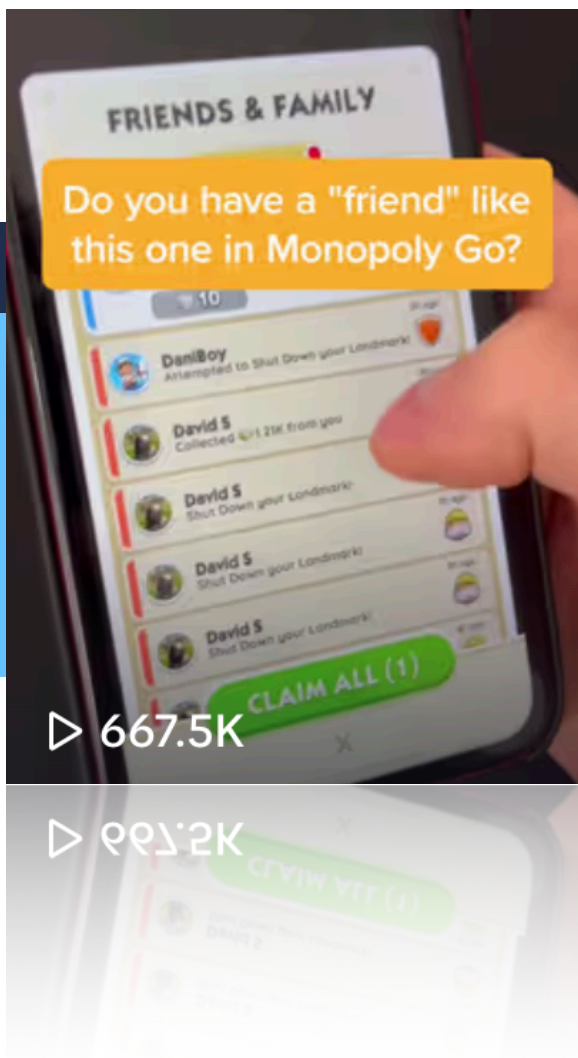




GROWTH MARKETING FOR APP DEVELOPERS

Competitive Research and Actionable Product Recommendations



INSIGHTS > GROWTH MARKETING

TikTok Ads Convert 3x-5x More Often Than Other Ads

Key Takeaways

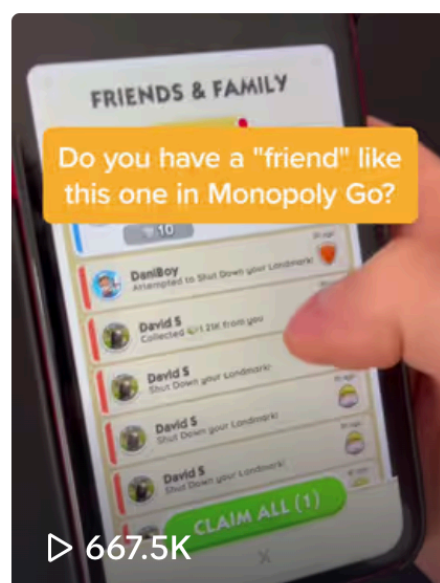
- Vodafone, Redecor, and Driva have used TikTok ad campaigns to achieve conversion rates 3x-5x higher than market benchmarks.
- TikTok users are more likely than other social media users to post organic content about products they find on the app.
- TikTok's short video format makes ads relatively cheap to produce.
- The best TikTok ads imitate user-generated TikToks, capture users' attention in the first three seconds, and draw on popular TikTok trends and audio clips.
- Marketing teams can use TikTok's robust tools to partner with creators and adapt user-generated content for ads.

TIKTOK HAS THE HIGHEST CONVERSION RATES OF ANY MEDIA PLATFORM

TikTok ads offer a highly engaged audience, robust user targeting, and lower CPM than ads on other social media platforms. [According to a study commissioned by TikTok](#), TikTok is 1.7x more likely to be a source of product discovery than other platforms. TikTok users are also 1.4x more likely to buy a product they found on the app and 2.4x more likely to create a post and tag a brand after making that purchase.

Because TikTok's rapid user growth (two-thirds of US teens aged 18-19 use it) is outpacing the platform's adoption by advertisers, it has become extremely cost-effective to advertise on it. According to a [dataset collected by Wolfgang Digital](#), TikTok's CPM is 60% lower than Facebook and Instagram, while its cost per click is 30% lower.

