

Marketing Analytics & Customer Engagement Applications of TikTok Advertising

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1. Definition/Description of TikTok Advertising in Everyday Language

TikTok has become one of the most influential and rapidly growing social media platforms globally. Launched in 2016 by ByteDance, TikTok now has over 1.5 billion active monthly users worldwide, with a particularly strong adoption among Gen Z and millennial demographics. The platform's short-form video format, user-friendly creation tools, and highly personalized algorithm that surfaces engaging, relevant content have fueled its meteoric rise. TikTok's ability to drive viral trends and leverage influencer marketing has made it an increasingly attractive advertising channel for brands seeking to reach younger, digitally-savvy consumers. With continuous platform enhancements, such as expanded e-commerce integrations and advanced targeting capabilities, TikTok advertising has become a critical component of many companies' omnichannel marketing strategies in 2024.

TikTok advertising leverages the platform's unique features to create engaging, viral content that resonates with its predominantly young and highly active user base. The platform's sophisticated algorithm is designed to surface highly personalized and relevant content to each user, making it a powerful tool for marketers to reach their target audiences effectively. One key strategy is influencer marketing, where brands partner with popular TikTok creators, or "influencers," to create sponsored content that feels authentic and resonates with their established audiences. This can be influencer-generated product reviews, recommendations, or influencer-led brand trips and experiences. Beyond influencer partnerships, TikTok also allows for more traditional in-feed advertisements that appear as users scroll through their personalized "For You" content streams known as the "For You Page." These ads are designed to blend seamlessly with the platform's user-generated content, leveraging TikTok's powerful algorithm to serve highly relevant and engaging promotions. Additionally, TikTok has introduced its own e-commerce integration, TikTok Shop, which enables users to directly purchase advertised products without leaving the app. This diverse advertising ecosystem allows brands to connect with TikTok's massive, active user base through various creative and strategic approaches.

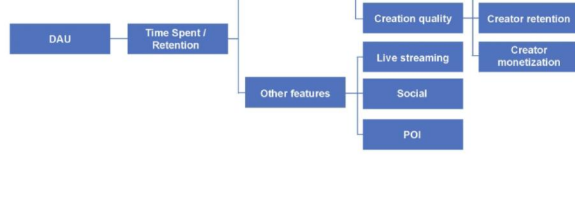
2. View/Approach to TikTok Advertising and Assumptions Made

This paper will focus on applying marketing analytics, specifically segmentation analysis, to optimize TikTok advertising. As TikTok "Advertising" is such a broad topic, my focus specifically will be on TikTok's "For You" page and the platform's secret algorithm that powers this highly personalized content feed. This is a core part of the TikTok experience, as the algorithm uses advanced machine learning to surface content uniquely tailored to each user's interests, behaviors, and preferences. This specialized algorithm is a crucial driver of TikTok's ability to deliver engaging, relevant advertisements to its users.

While the exact formula behind the "For You" page algorithm is not publicly known, we can assume that it

relies on a complex analysis of user data, including their likes, dislikes, and consumption patterns to optimize their content. This unique, user-centric approach to content and advertising delivery is a significant factor that has contributed to TikTok's rapid growth and success, and it will be essential to explore how marketers can leverage these sophisticated algorithmic capabilities to enhance their advertising strategies on the platform.

How TikTok's Algorithm Monetizes Content Creation



A chart illustrating the goals of TikTok's algorithm was part of the report. (Note: This image was reproduced by The New York Times from original documents.) The New York Times

3. Importance of TikTok Advertising in 2024 : Why Should Marketing Leaders and Analytics Specialists Care?

Marketing leaders and analytics specialists need to focus on TikTok Advertising as it is rapidly growing and converting consumers into loyal customers. TikTok offers the ability to reach a large, highly engaged audience through viral, shareable content. This presents a unique opportunity for brands to build awareness and trust, especially among younger consumer demographics that are challenging to reach through traditional media. Additionally, the platform's granular targeting and measurement capabilities allow marketers to optimize their campaigns for maximum return on investment. The analytics on key performance metrics like view-through rates, click-through rates, and conversion events can help justify the marketing budget spent on TikTok and demonstrate its potential for driving tangible business results, such as increased website traffic or direct sales. Beyond reach and measurement, leveraging influencers and user-generated content on TikTok provides a powerful way to authentically connect with customers in an engaging, trustworthy manner. This is especially valuable for marketing leaders looking to build brand loyalty and advocacy among younger, digitally-savvy consumers. The insights gained from TikTok's sophisticated algorithm, which personalizes content delivery for each user, can inform broader marketing

strategies and help analytics specialists identify new opportunities for customer engagement across multiple channels.

4. The Applications of Segmentation Within TikTok Advertising

Segmentation is a core marketing analytics technique that can be highly effective when applied to TikTok advertising strategies. Segmentation involves grouping customers into distinct segments based on their similarities in characteristics such as demographics, psychographics, desired product benefits, and past purchase behaviors (Class ppt 5). This allows marketers to customize their marketing approaches, including advertising, to better meet each identified segment's unique needs and preferences. In the context of TikTok, the platform's sophisticated algorithm leverages segmentation principles to deliver a highly personalized "For You" content page to each user. This algorithm analyzes user data, including their interests, behaviors, and engagement patterns, to surface the most relevant and engaging content for that specific user. This process applies to segmentation, as the algorithm effectively groups users into distinct segments based on their unique characteristics and then tailors the content experience accordingly.

TikTok's sophisticated segmentation capabilities provide marketers with many targeting options to reach their desired audiences effectively. Advertisers can specify the age range and gender of the audience they want to target, allowing them to tailor their content to different age/gender groups. Additionally, TikTok allows advertisers to target users based on their geographical location, from broad regions to specific cities. Beyond demographics, TikTok tracks users' interactions with content and uses this data to identify their interests. Advertisers can target users based on their interests, such as sports, fashion, or travel. They can also target users based on their online behavior and activities, such as app downloads and shopping behavior. TikTok enables advertisers to upload their customer lists, such as email addresses or phone numbers, which allows for retargeting campaigns. TikTok offers various ad formats, including in-feed ads, branded effects, and sponsored hashtag challenges, and advertisers can choose where and how their ads appear to align with their campaign goals. For multilingual campaigns, advertisers can target users who speak specific languages. TikTok also allows advertisers to retarget users who have interacted with their previous ads or visited their websites. Advertisers can set their budget and choose between various bidding options, such as Cost Per Click (CPC) or Cost Per Mille (CPM), to optimize ad delivery (Rohit Kanzariya, Digital Marketing Specialist).

5. Conclusion

TikTok's robust targeting and audience segmentation options provide advertisers with the tools to reach their intended audience effectively, making it a valuable platform for marketing and analytics experts. The insights gained from segmenting the TikTok user base can inform broader marketing strategies beyond just advertising. Understanding the unique characteristics of different social media user segments can help brands develop more personalized content, offers, and experiences that drive more powerful customer engagement and loyalty across multiple touchpoints. By applying segmentation within their TikTok

marketing efforts, brands can unlock valuable customer insights that optimize campaign performance and enhance their overall customer engagement initiatives.

6. Works Cited

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