CONSUMER
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The
Definitive
Guide To

TikTok
Ads 2021

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Introduction

TikTok is a hot spot for mobile apps advertising right now. It is not hard to see why. The platform's massively growing userbase and affinity for short form video make it an ideal environment for all mobile app advertisers.

Here are just a few reasons why TikTok has become a must-use advertising platform so quickly:

- It is big! With 800 million monthly active users, TikTok has a user base more than twice the size of Twitter (340+ million) and almost double the size of Reddit (430+ million). That makes it the sixth most popular app globally based on the number of monthly active users, and one of the most downloaded apps in 2020.

- It is global. TikTok users span 150 countries worldwide (so you can do plenty of testing to smaller countries before you roll out to the US audience).

- Its userbase is well-off. 51.8% of TikTok users in the United States make over $75,000 per year.

- It's insanely video friendly. "TikTok is the leading destination for short-form mobile video." The platform has video ads and influencer marketing built into its DNA.

TikTok 101: What it is, platform capabilities, and culture

TikTok is, at its essence, a video-sharing social media platform. It lets users create videos by recording them directly from their phones using the app. This direct recording often looks the most "native" on the app, but you can also upload video from outside sources. Just make sure they're short – TikTok videos can only be 9 to 60 seconds (unless you use a special trick to stitch them together for a video of up to five minutes and they just announced up to 3 minute native ads).

TikTok is conceptually like Instagram in that users can customize their videos with filters, stickers, background music, and other effects. Once videos are shared/published, other users can like, comment, or share the original video. They can also download the TikTok video and share it on other social media platforms. The video will still clearly be branded TikTok, even on a completely different platform, thanks to the TikTok logo and the embedded username of whoever created the video.

Unlike Instagram, TikTok content and its userbase have a reputation for being authentic. TikTok culture doesn't expect the visual perfection of Instagram, and that would actually be a disadvantage. TikTok is more playful, "real life" and authenticity driven.

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How to Get Started with TikTok Advertising

An introduction to TikTok's advertising platform

TikTok's ad platform has a lot of similarities to Facebook. There are campaigns, for example. ad sets, and ads.

- The top-level is the campaign. Just like with Facebook, campaigns can have one main objective and budget
- Each campaign can have one or more ad groups. Ad groups can have their own ad placements, target audiences, budgets, and schedules
- Each ad set can have one or more ads.

There are three types of standard ads available for TikTok advertisers right now and two types of "non-standard" ads. Brand Takeover ads, In-Feed Ads, and TopView ads are standard. Hashtag Challenge and Branded Effect are non-standard ads.

Standard TikTok ads

In-Feed Video:
These ads appear in the native 'For You' news feed of TikTok. In-Feed Video ads can be:

- 9 to 15-second videos (you can submit an image for your ad, but TikTok will turn it into a video)
- Set with have sound on as a default
- Deep linked to an external landing page or TikTok experience. This is especially attractive for mobile game advertisers, as TikTok offers app install campaigns that can be linked directly into app stores and download pages.

In-Feed Ads
A video ad that is natively embedded within the "For You" feed to engage users with brands.

- Up to 15s Video
- Sound On
- Can drive to deep-link, external landing page, or TikTok experience
- Native: Paid media supported organic video
  ◦ Buy Type: Reserve Only
- Diversion: No organic video required
  ◦ Buy Type: Reserve Only
- One Day Max Option: 1st in-feed ad video that appears in the "For You" feed.

In-Feed Add Ons

- Super Like
- Interactive Card
- Display Card
- Voting Card
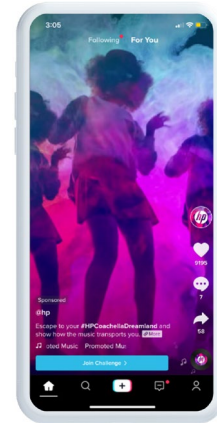
Brand Takeover

These ads appear when TikTok users open the app. The ads completely take over the user's screen for a few seconds, then they turn into an In-Feed Video ad.

Drive mass awareness with a 100% SOV full-screen, immersion experience.

- User's first experience upon opening the app
- 2-5s static image or video
- Sound-off
- Cost Per Day (CPT) Buying Model
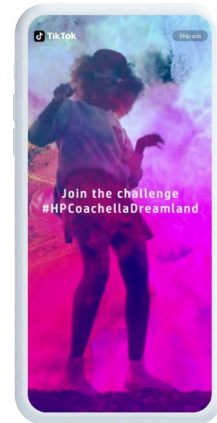
TopView

These appear first in users' in-feed video streams. They are best for driving mass awareness and closely resemble a native, organic TikTok video.

Drive mass awareness with a 100% SOV first in-feed video.