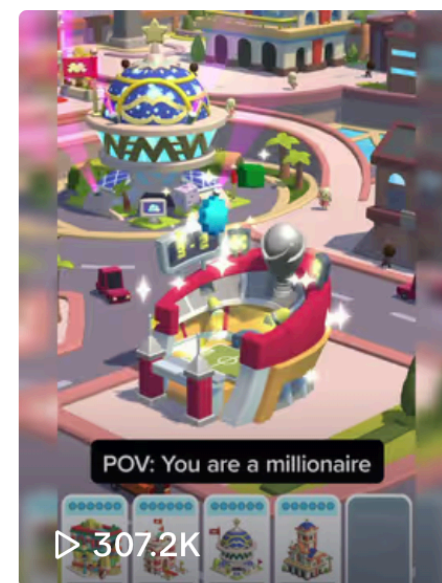
As a result of these factors, TikTok is the best platform for apps to generate a high number of impressions from relatively low-budget content.



that friend.. ...



how to get some extra 🎲...



#rollforriches ...

TikTok's For You page drives more ad conversions than TV and other digital video platforms. The For You page provides users with curated content tailored to their interests and constantly recommends new content from relevant creators and advertisers. TikTok's TopView ad tool allows advertisers to buy ad space for the first video users see when they open the app.

An [independent study by Neuro-Insight](#), a neuroanalytics company, found that TopView's ad breakthrough rate (ads directly linked to in-market sales) was 40% higher than TV and 29% higher than other digital video platforms. In-feed ads (ads users see as they scroll their For You page) were also higher than those on TV and digital video platforms by 23% and 13%, respectively.

In February 2024, Australian financial platform [Driva](#) launched a [UA campaign](#) on TikTok that increased conversions by 16%, reduced CPL by 19%, and had over 720K impressions. Each ad begins with a strong hook, highlights Driva's value propositions, and ends with a clear call to action, encouraging users to complete the action.

For example, one ad begins with a striking image of a man sitting in his car whose hands are tied up. He explains that this is a visual metaphor for financing your car through a bank or dealership. He suggests Driva is different and, with his hands still tied, scrolls through different offers on his phone. The ad ends with a CTA, "Free yourself from one-dimensional finance packages, and hit the link," while he frees himself from his bonds.



THE BEST TIKTOK ADS LOOK LIKE TIKTOKS

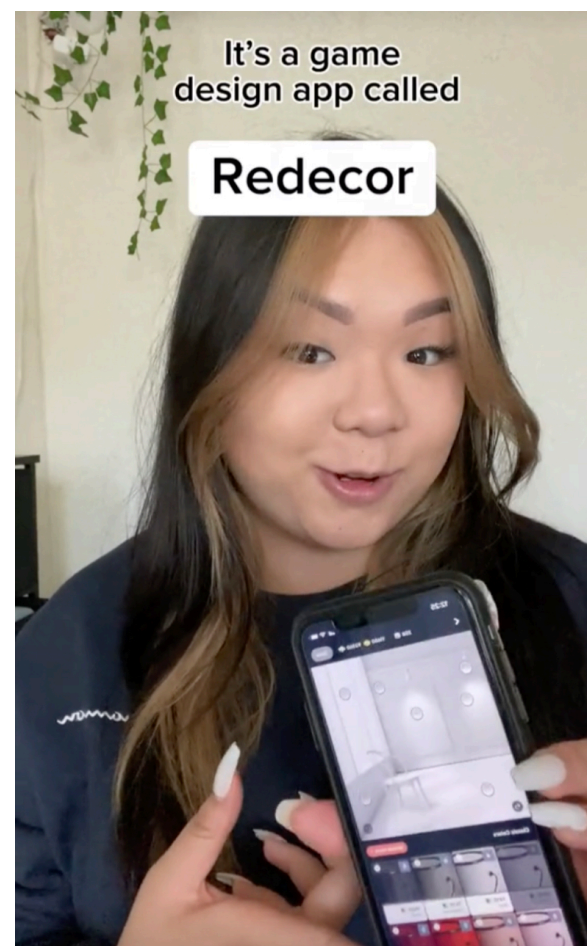
Videos should look like TikToks, not ads. TikTok's young users will skip over almost anything that comes off as an ad, so marketing teams will need to design ads that blend in with TikTok's feed of UGC videos.

Low-budget content, such as screen recordings, videos taken on a phone camera, or a mix of both, can help ads blend in better since this video style makes up most of TikTok's content. These ads can focus on [app overviews](#), [content updates](#), [new features](#), [behind-the-scenes](#), or [relatable moments](#). When creating ads in this style, marketers should use minimal editing and consider adding text or voice-over at the start of the ad.

