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What Social Commerce Channel Development Means for Retailers

Social advertising is here to stay, but is your company making the most of the marketing opportunity that these networks have created?

While some brands already have a well-developed social strategy, almost all retailers recognize social marketing as a channel of unrealized potential.

Social networks are the hub where consumers come to “hang out” online. When people gather and talk, conversations about products are bound to flourish.

More organic and paid social commerce advertising and marketing opportunities are available now than at any other time in history.

The four social networks we are going to focus on in this whitepaper—Facebook, Pinterest, Instagram, and Twitter—represent over 1.5 billion monthly active users.
The concept of using social networks to denote user-generated content on social platforms and ultimately spread advice from individuals on where to buy goods and services has skyrocketed, specifically in the vertical of retail.

Social commerce, specifically paid advertising, now falls onto the plate of Marketing Managers, along with management of traditional eCommerce shopping channels.

Although social media may not be the first place people go to shop, it has become a source of rapid customer acquisition thanks to advanced targeting capabilities that help to complete the loop for consumers with an interest in your company, brand or type of products.

**Social platforms help companies:**

- **Engage Customers** with their brands relating to their social behaviors (posts they like, share or what groups they associate their social accounts with).
- **Provide Incentives** for customers to return back to their site.
- **Expand Their Targeting** capabilities to platforms where customers can engage to talk about the brands that they like or dislike and why.
- **Build on a Competitive Platform** where similar groups, pages, brands, products are present, allowing customers more options than ever to decide which products they will purchase.
There are countless social media platforms, but we’ll narrow our focus to 4 of the most popular channels in this white paper:

- Facebook
- Twitter
- Pinterest
- Instagram

We’ll look at how each one varies when it comes to demographics and usage, plus how they differ when it comes to organic and paid growth.
Pinterest:
Organic & Paid Marketing
Pinterest: Organic Marketing

Pinterest describes itself as “the visual bookmarking tool that helps you discover and save creative ideas.” If you’re not familiar with Pinterest, it has taken the concept of pinboards and brought it online, along with a social component that makes it massively popular.

Pinterest users create “boards” and then “Pin” interesting things that they find across the web to one of their boards. Any Pinterest member can “follow” any other Pinterest member’s boards to see any new Pins that are added to the board, as long as the board isn’t private.
Since its inception, Pinterest has grown and transitioned from just a social network into more of a homepage for finding cool things on the web. Whether you're looking for gift ideas, recipes, the latest fashions, inspiration for your wedding, or a crafty home improvement project, chances are you can find something you'll love by searching Pinterest.

**Essentially, Pinterest is no longer just a social network—it has become a powerful product discovery tool**

This key distinction means Pinterest has a lot in common with another internet giant that is more known for driving commerce than being social: Google.

As a marketer, this means that you now have access to another active community of people on the web who are specifically searching for things they are interested in. Even better, they're searching with purchase intent. According to a recent study, 87% of people have actually purchased products that were originally inspired by a Pinterest search.

Essentially, Pinterest now serves as what we like to call a **search to purchase engine** for today's online shoppers. The same study cited above states that:

> “Active Pinners were 47% more likely to experience a major life event in the next 6 months. Whether consumers are getting married, buying a home, remodeling or redecorating, having a baby, buying a car, taking a vacation, or simply planning a party or dinner for the night, they are more receptive to new ideas and new brands.”
Not only is Pinterest a powerful product discovery tool, it's growth has been explosive. On September 17, 2015, The New York Times said that Pinterest surpassed 100 million monthly active members. In July 2011, Pinterest had just 1 million total users. That's over 10,000% growth in the last four years. Breaking this down by channel, we learned this year that 80% of Pinterest traffic comes from mobile and that 71% of overall Pinterest traffic is female.

AddShoppers' network stats show that Pinterest's impact on eCommerce is growing quickly as well. From 2013 to 2015, Pinterest went from driving 34% of all traffic to eCommerce sites to 55%. All time and across all verticals, Pinterest traffic converts at 0.39% on average with a $148.47 average order value.

**Best Practices**

1. **Pinning Fundamentals**

Because images are everything on Pinterest, let's go straight to the source for tips on optimal photography for Pins. Pinterest suggests that brands consider these 3 crucial aspects when photographing for Pins:

1. Good lighting
2. Objects clear and in focus
3. Portrait is better than landscape
The Pinterest Team also provides three contextual guidelines for capturing the most effective photos possible:

- Clean and simple product shots
- Give it context with other “supporting” items
- Show it in action

**What about the best size and dimensions for images on Pinterest?**

Obviously, once you’ve taken the time and effort to produce beautiful pictures of your products, you want them to display as well as they possibly can on Pinterest. Let’s get into the nitty gritty with Pinterest’s image size and ratio requirements so you know exactly what size to make your photos for optimal Pinning.

First, let’s cover the basics:

- In Pinterest’s grid layout, all Pins are rendered at 235 pixels wide
- They recommend keeping your photos to an aspect ratio between 2:3 and 1:3.5
- The maximum width Pins are displayed when fully expanded is 736 pixels
So, what does this mean for your team when editing photos for Pinterest?

In plain English, here are the takeaways you need to know for **optimal** image display on Pinterest:

- All Pins should be 736px wide, if possible
- If you must, Pins can be as little as 600px wide
- The best range for height is anything between 1104 and 2576px

**What About Landscape images?**

You can do landscape images if you want (images that are wider than they are tall). For best results, keep your width at 736px and the height can be anything greater than 200px.
2. Product vs Lifestyle Pins

It’s a dilemma many brands have faced: Should you post product shots or lifestyle images to Pinterest?