- User's first in-feed video impression that mimics the native TikTok video experience
- Up to 60s video
- Sound-on
- Cost Per Day (CPT) Buying Model
- Strong engagement, traffic, and completion rates
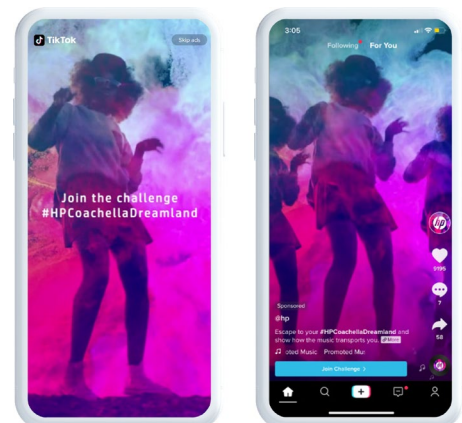
## Non-Standard TikTok Ads

Hashtag Challenge:
These ads only appear on users' Discovery page. They're best for encouraging users to participate in user content creation challenges. Hashtag Challenge ads can also include a shoppable component.

Brand-sponsored hashtag inspires and aggregates branded user-generated content.

- Reach mass audience
- Discover page + banner
- Generate authentic interactions at scale (UGC + Likes/Comments/Shares)
- Pin celebrity + influencer content to the top

Hashtag Challenge Plus: Customizable Features

- Product carousel
- Instant survey
- Offline store
- Related hashtags
- Clickable product banner
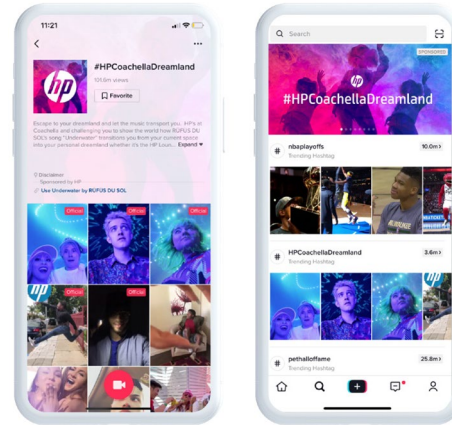
Branded AR Content
The ad appears as branded lenses, stickers, and other 2D/3D/AR content for TikTok users to use in their videos.

A branded, customizable collection of augmented reality (AR) enhancements to real-world environments, which inspire user engagement and high-quality user-generated content.

- Standard Effect
  - 20+ gestures and facial expressions can trigger an effect
  - Shortest production time
  - IE: Filter, 2D hand, foreground, and facial
- Premium Effect
  - Facial distortions
  - Cosmetics/Hair dye
  - Rain Control
- Deluxe Effect
  - 3D Head: Offers the most lifelike texture and details
  - AR Character: Enables users to discover virtual fun in the real world

One way that TikTok is different than Facebook and Google App Ads is that you will need a TikTok ad account manager to use most of its ad placements and formats. The one notable exception to this is TikTok's In-Feed Video ads.

How can marketers use TikTok?

There are three main ways that brands can market on TikTok:

1. Create a channel and upload relevant videos through their channel.

2. Work with influencers to develop and distribute content.

3. Pay to advertise on TikTok using performance-based campaigns.

Many brands do a combination of all three types of advertising to drive effectiveness.
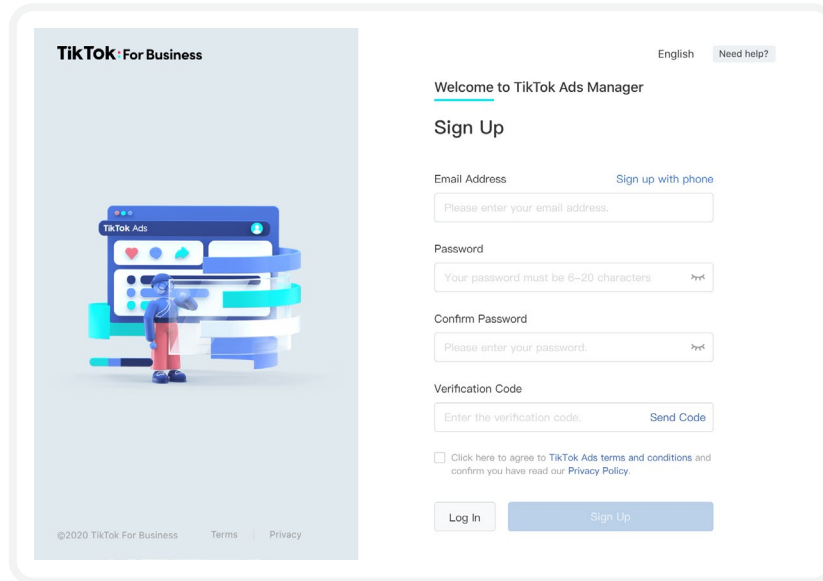
How to set up your first TikTok advertising campaign

It is fairly easy to launch your first campaign on TikTok, and the entire process can be done through their ad platform.

