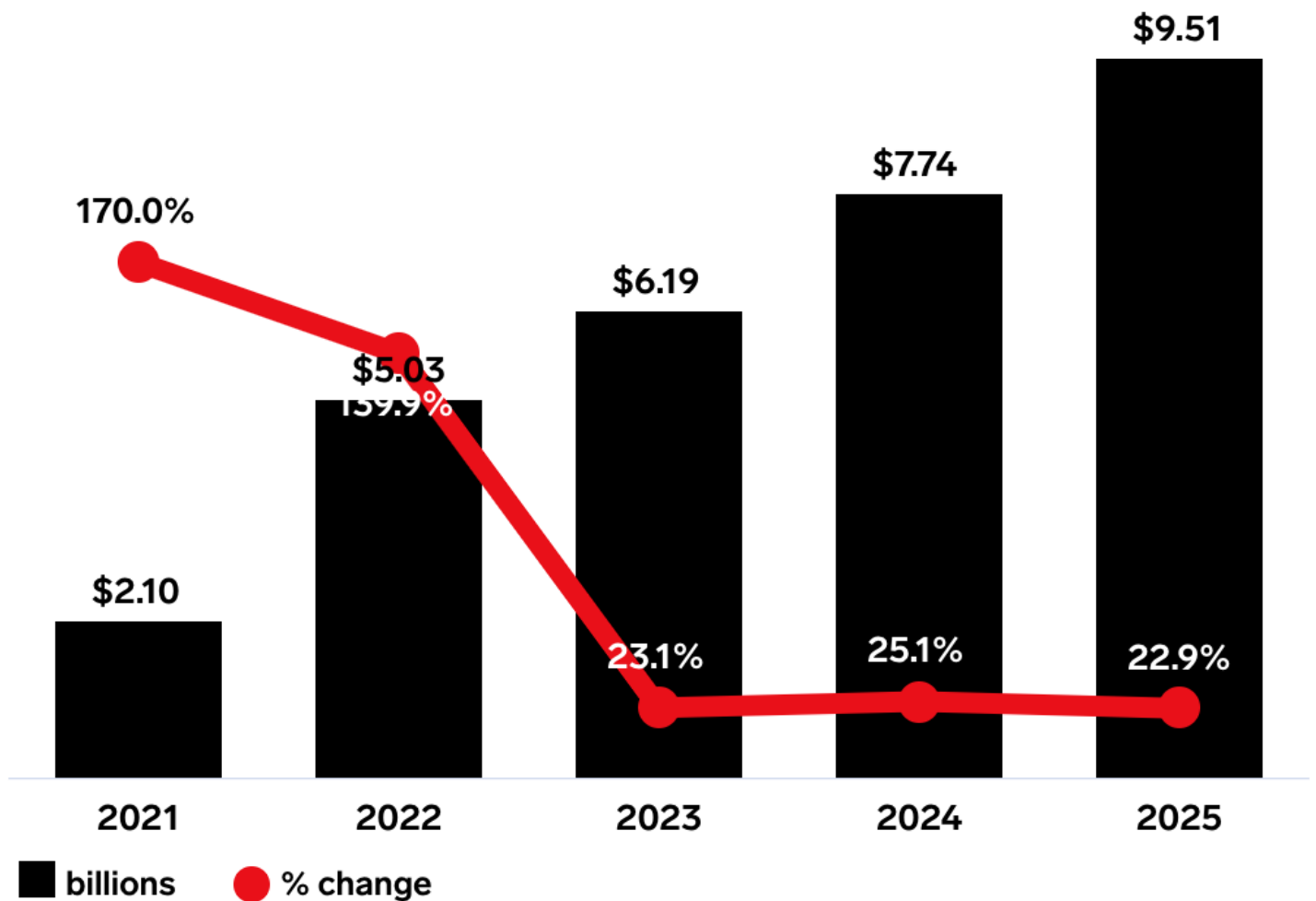
Our take: TikTok's Attribution Analytics prioritize precise measurements, highlighting the company's dedication to transparent, accurate ad reporting.

- For advertisers, this transition is significant. The revamped system can provide a clearer understanding of consumer behaviors through the TikTok ecosystem.

- Moreover, TikTok's emphasis on its distinctiveness from other platforms such as Amazon, as highlighted by Marketing Dive, underscores the need for unique attribution models.

- The new tools are designed to bridge the gap between entertainment and commerce seamlessly, aligning the platform's monetization strategies with its user behavior insights.

- This comes as TikTok is doing its best to push sellers onto its platform; the initiative is expected to lose over $500 million in the US this year. Given that, it makes perfect sense for TikTok to give advertisers greater confidence in its ad platform—and the efficacy of

allocating their budgets to the ByteDance-owned platform over competitors **Meta** and **Google**.

TikTok Ad Revenues
US, 2021-2025

Chart showing TikTok ad revenues in billions (bars) and % change (red line):
- 2021: $2.10, 170.0%
- 2022: $5.03, 139.9%
- 2023: $6.19, 23.1%
- 2024: $7.74, 25.1%
- 2025: $9.51, 22.9%

Legend: ■ billions ● % change

Note: paid advertising only; includes advertising that appears on desktop and laptop computers as well as mobile phones, tablets, and other internet-connected devices, and includes all the various formats of advertising on those platforms; net ad revenues after companies pay traffic acquisition costs (TAC) to partner sites; excludes payments to influencers or other creators to produce sponsored content; includes branded content amplified as paid media
Source: Insider Intelligence | eMarketer, March 2023

Insider Intelligence | eMarketer