
TikTok Case Study

Monetization Strategy & Data Analytics

Completed on

Apr 14, 2025

Prepared by

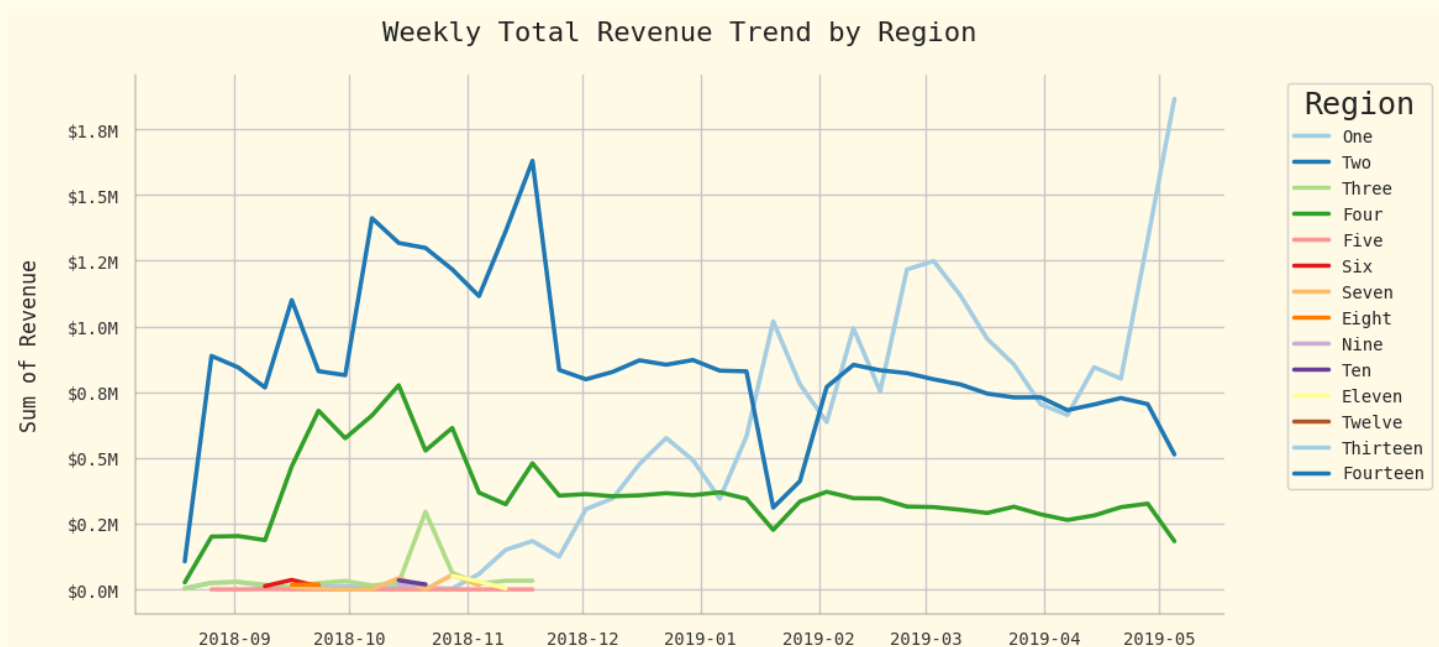
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Executive summary

This analysis of TikTok's monetization data reveals significant revenue concentration across regions, ad products, and accounts. Revenue is primarily driven by **Regions One, Two, and Four**, **Ad Product A**, and **Ad Placement Beta**. A substantial portion of accounts (78.5%) generate no impressions, indicating a need for improved sales strategies and account prioritization. While **Industry A** exhibits a higher CPM, **Industry B** drives greater revenue due to higher impressions. Opportunities exist to expand revenue by focusing on *high-potential accounts* and *high-CPM industries (M, G, I, N, and F)* in *regions with growth potential (Five, Ten, Nine, Eleven, and Seven)*. The data also indicates a strong revenue seasonality, suggesting caution for any monetization health tracker. These insights suggest a need for a strategic realignment to optimize ad product offerings, refine sales strategies, and prioritize high-growth regions and industries.

