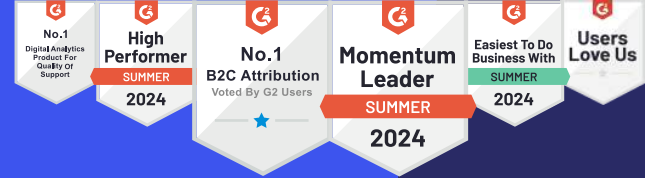




Fospha's ultimate TikTok playbook

How to outpace competition with a bulletproof TikTok strategy

www.fospha.com



Introduction

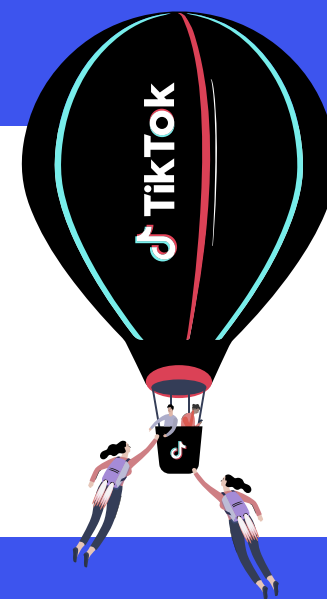
For the past 2 years, TikTok has been the golden child of eCommerce growth. For Fospha brands, TikTok spend has doubled YoY with no sign of slowing. The platform now comprises an average of 10% our customers' marketing mixes, making it too big for anyone to ignore.

A consequence of this growth is that we find ourselves speaking A LOT about TikTok. Despite being an established channel, it still holds a lot of untapped potential and is seen as an exciting 'wild west' by the marketers we speak to.

It would be a shame to keep our growing TikTok knowledge and experience to ourselves – so we put together this guide to help you, no matter the stage you're at in your TikTok journey.

Who is this report for?

- 1 Brands starting out on TikTok
- 2 Brands in the process of scaling TikTok – but aren't sure how best to execute
- 3 Brands who have already scaled the channel – but looking for new ways to maximize their performance long-term



Who are Fospha?

Fospha is a platform offering a new type of marketing measurement. Using machine learning to combine multi-touch attribution and marketing mix modelling in one view, our platform gives clear, actionable insights on where to spend to maximize your growth.

Our cutting-edge approach shows you the impact of all clicks and impressions, restoring visibility you lost with iOS14 and future-proofing you against further privacy changes.



Why TikTok?

First off – why should marketers even consider starting to scale here?

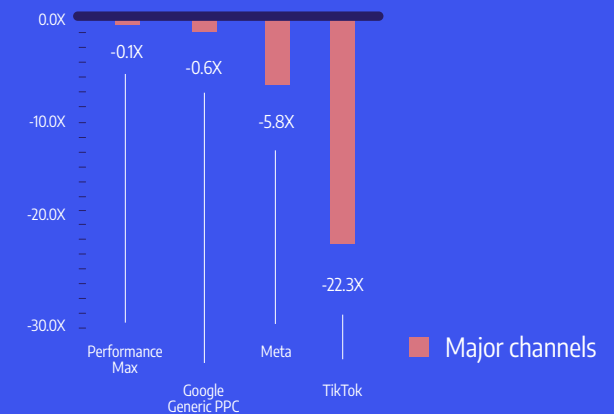
1 TikTok is undervalued by 22X under Last Click

Channels like TikTok derive impact through impressions, which generate awareness and influence consumers to buy. Paid Social is therefore left behind under Google Analytics' (GA) Last Click model, which has no way of capturing impact beyond clicks – and only measures the final touchpoint in the customer journey.

Fospha analysis shows that of the high-spend channels, TikTok suffers worst, with 22X less credit in GA than it deserves.

This signals a huge missed opportunity in TikTok. If brands had visibility over actual impact, they'd consider investing more.

TikTok is the most under-reported major channel by GA



2 TikTok returns are high despite increased spend

Accurate measurement opens the door to seeing what's really going on – and in TikTok's case, we see a lot of potential.

TikTok has rapidly grown to the 4th largest channel we measure - and the 2nd largest Paid Social channel. There's no sign of growth slowing down either.

