



FOR SMBs

The Essential Playbook for Reddit Conversion Campaigns



Legal Disclaimer



TL;DR

This playbook is for you to use, not to share with others.

The playbook provides illustrations of past performance on Reddit.

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Welcome to the Reddit Conversions Campaign Playbook

This playbook offers actionable strategies and best practices for building and managing conversions objective campaigns on Reddit, helping you maximize performance and connect with users at crucial decision-making moments.

But first, why activate a lower funnel strategy on Reddit?

Reach a unique, unduplicated audience

Reddit's audience is growing rapidly, and many of these users aren't active on traditional social platforms—32% aren't on Facebook, 37% aren't on Instagram, 41% aren't on TikTok, and 73% aren't on Snapchat.¹

Engage with high-intent users

Every day, millions of users come to Reddit for product recommendations and purchasing advice. Over 40% of conversations on Reddit relate to products and services, with 25% being specific product recommendations.²

Drive results across the funnel

Reddit's expanding ad solutions help you achieve both brand awareness and lower-funnel conversions, allowing you to capture the value of the organic engagement and reach generated by your upper and mid-funnel campaigns.

Source: ¹Comscore, US, Media Metrix, Q2 2024. ²Reddit Internal Data, Global, 3/1/2023 - 2/29/2024 (Time zone: UTC)



1. TL;DR & Checklist

While this playbook may seem long, we promise it's worth the read. It's packed with tips to drive better performance for Reddit conversions campaigns. If there's one section to bookmark, it's this one—these are the strategies that have helped others achieve stronger results. **Click the hyperlinked strategies for step-by-step guidance on each best practice.**

Section	Strategy	Best	Best Practice		
Conversion Data & Signal Quality	<u>Signals</u> configuration	٦	Implement the Reddit Pixel at minimum, and Conversions API (CAPI) if possible		
		٦	Map and share key full-funnel conversions, including at least one upper, mid, and lower-funnel event that's most aligned with your business goal		
		٥	Setup advanced matching, especially emails, to help improve attribution and match rates		
		٥	If using both Pixel and CAPI, include ConversionID parameter to deduplicate events.		
	Attribution	٥	Use both click and view-through attribution windows to capture full performance.		
		٥	Extend your attribution window to at least 7d click / 7d view		
Audiences	Audiences & Targeting segments	٦	Tailor your strategy and select solutions that align with your business goals. Focus on and prioritize budgets to high-impact tactics like retargeting, lookalikes, keywords, and communities.		
& largeting		٦	Each ad group should have sufficient budget and audience scale to achieve at least 3 goal conversion events per day.		
Placements	Placement optimization	٥	Run Feed & Conversation placements together in one ad group		
	<u>Setting bids</u> <u>& budgets</u>	٦	Set a daily budget for each ad group that's at least 3x your CPA		
		٦	Select Purchase, Lead or Sign up event as your conversion goal for best results.		
Delivery & Optimization		٦	Use automated bidding (lowest cost or cost cap) and let our system optimize ad delivery		
	Learning phase	٦	Exclude the learning phase from performance analysis due to data fluctuations. Wh activating auto-bidding, wait at least 2 weeks to assess performance		
Ads & Creatives	<u>Creative quality</u>	٦	When using multi-placement, use headlines that are 150 characters or less and simple assets with minimal text.		
		٥	Aim for 5-7 creatives per ad group and and refresh underperformers to boost results. Deep dive into <u>creative best practices</u> to help make successful ads		
	<u>Campaign</u> <u>measurement</u>	٦	Use Reddit attribution reporting to assess performance and make optimizations.		
Measurement		٥	If using 3rd party trackers, <u>ensure proper setup</u> to reduce reporting discrepancies.		

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2. Conversion Data and Signal Quality

Power your Reddit conversion campaigns with signal quality

High quality signals are required as a foundation to use Reddit's suite of performance products that help drive conversions

What are signals?

Signals are pieces of data that tell us information about users.



Conversion Signals

Actions they have taken on a website, like a sign-up or purchase.



Customer match keys

Identifying details, like IP address or emails, to help match the conversion to a redditor.

How are signals collected?



<u>Reddit Pixel</u>

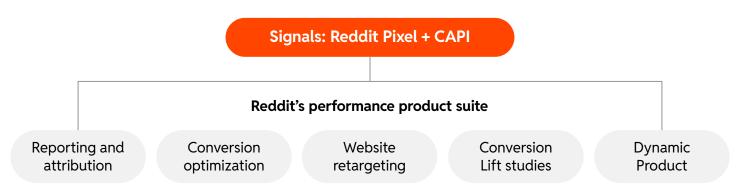
A piece of code that is placed on a webpage in the browser.