Key insights

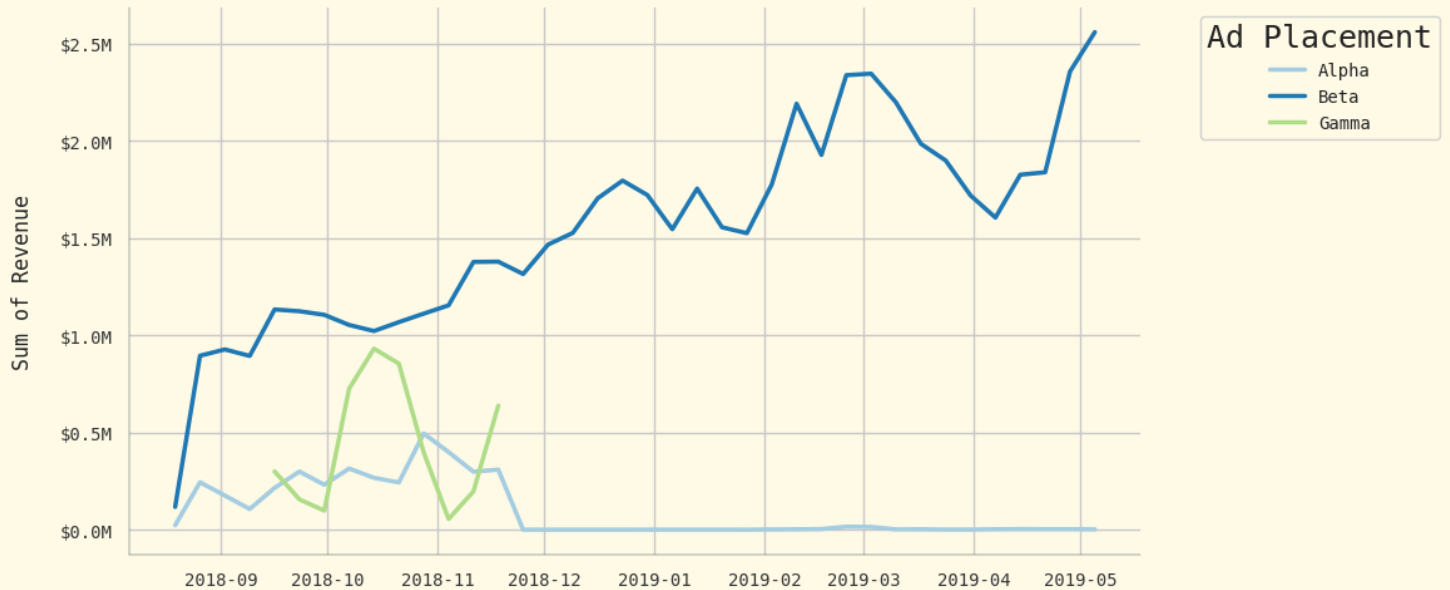
- 78.5% of accounts have no impressions
 - Sales strategy: identify and prioritize high-potential accounts to maximize sales and conversions
- Revenue has been generated solely by One, Two, and Four since November 2018



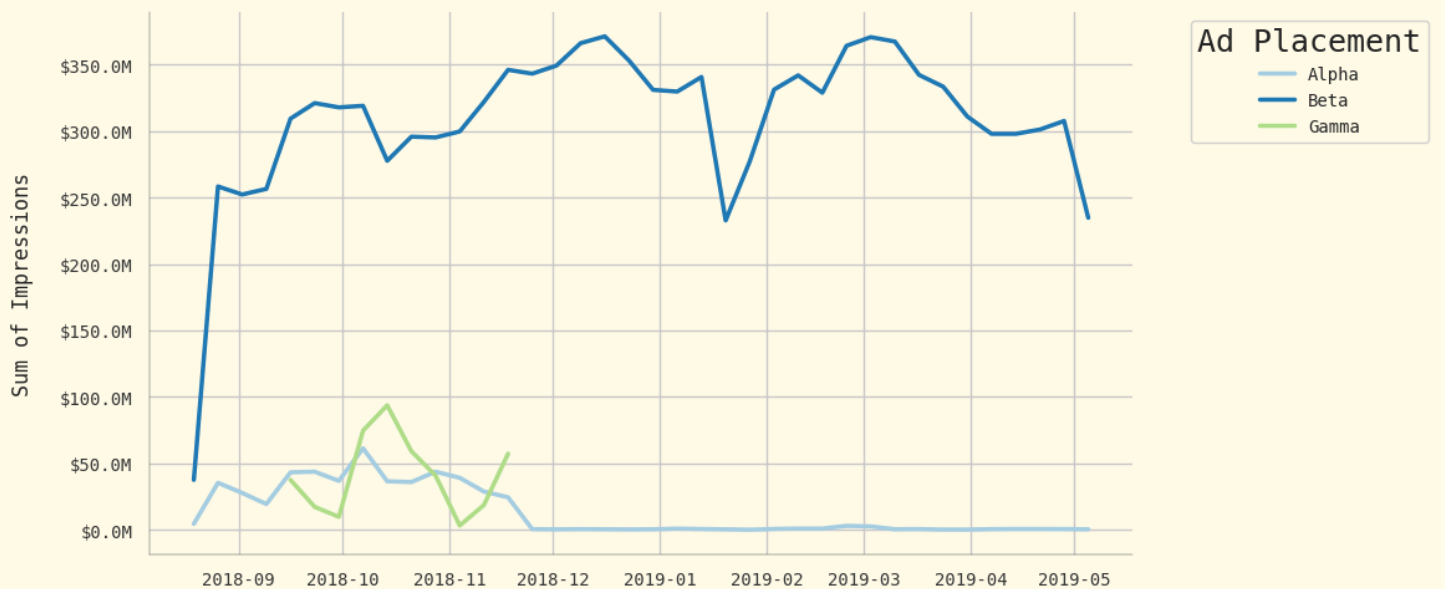
- Ad Product A generates 90.5% of all revenue, while Product C generates none and B stopped in April 2019

Revenue and impressions are concentrated in the Ad Placement Beta. Gamma has been stopped, and Alpha's impact is residual

