HOW TO USE
FIRST PARTY DATA TO INCREASE CONVERSIONS

Essential Tactics to Improve Performance on
Email, Facebook, Search, Display & Direct Mail

cpcstrategy + **BLUECORE**

Table of Contents

Introduction

First party data is the most valuable information a brand or retailer can collect about their audience. Not only does it tell you who your customers are and what they've purchased, it also gives you the power to build a direct relationship with them.

If you're not leveraging first party data to build out customized email campaigns and retargeting efforts, you're likely missing out on bottom line revenue and the opportunity to find new customers based on the profile of your current customers.

> "Leveraging your first party data is especially important during Q4," Casey Edwards, Social Marketing Manager at CPC Strategy said.
>
> "This is the time of the year when you want to focus on past purchasers and treat your current customers with special offers & custom ad copy. It's worth focusing on those shoppers who have already shown an interest in your brand because it can be difficult to acquire new customers during this time of the year."

Casey Edwards
Social Marketing Manager
CPC Strategy

In the following guide, CPC Strategy and Bluecore team up to discuss how brands can use first party data to increase conversions across multiple digital channels including email, Facebook, Search, Display, and direct mail.

Understanding the Value of First Party Data

Understanding the Value of First Party Data

First and foremost, it's important to understand why first party data is so valuable. Among the many benefits of first party data, some of the most notable include:

- ✔ The ability to collect the exact data points you want in the format that makes the most sense for your needs

- ✔ Increased accuracy since you are collecting the data directly from the source and there is no risk of it getting altered as it passes through various hands

- ✔ The ability to process, review, and react to data in real-time

Together, these benefits and the fact that the data is unique and something no one else has can make first party data a true competitive advantage for your brand. As a result, it's not surprising that 39% of retailers have started to ask their customers directly for more data points and 27% have started recording more observed data, according to a recent report by Bluecore. That said, in order to reap the benefits of first party data and turn it into a competitive advantage for your business, you need to put that data to work in the right way in order to increase conversions across channels. Here's what that takes.

39% Retailers asking for data points directly

27% Retailers recording more observed data

Tactics to Increase Conversions on:

Email
Facebook
Search / Display
Direct Mail

Tactics to Increase Conversions on:

Email

Email has long been a bedrock of retail marketing, and that's not about to change any time soon. In fact, research from Bluecore has found that 68% of consumers prefer to receive brand communications via email.

So what does it take to make the most of this channel?

Increasing conversions on marketing emails is all about personalization. To be clear, that personalization should be more than regurgitating static facts that customers have shared with you like their name. It should be based on how they engage with your site and other digital marketing materials.

Expert tips to increase conversions on email:

1 **Deliver Targeted Messages:** Not every email needs to go to every customer. In fact, the more you can personalize your campaigns based on who you engage and what products you put in front of them, the higher the conversions you're likely to see. In order to deliver truly targeted messages, consider opportunities to create audience segments based on factors like past and predicted behavior. You can then personalize which offers you send to which customers and even dynamically adjust the products you feature within those emails.

2   **Expand Your Trigger Opportunities:** Triggered emails have been a key part of retailers' email marketing strategies for years now, and for good reason. But most retailers have only hit the tip of the iceberg with what triggered emails can offer. That's because most retailers rely solely on behavioral triggers, such as abandoned cart and abandoned search emails, which are great at pushing customers over the finish line. To improve performance, consider adding merchandising triggers, which fire off based on changes to your product catalog. For example, a merchandising trigger might notify customers who viewed but did not buy a product in the last 30 days when that product decreases in price.

3   **Know When to Stay and When to Go:** Sometimes people simply don't want to receive email, and in these cases it pays to know when to go. If you can keep a pulse on which customers are unlikely to open your emails or likely to unsubscribe, you can turn that knowledge into an advantage. First, you can stop emailing those customers, which will help boost your overall engagement on email. Second, you can try reaching those customers on other channels so that you can still keep them in the fold. It's all a matter of knowing the best places to reach your customers.

Facebook

In 2012, Facebook gave advertisers the opportunity to integrate CRM contact data into "Custom Audiences" for better ad targeting on the platform. Email match rates on Facebook are typically around 40 - 60%, but if you segment your lists well beforehand, you should be able to get match rates around 70 - 80%, according to Sarah Rogers, Senior Social Strategist at CPC Strategy.

