TikTok Monetization Product Launch Concept Portfolio
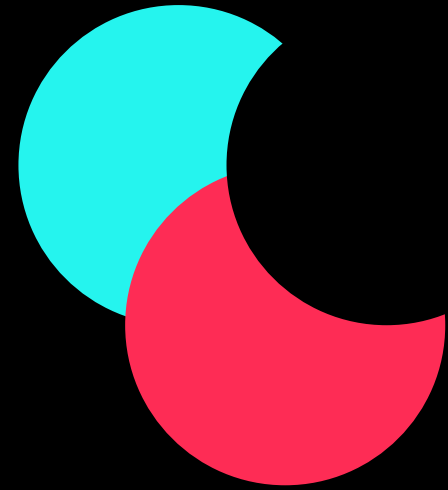
By: Garman Chan

Index.
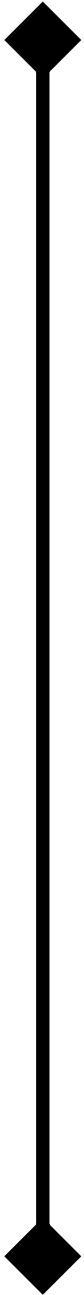
Editorial.

WELCOME

The purpose of this portfolio is to demonstrate my thought process on how TikTok can launch its new product (monetization platform) through the lens of a product marketing manager. In this portfolio, I will cover a monetization product for TikTok's monetization team and develop a product launch strategy from concept to execution. I'll go over customer segmentation, KPI's, pain points, solutions, metrics, and other considerations that will make this product viable.

Disclaimer: The purpose of this portfolio is hypothetical and to be used solely for educational and demonstrational use.

Garman Chan
Marketing Student

Phone: **619-627-9532**
Email: **chan.garman77@gmail.com**

01 Product

"A product is an object or system made available for consumer use; it is anything that can be offered to a market to satisfy the desire or need of a customer."

In this section, I will identify a potential monetization product for the monetization team at TikTok. In addition, I will demonstrate how this can benefit the business while also increasing its current market share.
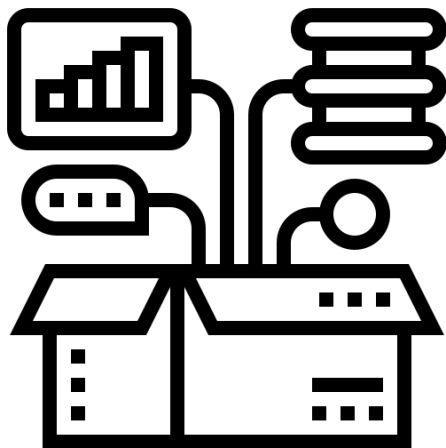
TikTok has become one of the leading destinations for short-form mobile video. The company has global offices including; Los Angeles, New York, London, Paris, Berlin, Dubai, Mumbai, Singapore, Jakarta, Seoul, and Tokyo. Its rapid growth has led to further ideas to expand its business outreach.

Comparing TikTok to the product lifecycle, it is clear that the company resides in stage 2, growth. During this phase, TikTok should introduce new improvements and innovations. Doing so will allow TikTok to expand market demand and market share. It's vital to keep in mind that seeking innovations/improvements will require additional capital as a tradeoff for growth.

DEFINING THE PRODUCT FOCUS

With the massive global adoption of TikTok, it would make sense in the next steps for the company to adopt a monetization platform similar to other giant social media platforms. For this portfolio, we will focus on: **"How can we help the monetization product team at Tiktok build a global marketing platform (TikTok ads)"?**

Market Research

Before moving forward, we should conduct market research to see if focusing on this product (TikTok Ads) makes sense from a business perspective.