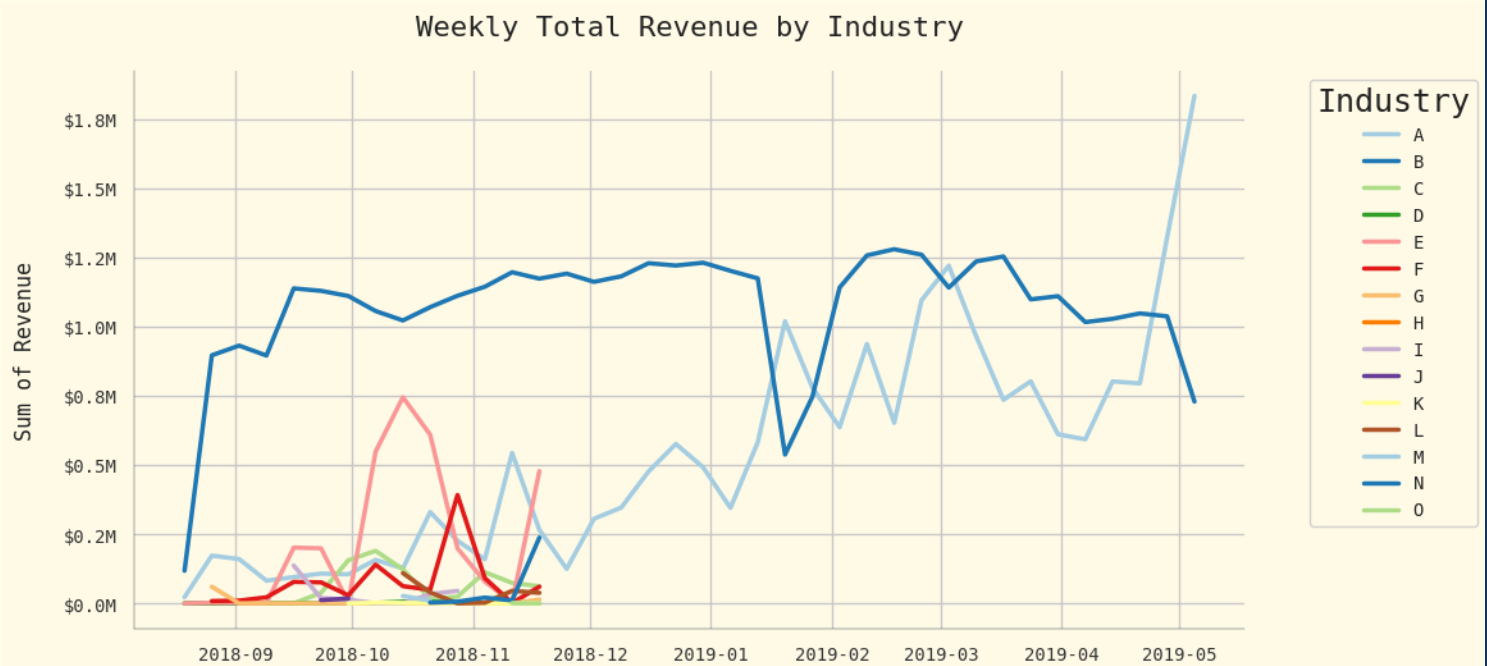
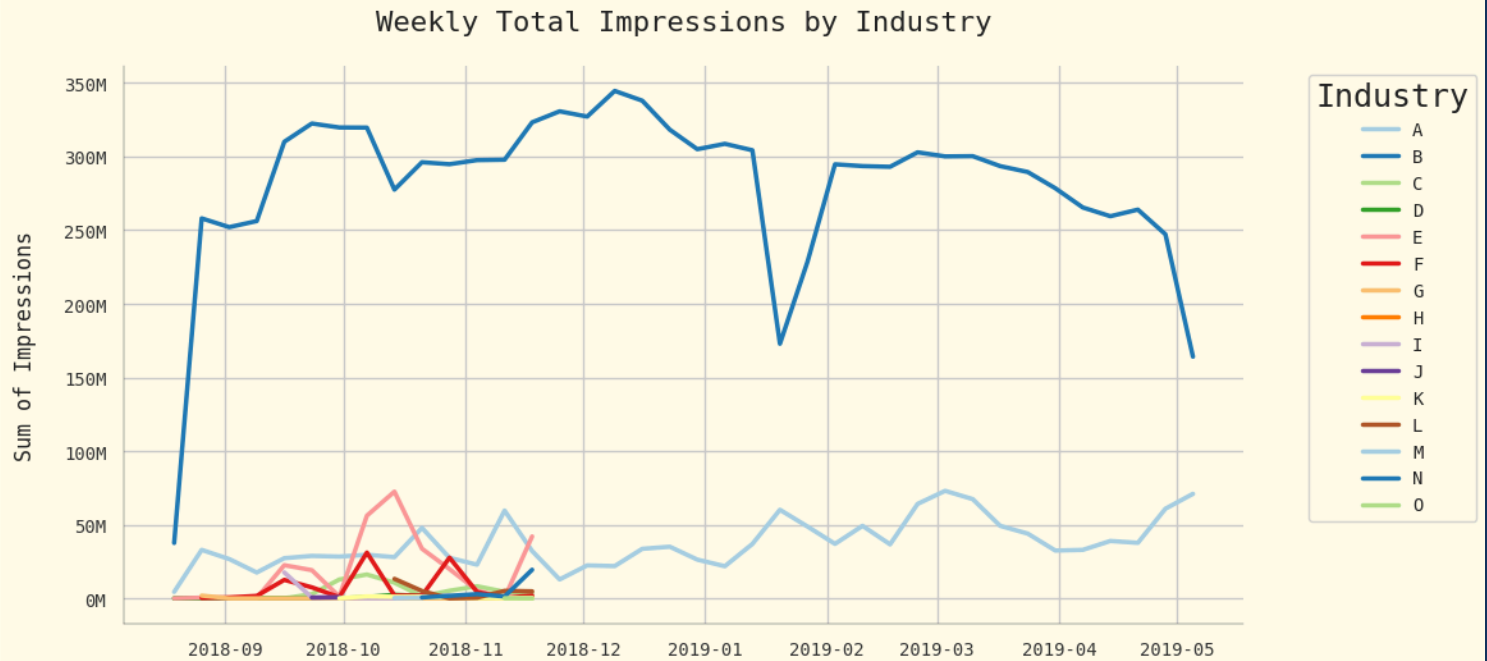
Weekly Total Revenue by Ad Placement



