

# Deciphering TikTok's True Incremental Impact

A WorkMagic study on TikTok's full-funnel impact, using  
incrementality-based measurement.



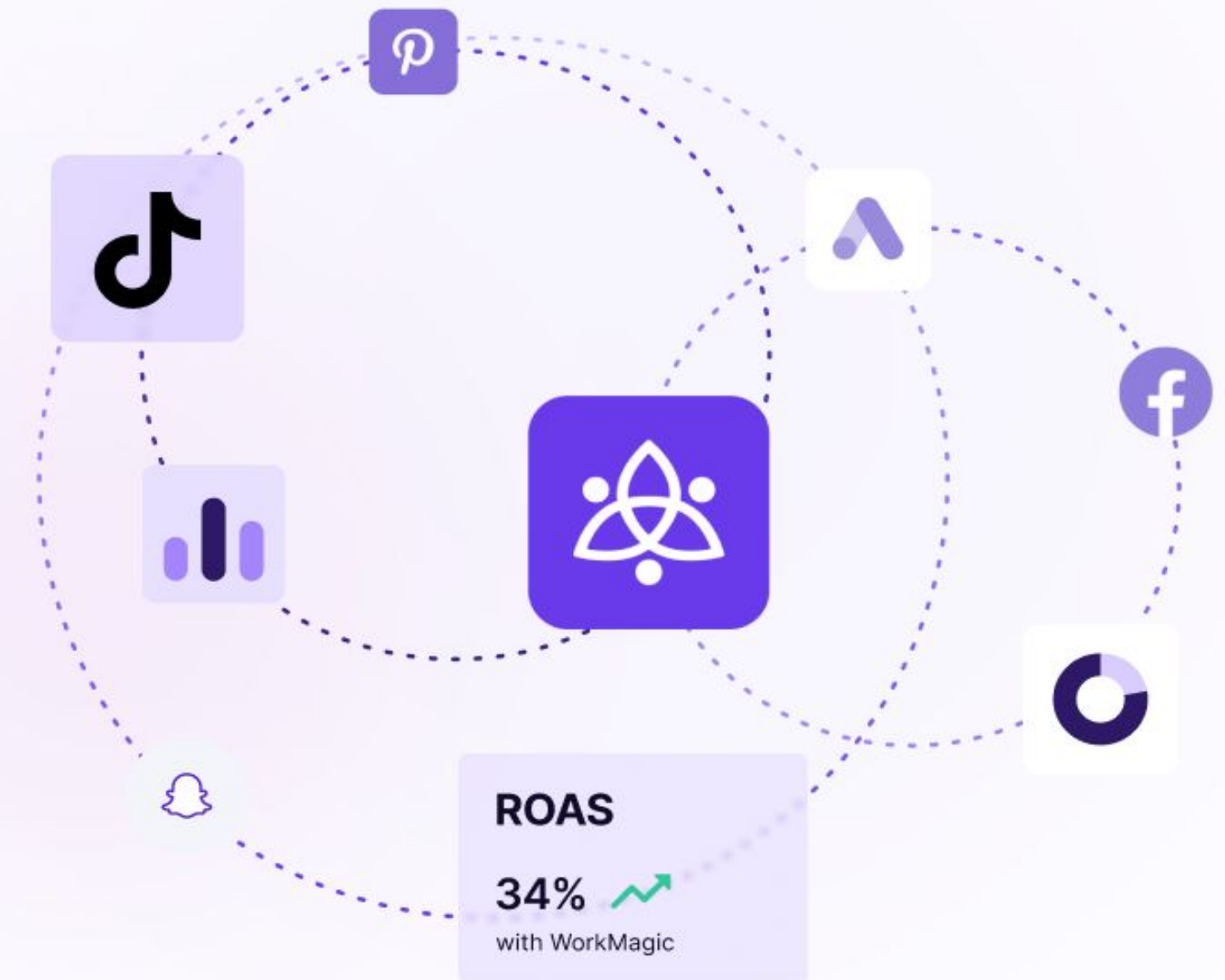


# About This Paper

The insights and recommendations in this paper come from over 100 lift tests run from the last 6 months, including 16 tests run on TikTok.

Through this paper, we'll provide data-backed answers to these key questions:

- ❑ How much do typical marketing attribution methods differ from the ground truth?
- ❑ What improvement in performance do brands usually see when adopting incrementality?
- ❑ What is the average halo effect brands see from TikTok Ads?
- ❑ What are the tactics and strategies that perform the best on TikTok?





# Summary of Key Findings

## Insight #1

→ [Read more on page 5](#)

Last-click attribution underreports TikTok's true impact, with 94% of lift tests showing underreported performance.

## Insight #2

→ [Read more on page 6](#)

Incrementality-calibrated attribution shows TikTok driving up to 2.35x higher iROAS than click-based data suggests.

## Insight #3

→ [Read more on page 7](#)

Halo effects account for nearly one-third of TikTok's impact, especially on Amazon.

## Insight #4

→ [Read more on page 9](#)

Incrementality-calibrated MMM forecasts highlight significant iROAS upside when budgets are reallocated.

## Insight #5

→ [Read more on page 12](#)

Tactic-level analysis reveals growing adoption of GMV Max, with 38% of TikTok ad budgets going to the automated campaign type.

## Insight #6

→ [Read more on page 14](#)

TikTok is a high-value acquisition channel, with incremental new customers spending 46% more than the average.