The short answer is you can (and should) do both. Here are our guidelines for these two related but slightly nuanced types of Pins:

**Product Shots**

For product shots, a good rule of thumb is to think less about how the Pin looks on your brand’s boards and more about what it needs to look like to inspire action when Pinners see it (which will often be on other boards). Whether that action is liking it, repping it to a user’s own boards, or clicking through to your website to learn more, any interaction with your Pins is a success for your brand.
Lifestyle Images

For lifestyle images, include any and all look-book images or other lifestyle photos that your brand has available. You can even engage your influencers by asking them to submit their own snaps wearing or using their purchases to their own Pinterest boards. Then, build out a special board just for customer photos and repin their Pins to your board. This engages your customers in a fun way and strengthens their relationship with your brand.
3. Pin Descriptions

The description of your pin is almost as important as the image. There is a **500 character maximum**, however this doesn't mean you should try to cram every detail into your descriptions. Use it to entice viewers enough to save the Pin and click through to your eCommerce store to check it out—don't worry about selling it yet. Think of the description as a preview where you highlight the best & most important feature of the product.

As mentioned previously, Pinterest is now used as a search engine, so instead of simply describing the product, try your best to *naturally* include keywords that a shopper might use when searching for products.

4. Use Rich Pins On Your Site

We recommend integrating with [Rich Pins](#) so your Pins are more useful for potential customers. When Rich Pins are enabled, Pinterest will include information about your products each time they are pinned such as product name and price.

Keep in mind, this affects *all* Pins from your site, including Pins from customers, so it has a much larger reach than just your own Pinterest boards!
Integrating Rich Pins involves fairly technical changes to your product page template, so you'll likely need help from your development team. You can find the documentation here.

There are two different methods to implementing Rich Pins (detailed in the documentation linked above):

- Open Graph tags
- Schema.org

**Which Method Should You implement Into Your eCommerce Store?**

Honestly, in an ideal world you will want to integrate both methods. Open Graph tags are also used by Facebook in a similar fashion to pull product data into Facebook shares. Schema.org tags are crawled by Google to include rich snippet data in your search results so your products receive more clicks from Google search.

However, if you have to choose one we would advise integrating Schema.org tags because Google tends to drive visitors that are closer to making a purchase than Facebook traffic.
Pinterest: Paid Advertising

Promoted Pins are similar to organic pins, with the exception that retailers must pay to have them seen by more Pinterest users. Typically, these native ad units perform just as well, if not even better than organic pins, expanding visibility to relevant search results, category feeds and the home feed. Promoted Pins are created through the Pinterest Ads Manager.

What advertisers should know about Promoted Pins:

- Promoted Pins are only available in the US at this time.

- You need a business account to use Promoted Pins. Sign up or convert your existing account to get access.

- Right now, you can only promote Pins from your profile, so make sure to add Pins and boards before you start.

- To access the Pinterest Ads Manager, visit your profile.

- There’s no minimum cost. The amount you pay varies on your targeting audience and bid, and depending on your goals, you only pay when someone clicks or engages with your ad.

- You cannot use promoted pins as Buyable Pins. If you don’t have access to Promoted Pins yet - you can join the waitlist.
Retailers Can Use Promoted Pins To:

- Raise Brand Awareness
- Promote Engagement Campaigns
- Drive Traffic Campaigns

Raise Brand Awareness

As we discussed in the Pinterest Organic Marketing section above, pinners are typically people actively seeking items, brands, products and other ideas to help inspire events they are planning for such as a wedding or baby shower.

When retailers opt into reserving premium inventory on Pinterest, this gives them access to top placements along with desired audience targets and greater reach. When a user saves a Promoted Pin to their own board—the pin impression will remain long after the campaign has ended.

According to Pinterest, most Promoted Pins experience an average 5% bump in earned impressions, 30 days after their campaign has ended.

Promote Engagement Campaigns

Similar to organic Pins, when a user saves a Promoted Pin it is typically because they have the intention of using the image, brand or product for future plans.
According to Pinterest, Promoted Pins see engagement rates of 2 to 5% higher than the industry average. Retailers can create “engagement campaigns” to help users figure out what they want to do next. Retailers only pay when people engage with their Promoted Pin (closeup, repin and / or click).

**PRO-TIP:** Retailers should run an engagement campaign if their primary goal is to reach a wider audience on Pinterest. This type of pin campaign will not direct them to a website and should not be confused with Buyable Pins, which allow purchases to be made within the Pinterest app.

**Drive Traffic Campaigns**

Traffic campaigns differ because they target users who are ready to leave Pinterest and start taking action—beyond the planning process, these types of users are ready to make a purchase. Promoted Pins drive traffic back to the retailer's website so they can inform Pinners about their products and/or services. Marketers only pay when people click on their Promoted Pin to visit their website.

**PRO-TIP:** Retailers should run traffic campaigns if their primary goal is to drive sales to their business website. These types of pins will direct browsers back to a website to make a purchase. These should also not be confused with Buyable Pins, which allow purchases to be made within the Pinterest app.
Best Practices

Many of the best practices mentioned in the “Pinterest Organic Marketing” section can also be applied to Promoted Pins. Clear images and relevant content will always be considered a best practice.

For “paid” pins retailers should also keep in mind:

1. **Campaign Structure**

   There's two ways to set up your campaign structure depending on your goals.

   **One Campaign, One Pin**

   This strategy gives retailers more control over optimization, since the budgets are set at the campaign level. Reporting may be more streamlined, since there are not as many layers to review and delivery is still based on bid and creative relevance.