Catching viewers' attention within the first three seconds is crucial to driving engagement and generating organic views. TikTok's users have a [shorter attention span](#) than users on other social media platforms, so ads should primarily focus on having a strong hook to keep users watching and a call to action near the end to drive engagement. TikTok's algorithm boosts videos with an average watch time of at least three seconds, so it's vital to maintain viewers' attention at the start of videos.



Using sounds from TikTok's sound library can get ads onto more users' For You pages. TikTok's sound library offers a variety of sounds that both users and advertisers can add to their videos. When users view videos with a particular sound, TikTok's algorithm will recommend videos with that same sound. Sounds make up the backbone of nearly all TikTok videos, so apps should focus on what sounds are popular and use them to [join](#) or [create trends](#). However, advertisers may need to clear certain sounds for commercial use before using them in ads or paid creator partnerships.



Designing ads with modular components that can be mixed and matched improves testing and optimization. A common strategy for TikTok ads is to use user-generated content or scripted scenes followed by gameplay clips. Breaking ads into individual components allows apps to test which UGC and gameplay clips work best, then combine those two halves to make new ad creatives with almost no additional production costs.

Optimized ad creatives—whether created in-house or with third-party services—dramatically decrease CPI and increase conversion rates. In 2022, the home decoration app [Redecor](#) partnered with TikTok's internal creative team and a third-party influencer agency to design new creatives for their upcoming ad campaign—which involved a mix of gameplay videos and users' real-life interactions with the app. The campaign used TikTok's [App Event Optimization](#) to focus on install targeting and TikTok's [Value Optimization](#) tool to acquire high-paying users.

Compared to Redecor's prior ad metrics, this campaign decreased CPI by 90%, increased D7 ROAS by 14%, and produced a conversion rate five times higher than the market benchmark.

AI CAN SPEED UP TIKTOK AD GENERATION AND TESTING

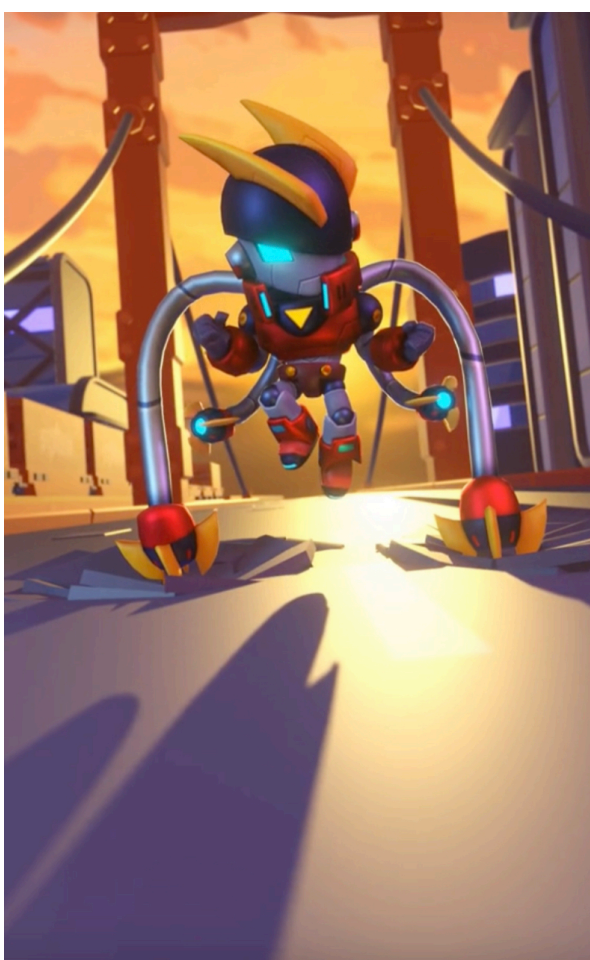
Marketing teams can also use AI image and video generation with AI-powered analytics to improve every step of ad creation:

- Iterating static and video creatives.
- A/B testing ads for specific audience segments.
- Analyzing competitors' ads.
- Formatting ads for different channels.
- Localizing ads.
- Adding voiceovers and human-like avatars.

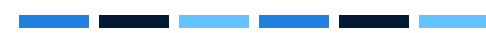
AI can quickly generate a high volume of still images that marketing teams can use as static ads or repurpose into assets for video ads. The high volume of AI-generated images makes iteration inexpensive and provides plenty of material for A/B testing.