Despite spend growth, TikTok keeps delivering results - the experiences of our brands prove this.

With missed opportunity and high potential, TikTok stands out as a strong contender for brands to test scaling. Let's jump into how you should go about it.

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Strategy 1: Utilize the entire funnel in TikTok

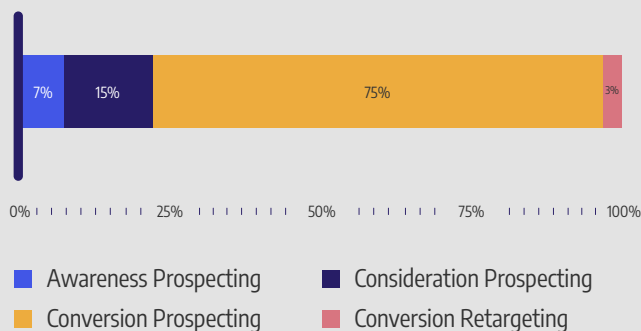
A consequence of using simple pixel-based measurement methodologies like GA means many brands have effectively scaled easy-to-measure bottom of funnel activity and are struggling to find their next opportunity.

What does the data say?

The best optimized brands in TikTok (i.e. strongest CPA) adopt a full-funnel approach. They spend 22%+ in Awareness & Consideration activity, more than 1.5X the average.

Spending further up the funnel lays the foundation for sustainable growth – you'll continuously generate demand, so there will always be demand left to capture.

The best optimized brands in TikTok spend 22%+ across Awareness & Consideration



What can we tell from the TikTok platform?

A full-funnel approach also favors TikTok's algorithm.

Jumping straight to the Complete Payment stage can cause the algorithm to struggle to get out of the learning phase*. An Account Nurture strategy is best.

This involves a 3-step process:

- 1 Upper Funnel (View Content)
- 2 Mid Funnel (Add to Cart & Initiate Checkout)
- 3 Lower Funnel (Place an Order; Complete Payment)

*For large brands with an already-established following, jumping to 'Complete Payment' might work.

How are other brands doing it?

UNDEROUTFIT

is a D2C brand shapewear and underwear brand.

With Fospha, they found TikTok had a 9x greater impact on revenue than what they saw in Triple Whale.

They also realized they had been over-indexing towards lower-funnel, which was preventing them from accessing growth headroom in Paid Social.

They started diversifying, quickly scaling up TikTok. This action led to \$3.3m in incremental revenue within a single month.



Strategy 2: Understand TikTok's role in your mix – driving new customer acquisition

Unlike the ad platforms or GA, Fospha can discern whether purchases driven by specific channels are from new customers or repeat purchasers.

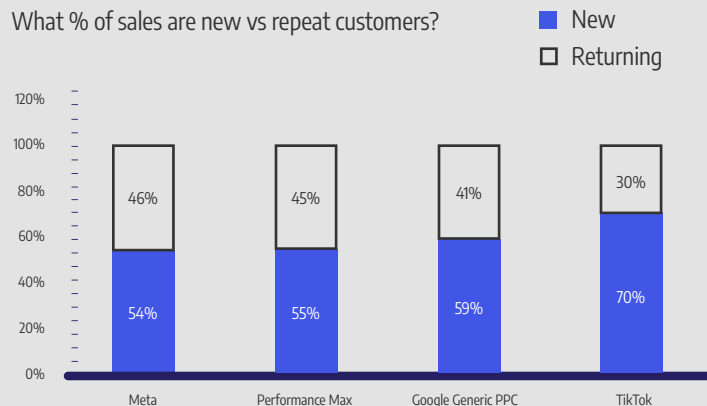
What does the data say?

It's no secret that TikTok is a powerful tool for product discovery, overtaking Google for certain cosmetics and apparel searches.

The data reflects this. Amongst high-spend channels, TikTok takes the crown for new customer acquisition, with 70% (on average) of purchases driven by the platform being from new customers.

Brands should seize TikTok's potential to drive growth & tackle new audiences.

What % of sales are new vs repeat customers?



What can we tell from the TikTok platform?

According to TikTok, the best way to reach as many customers as possible is through Broad Targeting.