Here are the steps you will need to take:

1. Go to TikTok's US business center: https://www.tiktok.com/business/en-US/

2. Click the "Get started" button.

3. Fill in the form on the next page with your username and password.
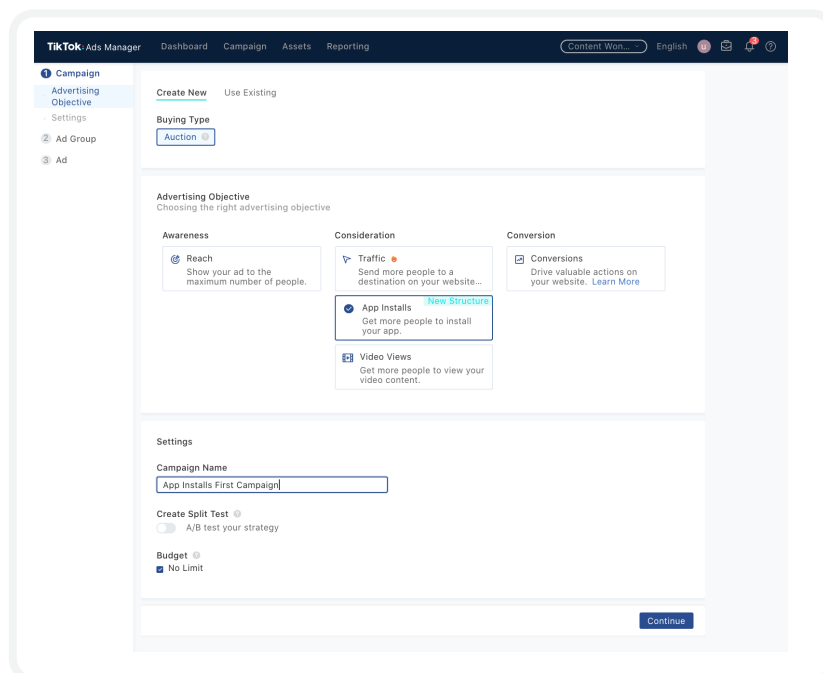
4. Enter your business and payment information. Note that TikTok may require you to pay for your ads up front. You may be able to get this requirement waived if you are working directly with a TikTok account manager.

5. After your payment information is complete, you will be redirected to the TikTok Ads Manager. As mentioned before, this will look very familiar to anyone who is run Facebook ads.

To create your first app installs campaign:

1. Click the Campaign tab and then click Create

2. Choose a campaign objective of "App Installs"

3. Give your new campaign a name.

4. Decide whether you want to create a split-test within this campaign, and if you do, if you want to split-test "Targeting" (as in your audience) or "Creative."

5. Choose from three budgeting options: "No limit", "Daily" (at least $50 per day), or "Lifetime."

6. Name the first ad group.

7. Choose which app you want to promote. You'll need to "create" the app within the TikTok Ads Manager first, but it's easy to do. All you need to the URL of your app in the Apple IoS or Google Play.

8. Choose your tracking settings. As you can set, TikTok lets advertisers track quite a few events.

9. Choose automatic or manual placement.

10. Define your audiences.

11. Choose which countries you want your ad to run in. You can also specify states, prefectures, and other regions once you have selected a particular country.

12. Select your audiences' interests, behaviors, and categories. Categories include:

- Creativity & Leisure
- Art
- Home & Garden
- Life Hacks
- Oddly Satisfying
- Culture & Education & Technology
- Entertainment
- Family & Emotion

- Fashion
- Lifestyle
- Nature
- Performance
- Society
- Sport & Outdoor
- Transportation

Each category has several subcategories.

13. Specify the ad group's budget and test schedule.

14. Choose your bidding and optimization settings.

15. Unload your ad creative and specify the call to action and other settings.

Make sure your ad fits with the video specifications. TikTok has a page of detailed ad specs here.

And that is it. Once you have created your second ad, you'll be redirected to a dashboard view similar to the one below.

For more information about TikTok advertising and how to get started read our FAQs What is TikTok Advertising? or TikTok Ads: How To Get Started?

Best Practices for TikTok Ads

In 2021, testing creative is essential. As machine learning takes over media buying, creative optimization provides the most meaningful level to improve financial results.

But here is the rub: There is no shortage of things to test. And testing is not free – it costs money to run media, and it costs you money to test (because running any amount of money through an underperforming ad, even while testing, costs money). For more information on our Facebook creative testing process and associated challenges, check out our whitepaper.