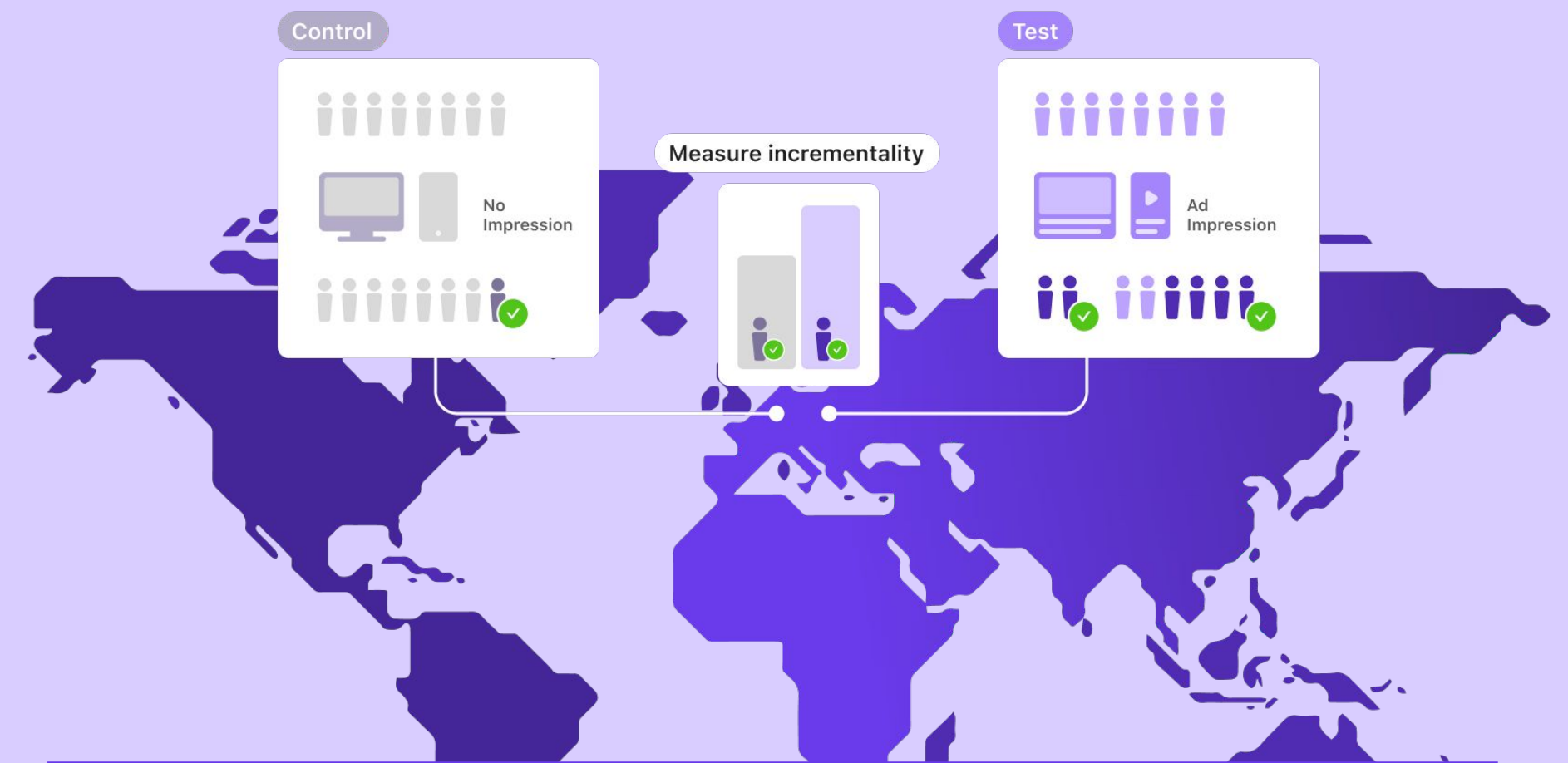


# About Incrementality Testing

Incrementality testing is a scientific method to measure the true lift of advertising. By running **geo-based holdout tests**, it shows what sales happened because of your ads versus what would have happened anyway.

It's **the most accurate** way to prove **causality** in marketing, showing whether a channel or campaign drives incremental value. Brands benefit the most when they advertise across multiple channels (e.g. Meta, Google, TikTok, CTV) or sell through multiple outlets (e.g. Shopify/DTC, Amazon, retail).

To get the most value, brands should **use test results to calibrate their attribution and MMM models**, enabling smarter budget planning and performance optimization.





# Insight #1

## Click-based attribution typically underreports ad performance

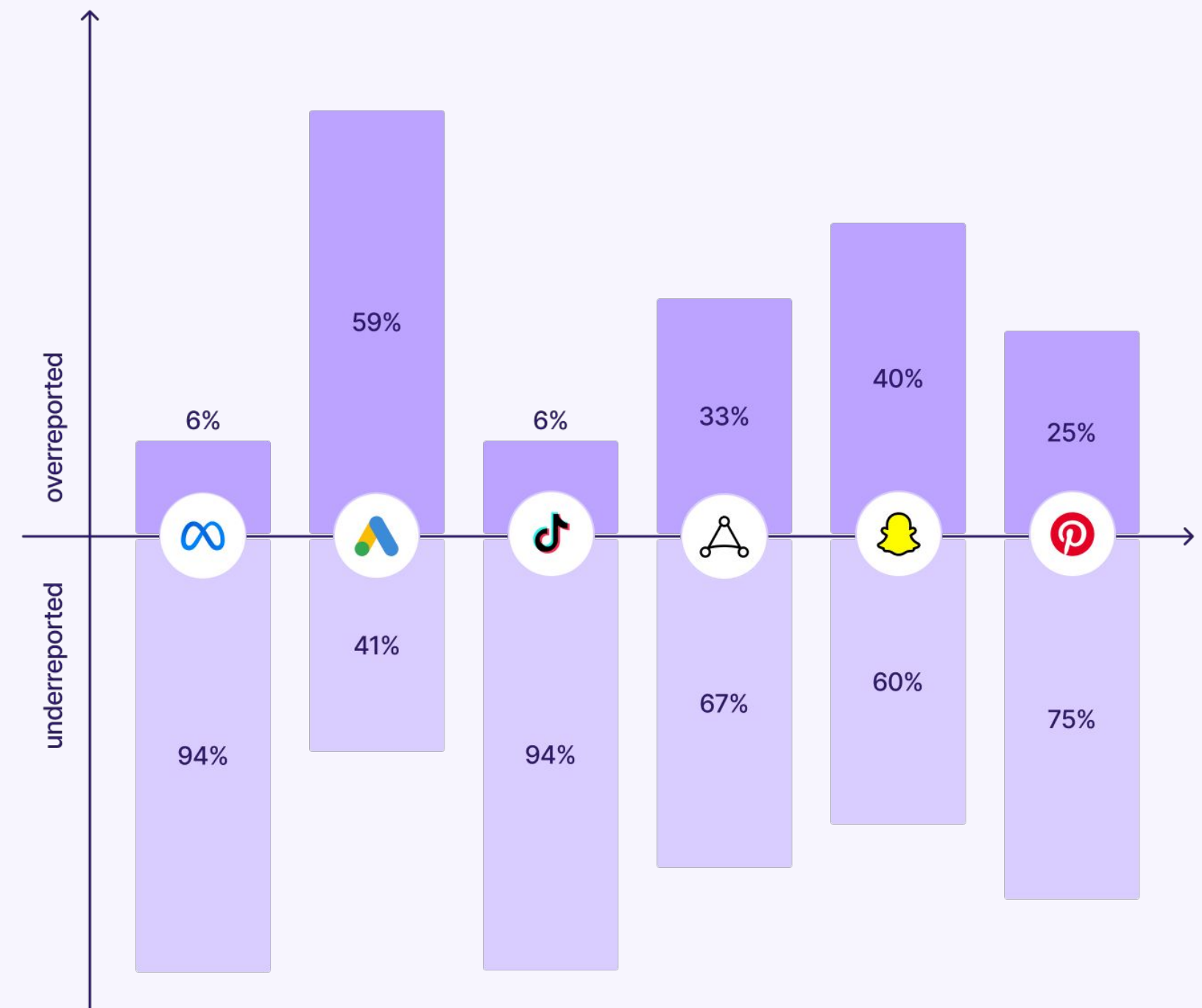
We started our research by analyzing reporting accuracy across over 100 lift tests in the last 6 months.