   **One Campaign, Multiple Pins With the Same Target**

   Pinterest's system selects the top performing creative to compete in the auction. This is a great structure for A/B testing creative. It's possible that if a Pin is constantly being outperformed by other Pins, it will have very small distribution.
2. **Leverage Google Analytics Data**

For Promoted Pins, utilize your Google Analytics / Google AdWords data and try to keep your CPCs around the same amount. Overall, most retailers are going to see lower CPCs, at least for now.

3. **Opt for Rich Pins**

Keep in mind that regardless of which structure you choose, there’s no frequency cap in the auction. This means you should be thoughtful about creative and targeting, so you don’t show Pinners the same Pins over and over. With your Promoted Pins, you choose from two different ad formats.

- **Standard Pins** are a beautiful, native way to reach your audience
- **Rich Pins** provide extra details right on the Pin to make them more useful

**PRO-TIP:** In our experience, we’ve seen stronger conversion rates for Rich Pins—due to the additional upfront information available to shoppers.
4. Focus on Creative

Retailers are also encouraged to showcase multiple products that will display a wide range of styles to attract Pinners with different tastes. Additional detailed descriptions and calls to action are considered a best pinning practice. According to Pinterest, tasteful branding shows Pinners you’re trustworthy, and text makes your Pin more helpful to browsers.

5. Test Keywords

As noted in the Pinterest Organic Marketing section, it’s important to monitor your keywords. Especially if you are not experiencing conversions or a lift in traffic. This helps Pinterest show your Pin to the right audience in the right place. Depending on your goals, we recommend to test out broad and specific terms and compare data.

Broad terms let you cast a wide net and drive more volume—they help make sure you stay top of mind. Specific terms may not have as wide a reach, but they usually do a better job of getting a pinners attention when they’re ready to act.

Testing new keywords and creative is going to be the best way to determine your ads success.
6. Track Reporting

Use conversion tracking to attribute actions that people take on your site back to a Pinterest action.

**Retailers should monitor the three types of conversions including:**

- Page Visits
- Signups
- Checkouts

Additionally, retailers should monitor the attribution windows for the four types of activities on Pinterest, including views, clicks, repins, and closeups. With cross-device reporting, retailers can see the path that Pinners take when they convert on their site.

Our initial analysis of the Promoted Pins program is that we have seen fairly low CPCs due to the fact that the competition has not yet scaled. Although early in development, we consider this an ideal time to jump on board and begin testing Promoted Pins, especially within the retail landscape.

Our early results also indicate low conversion rates but high traffic volume because Pinterest, by nature, is still considered predominantly a browsing site. We anticipate this will continue to evolve as Pinterest develops more user-friendly eCommerce tools for retailers and consumers.
Buyable Pins

Buyable Pins are currently available on iOS and Android in the U.S., and allow Pinterest browsers to make a purchase without having to leave the Pinterest app.

According to Pinterest, when a user spots a Pin with a blue price, that is a signal they can buy it directly from the app. If they are searching for something specific, (including color) they can also filter to hone in on the right pin.

When users are ready to make a purchase, they simply click “Buy it” and pay with Apple Pay or a credit card. Once a user has entered their personal info, Pinterest will store it so they don’t have to punch it in again.
Pinterest Paid Advertising Requirements

Currently Pinterest is working with 5 commerce platforms for integration including:

- Bigcommerce
- Demandware
- IBM Commerce
- Magento
- Shopify

According to our in-house experts, early results reveals similar data in Buyable Pins and Promoted Pins including low CPCs, high volume and low conversions.

Pinterest has made significant advancements to make the platform more scalable for large retailers and we anticipate the areas of paid marketing will continue to grow in 2016.

For example, in November 2015, Pinterest introduced a bulk upload tool—another advancement in their efforts to promote buyable pins and encourage retailers to invest in social commerce.

Marketers now have the ability to create multiple promoted posts from scratch without having to use Pins that have already been pinned. Essentially, it gives retailers the ability to build an excel doc with the information available in the feed and increase the amount of Pins uploaded at one time.
Before bulk uploads, retailers and marketers had to promote **one pin at a time** (loading in keywords, bids, etc. on an individual level), now with the latest tool—retailers can do this in mass.

**PRO-TIP:** For the initial set up, both Promoted Pins and Buyable Pins do not require a tracking pixel. You can use UTM parameters (appropriate tagging is a must).
Facebook:
Organic & Paid Marketing
Facebook: Organic Marketing

While we categorize Pinterest as more of a shopping engine, Facebook is a true social network. New features are added frequently to make it easier to post how you feel, what you’re eating or watching, where you are, as well as photos, videos, and GIFs. Now you can even make phone calls and shop on Facebook.

Although there are so many ways to communicate on Facebook, users tend to mainly interact with those they know personally. This is a trait that makes Facebook different from networks like Pinterest and Instagram where users commonly follow people they don’t know. Because most members’ networks on Facebook consist of other people they know, there’s a trust factor that Facebook has that the other networks do not. They even have an “authentic name policy” in place to combat fake accounts and keep it more “real.”

Because Facebook is a highly personal network, we recommend strategizing around driving more conversations about your brand and products on Facebook. Your ultimate goal should revolve around turning your existing audience into brand influencers who will share your brand across their personal networks. This sharing activity will be low in volume but high in social proof—a high-converting source of word of mouth referral traffic.

- 42% Male 58% Female, 87% use Facebook on their mobile devices. As of the third quarter of 2015, Facebook had 1.55 billion monthly active users.
- Facebook Stats from our network: 4.91% of total clicks, 4.07% conv rate, $117.06 average order value (all time, all categories).
One exercise that we find valuable to generate more word of mouth activity on Facebook about your brand is to examine people’s primary motivations for sharing. Review the following points and think about how your brand can create campaigns that tie into each motivation:

**Why do people share on Facebook?**

**Display What You Care About & Interested**
Examples: Tervis Tumblers, Katy Perry, Paleo Recipes

**Be Included & Belong to a Group**
Examples: Bacon Lovers of America, Musicians Coalition of Ottawa, Salt Lake City Online Yard Sale

**Gather Feedback From Your Friends**
Examples: “Do you think color A or color B paint would look best in our living room?”