Most Used Social Media Sites
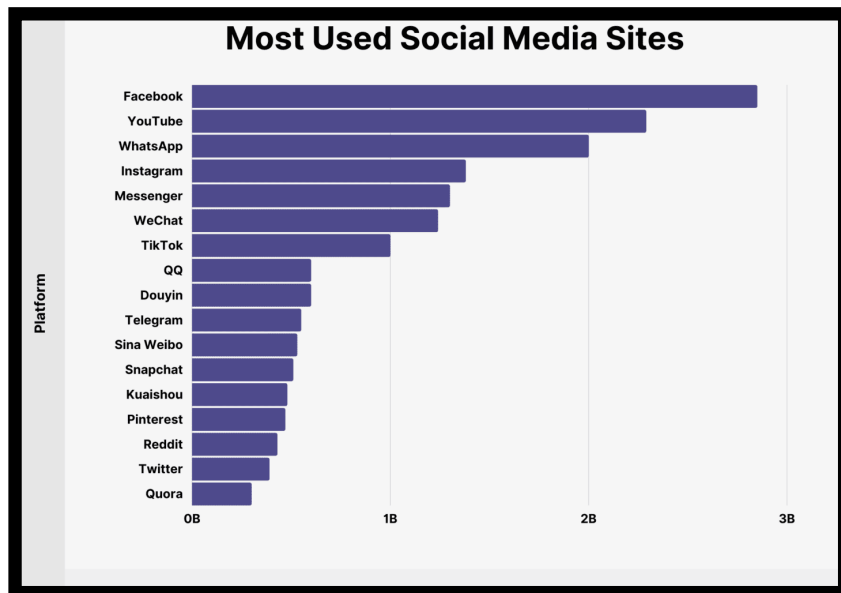
Sources: TikTok, Statistica, CNBC 1, CNBC 2

Market Share

As of September 2021, TikTok is the 7th ranked social network worldwide, with 1 billion active users. If we look more specifically at the top of the table, 5/7 companies are owned by Meta, and 1/7 is owned by Google.

Advertising Revenue

According to Statista, Facebook's 2020 advertising revenue worldwide amounted to 84.2 billion U.S. dollars. In 2020, Google's advertising revenue accounted for 181.69 billion U.S. dollars.

Concluding Thoughts

Based on these statistics, TikTok is doing a great job attaining market share and establishing competitiveness. The next step would be to implement further innovations/improvements to differentiate from competitors. Looking at TikTok's competitors, it is clear that advertising revenue makes up a majority of revenue. That's why I believe it would make sense for TikTok to shift focus on its new advertising platform.

02 Situational Analysis

Strengths

- TikTok is one of the fastest-growing social media platforms
- A majority of people know about TikTok.
- 1B active users.
- Loyal user base.

Weaknesses

- Still a relatively new social media platform compared to its competitors.
- Advertisers may be reluctant to advertise on TikTok because of the lack of big data compared to Facebook and Google.
- Complicated editing features.

Opportunities

- Attractive for agencies/businesses who have money and are looking to test new advertising channels.
- Opportunity to explore partnerships with big brands and commerce companies.
- 1B active users: Collection of big data.

Threats

- Instagram's introduction of Reels in response to the popularity of short-form mobile videos.
- Facebook's big data allow advertisers to target high-converting audiences.
- Google's big data and amount of money can potentially overtake TikTok with an introduction of a new product line.

03 Segmentation

To develop the best go-to product strategy, segmentation helps identify who the product will impact the most. Segmenting our audience will allow us to dive into user perspectives and come up with pain points that we can later address in our solutions.

① Users of TikTok Ads

These can be agencies, small/big businesses, creators, and influencers.

② Recievers of TikTok Ads

These could be people who are using TikTok for entertainment or education.

