

A GUIDE TO

# Understanding Performance on TikTok



TikTok is no longer a social network that brands should explore, it's now a must-have in any social strategy. Despite the legal controversy, signs point to TikTok not going anywhere - and our social strategists recommend not pulling out of the platform. With over 1 billion active users worldwide and new features coming quickly, if your brand is not present on the app, you're behind. But you're not too late!

The first step is establishing an organic presence and engaging with your audience on TikTok. But once that is in the works, you can begin leveraging their advertising products. And like any other social strategy, understanding performance is critical.

Brands can run full funnel marketing efforts leveraging the TikTok platform. Depending on your campaign objective, key performance indicators will vary. TikTok is a great platform to add to your marketing mix, average engagement rates on the platform typically range from 5% to 10% higher than other social platforms.

## AWARENESS CAMPAIGNS

Upper funnel campaigns can achieve a high number of impressions due to TikTok's large user base and high engagement rates. In an awareness campaign the overall goal will be **reach**, and the campaign will be focused on showing your ad to the maximum number of people. At this level you can choose from two different campaign buying types. The first is auction, where ad delivery will be determined by factors such as bid or bid strategy. The second, reach and frequency, is where you will schedule your campaign with predictable reach and controlled frequency at a set cost.

### Key Performance Indicators

#### Impressions

The number of times your ad was displayed. Impressions measure the visibility of your ad. High impression counts can indicate strong ad placement and wide reach. Monitor impressions to ensure your ad is being shown frequently enough to make an impact but not so much that it leads to ad fatigue. A balance between high impressions and engagement metrics is key to an effective campaign.

#### Reach

The number of people who saw your ad. Reach helps you understand the breadth of your audience exposure. It's a critical metric for gauging how many different individuals your campaign is touching. High reach with low engagement might suggest your ad is not resonating with the audience. Aim for a balance between reach and engagement to ensure that your ad is not just being seen but is also compelling to viewers.

#### Frequency

How many times people saw your ad. Frequency indicates how often your target audience is exposed to your ad. It's crucial for brand recall but too high a frequency can lead to viewer annoyance and ad fatigue. An ideal frequency will vary by campaign, but typically, showing your ad 2-3 times per person can be effective without overwhelming your audience. Adjust your campaign if the frequency is too high to prevent diminishing returns and negative sentiment.

#### CPM

Cost per thousand impressions. CPM helps you understand the cost efficiency of your ad campaigns. A low CPM is generally good as it means you're getting more impressions for your money. However, it's essential to balance CPM with other metrics like engagement and conversion rates. A very low CPM with poor engagement might indicate that while your ad is cheap to display, it's not effectively driving action.

# CONSIDERATION CAMPAIGNS

Working down the funnel, the next phase is consideration. With consideration campaigns you have the opportunity to expand into three different goals. The first goal is **video views**, where the campaign will focus on increasing views and engagement on your video ads. The second goal is **traffic**, and these campaigns will focus on sending people to a destination on your website or app. The last goal is **community interaction**, where the campaign will push more people to follow your account or visit your profile. We have seen strong results with TikTok consideration campaigns.

Average click-through rates (CTR) for in-feed ads range from 1.5% to 2.5%, while Top-View ads can achieve CTRs of 12-16%, making them highly effective for driving traffic. With CPCs (Cost Per Click) ranging from \$0.10 to \$1.50, depending on targeting and competition.

## Key Performance Indicators

### Video Views

The amount of times your video was viewed. Video views measure how often your content is being watched, which indicates the level of interest and engagement it generates. High video views suggest that your content is capturing attention. However, it's essential to look at the average watch time as well to ensure viewers are staying engaged throughout the video, not just clicking away after a few seconds.

### CPVV

Cost per video view. CPVV helps you understand the cost efficiency of your video ad campaigns. A low CPVV indicates that you're getting more views for your money. However, ensure these views translate into meaningful engagement or conversions to maximize ROI.

### Clicks

The number of times someone clicked on your ad. Clicks measure direct engagement with your ad, indicating interest and prompting further interaction with your brand. High click numbers are positive, but it's important to ensure these clicks lead to meaningful actions, such as landing page views or conversions. Track the user journey beyond the click to measure true effectiveness.

### CPC

Cost per click. CPC is crucial for understanding how much you're paying to drive traffic to your desired destination. A lower CPC means you're driving traffic more cost-effectively. However, ensure these clicks are qualified and lead to valuable actions or conversions to ensure cost efficiency.

### CTR

Click through rate, the ratio of clicks to impressions, showing the percentage of viewers who clicked on your ad. CTR indicates how compelling your ad is to those who see it, reflecting the effectiveness of your creative and messaging. A high CTR suggests that your ad is resonating with viewers and prompting action. Conversely, a low CTR might indicate that your ad needs to be more engaging or better targeted.