**Show What You Are Feeling & Express Yourself**
Examples: Feeling excited, watching Top Chef, celebrating Back to the Future Day

**To Offer Support for a Cause or Person**
Examples: Re-elect Arnold Schwarzenegger for Governor of California, The Humane Society of the United States, Stop Global Warming

**Share Life Events, Whether Big or Small**
Examples: Graduation, new car, new house, engagement, marriage, promotion, new outfit, etc.

**Coordinate Events**
Examples: We’re having a cookout this weekend. Come by our house at 1pm!

**To Keep In Touch With Those You Don’t See Face to Face Regularly**
Examples: HS Debate Team, Great Aunt that lives in Boca, Roomie Studying Abroad

**Share Things You Know Your Friends Will Enjoy**
Examples: This can be anything from that funny cat video you just watched to a product you think your friends will love.
**Facebook Best Practices**

**1. Facebook Basics: Images and Data**

What's the ideal image size for products shared to Facebook? Luckily, it's a little simpler than Pinterest. The best image size for Facebook shares to display optimally in the News Feed is 1200 x 627px. If you need to provide smaller images, you can go as low as 470 x 246px.

In the last section on Pinterest Best Practices, we just said we would choose Schema.org tags over Open Graph tags in favor of Google. Facebook uses Open Graph tags in a similar way to Pinterest to provide rich information to product shares like the price and description of the product. Now you see why we also recommend having both if possible.

**2. Shares vs. Likes**

Are you debating whether it's more valuable to encourage your influencers to Share or Like your brand's products or pages? Data shows that Shares are clearly more valuable than Likes when it comes to driving revenue.

In our [2014 Social Commerce Breakdown](http://example.com) report, we found that Facebook shares were worth, on average, $0.80 in revenue—340% more valuable than Likes! In addition, traffic coming from shared products converted 544% higher than traffic from Liked products.
3. Generating Maximum Sharing Activity

Are you struggling to gain enough interaction with your Facebook sharing buttons? Try incentivizing sharing from your site. For example, run a “share for free shipping” campaign—it’s a great way to boost social word of mouth sharing plus drive conversions at the same time.

Another excellent way to encourage sharing is by asking your shoppers to share their purchase to their social networks. At the time of purchase, shoppers are 30% more likely to share, so use this to your advantage.

4. Make The Most Of Your Influencers

Don’t forget to keep track of and interact with your top Facebook influencers—individuals that share often on Facebook and drive sales from their sharing activity. They can be a valuable asset in expanding your reach. Try contacting them with a mutually beneficial opportunity to share their relationship with your brand. You could incentivize them with exclusive deals, early access to new products, or a special coupon code that they can share with their network.
Facebook: Paid Advertising

Using Facebook Ads helps retailers reach their local and extended audience, everyday and everywhere. Facebook advertising is a must have for any business or brand trying to engage with new (or existing) customers.

Understanding the Facebook market and it's advertising platform's best practices can help retailers maximize their presence on the social media, build credibility, and increase revenue.

In a recent study, it was determined Facebook ad clicks are increasing 70% year over year, and ad click-through rates are increasing 160%. This is great news for Facebook advertisers.

The lowest hanging fruit for advertisers will be remarketing (retargeting people in your existing sales funnel).

The conversion type retailers opt into will largely depend on who they target and the goals of their campaign. According to our in-house Facebook experts, approximately 98% of retailers are going to have to pay if they want to see good results, but that is not to outrule the power of an organic post (that can still go viral).
When it comes to paid Facebook advertising, retailers have a number of options. For this white paper we will focus on Facebook Dynamic Product Ads and its retargeting capabilities.

Facebook Dynamic Product Ads are designed to help businesses advertise their entire product catalog across all consumer devices. With Product Ads, retailers have another avenue to promote inventory, while Facebook users can discover more relevant products in a native setting.

From awareness to purchase, advertisers can cater to the user’s journey through a variety of targeting options including:

- **Dynamic Product Serving**
  Automatically serves product ads based off of the retailer’s most relevant inventory. This automatic targeting is based off of user interests, locations and more.

- **Manual Product Selections**
  Manually serve product ads based off a chosen product segment. This targeting option allows the retailer to feature, for example, their best selling items.

- **Multi-Product Ads**
  Enable businesses to showcase three products within a single ad unit, on desktop or mobile. Each product highlighted will have its own image, description and click target.

It’s no surprise that display-based product advertising has been an increasingly effective revenue-driver for retailers in recent years. According to research from Q4 in Adobe Digital Index, Google advertisers decreased spending on text-based ads by 6 percent and spent 47 percent more on visually engaging Google Shopping ads year-over-year.
The introduction of Facebook Product Ads falls directly in line with the trend of display-based product advertising. Although it seems unlikely Google Shopping will suffer in response to Facebook's latest development, it does warrant a new conversation within retail organizations.

### Facebook Best Practices

#### 1. High Quality Photos

Retailers should only use attractive lifestyle photos to create the best Facebook ads such as bright product imagery or videos. Photos account for 93% of user engagement activity on Facebook.

Different ad objectives may recommend different sizes. If retailers want their ad to be eligible to show in all of the different formats, including desktop News Feed, mobile News Feed and the right column, then they should use the recommended image size for their objective (as seen in the chart below).