Conversions API (CAPI)

A server-to-server integration to share conversion data without the need for website code that overcomes browser-based signal loss limitations.

Both solutions can be integrated directly or via one of our supported partners.



Recommended signals set-up



Implement the Reddit Pixel at minimum, and Conversions API if possible, to capture conversions and help improve campaign performance.

Advertisers who invest in signal quality and combine both Reddit Pixel + Conversions API vs. using Reddit Pixel alone, on average experienced:

- 15-30% increase in matched conversion events
- 10% improvement in cost per action (CPA)

Source: Reddit Internal Data, 2024.

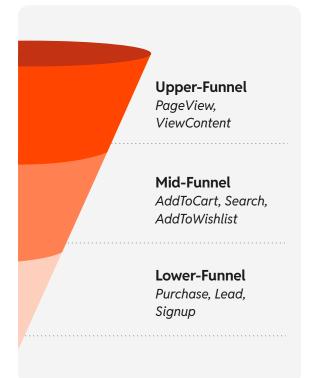


Identify key conversion events that align with your business goals **and share them with Reddit**. Ensure proper event mapping (e.g., don't map AddToCart as Purchase) so our models can more accurately identify, optimize, and help drive the key results that matter.



Send as many full-funnel events as possible to capture the customer journey and help optimize your campaign more effectively. Best practices to

- keep in mind:
 Set up at least one lower-funnel event (Purchase, Lead, or Sign Up) that's most aligned with your business goal.
- Include **at least one upper-funnel and one mid-funnel event** for better optimization and retargeting strategies. Be sure to track events with high scale and volume.
 - For smaller budget campaigns, it's critical to share mid-funnel events to provide sufficient volume of data for the optimization models to train on.
- If you intend to use <u>Dynamic</u>
 <u>Product Ads</u>, ensure the ViewContent,
 AddToCart, and/or Purchase events are included with their respective product metadata.



Set up advanced matching and securely send with every triggered Reddit Pixel event to help improve match rates and attribution. Emails are especially useful. <u>Learn more</u>.

• If using Conversions API, pass all available customer match keys with every event. Learn more.



If you've implemented both Reddit Pixel and Conversions API, **add the ConversionID deduplication parameter** to help prevent double counting and avoid attribution discrepancies. <u>Learn more</u>.

Verify your events and metadata are properly received in Reddit's Events Manager. Complete a full QA of your Reddit Pixel or Conversions API setup to validate accurate tracking across all browsers and devices before launching campaigns. Learn more.

What data can be shared via the Reddit Pixel and Conversions API

Requires configuration Automatically detected

X N/A

Conversion Events

Information about the actions users take on your website.

	Pixel	CAPI
Page visit	Ø	0
View Content		Ø
Search		Ø
Add to Cart		0
Add to Wishlist		Ø
Purchase	Ø	0
Lead	Ø	I
Sign up	Ø	0
Custom		

Customer Match Keys

Information about the user to help match the conversion.

	Pixel	CAPI
1p cookie /UUID	Ø	0
Click ID		Ø
Email		Ø
IP address		0
Mobile Ad ID	Ø	0
External ID	Ø	0
User agent	Ø	0
Screen size	Ø	Ø
3p cookie	Ø	⊗

Event Metadata

Information about the conversion event.

	Pixel	CAPI
Value		0
Currency		0
Item Count		0
Conversion ID	0	0
Products:		0
ID		Ø
Category		
Name		0

Setting the right attribution strategy for Reddit

Attribution identifies customer actions (conversions) and assigns credit to specific ads and marketing channels. Your attribution window is the time limit—it decides how long after someone sees or clicks an ad to give credit for that action. Reddit uses a last-touch attribution with click precedence, meaning conversions are credited to the last ad interaction — prioritizing clicks over views — within your chosen attribution window.

Selecting the right attribution window is critical to accurately assessing your Reddit campaign's performance. Learn more about Reddit's web attribution options.

Attribution best practices:

Redditors are researchers and spend more time in the consideration cycle before they make a purchase decision. Adapt your attribution strategy to value your Reddit campaigns accurately.

Think beyond last-click

96% of users who take action after seeing a Reddit ad don't click on it, meaning last-click attribution misses 9 out of 10 same-day purchases influenced by Reddit. This limits accurate performance insights.