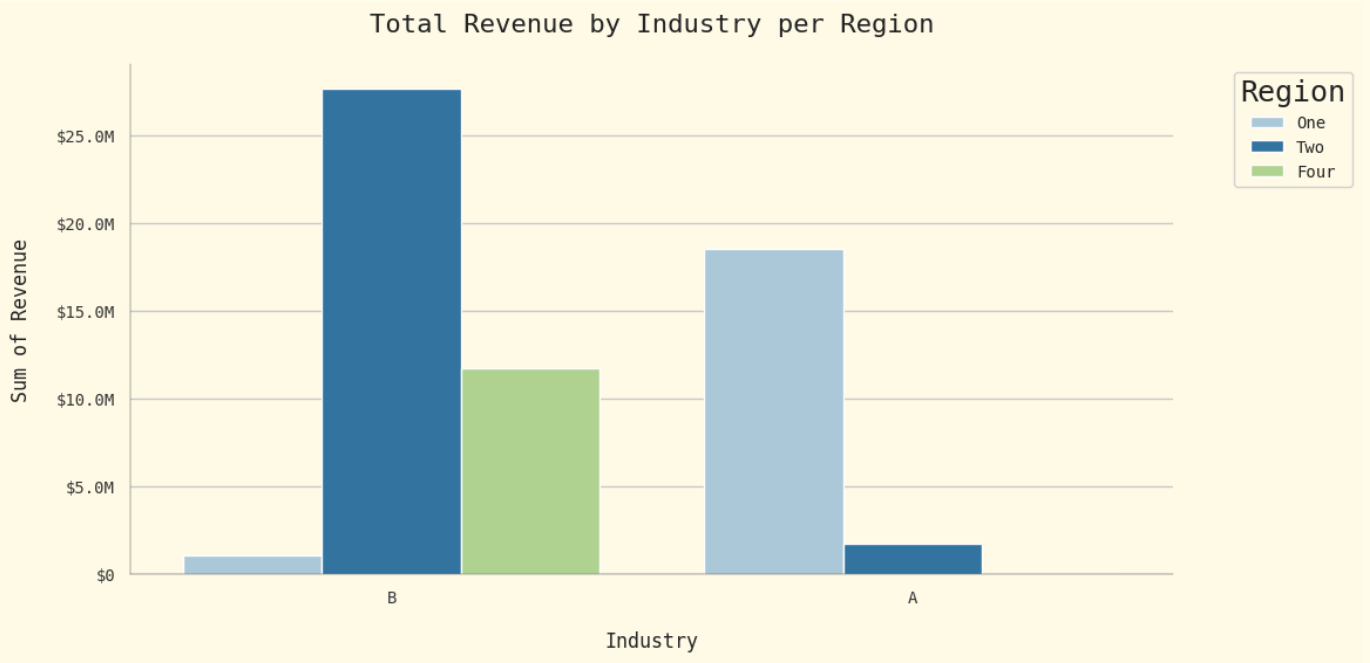
Weekly Total Impressions by Ad Placement