In most instances, we found that last-click attribution tended to underreport ad performance, with **94% of TikTok lift tests showing an underreporting**.

This tracks with today's complex customer journeys: awareness and discovery tends to happen on platforms like TikTok, while the last click before purchase tends to be from a Search result or ad as the customer tries to navigate to purchase.

As brands scale, measurement must capture performance across the full funnel, not just clicks, views, or in-platform conversions.

Percentage of Lift Tests Showing Over/Underreporting by Channel



*n > 100, WorkMagic-run lift tests in last 6 months*



## Insight #2

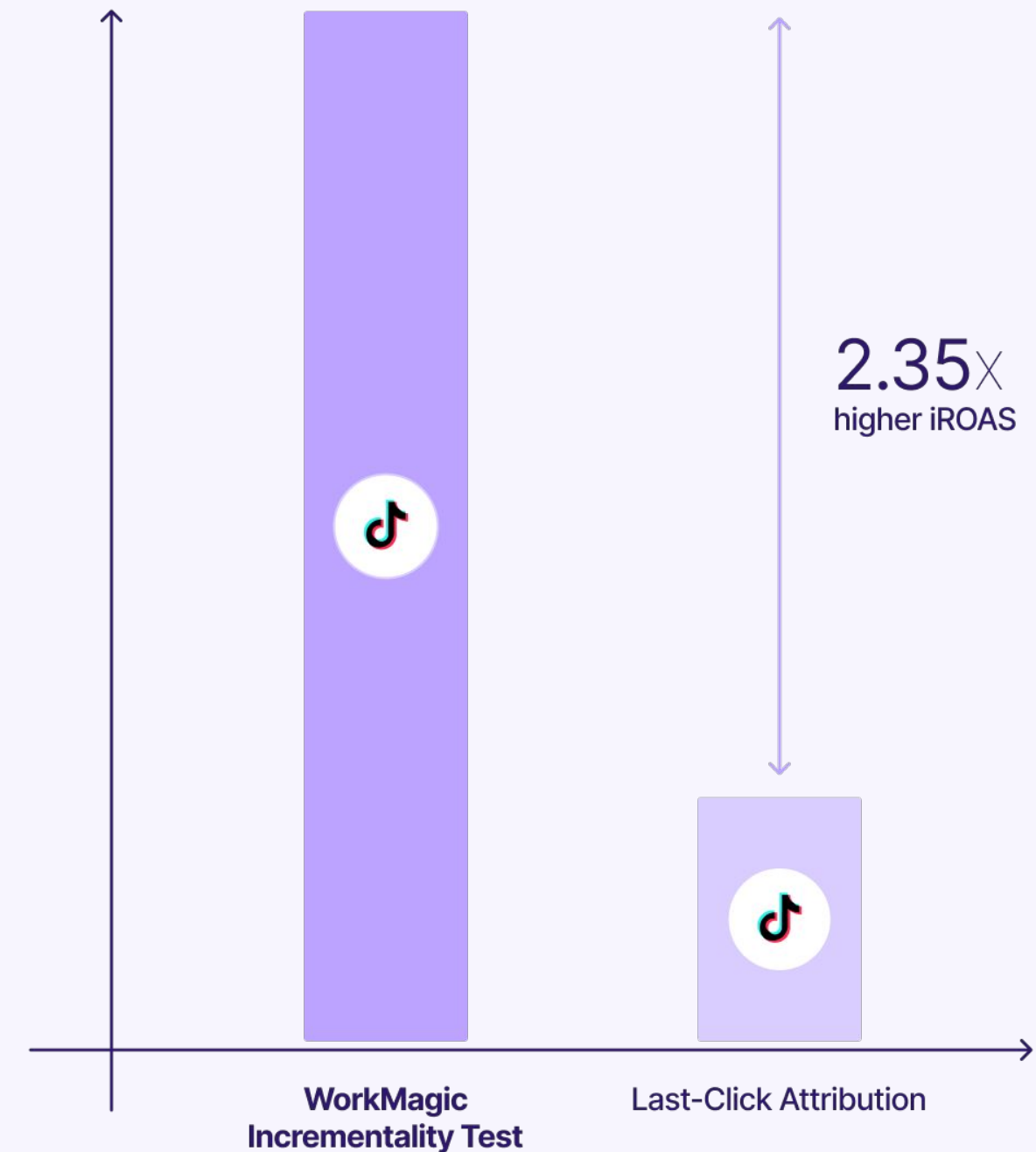
### TikTok performance is underreported by as much as 70%

TikTok was the most undervalued channel in Insight #1. Our research showed that on average, TikTok ads performance was underreported by up to 70%.

The 70% measurement shortfall means that a brand's true incremental ROAS could be up to **2.35x higher than reported by last-click attribution**.

TikTok has a deserved reputation for expanding audiences, but traditional attribution doesn't account for its true effect on conversion. This staggering gap prevents brands from making fully-informed decisions, and might even present some TikTok campaigns in an unfairly negative light.