Understand the value of a view

View-based purchases occur 13x more than click-based on Reddit, making it essential to use both click-through and view-through attribution windows to capture the platform's full impact.

Extend your attribution window

Reddit purchases peak within the first 10 days after ad exposure, so we recommend using at least a 7-day view and 7-day click attribution window to capture the full consideration cycle.

Source: Reddit Internal Data, 2023

3. Audiences and Targeting

Effectively tap into Reddit's unique and engaged audience

Reddit provides a range of targeting solutions to help you maximize conversion performance. For the best results, we recommend using a mix of targeting products. Keep in mind that solutions focused on achieving best performance might limit reach, while those with broader reach can sometimes lead to lower performance.

Targeting solutions for best conversions performance (listed in order of performance)

Custom Audiences

- Website retargeting Use the Reddit Pixel and CAPI to identify Redditors who've interacted with your website, then either guide them further down the conversion funnel or exclude them to create a more relevant prospecting audience.
- Customer Lists Create or upload a list of redditors to target or suppress. These are built using privacy-safe emails and mobile advertising IDs.
- Lookalike audiences Connect with redditors more likely to be interested

in your product or brand based on an existing audience.



Keywords

Unlock key moments by sharing your list of keywords, allowing us to understand the context and place your ad in the most relevant conversations.



Community & Interest

Target redditors who have recently interacted with content related to specific communities ("subreddits") and topics.



To achieve performance at scale, use multiple targeting products across several ad groups in your campaign. Tailor your targeting strategy by selecting solutions that align with your business objectives. Here is an example of a recommended campaign configuration:

	Ad Group 1	Ad Group 2	Ad Group 3	Ad Group 4
Solution	Website retargeting + customer lists	Lookalike audiences	Keyword targeting	Community targeting
Goal	Re-engagement	Qualified prospecting	Prospecting	Prospecting
Note	Augment with Lookalike audiences if the ad group budget drives less than 3 conversions/day.	Do not use if combining with retargeting ad group.	Make sure dynamic audience expansion is enabled, and include Feed + Conversation placements.	Make sure dynamic audience expansion is enabled, & add interests if scale is low. Use <u>Reddit</u> <u>Pro</u> to help identify relevant communities.

How to allocate budgets between targeting segments

- Prioritize budgets to high-performing targeting methods like retargeting, lookalikes, and keywords.
 If budget is limited, focus on these high-impact tactics before expanding to community/interest targeting.
- Each ad group should have sufficient budget to achieve at least 3 goal conversion events per day, to help ensure your campaigns deliver efficiently.
- Begin by allocating at least 10% of your budget to retargeting strategies (if that's part of your business goal).

Product specific best practices

Website Retargeting

01

Try to implement the Reddit Pixel at least 30 days before your campaign to build an adequate retargeting audience.

02

Maximize your lookback window when building the audience—start with at least 30 days to increase audience size and adjust as needed based on results.



Use exclusion strategies to avoid redundant targeting. For example, exclude purchasers from first-time buyer campaigns.

40% Lower cost-per-action (CPA) on avg. with website retargeting when compared to interest and community targeting



Source: Reddit Internal Data, 2024.

Customer List



Segment your lists by customer type (e.g., high-value customers, one-time purchasers, lapsed customers, abandoned cart).



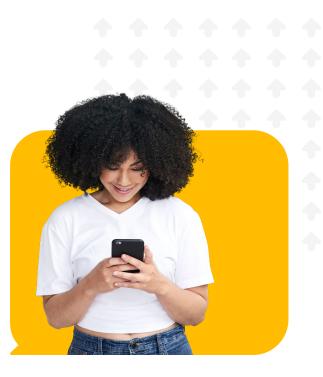
Set specific objectives for each segment, like upselling, driving repeat purchases, re-engaging lapsed customers, or completing checkouts.



Refresh your lists regularly for accuracy.

04

Similar to website retargeting, apply exclusion strategies to avoid redundant targeting.



<u>Lookalike</u>



Use a seed audience of at least 1,000 and prioritize high-value customers like converted users.



Experiment with diverse seed audiences to identify top performers, such as high-intent conversion events, top customer or recent purchaser lists, or deeply engaged website visitors.



Refresh your seed audiences regularly to keep your audience relevant.



Improve targeting accuracy by excluding audiences beyond the default seed group.

Source: Reddit Internal Data, 2024.



Lookalikes on avg. deliver 12% lower CPA's and...