## Landing Page Views

The number of people who landed on the destination page after clicking your ad. Landing page views measure the effectiveness of your ad in driving traffic to your site, an essential step in the conversion funnel. High landing page views are good, but it's crucial to ensure these visitors are engaging with the content on the landing page and not bouncing immediately. Monitor the bounce rate and on-page engagement metrics.

## CPLPV

Cost per landing page view. CPLPV helps you understand the cost efficiency of driving traffic to your landing page. A low CPLPV indicates cost-effective traffic driving, but it should be paired with metrics on user behavior on the landing page to ensure these views are leading to further engagement or conversions.

With these KPIs you can really hone in on specific details even more. For example, with video views, you have the following options to choose from:

2-second video views

Video views at 25%

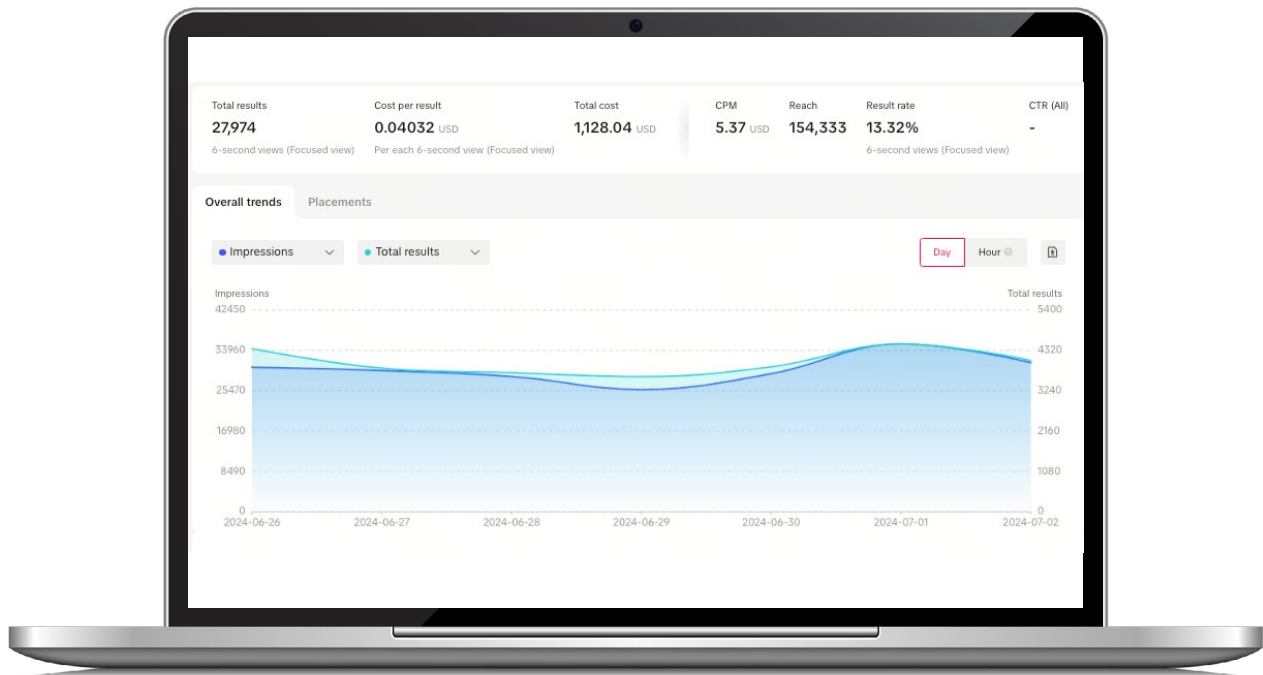
Video views at 75%

6-second video views

Video views at 50%

Video views at 100%

Imagine you have a TikTok ad campaign running a 30-second video and your goal is to get users to watch the whole video. By analyzing the different view percentages, you can gain valuable insights into your audience's behavior and the effectiveness of your ads. If there's a sharp decline at 50%, it suggests that the mid-section of your video needs improvement – perhaps the content is becoming less engaging or too slow. The TikTok platform gives you the freedom to track performance to what works best for you and your brand!



# CONVERSION CAMPAIGNS

Lastly, we have conversion. Conversion campaigns function just how they sound, the goal is to convert users to take an action. There are four different goals you can optimize towards when running a conversion campaign. The first, and most popular is **website conversion**, where you drive valuable actions on your website. Those can include but are not limited to actions like add to cart or complete purchase. The second campaign goal is **lead generation**, where the campaign's purpose is to collect leads for your business. Some examples include name, phone number, or email. Next is **app promotion**, where you focus on getting more people to install and take desired actions in your app. Finally, the fourth goal is **product sales**. With this selected you can display and sell products from your TikTok shop, website, and app in your ads. Many brands report a return on ad spend (ROAS) of 2-3x, meaning for every dollar spent, they earn back \$2 to \$3.