Customer Segmentation

When I think about the product, TikTok Ads, two groups come to mind— the users of the product and the people who will receive the product.
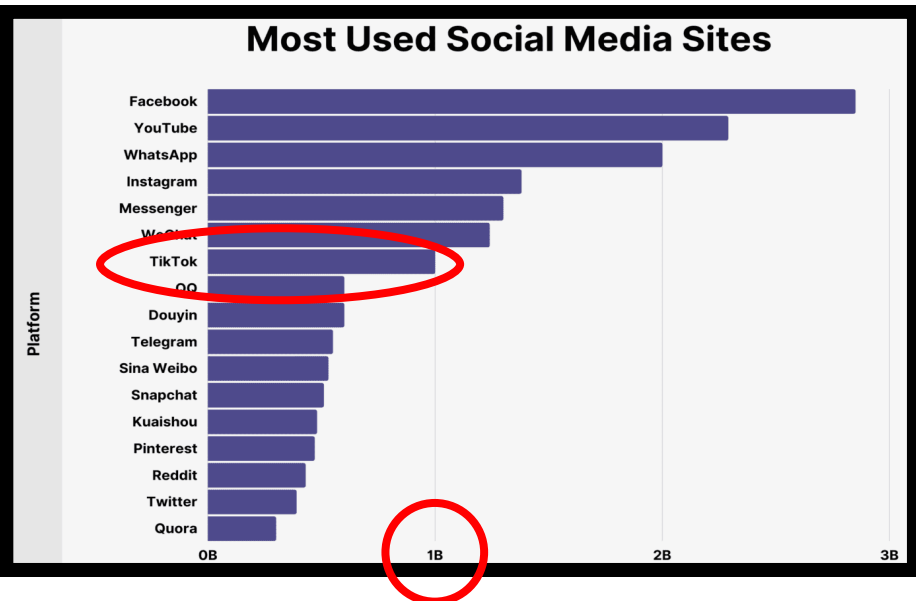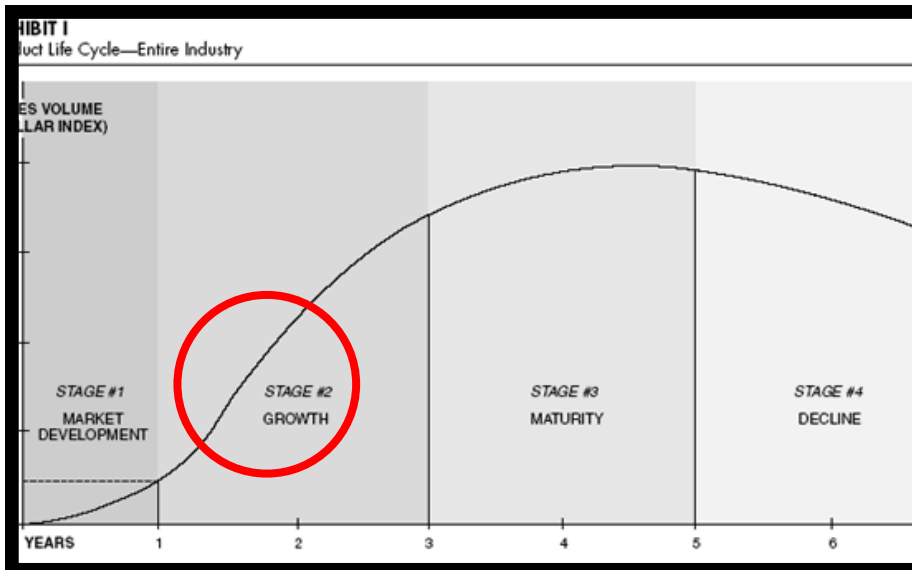
From the surface level, TikTok ads may look like it only makes sense to focus on the users of the ad platform. However, it's also mindful to consider the users who will be seeing the ads. Consideration of both parties will allow us to launch the product that benefits everyone leading to an overall better user experience.

04 Product Goals

Now that we've identified what product to focus on and segmented our customers, we can move forward with setting up our product goal. As a result, this will provide direction in the types of metrics to track performance.

Goals

There are a lot of goals that we can use to track performance. However, because TikTok ads are still relatively new, I think a reasonable goal for the product can be **"to increase market share and adoption of TikTok's ad platform".**

EXHIBIT I
Product Life Cycle—Entire Industry

SALES VOLUME
(DOLLAR INDEX)

STAGE #1
MARKET
DEVELOPMENT

STAGE #2
GROWTH

STAGE #3
MATURITY

STAGE #4
DECLINE

YEARS   1   2   3   4   5   6

Most Used Social Media Sites

Platform:
Facebook
YouTube
WhatsApp
Instagram
Messenger
WeChat
TikTok
QQ
Douyin
Telegram
Sina Weibo
Snapchat
Kuaishou
Pinterest
Reddit
Twitter
Quora

0B   1B   2B   3B

Why TikTok Ads?