13% higher conversion volumes than interest & community targeting

Keywords



Import existing keyword lists from other platforms and use Reddit's keyword suggestions to refine and expand your lists.



Upload up to 2,000 keywords per ad group, balancing shorter strings for greater reach and longer strings for higher relevance.



Choose both Feed and Conversations placements within the keyword targeting ad group for broader reach.

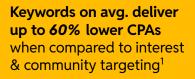


05

Set budgets based on audience estimates from selected keywords, avoiding allocating high budgets against few low-volume keywords.

Always enable dynamic audience expansion to use a range of relevant signals to grow your reach beyond just the selected keywords.

Source: ¹Reddit Internal Data, 2024, ²TransUnion (frmly Neustar) MTA findings, 2023-2024



Keyword targeting achieved **115% more** incremental conversions vs. run of site targeting²

Community & Interest

01	
	K

Start with relevant community targeting—if you need more scale, layer on interest targeting in the same ad group to reach a broader audience.



Always enable dynamic audience expansion to grow your audience beyond just the selected communities.

03

ROS targeting is not recommended and better used for upper-funnel campaigns. If using for conversion campaigns, monitor it closely; while it may be cost-effective, it might struggle to convert.



4. Placements

Reach your target audience where they are on Reddit

Placement types



Feed:

Ads appear in the Home, Popular, or Community feeds across Reddit.

Multi-placement optimization

We recommend running feed & conversation placements together in one ad group to help drive scale & efficiency.

Our algorithms automatically adjust delivery and rotate ads to prioritize those with the highest conversion rates, optimizing performance across placements. Use placement-level reporting to assess key metrics like spend, conversions, and CPA. **Conversation:**

Ads appear on the comment page

26%

Lower costs on avg. when using multi-placement compared to breaking out placements

5. Delivery and Optimization

Achieve your business goals with budget and bidding strategies designed for maximum efficiency

Your <u>budget and bid</u> are an important part in determining who sees your ad, and how your campaigns perform on Reddit.

Budget types

You can choose a budget type to control how your budget is distributed.

- Lifetime budget The maximum amount you'd like to spend over the ad group's lifetime.
- Daily budget The maximum amount you'd like to spend per day, averaged over a week.

Note: Since Reddit relies on real-time auctions to deliver ads, your ad group may overspend its budget by up to 20%.

Budget best practices

- If possible, aim for a daily budget that's at least 3x your Cost Per Action (CPA) per ad group to help provide sufficient data volume for optimization.
- When adjusting budgets, try to do so early in the day (UTC time zone) to allow the system more time to allocate funds accordingly.



Drive results that matter with conversion goals

With <u>conversion goals</u>, you gain granular control at the ad group level, allowing you to specify which conversion event you care about most to maximize the results that matter.

Considerations when choosing your conversion goal

Purchase, Lead,	Add to Cart, Add	Page Visits,
Sign Up (recommended)	to Wishlist, Search	View Content
We strongly encourage	When these conversion goals	When these conversion
optimizing for one of these	are selected, our backend	goals are selected, our
events for best results.	models will optimize to all	backend models will optimize
When these conversion goals	downstream conversion	to all downstream conversion
are selected, our backend	events available (Purchase,	events available. If none are
models will optimize to that	Lead, Sign up, Add to Cart,	available, the model will
specific conversion event.	Add to Wishlist, and Search).	optimize to clicks.

Best practices for conversion goals

Choose the lowest funnel event you have available—Purchase, Lead, or Sign up is recommended—so our system can focus on the most impactful actions that drive business results.

If you want to drive actions across a funnel, it's recommended to set up separate ad groups for each conversion goal.

03

02

01

Ensure you're tracking the chosen conversion event with the Reddit Pixel in order to select it as a conversion goal.



Maximize results with automated bidding

Use <u>automated bidding</u> and let our system use machine learning to optimize ad delivery & bids for the best results—saving time and minimizing guesswork to find the right bid.

Bidding strategies

- Lowest cost Get as many results as possible at the lowest cost, without having to set a CPC cap. Use this option if you want to maximize volume within your budget.
- **Cost cap** Get as many results as possible while keeping average costs below your cost-per-click (CPC) cap. Use this option if you want to control CPC, but keep in mind that it may not spend through your entire budget.
 - Note: use the bid recommendation tool to identify an effective CPC cap given your budget, targeting, and current auction dynamics

17%

Lower CPAs on avg. when using automated bidding vs. manual bidding. 25%

Lower Purchase CPA on avg. when using lowest cost vs. cost cap bid strategy

Source: Reddit Internal Data, 2023-2024

Understanding the learning phase

The learning phase is when the autobidding system adjusts to new data or ad group settings and takes a little time to reach peak performance. This phase is crucial because the insights gathered here serve as the foundation for the system's ongoing optimization.