iROAS Reported by Incrementality Test  
vs Last-Click Attribution





## Insight #3

### TikTok is driving a significant marketplace halo effect of 33%

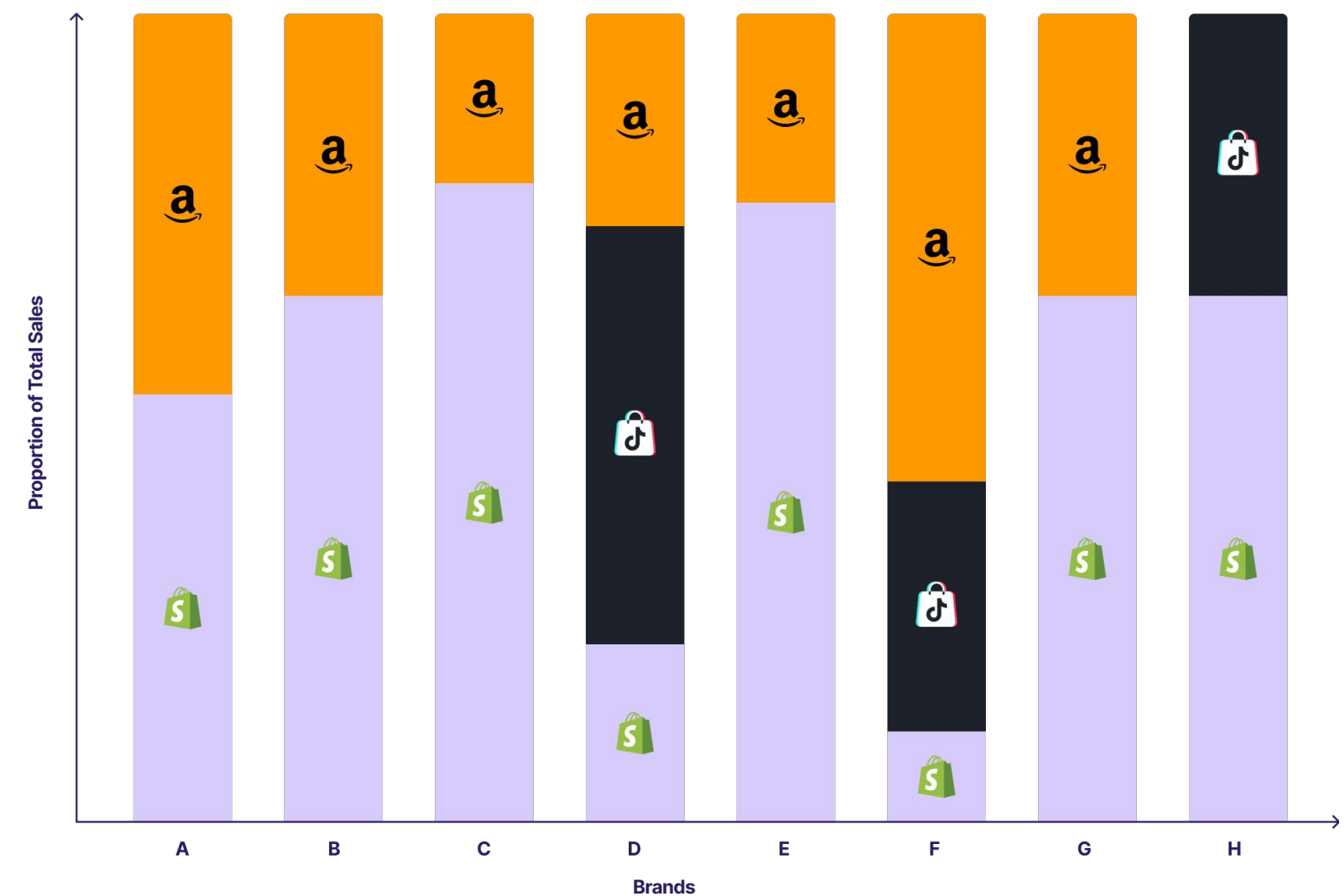
TikTok's audience-building superpower doesn't just stop on in-platform orders or the brand's Shopify store.

Today's convoluted customer journeys lead to something known as the halo effect — where a channel's influence is felt across other sales channels.

Across the lift tests we did in the last 6 months, every omnichannel brand saw a **significant halo effect**, with an average of **33.6% on Amazon**.

The fact that up to one-third of your ads' impact could've been missed makes incrementality testing a must-have for today's complex customer journeys.

Distribution of TikTok Ad-driven Sales Across Platforms



Sample of 8 WorkMagic TikTok Advertisers



## Insight #3 | Case Study

### DRMTLGY discovered a 19% halo effect on Amazon

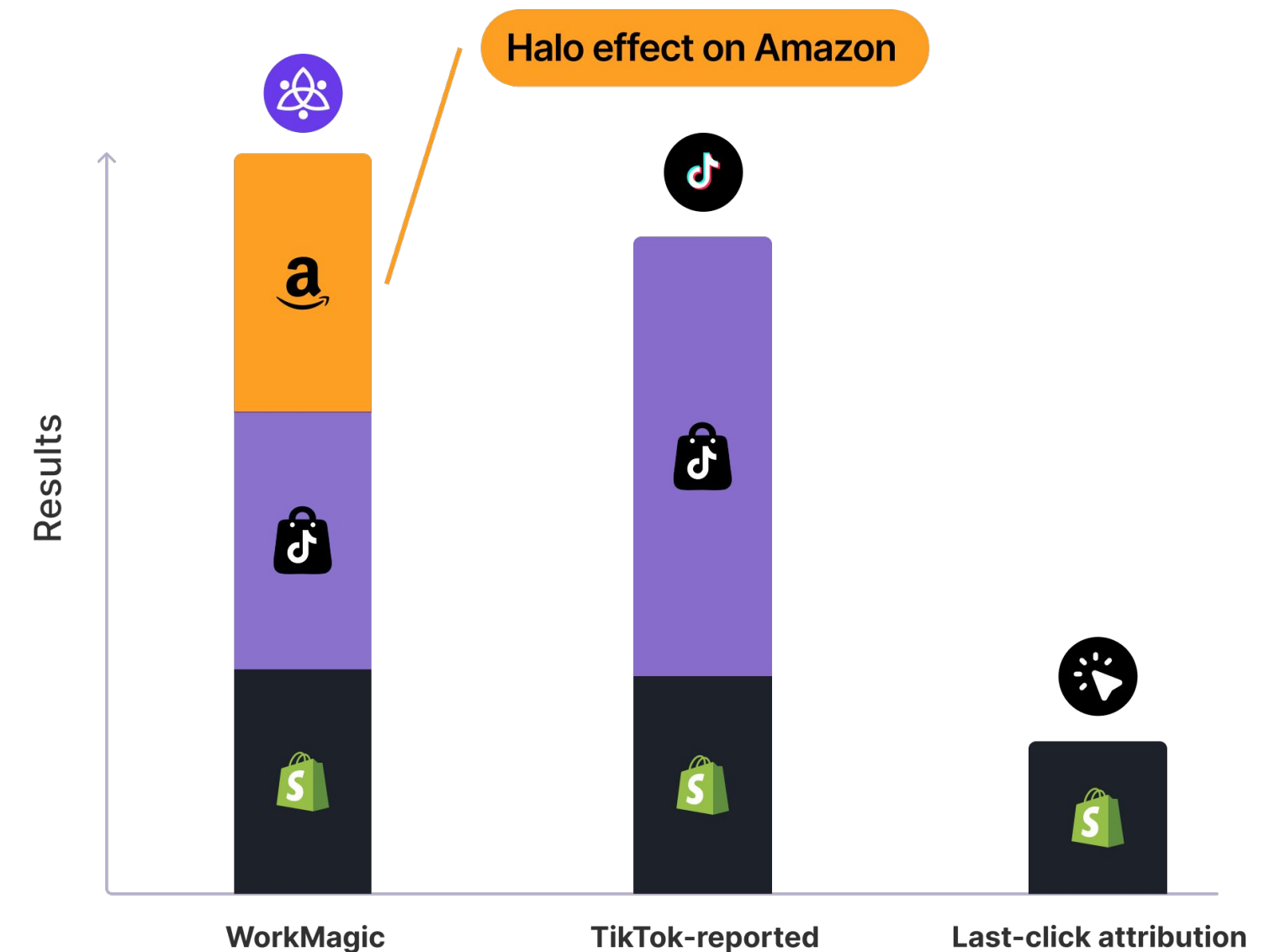
DRMTLGY, a fast-growing skincare brand known for its medical-grade skincare, wanted to understand how TikTok Ads were influencing orders across its Shopify, Amazon, and TikTok Shop.