AI ad tools, like Google's Performance Max, Replai, or AdCreative, offer image and video generation services specifically targeted at ad creation—as well as AI-powered ad analytics. These services allow marketing teams to analyze their ads and competitors' campaigns to generate and target new creatives more effectively.

For more information about how to use prompts to generate content and which AI tools to use, check out our [Growth Marketing report](#).



TIKTOK OFFERS EXCEPTIONALLY STRONG TOOLS FOR PARTNERING WITH CREATORS

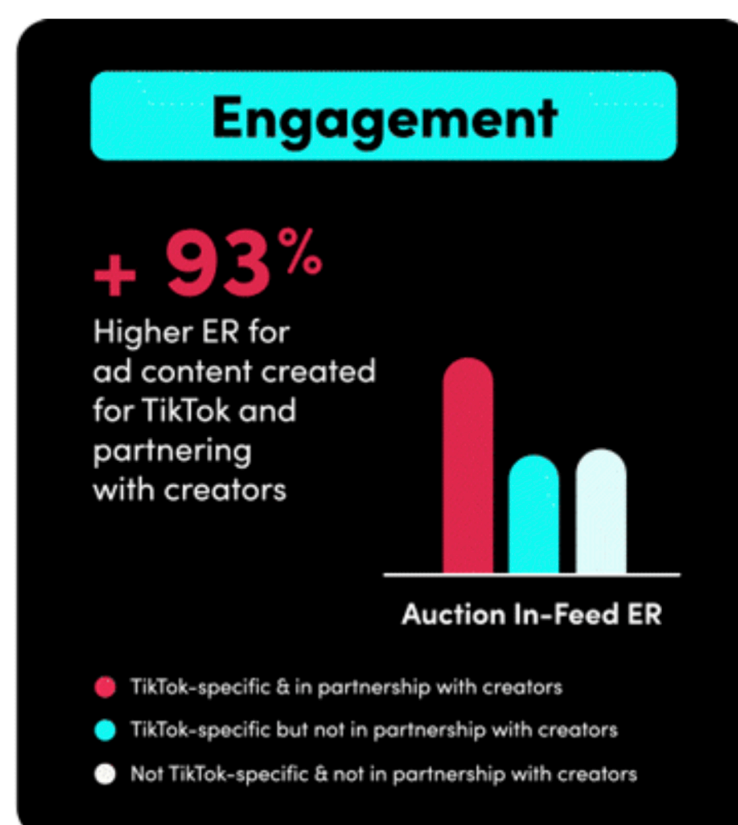


TikTok offers tools for easily partnering with creators, which can almost double engagement rates ([according to TikTok](#)). TikTok's Creator Marketplace allows apps to sort through relevant creators and filter them by their audience demographics, topics, engagement metrics, and more. Alternatively, marketing teams can also work with influencer marketing agencies, which offer similar targeting tools.

Because TikTok users are more likely than other users to try products they see on the app and significantly more likely to post about those products, these partnerships can lead to additional organic content from converted users. In our recent [Growth Marketing report](#), we analyzed how Monopoly GO! successfully used paid creator partnerships on TikTok to kickstart organic content that has racked up millions of views.

While Monopoly GO! has a massive budget, apps with smaller budgets can replicate much of its UA strategy:

- Testing a large number of ad creatives
- Dividing ads into buckets that portray distinct aspects of the app
- Using interactive ads to demonstrate content
- Using sponsored social media content to kickstart organic posts
- Starting with big ad services and adding smaller services over time
- Localizing ads early