## Key Performance Indicators

### Conversions

The number of times your ad achieved its desired result, such as a sale, sign-up, or download. Conversions are the ultimate measure of your ad's success, indicating whether your campaign is effectively driving the actions you want from your audience. If conversions are low despite high engagement, consider optimizing your landing page, call-to-action, or overall user journey.

### CPA

Cost per acquisition, the average amount of money spent to achieve a conversion. CPA helps you understand the cost efficiency of your campaign in generating conversions. A lower CPA indicates a more cost-effective campaign. However, balance this with the quality of conversions—ensuring you're attracting high-value customers who contribute positively to your business in the long run.

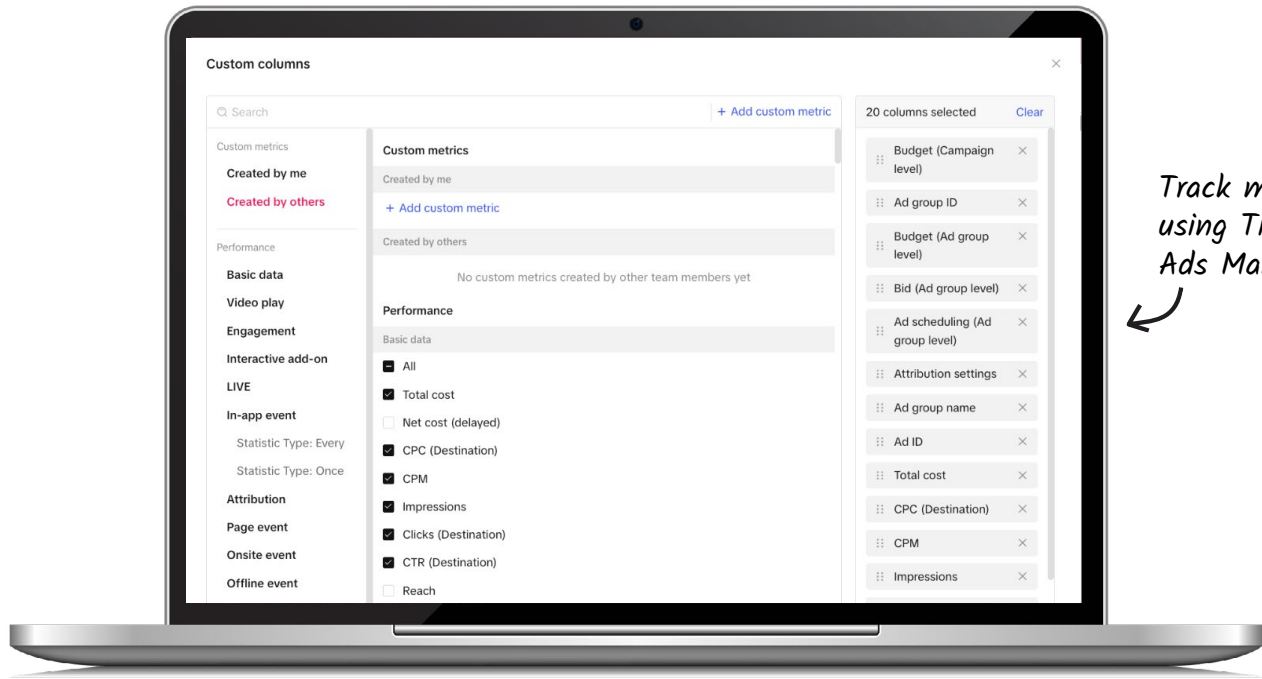
### ROAS

Return on ad spend, the revenue generated for every dollar spent on advertising. ROAS measures the profitability of your ad campaigns, providing a clear picture of the return on your advertising investment. Aim for a high ROAS to ensure your campaigns are profitable. If your ROAS is low, reassess your targeting, creative strategy, and ad placements to improve performance and generate higher returns.

### Purchase Value

The total dollar value of an order generated from your ad. Purchase value helps you understand the revenue impact of each conversion. Track purchase value alongside conversion rates to ensure you're not just driving quantity but also quality in your conversions. High purchase values indicate that your ads are attracting high-spending customers.

You can track all these metrics using the TikTok Ads Manager. Here you can analyze your data at the campaign, ad group or ad level. Default columns will be made up of a mix of the KPIs we just went over above. However, when digging deeper into performance new columns can be added in to calculate any metric that is important to your brand or goals. This can be done by clicking the drop down arrow in the default columns section and customizing as you see fit, like in the image seen below. Customizing your metrics is important because it allows you to tailor your analysis to your specific objectives, ensuring you measure what matters most to your brand's success.