With WorkMagic's integration into TikTok's suite of APIs, they quickly launched a geo-lift test and discovered that up to **19% of TikTok-driven sales had been happening on Amazon** — which had been missed by traditional attribution.

Armed with a full-funnel view of TikTok's impact and an incrementality-adjusted attribution model, DRMTLGY optimized its campaigns and ad strategy with greater confidence.

# DRMTLGY®

Breakdown of TikTok's Impact Across Sales Channels





# Insight #4

## TikTok Ads hold significant incremental ROAS upside

The WorkMagic Budget Optimizer uses incrementality testing results to calibrate Media Mix Models (iMMM).

These models are used to plot diminishing return curves that allow brands to optimize their spend towards one of three goals:

- 1. Maximize Sales
- 2. Maximize iROAS
- 3. Maximize Profit

In our research, we used the Budget Optimizer to find the highest return per dollar spent (maximum iROAS) across TikTok advertisers. There are two common scenarios:

Expected iROAS Improvement Based on WorkMagic Budget Optimizer Recommendations

|            | Recommendation       | iROAS Prediction |
|------------|----------------------|------------------|
| Customer A | Increase budget +20% | +8.8% iROAS      |
| Customer B | Increase budget +15% | +7% iROAS        |
| Customer C | Increase budget +10% | +0.46% iROAS     |
| Customer D | Decrease budget -15% | +6.5% iROAS      |
| Customer E | Decrease budget -17% | +2% iROAS        |

Sample of 5 WorkMagic TikTok Advertisers



# Insight #4

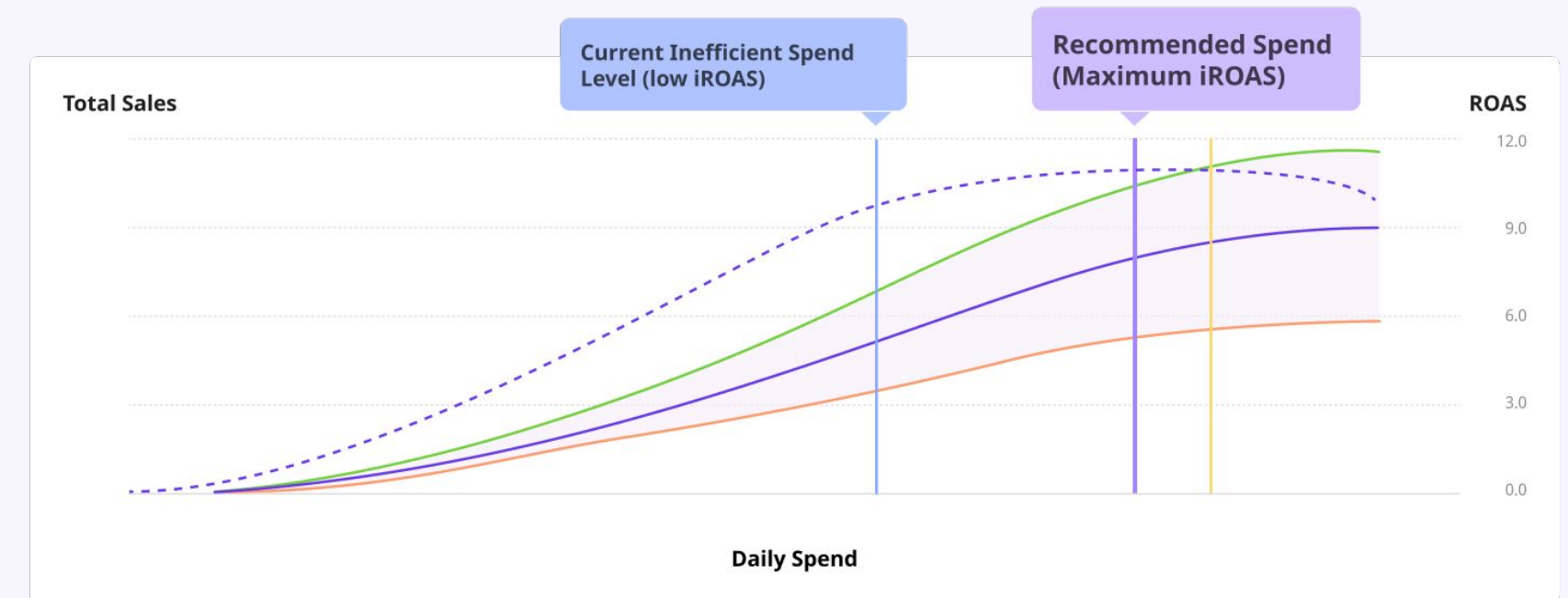
## TikTok Ads hold significant incremental ROAS upside

**Scenario A:** brands had headroom to improve iROAS by increasing budgets further. In this scenario, we observed a predicted iROAS improvement of up to +8.8% as brands had not hit the point of diminishing returns.

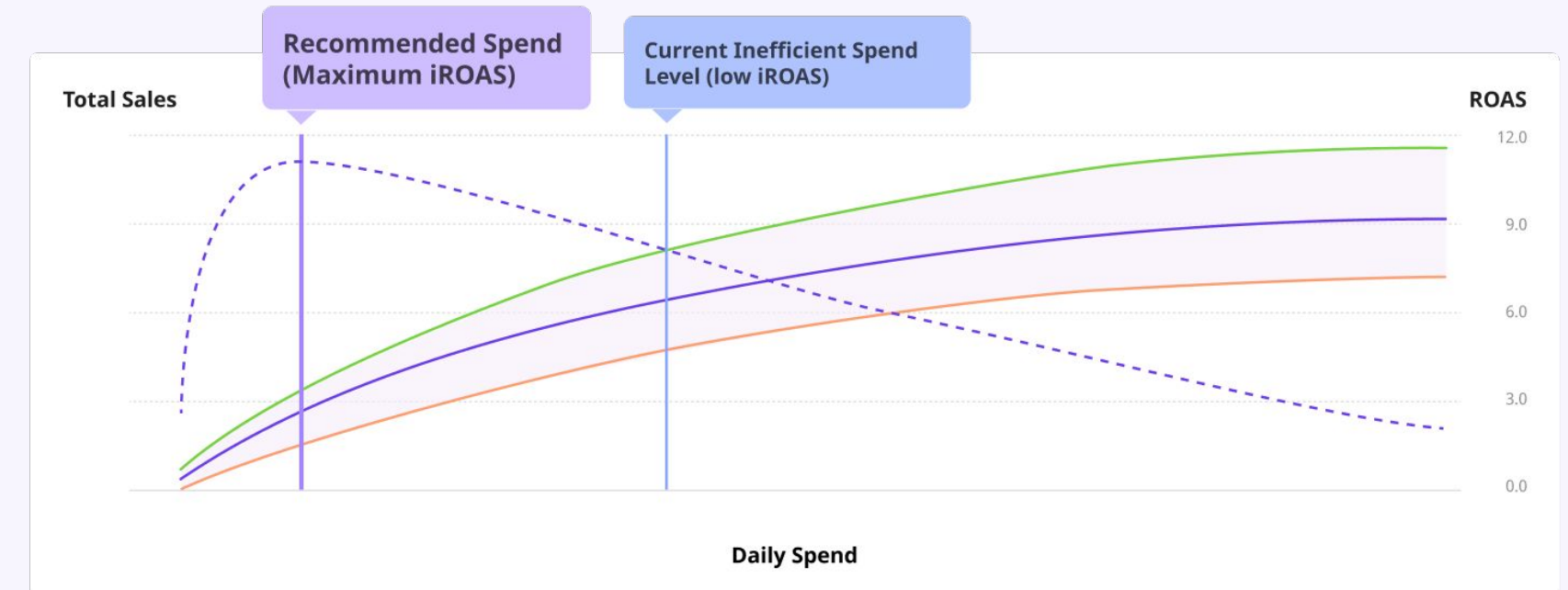
**Scenario B:** brands had saturated the channel, and could optimize iROAS by slightly cutting spend. The predicted iROAS improvements were more modest (up to 6.5%).