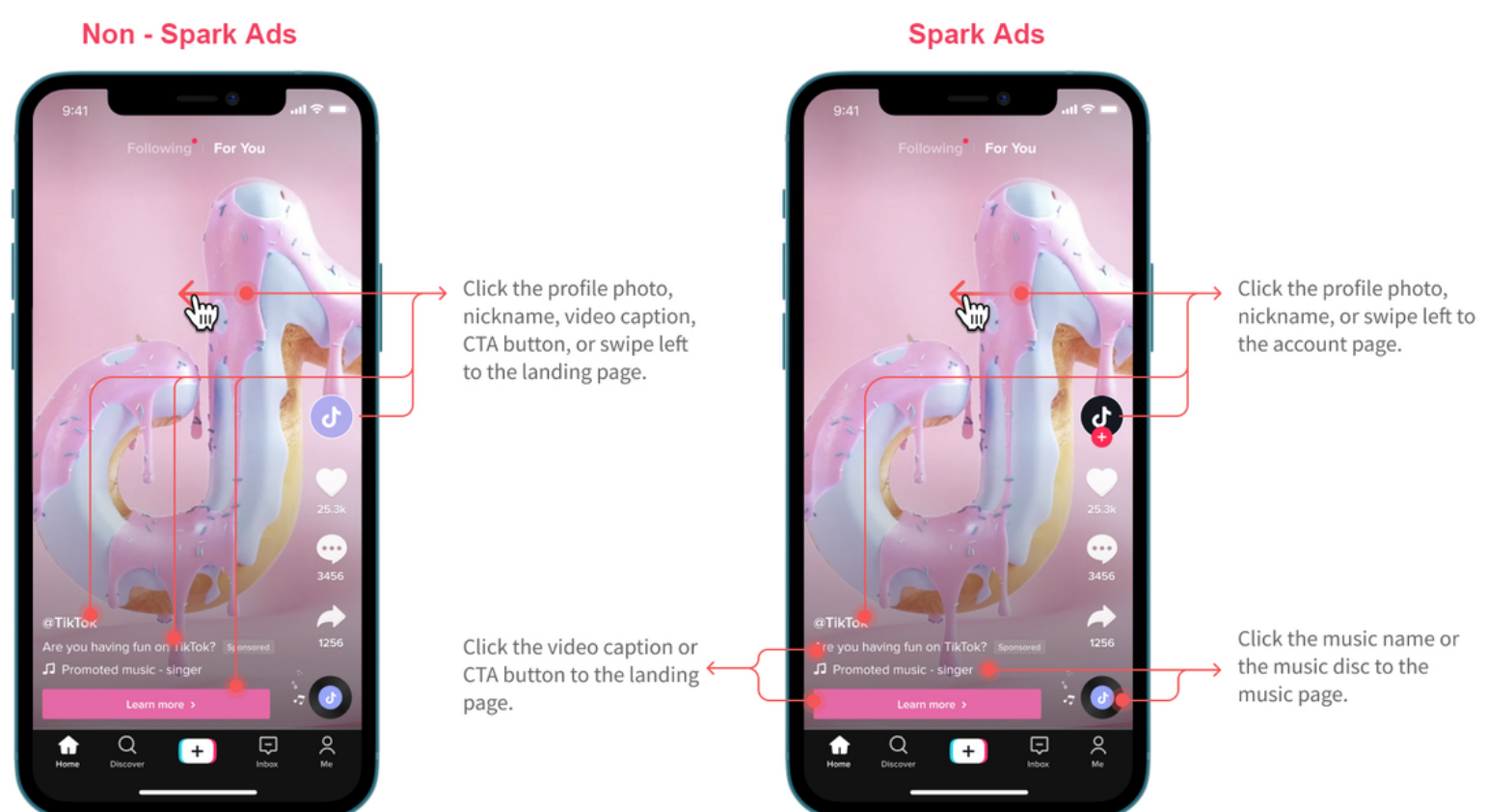


Nano- and micro-influencers offer a cost-effective alternative with significantly higher engagement rates. Nano-influencers are creators with fewer than 10K followers, and micro-influencers are creators with 10K–100K followers. Because these creators have smaller, more dedicated audiences, their videos have higher engagement rates than videos from bigger influencers. Nano- and micro-influencers also tend to focus on more niche topics, which can benefit apps looking to target specific audiences.

According to a study by Aspire.io, an influencer marketing platform, nano- and micro-influencers have an average engagement rate of 59% and 8%, respectively, whereas macro-influencers have an average engagement rate of 2%. Additionally, the average cost per engagement for a nano-influencer is 8x lower than that of a macro-influencer, although micro-influencers are more expensive.

Spark Ads allows apps to use user-generated content as ads. According to TikTok, Spark Ads have a 30% higher completion rate, 142% higher engagement rate, and 43% higher conversion rate when compared to non-Spark Ads.