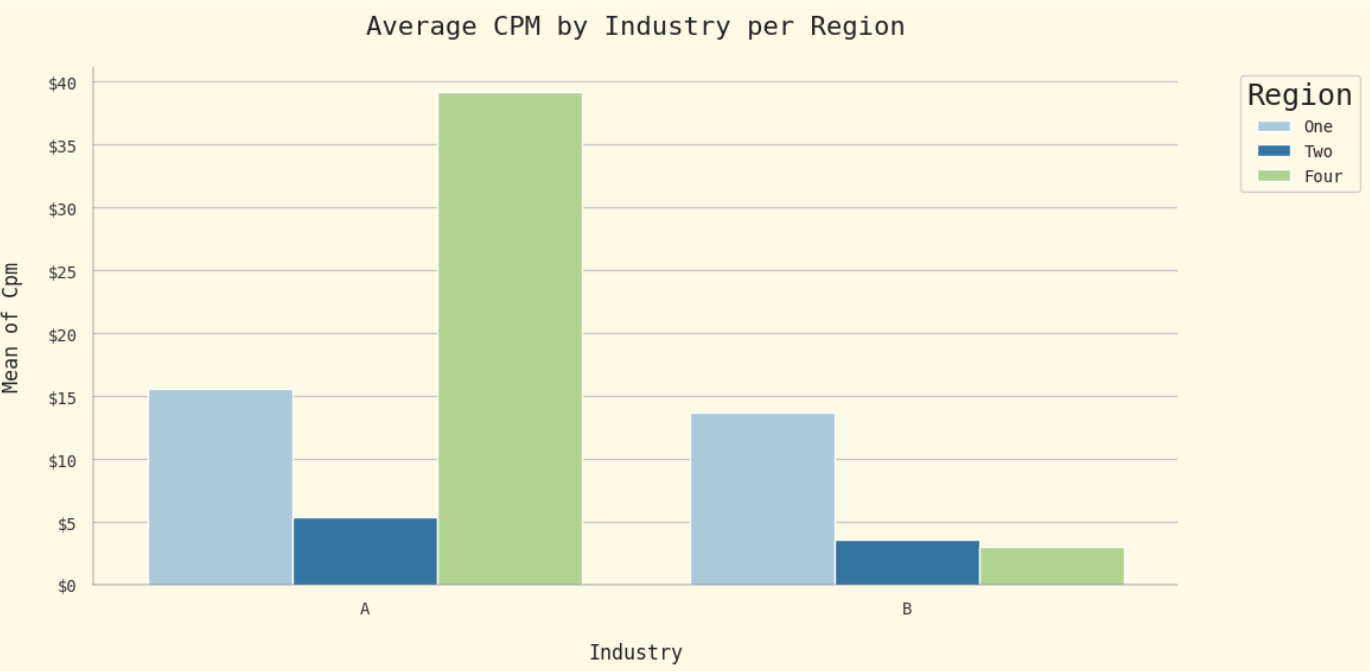
- Industries A and B generate all of the revenue. While Industry A has a higher CPM, Industry B has a greater number of impressions



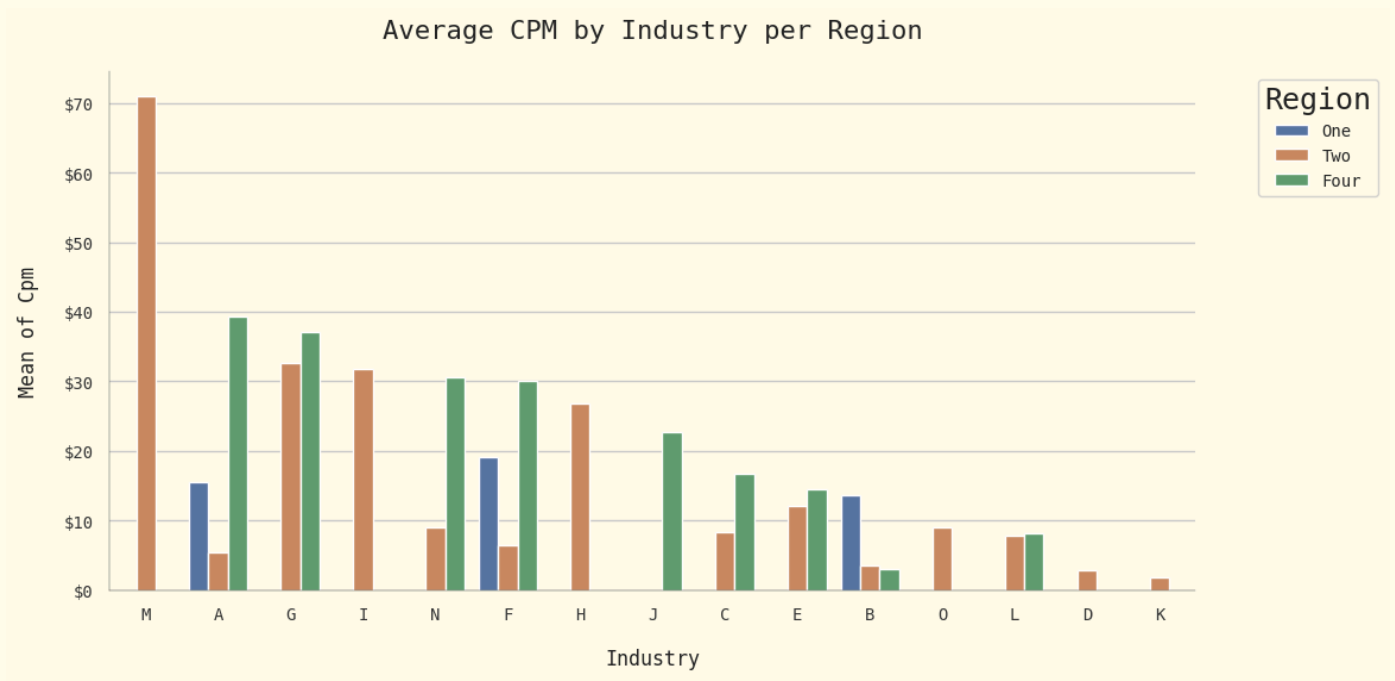
- Industry A makes up 95% of the growing Region One market, while Industry B is the main focus in Regions Two and Four.



