SKIMS

Turning a Hunch into a Data-Backed Truth

SKIMS Experiments with TikTok Ads using LiftLab

LiftLab and SKIMS: A Partnership that Tripled Ad Spend Efficiency, Driving a 2.9% Increase in Daily Revenue and a 1.7% Boost in Profit

liftlab

SKIMS sought to

✅ Confirm the potential of TikTok as a valuable channel for their brand

✅ Test their hypothesis in a credible way

SKIMS, a solutions oriented brand creating the next generation of underwear, loungewear and shapewear, is known for its successful social media brand marketing. The SKIMS marketing team recognized the potential of TikTok as a valuable channel for their brand based on its extensive reach and ability to target their specific demographic effectively. However, they needed a credible way to test their hypothesis.

THE SOLUTION

To solve this problem, SKIMS turned to LiftLab.

SKIMS turned to LiftLab to independently measure the effectiveness of their ads on TikTok. While TikTok provides its own analytics, it is hard for marketers to rely on these self-reported numbers. Using the LiftLab platform, the SKIMS team conducted a geo-based experiment, exposing specific regions of the country to SKIMS ads on TikTok while withholding ads in other regions. Through this experimentation, SKIMS determined the incremental revenue that TikTok provided them.

**STEP 1** *Split the country into test and control regions*

Matched Market Name

TikTok Prospecting 2023

● treated
● control
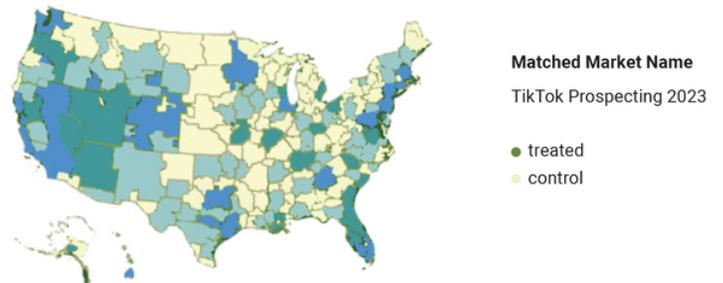
STEP 2 *Run the experiment for 6 weeks*
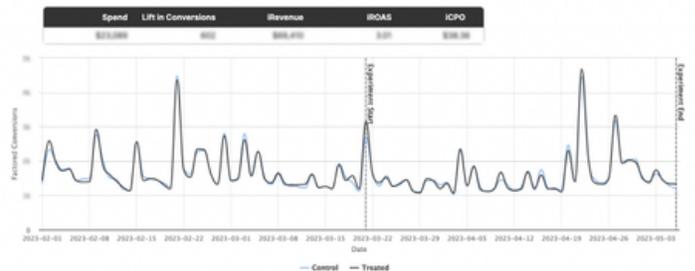
Confirming SKIMS' intuition.

The experiment confirmed SKIMS' intuition. They could at least triple their current spending to maximize profit. LiftLab pinpointed the incremental return on ad spend (iROAS) for TikTok. The point of maximum profit is where the incremental profit generated by targeting additional customers starts to diminish (as seen in the above chart.) LiftLab calculated a 95% confidence value that the results were correct.

Recommended Changes

daily spend
3.4x Increase

Results

revenue (per day) *or orders-interchangeable*	in contributing profit (per day) *(revenue- COGS - marketing spend)*
2.9% increase	**1.7% increase**
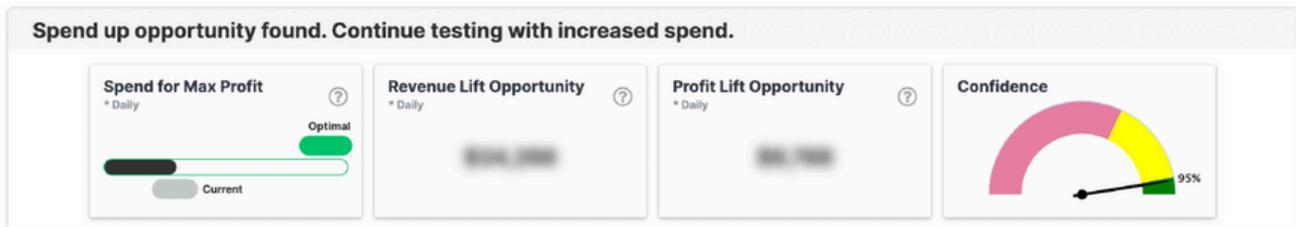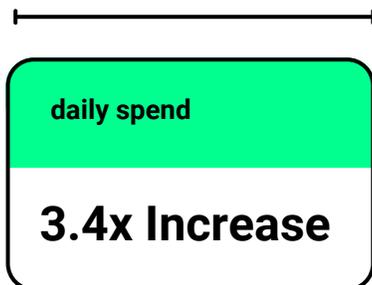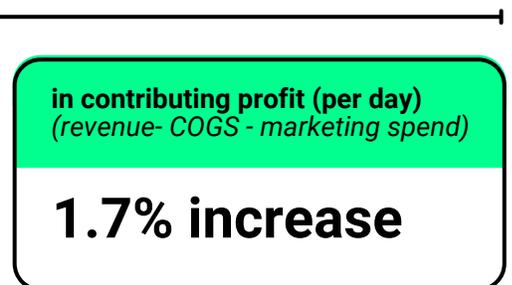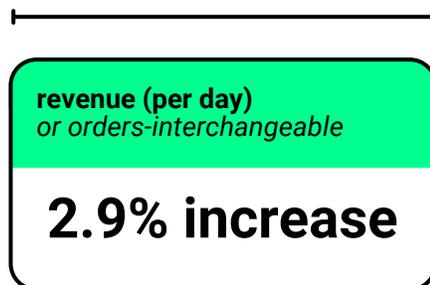
The Future for SKIMS

Based on the results, LiftLab recommended that SKIMS increase its spending on TikTok at least threefold as the lift curve had yet to reach its maximum point or perfect efficiency. These results are put back into the LiftLab Agile Marketing Mix model and refreshed weekly so that the SKIMS team can continue monitoring TikTok's performance alongside all their other marketing channels in the coming weeks and months.

Leading provider of science-driven software to optimize marketing spend and predict revenue for optimal spend levels.

Liftlab is the leading provider of science-driven software to optimize marketing spend and predict revenue for optimal spend levels. We call this the Science of Marketing Effectiveness. Our platform combines economic modeling with specialized media experimentation so brands and agencies can clearly see the tradeoffs of growth and profitability. With decades of experience in marketing analytics and data science, our team of industry experts and thought leaders is proud to enable leading and emerging brands such as Cinemark, Express, Hanna Anderson, Lulu & Georgia, Pandora, Skims, Tory Burch, Thrive Market, and Vionic, with our cutting-edge solutions and strategic guidance. For more information, please visit our website at *www.liftlab.com* or *sales@liftlab.com.*

Want to learn more? Request a demo with our team. **liftlab.com/requestdemo**

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