So, in a sense, successful testing requires us to know what to test. Which creative trends, concepts and elements can make a difference? Which creative strategies and messaging will reduce risk and improve financial results?

That is part of what we will cover in this white paper on TikTok advertising. We want to show you how to activate a series of auction tests so you can identify which optimizations are most effective at maximizing results.

There are four major areas of optimizations for TikTok ads: audience, optimization goals, creative, and bidding and budgeting. This section will focus almost entirely on creative optimization, as that is where we usually see the bulk of performance improvements.

Creative testing

Creative testing is a huge topic. Just to scratch the surface, there's creative strategy, buyer personas, competitive analysis of creative... and more. But here is one proven best practice to start with: Test five creatives per ad group.

It is also important to develop ad creative that complements TikTok's native look. One of the best ways to do this is to film your ad with a mobile phone – just like a TikTok user would. Also

include people in your ad (again, like a TikTok user would normally do), even if it is just someone's hand holding a phone with your app on it.

TikTok creative also needs to be fun. This is a platform all about fun, and a platform that has not yet swamped its userbase with ads. So boring ads will not cut it. Also, because of the sharing possibilities on TikTok (even the sharing possibilities of videos getting shared off TikTok) lean into creative that is worth sharing.

That is easier said than done, of course. And if you cannot pull it off, that is okay – you can try hiring a TikTok creator in the Creator Marketplace. But even then, it is about to be 2021. Every serious advertiser has learned by now that they need a creative optimization methodology that is both efficient and scalable.

Or maybe you can let TikTok's algorithm do it for you.

TikTok's Automated Creative Optimization

Facebook's "Automated App Ads" or "AAA", have been one of the biggest evolutions of their ad platform in the last year. TikTok has adopted the mindset of its larger competitor by offering "Automated Creative Optimization."

As you can see below, TikTok's ACO is set at the ad group level. It is very similar to the way Facebook and Google Ads have approached testing different elements of ads.
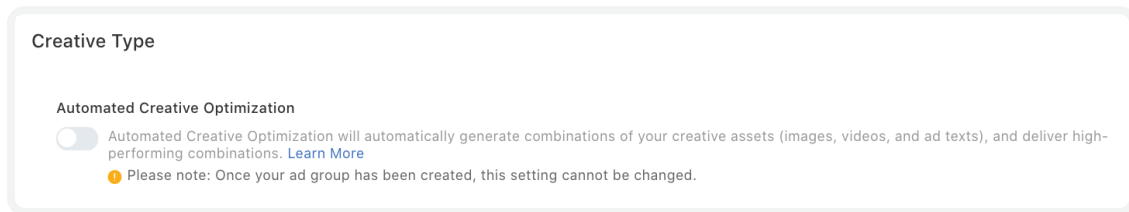
Another option available for optimizing ad creative is "Smart Video. It is an AI-driven video editor embedded into the TikTok ad platform.

This is how it works:
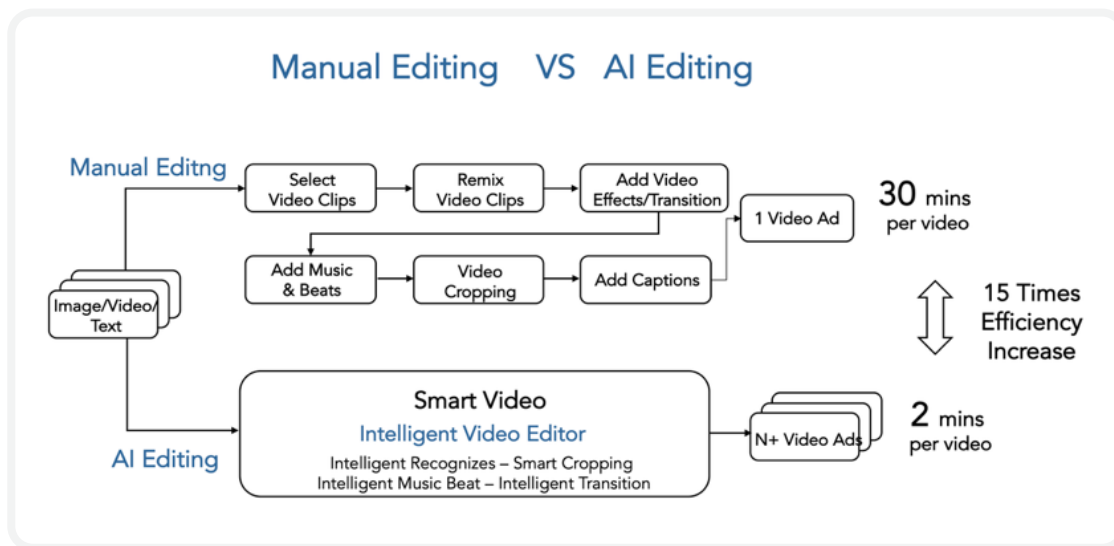
TikTok offers other creative optimization tools like Video Templates, Smart Video Soundtrack, Quick Optimization (only available for app installs!), and the Asset Analysis Report. These tools speak to how creative-first TikTok is. They also hint at how sophisticated an advertising engine TikTok has. If you were expecting a simple, limited advertising platform because this is such a new platform, think again.

