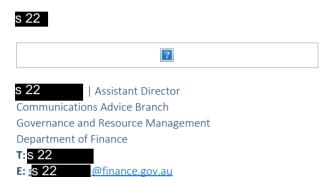
#### SEC=OFFICIAL

Thank you's 22 for your advice and recommendation.

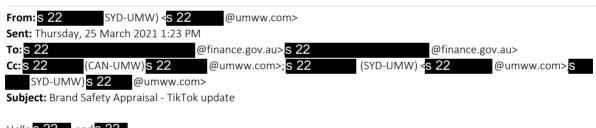
We agree with your recommendation not to use the platform for Aus Gov campaigns.

Happy for you to keep us informed of any steps TikTok makes towards meeting our brand safety (and efficiency) requirements but it still has a long way to go before we could consider using it.



A: 1 Canberra Avenue, Forrest ACT 2600

SEC=OFFICIAL



Hello S 22 and S 22

Hope you are well.

Attached you can find the Brand Safety Appraisal updated with the latest recommendation for TikTok.

Our advice has remained the same, UM have not recommended TikTok as part of any campaign responses. The two main areas of concern that does not satisfy Australian Government requirements continue to be:

- TikTok' still have significant brand safety issues including IAS integration and inconsistent moderation.
- Limited targeting capabilities on the TopView format, the only format deemed brand safe for the Australian Government.

In addition to the points above, the media effectiveness and efficiency of Top View is very low compared to other video buys like YouTube Select, Programmatic BVOD, Facebook and Twitter as you can see in the table below:

			Average Completion
Channel	Average CPM	Average Cost per complete View	Rate
TikTok Top View	s 47G		
s 22			

As part of this revision to the Brand Safety Appraisal and in response to Ebiquity's ongoing recommendation to extend Facebook activity into Instream, we have also updated our recommendation however the decision to remain off this environment has not changed.

We look forward to your feedback and we will then go back to TikTok with the same feedback that we need to see more progress before we would consider using the platform.

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25/03/2021



# **Brand Safety Appraisal**

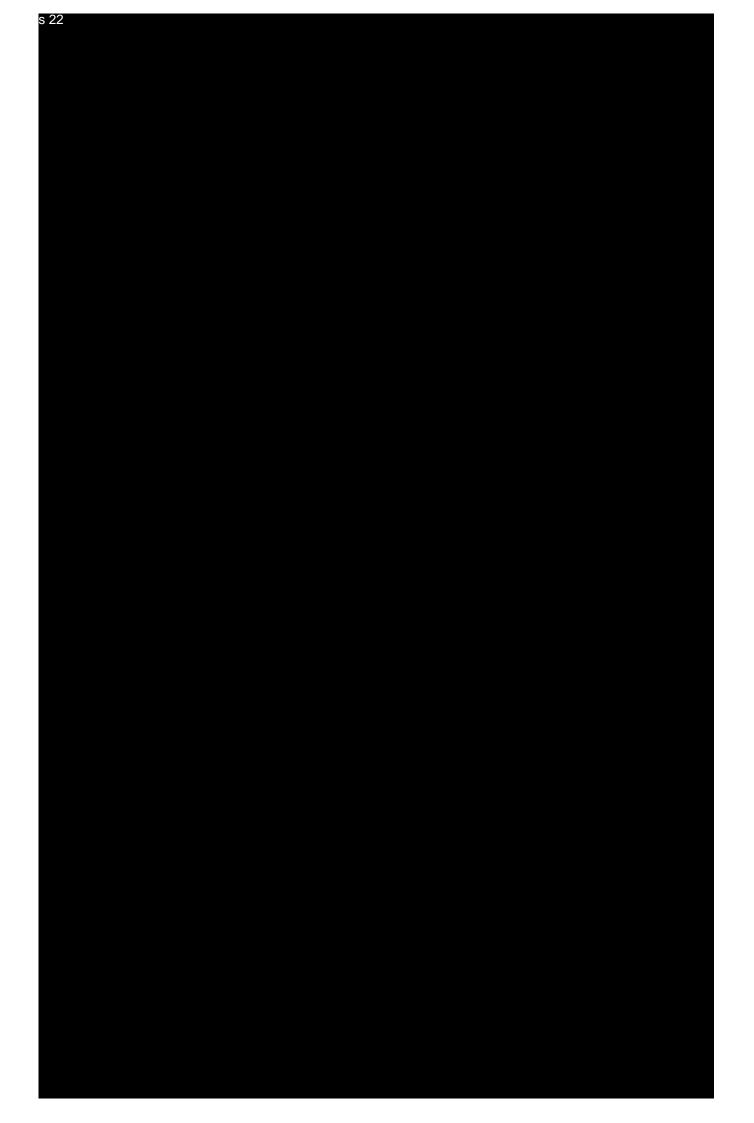




Brand Safety Process for TikTok......12

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## 7. Brand Safety Process for TikTok

### Background

The increasingly popular short-form video creation app, TikTok (formerly Musical.ly), owned by Chinese company ByteDance, launched overseas in 2018.