If the image is larger or smaller than the dimensions specified in the Facebook Ads Guide, the program will automatically re-sized to fit in the ad. Animated or flash images are not supported at this time.

<table>
<thead>
<tr>
<th>Objective</th>
<th>Recommended Image Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clicks to Website</td>
<td>1200 x 628 pixels</td>
</tr>
<tr>
<td>Website Conversions</td>
<td>1200 x 628 pixels</td>
</tr>
<tr>
<td>Page/Post Engagement</td>
<td>1200 x 900 pixels</td>
</tr>
<tr>
<td>Page Likes</td>
<td>1200 x 444 pixels</td>
</tr>
<tr>
<td>App Installs</td>
<td>1200 x 628 pixels</td>
</tr>
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<td>App Engagement</td>
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<td>Offer Claims</td>
<td>1200 x 628 pixels</td>
</tr>
<tr>
<td>Video Views</td>
<td>1200 x 675 pixels</td>
</tr>
</tbody>
</table>
2. Call to Action

Retailers should include a call to action within the first 90 characters to guide customers to what they want them to do. For example: “Check out our latest SALE. All items 50% off.”

3. Combat Ad Fatigue

Retailers should refresh their ad creative every 1 to 2 weeks to ensure the best performance. According to Facebook, when everyone in the target audience has already seen an ad too many times, it becomes more expensive to achieve the desirable results.
4. Important Content First

Retailers should include the most important content in their post within the first 90 characters. For example: If a retailer wants to get visits directly to their site, they should link to it upfront. Shorter posts have been found to receive 60% more engagement—so in many cases less is more as long as the priority content is made visible to users.

5. Boost Important Posts

Boosting posts ensures a retailer's most important messages are seen by their fans and friends in a local area. Boost posts about sales during the holidays to get in the news feeds of current customers and use targeting to expand reach to new ones.
6. Use Facebook Offers

Facebook Offers allow retailers to promote special discounts to Facebook fans and non-fans in their local area. Drive in-store sales by giving an audience a special reason to come in and make a purchase.

7. Tag ad URLs

Each ad should have UTM variables for Google Analytics. These can be pasted in using Facebook's tag manager or they can be manually pasted into the ad URL field. Analyzing campaigns within Google Analytics gives retailers a better idea of how their ads are performing and find out what ads are performing well and what ads are not.

8. Test Campaigns for Mobile & Desktop

Retailers that advertise on mobile and desktop should split campaigns to test each performance. Through the Power Editor, retailers can set up different Ad Groups including Mobile and Desktop.
9. Identify Target Audience

Retailers should always keep in mind who their best current customers are and use Facebook's targeting options to reach other similar audiences. Retailers can choose an audience at the ad set level.

According to Facebook, choosing a relevant audience is important because this means the ad will be shown to people who match the selected criteria including location, gender, demographics and more.

Facebook offers a range of audience targeting options including:

**Custom Audiences**

Retailers can create or select a Custom Audience that they can use with other targeting options. A Custom Audience will let you find your offline audience among people who use Facebook. According to Marin, if you target your ad by a custom audience rather than by a category or interest, cost-per-click is 14% lower, and cost-per-conversion is 64%. Retailers can learn more about Custom Audiences here.

**Location**

Enter the name of one or more countries, states, provinces, cities and zip codes (US only) or post codes (countries outside of the US) to show ads in those locations. Retailers can use any of the choices in any combination. After selecting a location, use the arrow on the right to choose a radius from that location or exclude a location that falls within the selected area.
Demographics

Within Age & Gender retailers can select the minimum and maximum age of the people who will find their ad relevant. Under Gender retailers should choose “All” unless they only want to target men or women. Keep in mind that some people don’t specify their gender on Facebook, so the only way to reach everyone is to select All.

Interests

Retailers can reach their audience based on interests shared on their Timelines, apps they use, Pages they liked and other activities on and off of Facebook. Interests may also factor in demographics such as age, gender and location.

Behaviors

Retailers can reach their audience based on digital activities including what devices they use, past or intended purchases, and travel.

Education

To target education levels, retailers can set targets for specific schools, fields of study or specific graduation years in their ad.

Connections

Connections targeting helps control whether an ad is shown to people who already have a connection with a retailer on Facebook. For example, people who have liked a retailer’s Page, joined an event or who have used the retailer’s app in the past 30 days.
Retailers can use connections targeting to show an ad to anyone, only people who have a [connection](#), people who don’t have a connection with you, both of those groups, or friends of people who have a connection.

Retailers can also use connections targeting for any Page, event or app they are the admin of, even if it’s not what they are advertising. To do this, click Advanced connection targeting under Connections in the targeting section and type the names of your Facebook Page, event or app.

**Partner Categories**

Some advertisers have access to 1st party data and can activate that data through a mobile app, [pixel](#) or by uploading a data file to [create a custom audience](#). Partner categories will help retailers target their ads to people who have key attributes. Partner categories will also let retailers target people based on their activities offline, like purchases they've made.

When creating an audience in either [Power Editor](#) or [ad creation](#), retailers will find different partner category targeting options in the More Demographics, Behaviors and More Categories sections.

**Facebook Paid Advertising Requirements**

Before you can set up your Facebook Dynamic Product Ad, retailers will need to install:

- ✔️ Facebook Business Manager
- ✔️ Facebook Retargeting Pixel
- ✔️ Custom Audience Pixel with a Dynamic Element (see below)
- ✔️ Product Catalog and Upload a Feed
Setting up a Facebook campaign depends on your goal.

For more **brand awareness**, retailers should focus on engaging content and what gets your consumers talking.

For **direct response conversions**, retailers should focus on convergence, retargeting, and building off lookalike audiences.