TikTok Creative Specs

TikTok offers image and video specifications to create ad content that will look best on TikTok and partner apps. It also has a learning center with a specific module on TikTik creative best practices.

At a minimum, make your videos meet the following specs.

- A recommended aspect ratio of 9:16/1:1/16:9.

- A resolution of greater than 720px x 1280px, 640px by 640px, or 1280px by 720px.

- A video that is 5 to 60 seconds in length, although 9 to 15 seconds is recommended.

- A brand name that is 2 to 20 characters (English) in length or an app name that is 4 to 40 characters in length.

- A description of your advertised product or service that is 12 to 100 characters (English) in length.

TikTok also offers several creative tools. Advertisers can use them to create the right content for their target audience. These creative tools include a video creation kit, landing page to video, smart video soundtrack, and TikTok Ad Studio. Also note that ads can be uploaded as

video or as images. If you choose images, TikTok will group them into a video for you. Maybe that will work better than a video, or some videos... but the only way to know is to test.

Also think about structuring your ads with a beginning, a middle, and a close. This will be a familiar approach for anyone who is created Facebook video ads with end cards. TikTok video ads are not all that different in this sense.

The opening of your ad must catch and hold attention. This is critical if people are going to see any other part of your ad. Including recognizable logos and objects often helps too. Aim for a careful blend of both the familiar and the unusual, or familiar things presented in unusual ways.

The middle of your ad is the place to tell the message of your ad. This is where all the most compelling information about your app should go. The close is just to re-enforce the key message of your ad and to deliver strong with a CTA that gets people to take the action you want.

Do not forget to test the audio on your ads, either. All the dancing on TikTok is a clue about how important this is. It also suggests how different TikTok creative needs to be compared to what you have been running on Facebook or Google Ads. It's time to invest as much time and thought and testing into the audio aspect of your ads as you have been putting into how they look. Maybe that means using cool music... or maybe that means investing in voice overs.

Competitive Analysis

We've found that data-driven creative competitive analysis is often one of the highest-return tasks for UA managers. It works on Facebook, on Google, and it will work on TikTok, too. So head over to TikTok's "Discover" tool and see who's running which ads.
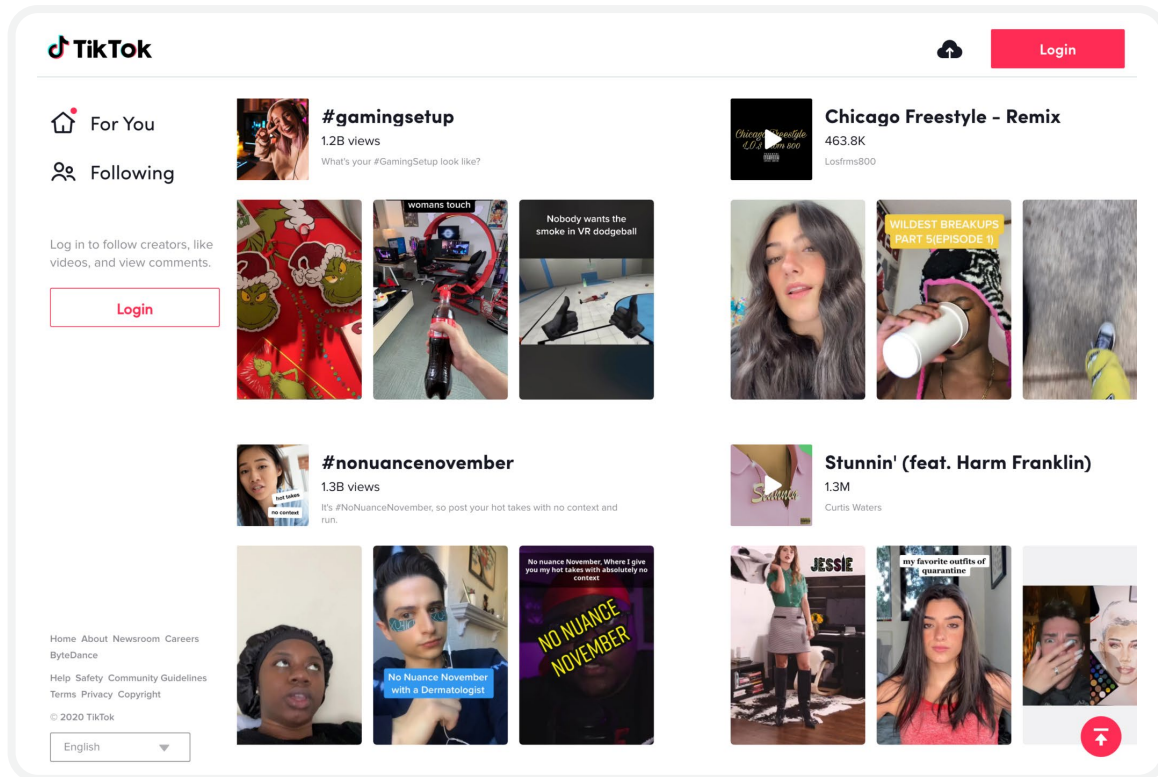
Bids and budgets