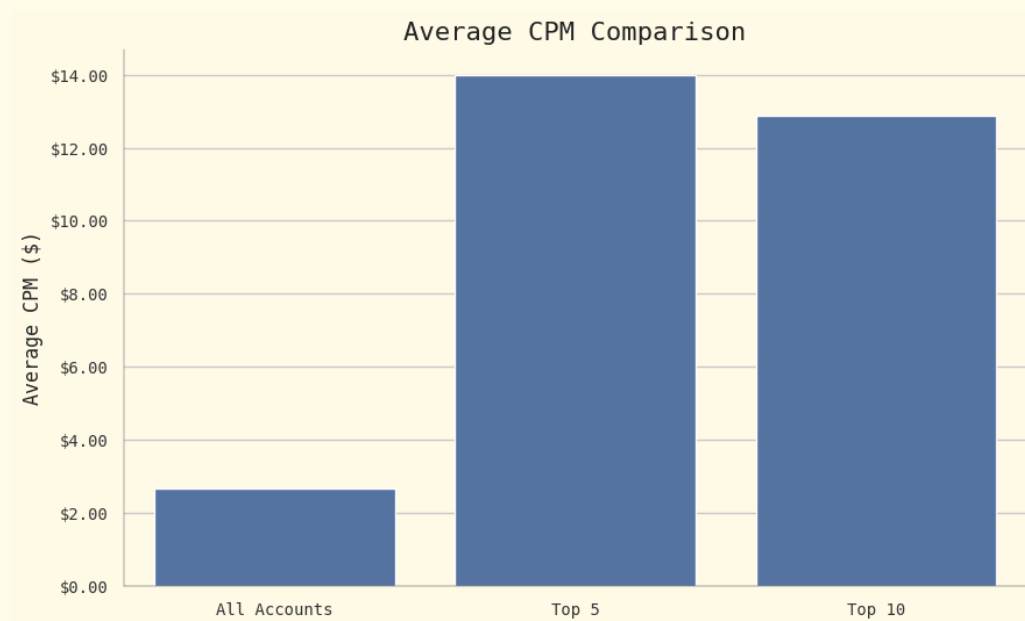
- As the CPM in the industry A is greater, it is a very important area to develop further



- What about the other industries? We also saw great potential in other areas



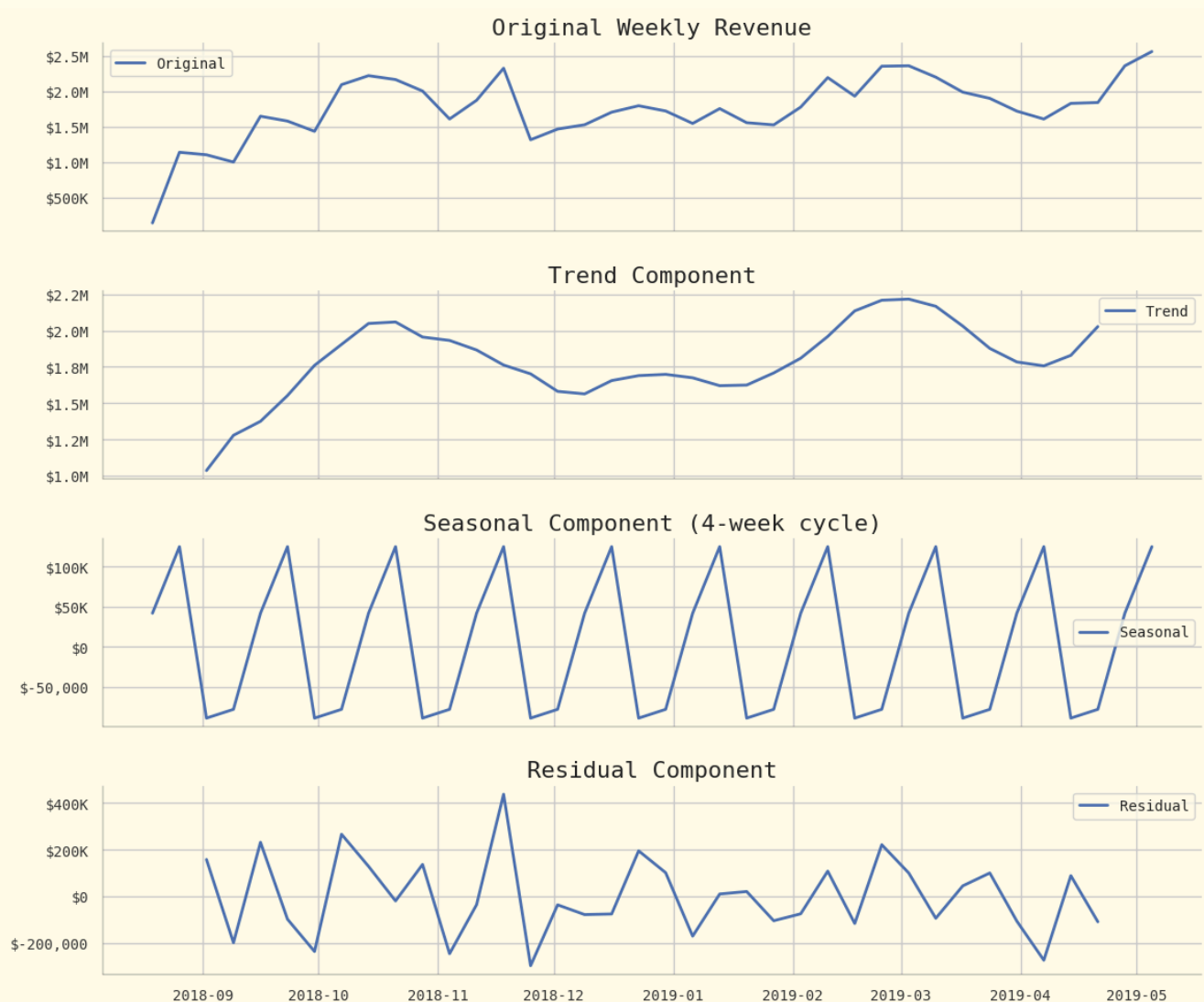
- There is a high CPM concentration in our top accounts