TikTok is the sixth largest social media app globally with the largest followings in China, India, United States and United Kingdom. It was the top app downloaded in the Apple iOS store for four consecutive quarters in 2019 and has 450 million monthly active users globally and 4.2 million monthly active users in Australia according to Nielsen Content Rating data from December 2020.

TikTok's audience is smaller in comparison to Facebook's 17.6 million, Instagram's 13.5 million, Snapchat's 5 million users.

#### Overview

TikTok, the "destination for short-form mobile videos" is a highly engaging video focused platform that allows users to overlay filters, music and special effects over their video while also providing the opportunity to engage with other users' videos through participating in 'duets' and 'challenges'.

In Q4 of 2019, TikTok launched paid ads.

#### **Targeting Limitations**

TikTok has very limited targeting capabilities. Currently it is not possible to apply interest targeting, age targeting or custom audience targeting across most of formats.

Some targeting capabilities such as demographic, geographic, language and device are available only through in-feed video (auction) ads bought on a traffic driving objective, not audience reach.

#### **Updates and recent issues**

While TikTok may offer an environment to speak to a hard-to-reach audience from an advertising perspective, brand safety is an issue where TikTok have not yet applied all technology and safeguards possible to protect advertisers.

The issues around brand safety stem from the limited targeting capabilities which have led to several underage targeting scandals deterring many advertisers from using the platform:

- In compliance with COPPA<sup>1</sup>, users must be at least 13 years old to download TikTok.
  However, in February 2019, the US Federal Trade Commission issued TikTok with a \$5.7
  million fine after the company admitted to collecting personal information, identifiable at an individual level of users under 13-years of age without parental consent. The fine primarily relates to Musical.ly, the company that merged with TikTok in August 2018.
- 2. In April 2019, India, imposed a two week ban on new users downloading the app to discourage pornography and other illicit content that began to appear.
- 3. In July 2019, the UK information commissioner investigated TikTok child data usage and Indian politicians call for another ban after a BBC investigation found the platform hosted hundreds of sexual comments targeted at children. Whilst most comments were deleted within 24 hours users of posting, many have remained on the platform.

UM Recommendation for the Australian Government with regards to TikTok

<sup>&</sup>lt;sup>1</sup> The Children's Online Privacy Protection Act of 1998 (COPPA) is a United States federal law that ban the online collection of personal information by persons or entities under 13 years of age including children outside the U.S.



Brand safety remains a concern. Despite TikTok advising new enhancements to safety features there is no clear and definitive communication on their current regulations and policies, which appear to lag behind the privacy and safety standards set by other platforms.

Tiktok is not integrated with IAS for inventory monitoring and blocking and therefore does not comply with the minimum brand safety standards recommended by UM. TikTok have not provided a timeline for IAS integration.

Human verification on the platform only occurs when a content is flagged by a user. There is no random checks conducted for content and no further details have been disclosed around the measures taken by the platform.

TikTok have advised that the 'safest' format they have available is Top View, which has a maximum reach of 1.7m people against an 18+ audience. Top View is an advertising format that is the first piece of content a user is exposed to when the app is opened. After viewing the ad, the user is taken to a feed which houses the top 5% most popular videos, all of which are human verified. This format has audience targeting limitations, can only be bought to run across a full day and presents inefficient KPIs compared to other social or video networks. KPIs were provided by TikTok based on average Australian performance.

#### Current recommendation

Whilst TikTok is growing in popularity, particularly amongst younger audiences, the platform lags behind the market on brand safety controls and has been involved in several child safety incidents in the last few years.

Due to TikTok's limited targeting capabilities and lack of surety around brand safety, UM do not recommend advertising on TikTok at this point in time, noting that the platform does provide insight to monitor content trends amongst teen audiences.

#### **Future recommendation**

In conversations during February 2021, TikTok disclosed they are working on several initiatives to improve brand safety. UM would suggest reviewing and reconsidering the current advice after these integrations:

- Building a suite of viewability and safety solutions with IAS. There is no date for the expected completion of this integration.
- 2. Better target capability for all formats, including Top View
- 3. Improved KPI performance compared to other social and video networks.