Which bidding strategy will work best? You can definitely start with whatever's worked best for you on Facebook but test that assumption on TikTok as soon as you can.

TikTok Ads Manager provides 5 different bidding methods:

- Cost per Mille/Thousand Impressions (CPM)
- Optimized Cost per Mille/Thousand Impressions (CPM)
- Cost per Thousand Views (CPV)
- Cost per Click (CPC)
- Optimized Cost per Click (oCPC)

Note that TikTok recommends app advertisers focus on the oCPM, CPC, and oCPC bid methods.

TikTok, like Facebook, puts new ads into a "learning phase," which is the time required for the algorithm to learn which settings will allow your ads to perform best. Unlike Facebook, TikTok gives you two choices when it comes to this optimization process: Optimize conversion at learning phase or optimize click at learning phase.

Here's how the optimizations work:
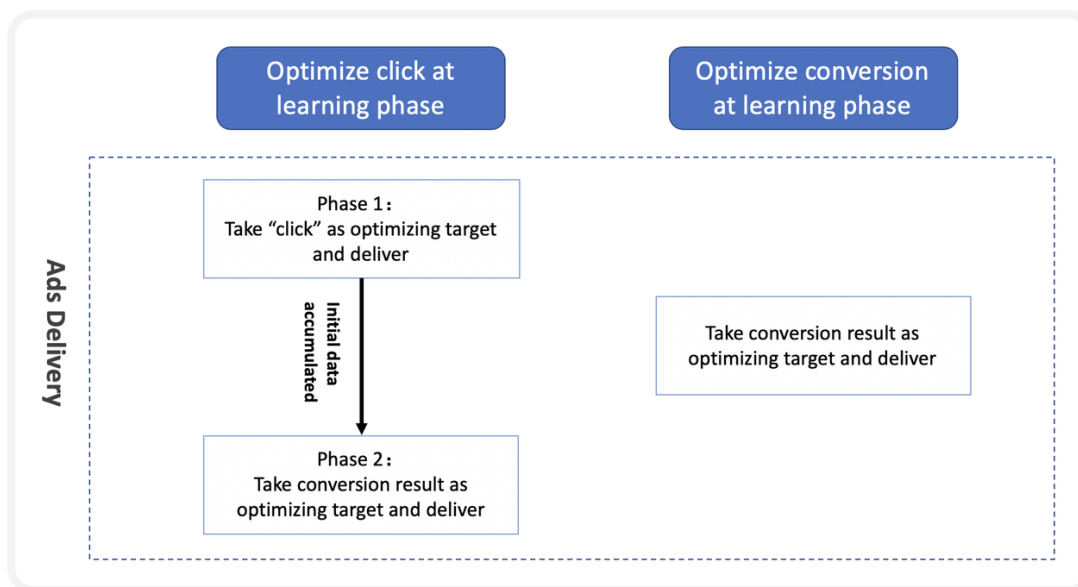
This will be an interesting thing for advertisers to test. Clearly, it is a nuanced approach to guiding the algorithm towards optimal performance. But it could either work for or against better ROAS depending on a campaign's setup and goals.

Media Buying Best Practices for TikTok Ads

Audience targeting and bidding might not have quite as huge an effect on ROAS as creative optimization does, but they are still essential to optimizing ROAS. In this section, we will walk through everything you need to know about TikTok audiences, ad placements, and bidding and budgeting options.

TikTok audience targeting

TikTok lets advertisers target audiences by gender, location, age, interests, behaviors, categories, devices, connection speed, carrier, and even the price of their device.