Our top accounts also generate a high concentration of CPM and revenue:

- The top 5 accounts are responsible for 86.7% of total revenue
- The top 10 accounts generate 90.7% of total revenue
 - 4% of increase only in 5 top clients
- The top 20 accounts bring in 93.8% of total revenue
 - 3.1% of increase only in 10 top clients

The revenue data suggests a strong seasonality



Why does seasonality matter?

1. True Trend Identification

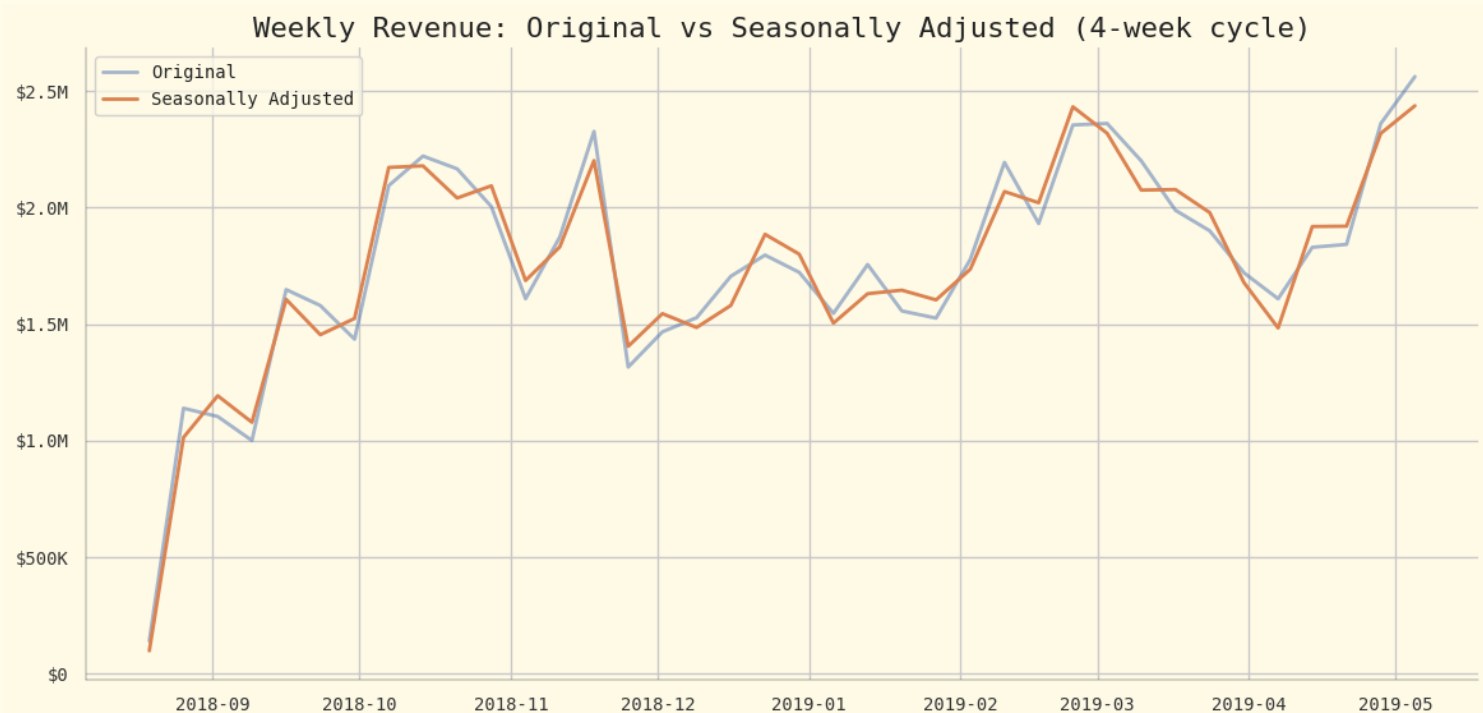
- Revenue data can contain predictable seasonal patterns that obscure the underlying trend.
- Removing these seasonal effects allows for better identification of the true direction and magnitude of revenue changes.
- This helps distinguish between actual growth or decline and regular seasonal fluctuations.