**PRO-TIP**: It's advisable to have one campaign for each of the above goals.

**If Your Goal is: Acquiring Engagement & More Likes**

- Be human and engaging: put content that people have an opinion about or want to Like
- Engaging content builds community on your Page and the more engagement, the more it shows up on the News Feed and is sticky.

**If Your Goal is: Driving Traffic to the Website**

If your goal is to send maximum traffic for leads/email addresses then choose click to website as your objective when setting up. If the goal is to direct conversions, choose drive conversions to your website as your objective when setting up your Facebook campaign.
In our experience, the best ad format for Conversions are Carousel Ads.

**PRO-TIP:** Carousel Ads work because they take consumers straight to the product URL.

In our early findings, we saw good conversion rates and CPCs were relatively cheap. Now, we are seeing an increase in CPCs as more competitors target Facebook as an eCommerce platform.

We expect CPCs will continue to rise as Facebook advances their targeting capabilities for retailers into 2016 and beyond.
Instagram:
Organic & Paid Marketing
Instagram: Organic Marketing

Initially launched as a much broader failed app called Burbn, Instagram found success by keeping things simple. They stripped everything out of the app except for the photo sharing functionality and quickly found their groove. The concept is simple: snap a photo on your smartphone, add a filter to make it look pretty, and share to your followers.

Acquired by Facebook in 2012, Instagram was the fastest growing social network in 2014 and now boasts over 400 million members. As for its core essence, there are no surprises here: visual impact is clearly the star on Instagram and the caption plays a supporting role.

For brands, there are a couple caveats we must mention before talking about Instagram strategy:

1. Currently, the ONLY way to share to Instagram is through a mobile device (smartphone or tablet) using their app. This means people cannot directly share to Instagram from your website, or even from your mobile app if you have one.

   So which devices are supported? As of this writing, Instagram has apps for iOS, Android, and Windows devices.

2. Instagram does not allow hyperlinks in captions. You are only allowed one hyperlink in your bio, which makes linking to products or pages on your site from Instagram difficult.
Now, after understanding Instagram’s limitations, let’s look at some strategies that you can use to build your Instagram presence. Here are a few different ways most brands utilize Instagram currently—you can use any or all of these strategies if they make sense for your brand identity.

**The “Social Lookbook” approach**

This strategy works great for apparel, accessory, and home & garden brands. You can think of it as a place to showcase your best and most eye-catching lifestyle images, and Instagram can become another channel for distributing your seasonal lookbooks. Two great examples of brands that primarily use this strategy are [American Eagle](https://www.american eagle.com) and [J.Crew](https://www.jcrew.com).

**The “Visual News” approach**

Another excellent way to use Instagram is to turn your company’s news and events into clever, engaging mini-stories that can be captured in a photo. For example, show off new product launches, share photos from a recent fashion show, create excitement by teasing sneak previews of upcoming products, or simply highlight special events, awards, and promotions within your company.

**The “User Generated Content” approach**

Lastly, showcasing photos that customers have shared to Instagram (called “regramming”) is a great way to add social proof to your Instagram feed and help. A great example of a brand that frequently regrams photos from customers is [GoPro](https://www.gopro.com).
Instagram Best Practices

Make Your Photos Awesome

Like Pinterest, Instagram is all about the photo so it is an absolute must to have beautiful, quality images that make an impact. Don't shy away from additional free photo editing apps. These can “save” some snaps that you might have thought weren't worth posting.

Use Hashtags (but don't go crazy)

While hashtags are obsolete on Pinterest, we can't emphasize enough the importance of hashtags on Instagram. Images that include hashtags get more likes than images that do not. This is because hashtags allow Instagrammers to quickly find what they are looking for, resulting in exposure for your brand to new likes and followers.

However, don't use too many hashtags. No one likes the Instagram account that always includes 50 hashtags in every post.
Include Your Followers

Want to further increase your engagement on Instagram? Start a conversation to challenge your followers. Here are some suggestions for how to maximize interaction with your Instagram Posts and potential examples of how some brands could put them into action:

- **Ask a Question Directly on the Image With Text**
- **Have a Head-to-Head Challenge**
- **Give Directions or Show a “How To” Video**
- **Don’t Hold Back at Events ... LIVE Post EVERYTHING**
- **Emphasize What Makes Your Product Special or Unique/Show the Details**

As always, don't forget to offer incentives for people to post photos and videos of “unboxing,” modeling, or using your product on Instagram. Comment on their post with a special coupon code just for Instagrammers that tag and post their purchases.
Instagram: Paid Advertising

Instagram has become one of the largest social media platforms, gathering more than 300 million users in less than 5 years. Thanks to Instagram’s enhanced apps and buy buttons, advertisers can finally leverage these users and capitalize on a profitable marketing opportunity.

Instagram welcomed advertisers to the platform in 2013, but their recent targeting capabilities now make it easier than ever for users to “shop now”, “install now” or “sign up” while browsing their favorite interests, hobbies and pictures.

Because these ads are powered by Facebook’s Ad Manager, this also opens up Instagram advertisers to Facebook’s robust demographic data and retargeting capabilities.

While the intent on Instagram wasn’t initially to shop, like many other platforms such as Facebook, the social media application has become another channel for retailers to pitch their products to interested buyers.

**Instagram paid advertising focuses on 3 main areas:**

1. Expanding ad offerings to include action-oriented formats
2. Enable more targeting capabilities
3. Make it easier for businesses large and small to buy ad space on Instagram
Working with Facebook, Instagram’s paid ads enable advertisers to reach people on Instagram based on demographics and interests, as well as information businesses have about their own customers.