The learning phase is triggered when:

- Autobidding is enabled in a new ad group.
- Switching from manual bidding to an autobidding strategy in an existing ad group.

Keep in mind that while in-flight changes like adjusting your cost cap, changing budgets, or modifying targeting might not trigger an explicit learning phase, we may still need to train and adjust to new traffic and user behavior that comes with those changes.

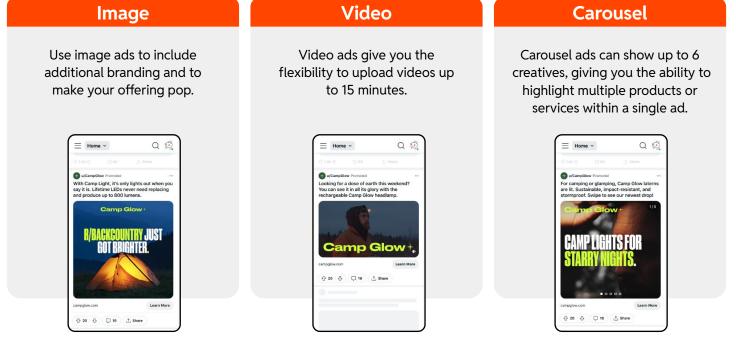
Learning phase best practices

- Aim for **at least 20 lower-funnel conversion events per month,** across your account, to gather enough data for the system to effectively optimize.
- Exclude the learning phase from performance analysis due to data fluctuations. When activating autobidding, we recommend waiting at least 2 weeks to assess performance impact. Higher conversion volume ad groups will need less time and lower conversion volume ad groups will need more time (up to 30-45 days).



6. Ads and Creatives

Reddit ad formats for the conversions objective



Optimizing creatives for Feed & Conversation placements

Remember to run both **Feed + Conversation placements together in one ad group** for better performance. Follow these guidelines so your creatives will be effective for both placements:

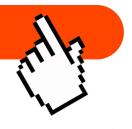
- Use shorter headlines for better performance. Stick to 150 characters or less.
- **Simple assets with minimal text** work best for conversation ads. Upload a high resolution thumbnail for images or select a brand-focused thumbnail from your video asset. We recommend using a 4:3 aspect ratio thumbnail image.
- Aim for 5-7 creatives per ad group and refresh underperformers to help boost performance. Our system will automatically optimize by delivering the ads most likely to convert.

Lower CPAs on avg. with headlines less than 150 characters vs. more than 150 characters, when using the same image

Source: Reddit Internal Data, 2024.

38%

Deep dive into more creative tips and tricks



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7. Measurement

We believe measurement should be purposeful and aligned with clear business objectives. For conversion campaigns, effective measurement typically informs three key decisions:

- Optimizing in-flight campaigns to improve outcomes
- Evaluating campaign impact to refine future strategies and measurement
- Allocating budgets across channels within a performance strategy

Underpinning all of this is strong conversion data and signal quality, which are critical to both accurate measurement and successful campaign delivery. Signal quality and setup best practices are covered in the <u>above section</u>.

Reddit attribution reporting

- Attribution data on Reddit offers real-time insights into campaign performance, such as attributed conversions and Cost Per Action (CPA). These metrics help you assess ad engagement, determine if goals are being met, and refine optimization tactics.
- CPAs vary depending on the action being measured and your chosen attribution window, so setting appropriate windows and following our <u>best practices</u> is crucial for accurate performance evaluation.

Third-party analytics

- If you're using third-party analytics like Campaign Manager 360 or Google Analytics for cross-channel insights, proper setup of site tags and click/impressions trackers is key for accurate Reddit attribution. Suboptimal configurations can lead to discrepancies between actual performance and third-party reports. <u>Learn more</u>.
- For accurate results with your analytics provider:
 - Make sure to append "?utm_source=reddit" to the tracking URL to identify Reddit traffic in your third-party data set. This is necessary when using Google Analytics or similar platforms.
 - If using Google Campaign Manager, follow '<u>Set up the Campaign Manager tracker in the</u> <u>destination URL</u>' instructions to ensure conversions are reported back to Reddit accurately.

Learn more about Reddit's advanced measurement solutions





Ready to get started?



Or, sign up to get started right away

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START YOUR CAMPAIGN