Sarah Rogers
Senior Social Strategist
CPC Strategy

Expert Tips To Increase Conversion Rate on Facebook:

1 **Know Your Audience and Know Your Product:** First off, you have to know your audience, product, and seasonality trends. You don't want to remind someone on Facebook three months later that their loved one passed away and you're the one who sold them their casket or flowers. Also, if you're in an extremely seasonal vertical—selling fake Christmas trees or Christmas ornaments, for instance—then you probably won't be able to market effectively to your CRM list the rest of the year.

2 **Spend Your Ad Budget Wisely:** Dive deeper into the need to know your audience, and take the time to understand your customers' past and likely future behaviors. For example, try using predictive technology to understand factors like customers' lifetime value, category affinities and likelihood to convert. Armed with that knowledge, you can spend your ad budget wisely by adjusting bids based on those factors. Specifically, try increasing your bid for customers with a high predicted lifetime value and/ or those with a high likelihood to convert and be sure to layer in category affinity information to target customers with the right product offers.

3 **Acquire More High Value Customers with Lookalike Audiences:** You can also use insights from predictive technology, such as identifying high value customers who are interested in a specific category, to acquire new customers via lookalike audiences. Try building a targeted audience of your highest value and/or most loyal customers to use for lookalikes in order to get smarter about your prospecting efforts.

4 **Expand & Layer Your Lookalike Audiences:** Depending on which country you are running your Facebook advertising campaigns from, you can expand your lookalike audience up to 10%. But keep in mind, 10% has 10 times the amount of people and doesn't look as closely like the initial audience. At CPC Strategy, our Social team recommends you stick to 1-2% for your lookalike audiences and layer on related & specific characteristics. For example, this lookalike audience is based off of my current customers but they also make $75,000 a year and are interested in yoga.

5 **Think Twice When Segmenting Lists:** If you have a brand that sells something super specific, you can layer on specific audiences for highly targeted ads. However, this can be a tricky move for some brands and retailers. *For example: If you sell men's boots, you could miss out on sales from wives and mothers by targeting only men.* Sometimes, people buy products that don't necessarily match their gender—meaning they don't 'look like themselves.' If you eliminate a certain gender, you could be missing out on sales. And this is especially true during Q4 when people are buying gifts for their friends and family.

6 **Develop VIP Creative & Actionable Ads:** Make sure your CRM ads are actionable—something that's seasonal, compelling, and relevant. For instance, you could send a 10% off coupon code to lists of past buyers. Or maybe you choose to send your CRM email targets a $5 monogramming certificate for your handbags. Small incentives go a long way. That, and a good quality image—more of a lifestyle image that would be a "thumb stopper," not just a product image—can get people engaged.

7 **Avoid Ad Fatigue:** One thing you will run into with CRM lists specifically is ad fatigue.

"CPCs (depending on how big your CRM list is) can go way up if you've been targeting the same users for a while with the same creative. Remember to refresh your creative pretty often and potentially create exclusions - so you don't annoy your audience. Exclusions allow you to target your CRM list but to "exclude" select users who recently viewed your ad." - Casey Edwards, Social Marketing Manager at CPC Strategy said.

Casey Edwards
Social Marketing Manager
CPC Strategy

For example if a customer purchased an olive green blazer from your Spring collection, you'll want to make sure to exclude them from the audience - so you're not targeting the same customer AFTER they've already purchased the jacket.

**8** **Cross sell & Upsell Opportunities:** In the case of Alp-n-Rock, a premium sport-fashion brand, we also focused our Facebook advertising efforts on past purchasers utilizing Facebook Dynamic ads to promote cross-sell and / or upsell opportunities. A "cross-sell" would be if a customer purchases a pair of yoga pants, we target that same buyer with a Facebook Dynamic Ad featuring a complimentary yoga tank. Or if someone purchased Spring gear 4 months ago (and is in the Past Buyers 120 Days audience), when Alp-n-Rock launches their new Fall line, we can target the customer with an ad to bring her back for a repeat purchase. Facebook Dynamic Ad "upsells" can increase sales because they advertise a similar but more expensive product. This strategy proved to be a successful approach for Alp-n-Rock and led to an overall 14% growth in Facebook Dynamic Ad revenue.