Thanks to Instagram’s buy out by Facebook for 1 billion dollars in 2012, the platform, which previously only had access to target ads based on age, gender and country will now be able to leverage more specific demographics including interest data based on email addresses provided by the business.

Visually, the ads look comfortable within the application and streamline nicely along with images of friends, travel, food and hobbies (as seen below).
Instagram Best Practices

Multiple Images

Retailers can now create carousel ads (multiple images) through their Facebook Manager. Previously, retailers could only feature one video or one image. As far as we know—this feature is still in beta at the moment.

Avoid Wasted Ad Spend

Additionally, Instagram has changed their layout. Before, a user could click on an Instagram ad and was brought directly to a retailer's site. Unfortunately, this often resulted in wasted ad spend since the majority of Instagram users operate through the mobile app and would click on an ad by accident. Now, when you click on an image the original image blurs and a pop out appears. If you click again - this will bring you to the retailer’s site.

Avoid Suggested Bid

Similar to Facebook, you should never use the suggested bid amount since this price is typically inflated. You want to start with a more conservative bid (we've seen an average of .40 per click).

Creative hashtags

We've seen a strong response from creative hashtags. Just like in organic advertising, paid advertising can utilize hashtags to help capture the attention of users.
Instagram Paid Advertising Requirements

Essentially, the setup process for Instagram is fairly simple if you already have your paid Facebook advertising platform in place.

Below we outline the 3 steps to setup paid advertising on Instagram:

1. **Facebook Business Manager Settings**
   Go to Pages (left side of navigation) > click the Facebook URL to go to the business page

2. **Facebook Business Page**
   Go Settings on the right hand side of the page. Once settings select, you should see on the left hand side Instagram Ads.

3. **Instagram Ads**
   Connect Business Instagram Account in Facebook
Unfortunately, Instagram doesn’t have a pixel installed just for Instagram itself, so there is still some debate over how to attribute conversions (Facebook vs. Instagram). This is a developing area for our team as we continue to explore the advancing benefits of paid advertising through Instagram’s platform.

Although it’s still early, so far we have seen low conversions, low volume and average CPCs for Instagram paid advertising. The success of your paid Instagram advertising is very dependent on your goals.

If you have low spend you can still target a specific audience, versus if you are trying to gain exposure for your brand name but have less of a concern on conversion rates. One of the major benefits to Instagram advertising is the targeting and retargeting technology available through Facebook.

For example, if you shop on a site and log-in using your Facebook profile - all of that information including your name, age, location, interests and more will be automatically cookied and tracked through Facebook and Instagram. Advanced targeting is what, in the long run, is likely to have the biggest impact on paid Facebook and Instagram advertising efforts.
Twitter:
Organic & Paid Marketing
Twitter: Organic Marketing

Twitter is similar to Pinterest in many ways, especially in that users follow others they do not know in order to keep up with what is interesting and cool. At the same time, while Pinterest is now seen as more of a shopping engine, Twitter is best categorized as more of a source to get the latest news and updates as it happens in real time—a “fire hose” of information. Also, while Pinterest is an extremely visual tool, Twitter is focused mainly on text.

So what does this mean in the eCommerce world? When developing Pinterest strategies, the image is your focus, but when developing Tweets for your brand, clever copy should be your focus.

If the following best practices for Twitter are used, you’ll be set-up to take full advantage of opportunities to generate more traffic on Twitter. While you can include images up to 5mb, copy is the part of a tweet that needs to make an impact. Remember, you have just 140 characters to do this, so make sure it’s clever, clear, and inclusive of a call to action. In the Pinterest section we shared that hashtags aren’t very valuable on this network. The opposite is true on Twitter, where the hashtag was first popularized. Utilize hashtags to help categorize your Tweet for Twitter searchers.

AddShoppers’ network stats show that Twitter’s impact on eCommerce remains heavy, but has decreased slightly, most likely due to recent Pinterest growth. Unlike Pinterest, Twitter lost a share of its overall percentage of traffic driven to eCommerce sites from 2013 to 2015: 44% and 34% respectively.

All time and across all verticals, Pinterest traffic converts at 0.62% on average with a $159.40 average order value.
Twitter: Paid Advertising

There are three types of Twitter Ads:

1. **Promoted Trends**
   Promoted Trends put a sponsored topic at the top of Twitter’s “trending topics” box, which reflects the most-discussed topics on Twitter at any given time.

2. **Promoted Accounts**
   Twitter suggests users for people to follow; promoted accounts puts these accounts at the top of the queue and are a way for brands to gain more followers.

3. **Promoted Tweets**
   This is the big one. Promoted Tweets are tweets that are ads. They show up at the top of searches on related topics, at the top of a user’s timeline when the user follows the account and, soon, everywhere.

**PRO-TIP:** Promoted Tweets are the type of campaigns that drive conversions. Targeting will be the key to success in terms of advertisers ROI and user acceptance.
Paid Twitter Campaign Objectives include:

- Website Clicks or Conversions
- App Installs or Engagements
- Followers
- Tweet Engagements

Targeting

Twitter campaigns provide robust targeting options to reach your ideal customers based on their interest, demographics, device types, behaviors and more. Targeting options currently available include:

- Device, Carrier, and new mobile user targeting
- Event Targeting
- Geo, gender, and language targeting
- Installed App Category targeting
- Interest and username targeting
- Keyword targeting
Budget

Marketers can select or create a few Tweets to promote and set a budget. There's no minimum spend level and you will only pay for results that align to your campaign objective.

**Example:** Website and Conversion Campaigns—only pay for clicks that send a user to your website from your Tweet.

As mentioned in the Twitter Organic Advertising section, the Twitter community wants instant news on sports, music, politics, etc. As paid advertisers, the marketing strategy with Twitter is slightly different compared to other social networks such as Pinterest, Facebook and Instagram.

