Gerardo Perez:

So you made it to the end of the ad section. At this point, you're pretty much getting started to run your TikTok ad campaigns. But first I definitely do suggest that you check out the creative section in the next part.

But first, I want to share some overall insights, tips and tricks that I've learned running ads on TikTok over the past year. The first of which is your ad setup. Your ad setup is going to be quite simple, especially if you're running ads for e-commerce. I don't want you to overthink or over complicate your actual ad setup. If you're actually going to be investing a lot of time and effort, I think it has to do more so with the creative than the overall ad setup.

I do suggest that you test out different audiences like the way I showed you in our overall campaign setup. Once you get a little bit further down the line, you'll probably want to introduce test campaigns as well. The way I actually set up test campaigns is simply by taking your best performing ad group, duplicating it and inserting new creatives. What I like to do here is actually run that at a reduced budget and see which creative is working best so that later on, I can actually graduate it back up to my main ad group.

Well, you may be thinking, "Well, aren't you just going to have a little bit of audience overlap issues?" Short answer, yes, but not really. You're actually running this at a much reduced spend, and it's really just to get insights on your new, fresh batches of creative to be able to see what you're actually going to be able to replace and substitute once the current creative actually dies out.

In addition to that, I want you to be conscious of how many ads you're actually running within each ad group. I think on TikTok, you really don't need that many ads in a single ad group. Again, that's one of the main reasons why I stay away from automated creative optimization. In addition to that, I've also seen on multiple accounts that just having too many creatives within a certain ad group, really just dilutes the spend. It's almost as if I can't really focus or gain traction on any of them.

We talked about how to establish budgets, but once you actually find a winning ad group, I do want you to start bumping up that budget. One of my general rule of thumbs is essentially start bumping up by intervals of your CPA.

Let's say, for example, we're going back to that \$30 CPA and that specific ad group has been running at \$30 to \$40 per day. I'm averaging one conversion per day, and I want to start incrementing the budget to see if I can actually start getting more conversions within that ad group. I would start by simply seeing what my CPA is within that ad group and then tacking that on to my current spend.

Going back to that example, if I'm actually running \$30 a day ad groups, and I'm getting one conversion there, I would actually double it to get it to 60. Again, this is an example where I'm using minimal spend so if you are operating within higher spends, the rules kind of change a little bit.

Once you start to see success, you can start doubling and tripling down within that specific ad group. One thing that I do suggest that you do is once you decide on which ad group is giving you the best results, start shifting overall campaign spends to that specific ad group. The more conversion signal that you can actually get within a single ad group is going to help you better optimise for that specific ad group and eventually exit the learning phase.

Just a reminder that the learning phase is defined by TikTok as 50 conversions within a time span of seven days. If your actual conversion objective is purchases, it would be 50 conversions or 50 purchases within a seven day time period.

Being able to exit the learning phase is going to help your campaigns better to optimise and is going to give TikTok a clear direction on who to target and what audiences to go after. I did suggest to

start off with lowest cost campaigns. This is essentially because I'm assuming that, A, you've never ran a TikTok ad, and B, you don't necessarily know what your cost caps would be. That being said, once you actually run lowest cost campaigns for an extended amount of time and you actually see your performance start to either plateau or dip, that might be a good sign to switch on over to bid cap.

Depending on what your actual bid strategy is, whether you're going for conversions or clicks, I do suggest that you actually set that bid slightly higher to what you're actually getting your CPAs for, just to make sure that the platform is actually going to spend your money. If you see that the platform isn't spending because you actually transferred over to bid cap, then just make sure to slowly bump up your budgets. By bumping up the bid, you'll notice that the platform will actually be able to spend your money while giving you a little bit more stable results.

When it comes to optimising campaigns, after you have a little bit of data, make sure to check out your view data tab. You'll get a lot of different insights on who's actually purchasing, what demographics are actually working, what age ranges and potential locations are best working for your campaigns. Based off of this data, you can better optimise your campaigns and actually group these specific audiences to get a little bit more specific with your targeting and hopefully have more effective spends.

Lastly, I want to talk a little bit about spark ads. You're going to be hearing about spark ads left and right. I have my own opinions about spark ads. I think they do have a place on the platform, but I've actually seen better results running ads as non sparks as opposed to sparks. Why? I just don't know. For some reason it seems like the platform chooses to misallocate spends sometimes to those specific spark ads. It's almost as if they prioritise them without actually considering the efficacy of the ad. It's quite odd and that might change, but it's just something that I've been observing over the past couple months.

With all that being said, the last piece of the puzzle is always going to be your creative. Your creative is where you have the most control over your campaigns. Everything else is kind of just at the mercy of the platform and the user. This is like your most dependent variable and where you actually have a lot of say on what users see and how you actually nudge them in a direction of purchasing your products. Make sure to test a wide range of different creatives. Also, be smart about how you actually go about making creatives. A lot of times you have a great body section in your actual ad, but maybe your hook is lacking. Being able to easily sub out different hooks and test those variations can be a huge asset for you, your time and your ad account.

With all that being said, I'm really excited to see you and your business progress on TikTok ads. If you're here at this point in time, trust me, you're still super early and chances are you're going to be way ahead of the game in three, six or even 12 months. The opportunity that your business has to actually grow through TikTok ads right now is probably an opportunity that we won't see within the next 10 years or so. Remember to take advantage of the opportunity while it's still here.