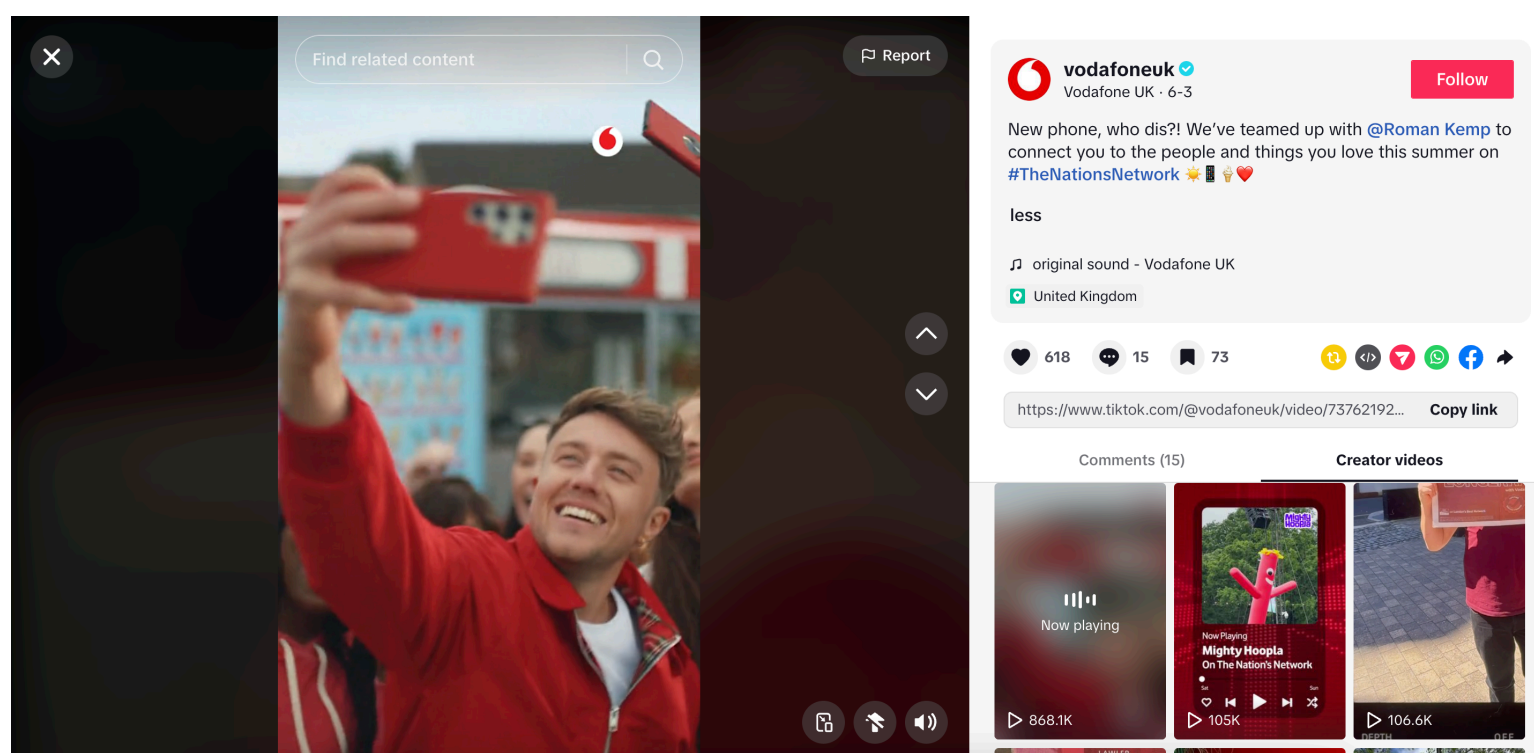
Through Spark Ads, TikTok users can enable a feature within TikTok's creator settings to permit advertisers to use their videos for ads. When advertisers choose to run a video as an ad, the ad is posted from the creator's account but links to the advertiser's account and landing page.



Apps can incentivize creators to produce branded content. TikTok [Creative Challenges](#) let creators submit video ads to challenges created by brands and get paid based on their videos' performance. Each challenge has specific rules, creator requirements, and reward pools.

In May 2024, [Vodafone](#) used creator content and gamification in its [ad campaign](#) to improve UA. Compared to other social media alternatives, the campaign had a 3x conversion rate and decreased CPL by 38%. It also increased CTR by 58% compared to the previous UA campaign.

TikTok's [Branded Missions](#) offer an alternative to Creative Challenges that focus more on generating viral moments. As apps accept submissions, they can view a list of top-performing videos for their Branded Mission and select one to be used as an in-feed ad. Unlike Creative Challenges, Branded Missions are posted from creators' profiles rather than apps' profiles, which allows apps to use creators' audiences.



"It's on the strength of observation and reflection that one finds a way. So we must dig and delve unceasingly."

– Claude Monet

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