With the Budget Optimizer set to a goal of maximizing iROAS, brands could accurately adjust their ad budgets to ensure they were not overspending and hitting diminishing returns.

Upside Potential Identified by WorkMagic's Budget Optimizer



Inefficient Spend Identified by WorkMagic's Budget Optimizer





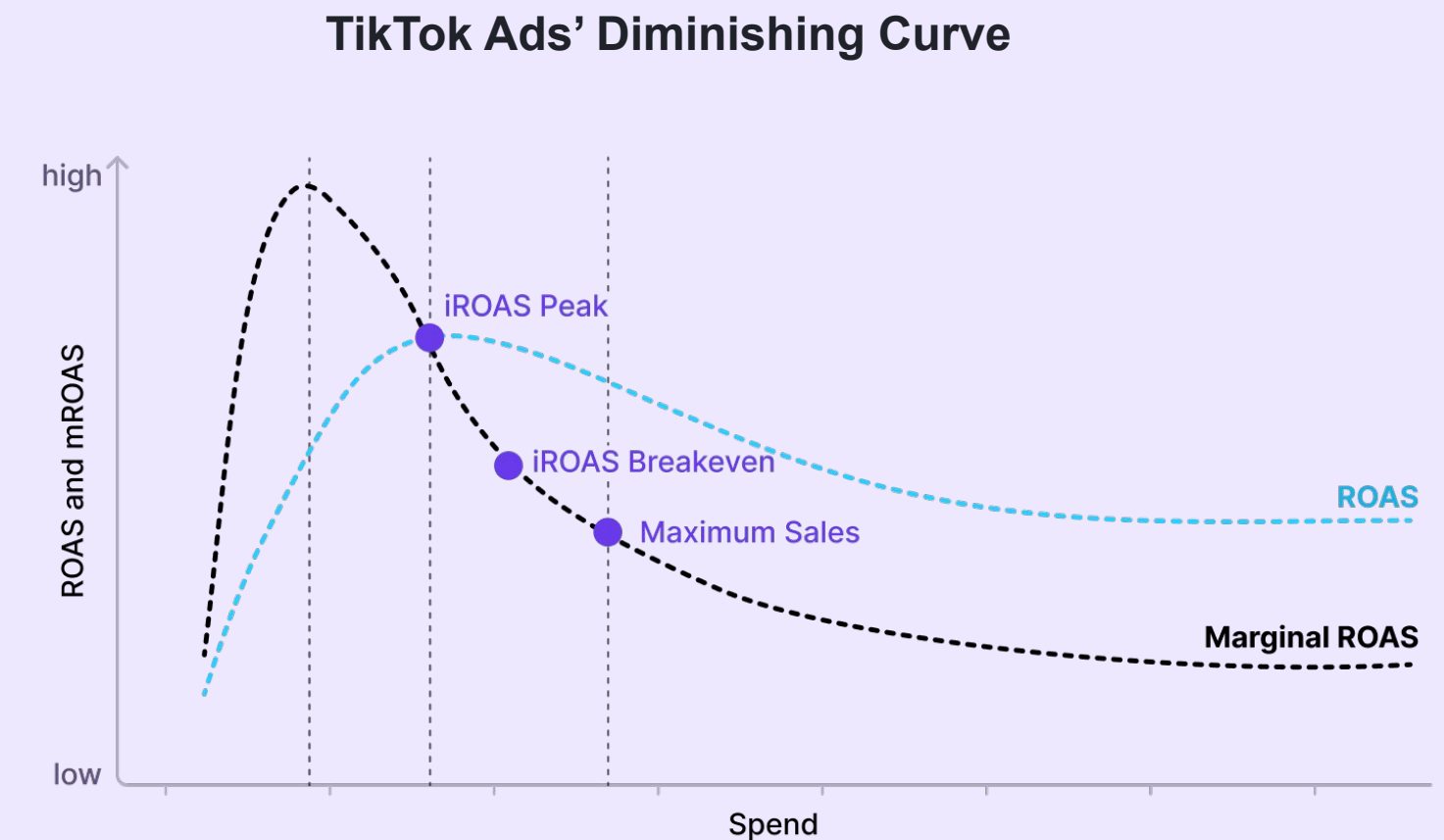
## Insight #4 | Case Study

### iMMM helped True Classic unlock a 64% upside opportunity

True Classic is a leading menswear brand focused on elevated basics. Despite strong impressions, the team wanted proof of TikTok's impact on orders before raising spend.

Through an incrementality test run with WorkMagic, they found that TikTok had driven 5.51x more orders than last-click reported, and 74% higher iROAS than previously measured. The team was now ready to increase their spend further.

WorkMagic's incrementality-calibrated diminishing return curve allowed the True Classic team to wargame various spend scenarios, and identified a path with a predicted **64% boost to revenue**.



**Bryan Cano**

Head of Marketing of True Classic

"WorkMagic's platform combines automated incrementality testing, data-driven attribution, and MMM to deliver science-backed recommendations, enabling us to scale smarter and more profitably with confidence."