9 **Comeback messaging:** Opposite of your most engaged audiences, you should also check in on users who recently unsubscribed from your email list or are not opening emails from you anymore.

"This is an opportunity to retarget with a 'comeback' message and try to win them back. For example, your ad could say: "Hey where have you been? We missed you. Here's 20% off your next purchase!" Sometimes this strategy works and sometimes it doesn't. It's very client specific. But keep in mind those CPCs can get expensive so make sure your ad copy is very compelling."
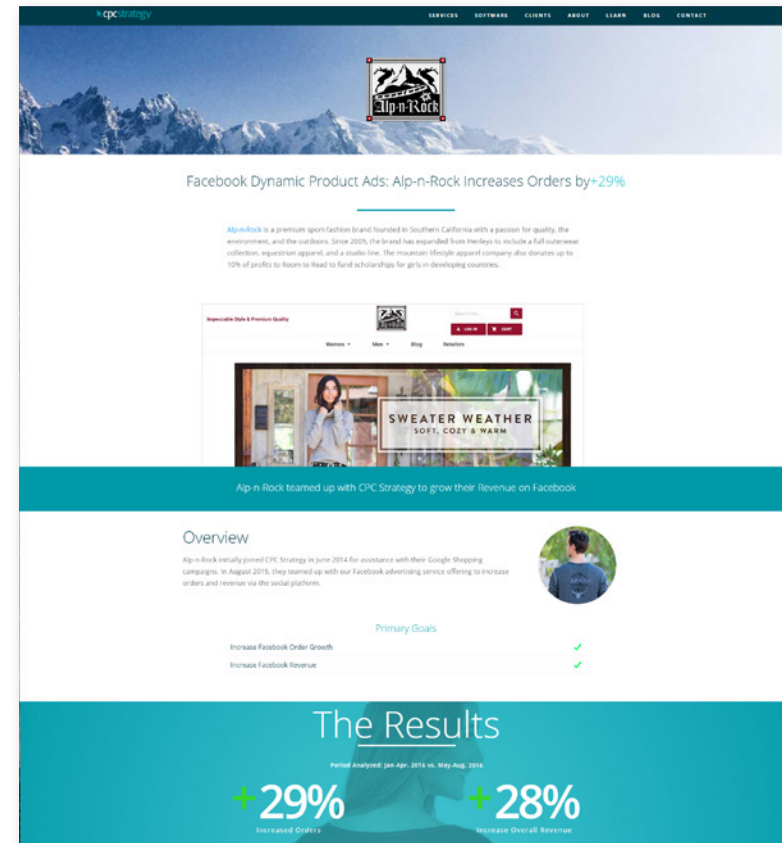
Jenny Broekemeier
Social Marketing Manager
CPC Strategy

From the Facebook Experts:

"Clearly first party data is valuable in the recurring profits these audiences generate for your brand. What many business owners don't know is how valuable this data is in acquiring new customers. Not only can you use first party data to create lookalike audiences, you can also generate customer personas on Facebook. Once a custom audience is plugged into Audience Insights, you can find customer demographics, interests and tons of other information. Knowing these identifiers allows you to have a better understanding of who you should be targeting in your prospecting efforts."

Casey Edwards
Social Marketing Manager
CPC Strategy

Search / Display

Paid advertising on both search and display have become an important weapon in the modern retail marketer's arsenal. The right strategy can get your ads placed at the top of results for prime searches and get your display ads placed in front of your best customers on the sites they frequent most.

But given the benefits that search and display ads can provide, it's a competitive space for retailers. So what can you do to cut through the noise and increase conversions? Here's our advice.

Expert Tips to Increase Conversion Rates on Search/Display:

1 **Spend Your Ad Budget Wisely:** Similar to Facebook, taking the time to understand your target audience, including their past and likely future behaviors, can help put intelligence behind your ad budget. Once again, using predictive technology to understand factors like customers' lifetime value, category affinities and likelihood to convert can help you make more informed decisions by adjusting your bids based on those factors.