If you're after new audiences, narrowing down your target audience may seem like the obvious solution - but TikTok specialists confirm that starting broad is best. This approach maximizes your ad's reach and gets more eyeballs on your content.

Using Broad Targeting doesn't mean all audiences will be targeted arbitrarily. It means that TikTok's ad models have more freedom to optimally determine the right users based on their potential to convert.

Once you see the audiences picking up your content the most, it's smart to start narrowing down your targeting.

How are other brands doing it?

nutrimuscle®, a sports supplements brand, discovered TikTok's potential upon joining Fospha.

They found TikTok was one of their strongest channels for new customer acquisition, yielding 60% new customers.

In 6 months, Nutrimuscle scaled spend in TikTok by 390% which positively impacted new customer growth. At blended level, their proportion of new customers (versus repeat) increased by 10%.

Armed with accurate attribution and advanced targeting, Nutrimuscle successfully reached new audiences with TikTok.



Strategy 3: Optimize your creative strategy

Finding the best approach to creative can be challenging. With insight from specialists and TikTok themselves, you'll be armed with the best resources to succeed.



What do the specialists say?

Our friends at [For You Advertising](#) are experts when it comes to creative TikTok strategy that converts. Here are some of their top tips:

- 1 **Trends are your friends:** The algorithm loves trends. Although their lifespan is usually 7-14 days, if the trend connects well with your brand, don't be limited by this timeframe.
- 2 **Keep it organic:** Organic-looking ads perform best on TikTok. Make sure you have a solid organic concept that performs well before you scale into a paid strategy.
- 3 **Create platform-native content:** Don't just re-use content across platforms. Instead, create content drawing on TikTok's unique culture, including trending filters and sounds.



What can we tell from the TikTok platform?

A test-and-learn approach is key to optimizing your creative. [TikTok](#) recommend the following:

- 1 Maintaining a consistent supply of new creatives to refresh is one way to combat creative fatigue.
- 2 When refreshing creatives, add new creatives to an existing ad group instead of creating a new ad group to extend its lifetime.
- 3 Maintain a library of creative assets to efficiently design new creatives.

How are other brands doing it?

THE ESSENCE VAULT *Fragrances* is a leading fragrance brand.

They started by utilizing For You Advertising to set up a creative-first TikTok strategy. They then used Fospha to prove its impact. Supported by Fospha, The Essence Vault grew weekly TikTok spend by 250%, which increased daily new conversions by >2.3X.

Hear Olly Hudson, CMO of The Essence Vault on the combined value of measurement + creative testing:

“Fospha allowed us to act on what we knew instinctively was working really well. Finding great measurement that shows you where your opportunity lies has been a game changer.”



Strategy 4: Leverage TikTok during peak period

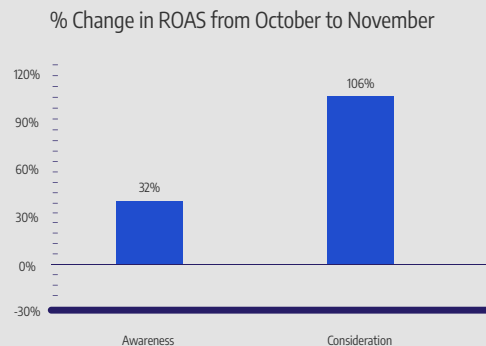
Black Friday Cyber Monday (BFCM) is the most important annual event in eCom. Brands that nail peak season, nail the entire year.

What does the data say?

TikTok is a strong choice for securing BFCM wins. When looking at month-on-month ROAS for October-November, TikTok showed the best cross-channel % growth of 217%.

What might be surprising is that Black Friday is a good time to kick off your full-funnel strategy.

Because everyone is so focused on Conversion activity during peak, competition is lower on upper funnel activity. We've found that Consideration ROAS improves by a huge 106% during peak.



Brands will get a lot more back on their TikTok investment during Black Friday – and even more if they spend in the higher funnel.

What can we tell from the TikTok platform?