It is essential to understand the why to our product. By understanding the why, we know the value of the product. We can use this information to develop product features that address customer pain points.

The Purpose of Paid Media

There are many reasons why businesses opt for paid media. The most common is because it is one of the fastest and easiest ways to drive traffic and conversions. Whether you are a small business, large business, or agency, leveraging paid media can help skyrocket your business.

Important Attributes

When it comes to paid media, not everyone is a digital marketing guru. It's important that a paid media platform provides the educational resources on how to effectively leverage advertising campaigns. For the big businesses and agencies out there, the platform's UX/UI should be familiar to other media platforms.

Paid media also allows for greater brand exposure and web traffic for businesses/individuals looking to do so. Paid media can also act as the backbone to launching successful campaigns—with more data inputted (more ads bought) into the system, the likelihood for better targeting.

05 Pain Points

Based on the two audiences that we've identified in section 3. I will brainstorm pain points that users ad platform and users of TikTok may have.

① Users of TikTok Ads

These can be agencies, small/big businesses, creators, and influencers.

② Recievers of TikTok Ads

These could be people who are using TikTok for entertainment or education.

After some brainstorming, I highlighted <u>three</u> potential pain points within the two audiences.

① Users of Product

1. Businesses may be skeptical of new ad platform performance consistency. A factor in running paid media is to gain consistent results—and the ability to scale smoothly.

2. Businesses may not know how to create high-performing TikTok ads since it requires a more native approach where traditional advertising (pushy ads) may not perform well.

3. Ad platform could be confusing and will require additional team training. Ad strategies for other ad platforms may not perform as well on TikTok.

② Recievers of the Product

1. Too many ads shown on the platform may cause users to feel annoyed (e.g., Instagram bombards users with ads everywhere on the feed.)

2. Some ads may redirect to sketchy websites exposing users to scams.

3. Data collection/privacy concerns, what type of data should TikTok be able to track, and if so, is it a breach of privacy?

06 Solutions

Users of TikTok Ads

Pain Point		Solution
1. Businesses may be skeptical of new ad platform performance consistency. A factor in running paid media is to gain consistent results—and the ability to scale smoothly.	→	TikTok could push an educational platform on how to achieve consistent results. Also, they could assign TikTok representatives to clients whose focus is on answering questions—and providing the most accurate information/strategies on TikTok ads.
2. Businesses may not know how to create high-performing TikTok ads since it requires a more native approach where traditional advertising (pushy ads) may not perform well.	→	Create an educational platform to train advertisers on how to create native ads that are high-performing and effective. Reveal insights to TikToks videos/accounts that are crushing it (e.g., @duolingo).
3. Ad platform could be confusing and will require additional team training. Ad strategies for other ad platforms may not perform as well on TikTok.	→	Adopt a familiar UX/UI that advertisers are familiar with to other platforms like Facebook and Google. In addition, provide educational content on effective ad strategies that are working.

Pain Point

Solution

Recievers of TikTok Ads

Pain Point		Solution
1. Too many ads shown on the platform may cause users to feel annoyed (e.g., Instagram bombards users with ads everywhere on the feed.)	→	Use an algo that categorizes an ad into a category (e.g., gift, books, personal finance, etc.) and show those ads to people who've engaged with that particular ad—reducing the likelihood of the ad coming off as spammy or something that they're uninterested.
2. Some ads may redirect to sketchy websites exposing users to scams.	→	Implement software that scans third-party links to make sure that they're malware-free. Also, algo could search words within videos that seem scammy and flag them for a manual review.
3. Data collection/privacy concerns, what type of data should TikTok be able to track, and if so, is it a breach of privacy?	→	TikTok could push towards establishing a mission statement that respects its users and their privacy. Transparency and giving users the option to not have their data collected ensures trust in the platform.