2 **Target Full Price and Discount Buyers Differently:** Giving away discounts to every single customer erodes your margins, and the truth is, many customers would end up converting without a discount. On the other hand, there will always be some customers that require a discount to convert. As you get to know your audience, use predictive technology to segment out full price and discount buyers so that you can target each group accordingly. This approach can help save your margins on full price buyers and increase conversions for discount buyers by giving you the insight on what those customers need in order to convert.

3 **Acquire More High Value Customers with Lookalike Audiences:** Insights from predictive technology can also help you build audiences of your best customers (whether that means most valuable, most loyal or anything else) to improve your customer acquisition with lookalike models. Like with Facebook, try building a targeted audience of your highest value and/or most loyal customers to use for lookalikes to improve the results of your prospecting efforts.

4 **Showcase the Right Products Based on Customer Interest:** Your targeting efforts for search and display advertising should not only extend to who you go after but also what you show them. After all, even if you target your most loyal customers who are highly likely to convert, you still need to put a compelling offer in front of them based on their demonstrated interests. To get this piece of the equation right, take the time to understand different customers' category and product affinities so that you can personalize your messaging and creative for these ads accordingly.

5 **Know Where Google Properties Fall in the Funnel:** Not only is it important to know your CRM audience and your product before you target on Google, it's also crucial to think about where your Customer Match ads will show up: on Youtube, Gmail, and across the Shopping and Search Network.

"Keep in mind Youtube is not going to perform like a 'last click' medium," says Josh Brisco, Manager of Retail Search Operations at CPC Strategy. "It's best understood to be for re-engagement and top of the funnel branding. But when you use CRM lists to target your ads, it can also be a great way to get in front of segments of your audience who have opted out of your cookie pool or other forms of advertising such as email."

Josh Brisco
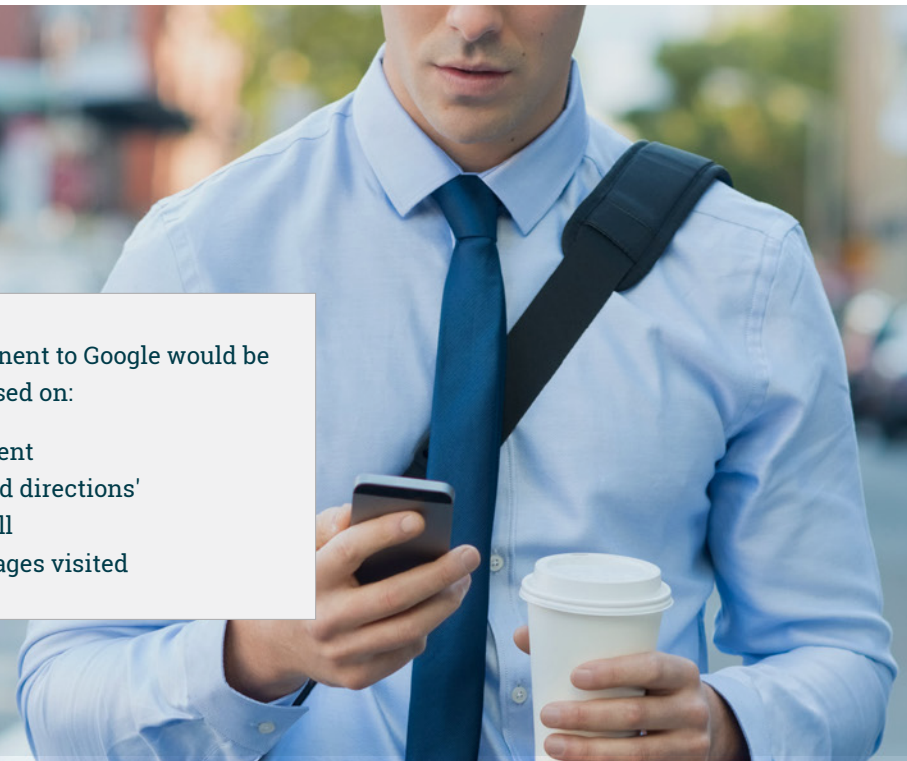Manager of Retail Search Operations
CPC Strategy

PRO TIP: For better results segment your CRM lists into cohorts like:

- ✓ Loyal customers
- ✓ High AOV customer
- ✓ Inactive past purchasers
- ✓ Inactive email subscribers

PRO TIP: Also pertinent to Google would be using segments based on:

- ✓ Purchase intent
- ✓ Clicks on 'find directions'
- ✓ Clicked to call
- ✓ Number of pages visited

6 **Try Mirroring Your Campaigns for More Impact**: If you're really advanced in Google ad strategy, and your email marketing skills are also sophisticated, you can mirror your current ad campaigns across all Google properties. For instance, if you're running a special all weekend on your ecommerce site, you can mirror that special on Youtube, the Display Network, and in Search copy for a limited time.