## TRUE CLASSIC



## Insight #5

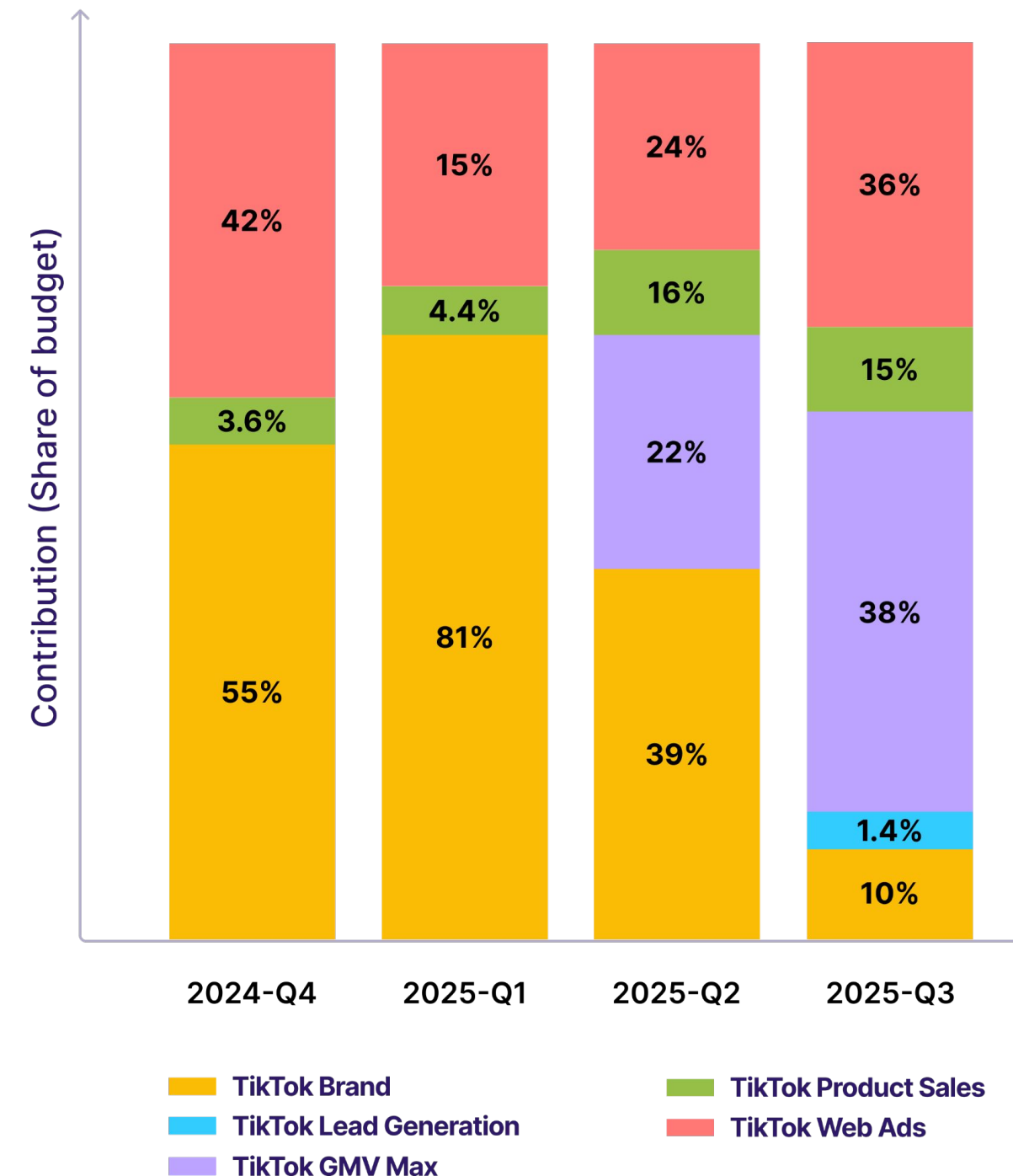
### Brands lean into a more diverse TikTok playbook

TikTok's ad offerings have evolved significantly from the platform's early days. It now provides a diverse suite of options that we have categorized loosely into Brand, Product Sales, Lead Generation, Web Ads, and their latest offering, GMV Max.

GMV Max is an automated campaign type that represents a significant step-up in ease of use for the ecommerce marketer. It has seen tremendous adoption, and now accounts for **38% of TikTok ad budgets across WorkMagic clients**.

Meanwhile, Product Sales ads hold steady at 15% of ad budgets, showing an overall appetite for conversion-focused tactics in a varied marketing mix.

Breakdown of TikTok Ads Spend by Type





## Insight #5 | Case Study

### Liquid I.V. finds optimal TikTok Ad mix through 3-cell test

Liquid I.V., America's #1 powdered hydration brand, used WorkMagic to uncover the most efficient TikTok Ads mix that would drive profitable growth for the company.

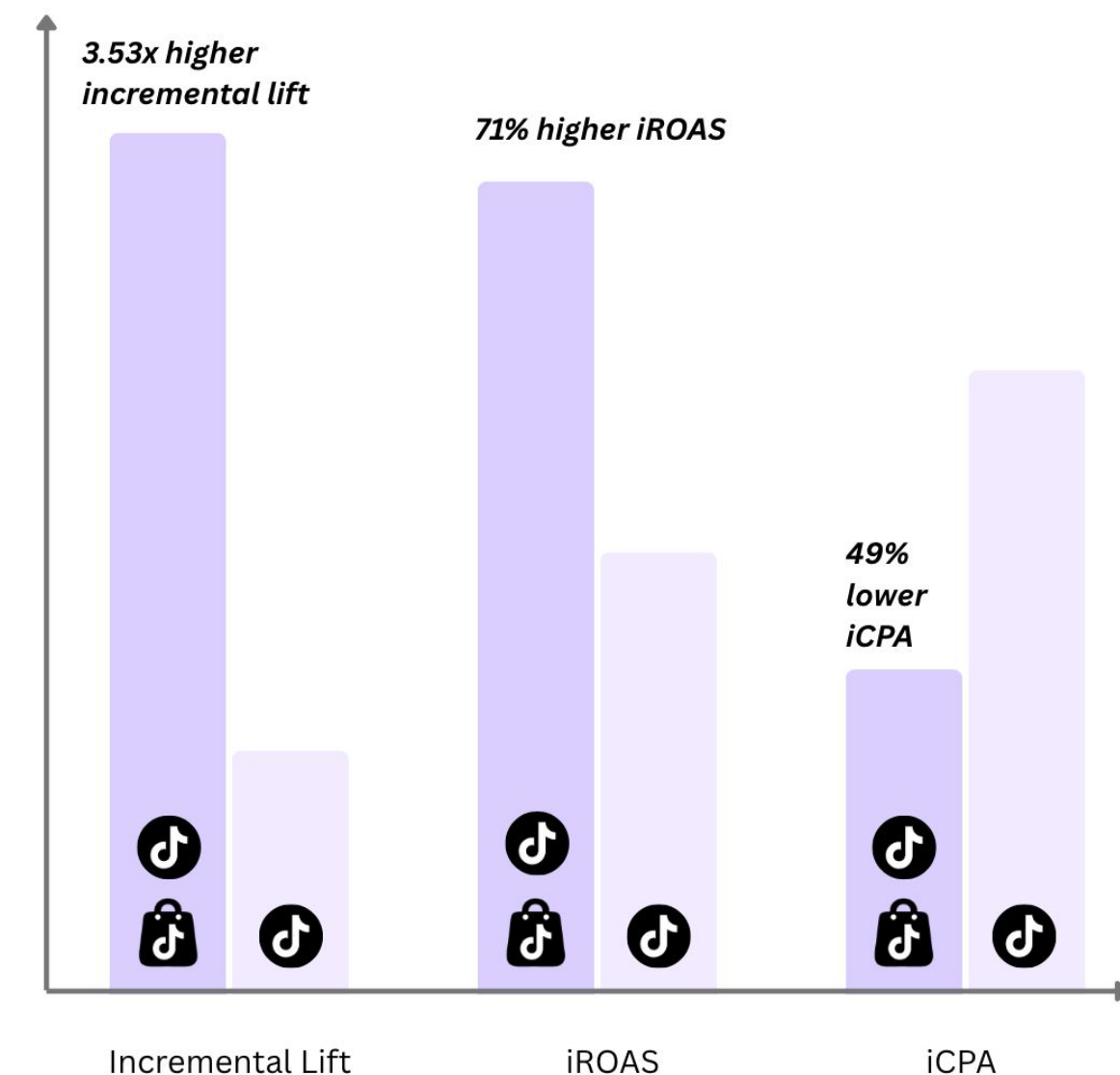
By testing different combinations of TikTok ad formats, they identified the combination that delivered the strongest impact:

