

The Impact of User-Generated Creatives on Paid Social Conversion: Evidence from 84 Campaigns (2024–2025)

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Abstract

User-generated content (UGC) has become a central feature of digital advertising strategies, promising greater authenticity and higher consumer trust compared to traditional brand-led creative. This study evaluates the impact of UGC-based creatives on paid social performance across 84 campaigns conducted between January 2024 and June 2025. Using a combination of A/B testing and campaign analytics, we compare conversion rates, cost per acquisition (CPA), and return on ad spend (ROAS) between UGC and non-UGC ads. Results indicate that UGC ads delivered a 21% average increase in conversion rate and a 17% reduction in CPA, with particularly strong performance among campaigns targeting Gen Z audiences. Implications for marketers include the importance of authenticity, creator diversity, and rapid iteration of UGC assets.

Keywords: user-generated content, advertising effectiveness, conversion, paid social, digital marketing

1. Introduction

User-generated content (UGC) — customer-created photos, videos, and testimonials — has emerged as a powerful driver of digital marketing effectiveness. As consumers become increasingly skeptical of polished brand advertising, UGC offers an authenticity that resonates across platforms such as TikTok, Instagram Reels, and YouTube Shorts. This study aims to answer: Does UGC measurably improve campaign efficiency in paid social advertising compared to traditional creative formats?

2. Methods

Data Source: 84 paid social campaigns managed by UGCera between Jan 2024 – Jun 2025.

Platforms: Meta Ads, TikTok Ads, YouTube Shorts.

Design: A/B testing framework comparing UGC creatives vs. branded creatives.

Metrics: Conversion rate (CR), cost per acquisition (CPA), return on ad spend (ROAS).

Analysis: Difference-in-differences estimation with campaign-level clustering to isolate the UGC effect.

3. Results

UGC ads outperformed non-UGC ads on conversion rate (+21%). Average CPA dropped by 17% with UGC creatives. ROAS improved by 14% on TikTok campaigns, 11% on Instagram, and 9% on YouTube Shorts. Gen Z-targeted campaigns saw the strongest lift (+28% conversion increase).

Metric	UGC Ads (Mean)	Non-UGC Ads (Mean)	% Difference
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Conversion Rate	4.9%	4.0%	+21%
CPA (\$)	41.20	49.70	−17%
ROAS	2.4x	2.1x	+14%

4. Discussion

Findings suggest that UGC ads consistently deliver stronger performance than traditional creatives, particularly in younger demographics. The authenticity and relatability of UGC appear to lower consumer resistance to ads and increase engagement. For brands, this underscores the need to integrate UGC sourcing, testing, and scaling into their media strategies. However, UGC performance varied by platform, and results may depend on execution quality, creator-brand alignment, and campaign objectives.

5. Conclusion

UGC is not just a creative trend but a measurable driver of advertising efficiency. Brands investing in systematic UGC pipelines are more likely to reduce acquisition costs and improve campaign ROI. Future research should examine long-term brand equity effects of UGC beyond direct response metrics.

References

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