07 Metrics

Having metrics will allow us to track the performance of our solutions. In this section, I will define potential metrics to track the performance of our solutions.

① Users of TikTok Ads

These can be agencies, small/big businesses, creators, and influencers.

-> Number of advertisers who created a TikTok advertising account

-> Amount of money spent on TikTok ad platform (daily, weekly, monthly, annually)

-> Conversion rates/Link Clicks

② Recievers of TikTok Ads

These could be people who are using TikTok for entertainment or education.

-> Randomly assign treatment and control groups using qualitative and quantitative survey data on how consumers feel about TikTok (e.g., Rate your satisfaction using TikTok).

08 Extra Considerations

Now that we've set in stone our solutions and key metrics, we can consider other components to make all of this possible.

Data

For something like TikTok ads, we will need to figure out where to store all the collected data— to how much storage do we need, and what kinds of data are we collecting?

Design

Having a good UI/UX is critical for users navigating the product. We should design something familiar and easy to use—for our audience (creators, influences, businesses, agencies). In addition, we have to make sure that the design is collaborative for other users who are using the ad accounts.

Team Members

As product marketing managers—we need to ensure that sales, support, marketing, and engineer understand the product. As a result, this will help ensure the delivery of the best possible customer experience. Regular check-ins and answering questions that team members may have are also necessary.

Product Roadmap

Roadmaps are very beneficial in communicating high-level product plans. We need to identify potential product features and prioritize product requirements that add the most value to users. Most importantly, product roadmaps ensure that deadlines are on time and when not, they reveal potential issues that we can refocus teams' effort on to get back on track.

09 Feedback Cycle

After the minimum viable product (MVP), we should gather customer feedback to gain insights on potential ideas to create a product that everybody will love.
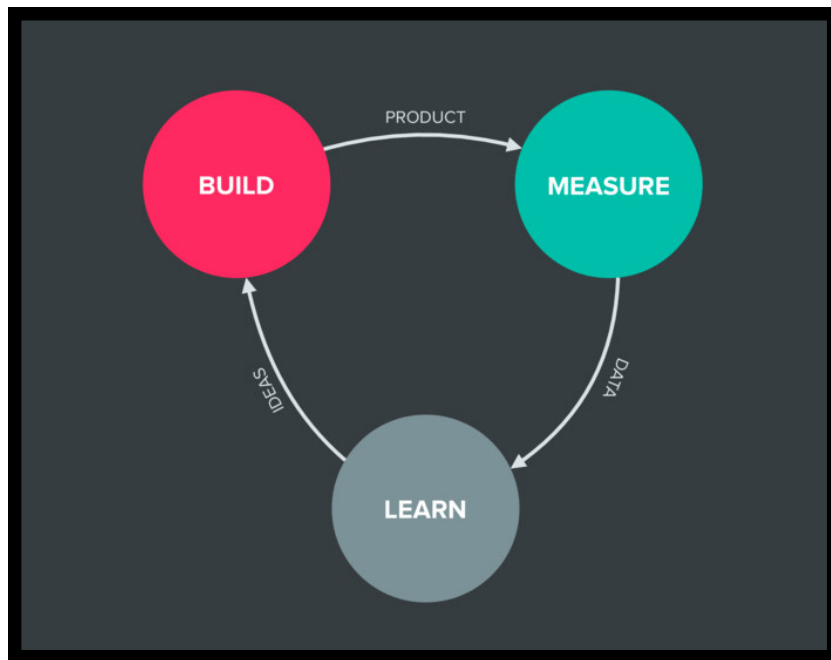
Importance

The customer feedback cycle is the key to acquiring new product-improvement ideas because they are the actual users of your product. They use the product regularly and will likely have unique feature suggestions for the product.

Setting It Up

We can leverage focus groups to gather customer feedback on our product. We can conduct an open discussion and have an assigned moderator. Harboring a set of clear goals of what you want to accomplish from the conversation will prevent deviation from the topic and help garner applicable insights.