*Track metrics using TikTok Ads Manager*

Attribution and how it will also impact your performance numbers is important to understand. Attribution is used to understand what actions users take after an ad is clicked or viewed. When a user clicks or views your ad and takes further actions, such as making a purchase, if it is within the set conversion window it will count towards the campaigns overall performance. Some things to keep in minds when thinking about attribution:

- 01

**Click-through Attribution**

➔

when a user clicks on a TikTok ad then completes the desired conversion action, this will be attributed as a click-through conversion.
- 02

**View-through Attribution**

➔

when a user views but doesn't click on a TikTok ad and then completes the desired conversion action. This will be attributed as a view-through conversion.
- 03

**Attribution Window**

➔

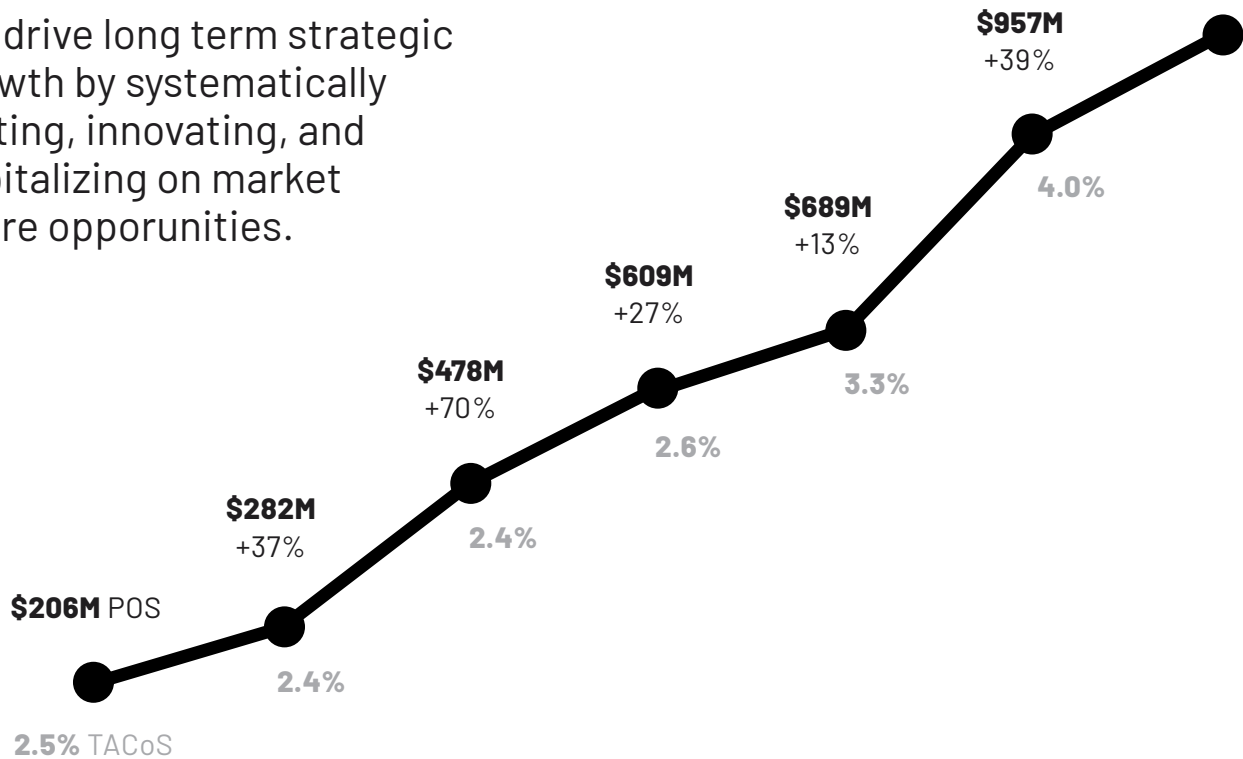
this is the period of time where eligible conversions can be claimed.

For example, if you have a click conversion window of 14 days, this means that a user has 14 days from the time of click to complete a conversion action for TikTok to get conversion credit. You can customize your attribution window in the Mobile Measurement Partner dashboard. TikTok recommends the conversion window be at least 7 days for click-through conversions and at least 1 day for view-through conversions. The best way to figure out what attribution works best for your brand is to A/B test and experiment before deciding on your go-to.

Understanding performance on TikTok is crucial because it allows you to measure the effectiveness of your advertising efforts and make informed decisions to optimize your campaigns. This data not only helps you track your return on investment, but also provides insights into audience behavior and preferences, enabling you to refine your strategies for better results over time and driving meaningful business outcomes and growth.

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