This gives advertisers an enormous amount to test and opens some exciting possibilities for targeting and improving ROAS. Even just the "categories" targeting holds lots of promise for app advertisers. Each primary category has several sub-categories underneath it:
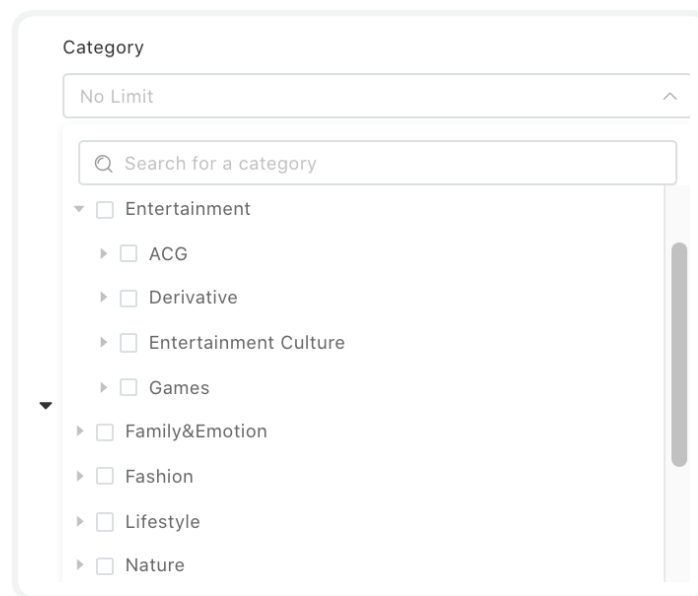
Custom Audiences and Lookalike Audiences

You can create custom audiences in a few ways. You can use your customer's contact data aka a "customer file,", website traffic, app activity, or ad engagement. TikTok also offers "auto-refresh" for custom audiences.

You can also create Lookalike Audiences to reach more people like your existing customers. Lookalike audiences can be created from three different "models" TikTok uses: "Specific", "Balance" or "Broad." Just note that TikTok recommends having a seed list of at least 10,000 people for Lookalike audiences.

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Lookalike audiences can also be "applied" in different ways during different phases of ad delivery. Here are the options, with TikTok's definitions for each:

- **Cold start:** During this phase, "Lookalike Audience" can shorten the exploration time and help the algorithms learn more quickly which group of users will be interested in your ads and the product you are promoting, helping you obtain conversions faster.

- **Mature delivery phase**: When your delivery curve is at its peak and has reached a satis factory number of conversions, you can use "Lookalike Audience" to expand your audience further and maximize your ROI.

- **Decline phase:** When your ad group delivery is in decline, you can use "Lookalike Audience" to extend the life cycle of your delivery

Retargeting and the TikTok Pixel

Note that the minimum website traffic data audience size is 1,000 users. If you want to use TikTok Ads for retargeting, you will need to install the TikTok Pixel prior to launching your ad campaign. This will give it enough time to collect traffic data and match it to TikTok users.

Installing the TikTok pixel also helps with:

- Measuring the effectiveness of your TikTok ad campaigns.

- Optimizing ad delivery to users who are more likely to complete your ad campaigns' objectives.

- Removing audiences that have already converted so you do not spend your ad budget on unnecessary impressions or clicks.

Advertisers with access to the self-service TikTok ads platform can set daily or all-time budget caps. TikTok sets a minimum budget of $500 at the campaign level and $50 at the ad group level. This minimum spend is meant to ensure that your ad has enough budget to spend to reach your ad objectives.

Advertisers with smaller budgets should wait to see if the cost of advertising on TikTok will decrease. This has happened on other social networks as more advertisers join the platform.

Ad placements

Tiktok's Ads Manager allows you to place ads on more than just TikTok. Their family of partner apps includes:

- **Entertainment apps.** TikTok, Babe (Babe is for Indonesia)

- **News or content discovery apps.** TopBuzz (US and BR), BuzzVideo (Japan), NewsRepublic (worldwide).

- **Pangle. Pangle** "Pangle is the leading video advertising platform offering interactive and high-performance in-app advertising solutions," according to TikTok's support page. It is currently only available in Japan, Korea, Taiwan, Vietnam, Thailand, Malaysia, Egypt, Turkey, United Arab Emirates, and Saudi Arabia. Pangle supports all of TikTok's campaign goals and automatic creative optimization.

You can also use Automatic Placement, which is what TikTok recommended. This will let the TikTok algorithm figure out where your ads will perform best.

Here is what the setup options look like:

TikTok placements vary considerably by location. See their "Placements and Available Locations" table for the most current information about where your ads might show.

TikTok also allows advertisers to block which media platforms or apps their ads might appear on. You can define a "block list" in the placements section of campaign setup. Block lists allow advertisers to block up to 2,000 app ids at a time.