Adding TikTok Shop Ads to their existing TikTok Web Ads mix led to a breakthrough in performance, delivering **3.53x better results** than Web Ads alone.

These ad dollars were also more efficient, with a **49% lower iCPA**, **71% higher iROAS**.



TikTok Ad Performance: Web + Shop Ads vs Web Ads Only





## Insight #6

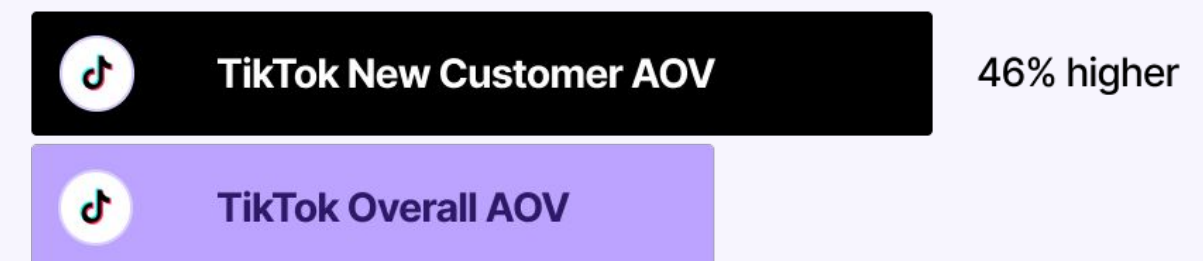
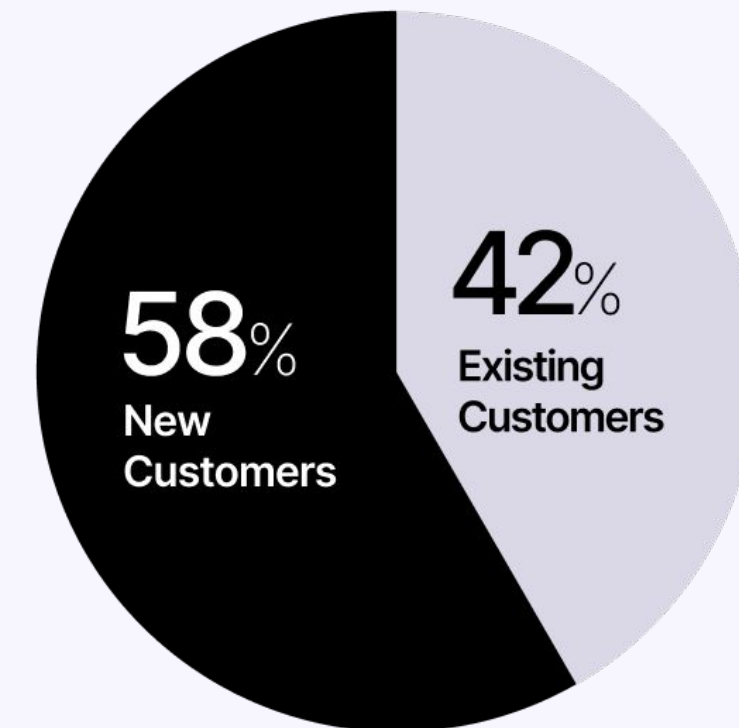
### TikTok excels at driving high-value new customers

Across our study, **58% of TikTok orders came from new customers**, highlighting the platform's strength as a source of new customer growth.

New customers from TikTok also have an average order value (AOV) that is **46% higher** than the average TikTok order, and the second highest new customer AOV across all channels.

TikTok's ability to drive high-value new customers through its full-funnel customer journey has positive implications for customer lifetime value (LTV) — these customers tend to be more valuable in the long term.

Share of TikTok Orders from New Customers





# Recommendations

## Embrace triangulation in measurement

Scaling and matured brands should move towards a triangulation approach to measurement: using incrementality testing to calibrate and adjust MMM and attribution models.

## Measure your halo effect

For omnichannel brands, measuring the halo effect is a must. It's the only way to capture full-funnel impact, and might change the narrative of your channel's performance.

## Proactive, not reactive budget planning

Adopt a proactive approach to budget planning. A tool like WorkMagic's Budget Optimizer lets you simulate various spend levels and their outcomes.

## Launch and test new campaign types

TikTok is rapidly iterating with their ad types. Get familiar with new ad types and their capabilities, and run lift tests to accurately measure their results as you launch.

## Explore ad tactic combinations to find a winning formula

Almost 60% of TikTok orders are from new customers. Use incrementality testing to explore what combination of ad tactics lead to the best customer acquisition outcomes.

# About WorkMagic

WorkMagic is a marketing measurement platform that triangulates true marketing impact by **combining the grounded truth of geo-lift tests, the granularity of attribution, and the predictability of MMM.**

Brands running across multiple ad platforms or selling through multiple channels see the most value. It's the same methodology that scaled TikTok, Meta, Uber into multi-billion dollar businesses, and now we made it accessible for all omnichannel brands.

Over the last 6 months, our clients have seen on a **10%-30% improvement in MER**, by identifying what actually drives growth and reallocating budget with our turnkey solution.

## Ready to drive your marketing efficiency?

[Request a demo](#)



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