7 **Don't Buy Lists:** Don't use purchased lists for email retargeting. Use your earned CRM. The bottom line with CRM is that you're trying to remarket people who are already familiar with your brand.

Direct Mail

Finally, let's not forget about some of the more traditional channels that can still pack a punch, most notably direct mail. Direct mail might not be the first channel that comes to mind in today's digital age, but it can prove quite fruitful for retailers -- if you approach it correctly.

Direct mail might be a channel that pre-dates the digital world in which we now live, but that doesn't mean you can't bring all of the modern insights that technology delivers to a direct mail strategy built for the 21st century. And at a time when capturing consumer attention online is getting increasingly difficult, perhaps an offline touch is just what retailers need to stand out from the crowd.

Expert Tips to Increase Conversion Rates for Direct Mail:

1 **Take Online Insights Offline:** Instead of taking a "batch and blast" approach to direct mail, try taking your online insights around audience segmentation offline to run more targeted and personalized direct mail campaigns. For example, consider running campaigns that:

✔ Promote certain products for customers with predicted affinities toward those products

✔ Target loyal customers who have a low likelihood to open emails

✔ Include exclusive offers for VIP customers, such as those with a high predicted lifetime value

2 **Make a Final Push to Win Back At-Risk and Lost Customers:** When customers become at-risk or lost, it's an all-out effort to try to win them back. Among the many ways that you try to reconnect, why not add direct mail to the mix? Direct mail is a good opportunity to grab customers' attention while they're offline and not distracted by the "noise" of the internet and social media. An audience of at-risk customers might sound like they have a low likelihood to convert, but when lifestyle retailer Vineyard Vines ran a direct mail campaign targeting high value, at-risk customers, the results were extremely positive and far exceeded the retailer's expectations.

Increase Conversions Checklists

Increase Conversions Checklists

Expert Tips to Increase Conversions on:

Email

- ☐ Deliver Targeted Messages
- ☐ Expand Your Trigger Opportunities
- ☐ Know When to Stay and When to Go

Direct Mail

- ☐ Take Online Insights Offline
- ☐ Make a Final Push to Win Back At-Risk and Lost Customers

Facebook

- ☐ Know Your Audience and Know Your Product
- ☐ Spend Your Ad Budget Wisely
- ☐ Acquire More High Value Customers with Lookalike Audiences
- ☐ Expand & Layer Your Lookalike Audiences
- ☐ Think Twice When Segmenting Lists
- ☐ Develop VIP Creative & Actionable Ads
- ☐ Avoid Ad Fatigue
- ☐ Leverage Cross sell & Upsell Opportunities
- ☐ Apply Comeback Messaging

Search / Display

- ☐ Spend Your Ad Budget Wisely
- ☐ Target Full Price and Discount Buyers Differently
- ☐ Acquire More High Value Customers with Lookalike Audiences
- ☐ Showcase the Right Products Based on Customer Interest
- ☐ Know Where Google Properties Fall in the Funnel
- ☐ Try Mirroring Your Campaigns for More Impact
- ☐ Don't Buy Lists

What Now?

Schedule Your Complimentary Retail Search Evaluation

CPC Strategy's Retail Search Evaluation is a complimentary 60-minute analysis and assessment of a retailer's existing Google Shopping campaign architecture, targeting settings, product feed, product pages, and profitability metrics.

SCHEDULE MY EVALUATION

cpcstrategy

We Turn Browsers Into Buyers

BLUECORE

Put Your Data to Work: How to Simplify Cross-Channel Personalization

We've all heard it before: You need to deliver the right message and product mix to the right customers on the right channel at the right time. But can you really get all those "rights" right?

It all starts with your customer data. Discover what it takes to put your data to work to power true personalized marketing across channels seamlessly with Bluecore.

SEE THE DIFFERENCE