On TikTok, ads appear in the "For You" feed. Other possible placements on partner apps include:

- BuzzVideo, they appear in-feed, details page, post-video
- TopBuzz: in-feed, details page, post-video
- NewsRepublic: in-feed
- Babe: in-feed, details page

Note that there are three in-feed ad positions: The recommended news feed, the video details page, and post-video ads.

This is what those placements look like:

Feed   Details Page   Post-roll Ads
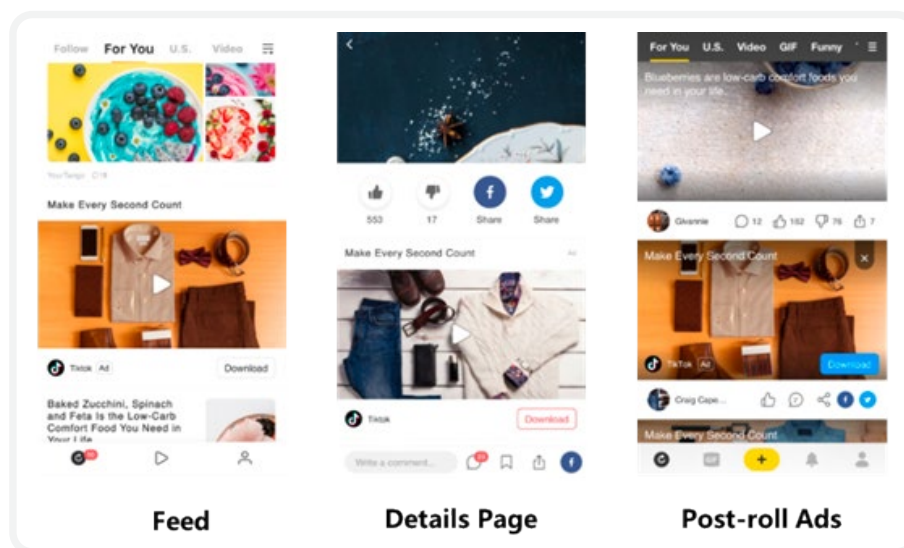
Placements on Pangle are a little different. See TikTok's support page for more details.

Optimization goals

There is more to optimize for than app installs. Way more. You saw that long list of possible events to measure in TikTok ads. So, use it. App installs are nice, after all, but $200 LTV buyers are better.

TikTok supports these four primary advertising objectives: Reach, Traffic, App Installs, and Conversion.

TikTok is working on offering their version of App Event Optimization (AEO), but it's still in beta and is only available for select accounts. If you happen to have a TikTok ad account manager, definitely ask them if your account might qualify for their beta, or if you can get your account near the front of the list as they roll this functionality out. For more information, read TikTok's detailed online App Event Optimization (AEO) Manual.

How Much Do TikTok Ads Cost?

This is a question we get a lot; so much that we've written a FAQ page for it.

The short answer is that TikTok ads tend to cost more than what similar ads and reach might cost on other platforms. So, you will be paying premium prices, but how much of a premium you'll pay depends on several things.

Those are:

- Ad Formats*
- Ad objective: traffic, conversions, or app installs
- Bidding method and amount · Audiences (based on gender, location, age, language, interests, connection types, and OS versions)
- Your industry

TikTok ads cost is particularly influenced by Ad Formats. Clearly, a TopView video that appears at the top of a user's feed and can run for up to 60 seconds is going to cost more than a short, 9-second InFeed video that may be several screens down and placed between a few organic videos. It is a more enveloping brand experience, and thus is more expensive. Generally, TikTok ad costs start at $10 per CPM. Reports from AdAge in late 2019 show that TikTok's cost of advertising can be between $50,000 to $120,000 depending on the ad format and duration.

Although these ad costs may be too high for small businesses, the good news is that there are many different ways to advertise on the platform aside from TikTok's native paid advertising

program to find the right fit for your program. You can always go the organic route, partner with rising influencers, and build visibility for your brand over time. Or you can hire a marketing partner like Consumer Acquisition to do the rigorous testing and to leverage their expertise to reduce your ad costs. Our ability to develop and test an entire creative strategy, including doing a competitive analysis, can reduce ad costs dramatically, and increase the reach and effectiveness of your ads. We want to help you stay up-to-date with all the latest changes and strategies to succeed. Learn more about our advertising support services here.

Conclusion

While TikTok advertising is highly compelling, reaches a massive audience and is rapidly evolving. Their ad platform offers more many placements, and campaign controls, and optimization choices to give UA managers controls to optimize performance.

With the TikTok userbase's affinity for videos and games, there is every reason for mobile app advertisers to test TikTok ads right now. If you wait, their marketplace will only get more expensive!

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