2. Comparable Period Analysis

- Allows for fair comparison between different time periods.
- For example, comparing Q3 2018 to Q1 2019 becomes more meaningful when seasonal effects are removed.
- Helps identify if changes are due to business performance or just seasonal patterns.

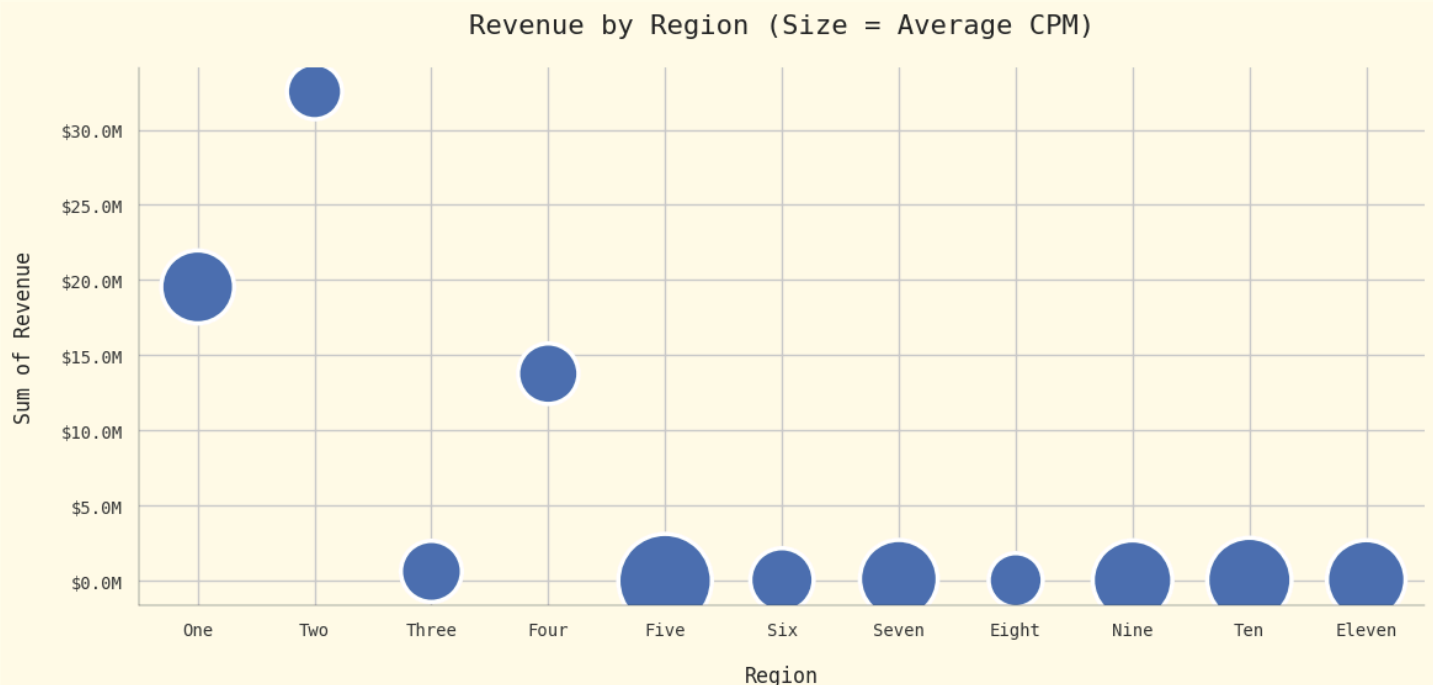
3. Forecasting Accuracy

- Separates the trend from seasonality and random fluctuations.
- Provides a cleaner base for predictive modeling.
- Reduces forecast error by accounting for known seasonal patterns.



Conclusions

- This analysis indicated that our actual *key drivers* are **regions One, Two and Four**, using **Ad Placement Beta**, for **Ad Product A**, and **industries A and B** only
- To support expansion, the highly profitable industries **M, G, I, N, and F** should be prioritized for recovery. While **Industry A** is a component of One, **Industry B** is crucial for the remaining regions
- On the geographical side, **regions Five, Ten, Nine, Eleven, and Seven** showed great average premiums (high CPMs) for potential expansion. **Region Three** displayed potential for higher revenue, but only in the past. Operational focus should be on developing the former regions until profitability justifies a more direct strategy



Methodology

Use of python 3.9.6 to develop this study. More details and plots on my [GitHub](#).

The Seasonality adjustment methodology is based on the seasonal decompose, from statsmodels. Longer series is recommended for better accuracy in further analysis.