## TikTok launches ad solution aimed to court advertisers while pleasing creators

## Article



The news: TikTok introduced Branded Mission, an ad solution that enables brands and agencies to crowdsource authentic content from creators and turn highly engaging videos





into ads.

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**More on this:** The new feature allows advertisers to discover TikTok's "diverse system of creators" and involve the broader community in branded initiatives while keeping each creator's unique voice. Creators get the opportunity to work with brands on branded content.

 Creators 18 and older with more than 1,000 followers are eligible to participate in a Branded Mission, which should help increase their discoverability. Eligible creators whose videos are chosen to run as ads will receive cash payment and an influx of traffic to their content.

Zoom out: TikTok is doing its best to court advertisers in as many ways as possible.

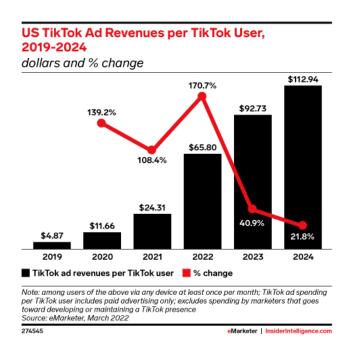
- The ByteDance-owned platform recently began allowing advertisers to <u>add first-party</u> <u>cookies to its site conversion pixel</u>, allowing them to track site activity and attribute advertising across browsers—something Meta's Facebook has done for years.
- In April, TikTok <u>launched "Interactive Add-Ons,"</u> which allow brands to add interactive features like polls to their ads in the app's video feed and facilitate engagement.
- This comes shortly after the launch of TikTok Pulse, an expansion of the platform's creator monetization options that will run ads alongside the top 4% of all videos on the app and give creators a 50% cut of ad revenues.

Jealous much? These days, it seems like everyone wants to be TikTok.

- YouTube's ad sales during the first quarter of 2022 missed Wall Street expectations by over half a billion dollars, prompting Alphabet and Google CEO Sundar Pichai to focus on **Shorts**, YouTube's short-form TikTok competitor, which averages over 30 billion daily views—a fourfold-plus increase over the 6.5 billion it averaged last year and double the views from Q4 2021.
- Instagram recently <u>expanded</u> its 90-second **Reels** test, which began in February, to more users. To combat the threat posted by TikTok, Meta said that Reels producers who upload original material on Facebook would now receive additional compensation.

**The big takeaway:** While Branded Mission is primarily geared toward advertisers, it should simultaneously help TikTok grow its bona fides as arguably the most creator-friendly of all social media platforms.

- These ad initiatives are part of why we forecast TikTok's advertising revenues to <u>triple this</u> year, surpassing Twitter and Snapchat combined.
- If TikTok plays its cards right, its ARPU could soar from \$65.80 this year to \$112.94 in 2024. That profitability can only happen if features like Branded Mission continue to roll out—and roll out well.



**Go further:** Our TikTok Advertising report will be out next week. Subscribers should make sure <u>Report Notifications are turned on</u> to be the first to know when it publishes.