This is [how to maximize your TikTok strategy during peak](#), according to TikTok:

- 1 **Use Spark Ads to leverage organic content:** Black Friday deals can attract organic posts from users. Monitor mentions of your products then boost using Spark Ads to further their exposure.
- 2 **Use Branded Effect for increased CTR:** Branded Effect's In-App CTA and In-Camera CTA push traffic to your webpage to maximize conversions.
- 3 **TopView to grab attention right away:** This puts your deals front and center, guaranteeing maximum exposure on app open.

How are other brands doing it?

REPRESENT joined Fospha in October 2023. They noticed a 380% better TikTok ROAS in Fospha versus Northbeam and gained confidence to scale.

By November, TikTok spend was 227% higher YoY. Scaling was successful, with YoY overall revenue growing by 71%.

Harrison Kirkness, Digital Marketing Manager at Represent, tells Fospha that [utilizing Influencer Spark Ads](#) was a large component in this strong performance:

"Influencer Spark Ads perform so much better than our own content, purely because they're native to the platform."



Key takeaways

We hope this report has armed you with everything you need to kill the game on TikTok and outshine competitors.

Here's the TL'DR for you to refer back to:

1 Utilize the entire funnel on TikTok

Aim for ¼ of budget to be dedicated to Awareness & Consideration to aid sustainable growth. A full-funnel approach is also favored by the algorithm.

2 Access TikTok's potential for new customer acquisition

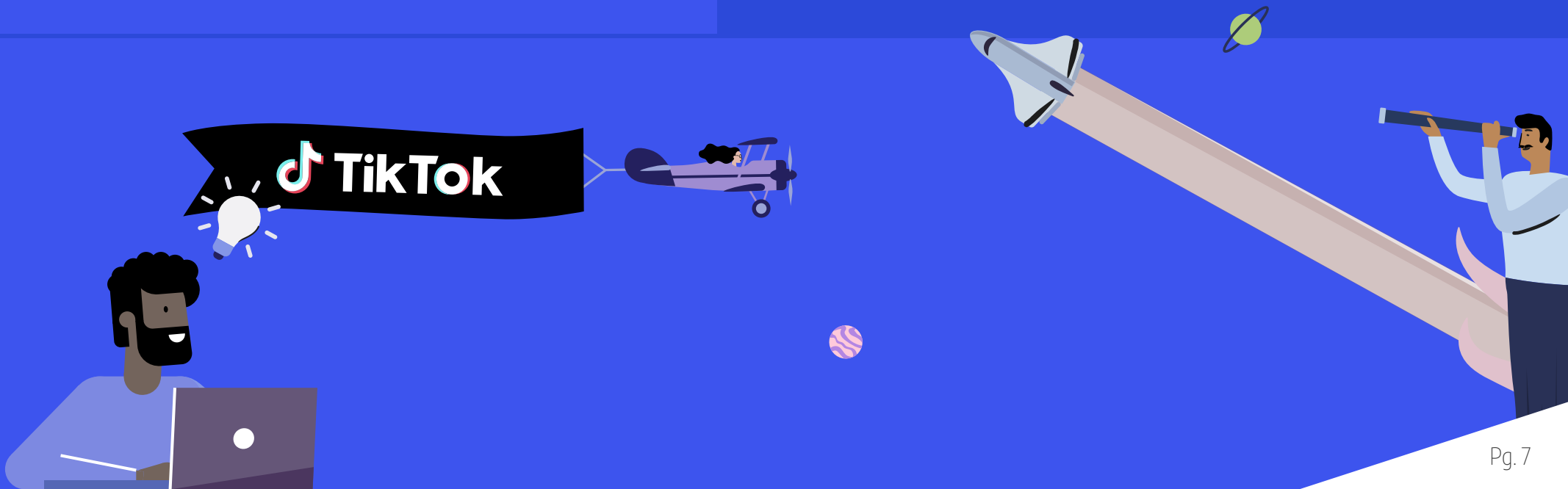
TikTok excels in attracting new customers. Start with Broad Targeting to maximize reach and conversions, narrowing as you learn more about your audience.

3 Optimize your creative strategy

Create platform-native content, engage with trends, and maintain a fresh supply of creatives.

4 Leverage TikTok during peak periods

Use Spark Ads, Branded Effect, and TopView during peak times like Black Friday for maximum exposure. Don't neglect higher funnel during BFCM – it can be great for maximizing ROAS.





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