A good way to explain paid advertising on Twitter is to think of a sports retailer who sells team jerseys. If you monitor sports closely, you will see trends specifically during certain game times. For example, if the Patriots win the playoffs at 2pm on Sunday, you might want to run a special offer (at that day and time) advertising Patriots gear to excited fans talking about the big win.

Best Practices

Avoid Suggested Bids

Similar to Facebook and Instagram, retailers should avoid using Twitter’s suggested bids. This amount is typically inflated.
Leverage Hashtags

Hashtags are another great way for Twitter users to find your advertisement. This is also replicated in the organic Twitter advertising section and Instagram advertising.

Monitor Traffic & Use A/B Testing

Advertisers should monitor the amount of traffic their ads receive. Start with a modest monthly budget and try out various call to actions such as shop now vs. buy now. Track your results so you will have a better idea of what advertising efforts prove to be a success.

Twitter Paid Advertising Requirements

Twitter Paid Advertising Set Up Includes:

1. Select your business objective
2. Choose your target audience
3. Set up a budget
4. Measure and optimize results
Step 1

- Drop down on the right side—select Twitter Ads
- Update Country & Time Zone Settings

PRO-TIP: You will not be able to change Country & Time Zone setting once it is saved.

Step 2

- Select Campaign Objective—Website clicks or Conversions (7 total campaign objective)
- Create Campaign—This is a 4 step process.

Retailers should definitely take advantage of Twitter’s expanded call to action buttons since they typically have more options to choose from rather than just “shop now”.

Twitter’s targeting capability is also advanced and retailers have the opportunity to go beyond targeting just females or males. Instead, Twitter advertisers can target live events such as The Emmys or the Super Bowl. They can also target specific Twitter handles to capture traffic related to specific social media influencers.
Although Twitter continues to reign as one of social media’s heavy hitters, it does not necessarily have the same impact as Facebook and Instagram advertising, specifically in the areas of retail.

The paid advertising program has been around for quite some time, so it is considered advanced. Yet, many marketers see Twitter as a small advertising paid channel with low volume, low conversions and average CPCs (average 40 per click). Although the one area we have seen significant growth is in impression share.
Final Takeaways:
How to Drive Traffic & Increase ROI
Final Takeaways: How to Drive Traffic & Increase ROI

Obviously, the end goal behind investing all of this time and money on social is to drive large numbers of consumers in the shopping mindset to your eCommerce site. When shoppers first arrive on your site, they’ll be near the top of the purchase funnel—for many, it might be their first interaction with your brand. You’re probably wondering how can you keep these shoppers engaged with your brand throughout their journey to a purchase, and more importantly, make sure they buy from you.

Here are our top strategies to make the most of social referral traffic when it comes to driving maximum sales and ROI. We suggest encouraging your brand's social AND eCommerce teams to work together to help make this possible.

1. Personalized Offers

A great place to start is by offering special deals for shoppers coming from specific social channels. This personalizes the shopping experience, driving higher conversion rates.

Keep in mind that visitors from these networks, especially Facebook and Instagram, are arriving with a high amount of social proof. Don't miss your opportunity to capitalize on this!

We suggest serving up an offer that's just for visitors from the social network they came from. Treat them like the special shoppers they are and give them a discount that's just for them, in exchange for a valuable piece of information: their email address.
Now, you get something you want, their contact info, and they get something they want, a discount. Because they have a coupon in their possession, there’s a much higher likelihood that this shopper will eventually convert. However, keep in mind that this is a buyer who is much higher in the funnel than someone coming from Google, for example, so it might take some time to eventually convert the sale. This is why the email capture is so important—now you can follow up with a strong email series (more on this in strategy #2).

**Here’s An Example Of How This Looks in Practice**

Rosenberry Rooms utilizes this strategy for Pinterest. Here’s how their campaign works:

If someone finds one of their products on Pinterest and clicks through to view it on their eCommerce store, a special modal appears with a Pinterest specific offer.

As marketing experts, we have witnessed a shift from the sharing of advice on social networks about products to the development of specific shopping features, designated to increase clicks and conversions. From Buyable Pins to Product Ads, all four of these social channels are actively developing new shopping features and will continue to progress in 2016.

What about results? This modal capture 29% more emails than a non-customized offer targeting the same traffic.
2. Email Drip Campaigns

Once you're able to capture the email addresses of visitors coming from social networks like Pinterest, Facebook, and Instagram, try sending out network specific email drips post opt-in. For example, email your Top Pins, Posts, or Photos of the week along with what's trending on each network and on your site.

You can even provide a recap of best selling items and create more urgency through use of specific language. For example “Here are the Top 10 most pinned products this week. Only 4 left in stock of item X—get yours now!”

Finally, mix in some gentle reminders about the coupon code they received for opting into your newsletter to help create sales. For example, “Don't forget to use your 10% off coupon!”.

3. Retargeting

Because these social networks are going to drive a lot of traffic that's higher in the purchase funnel (“lookers”), they are going to need re-engagement. While our first strategy recommends capturing an email address, this isn't the only way to re-engage these visitors.

Retargeting is another tactic that works extremely well here. Since they arrived from a social network, speak their language and utilize top pinned/posted items, lifestyle images, or brand stories to create ads. A solid retargeting strategy plus strong email marketing (mentioned above) are the key to converting your social traffic.
Here's a visual representation of the traffic loop we recommend setting up:

```
Pinterest/Facebook/Instagram/Twitter > Your Site > Retargeting Ad > Your Site
```

Want to add an additional boost to your retargeting campaigns? Show a special Facebook, Pinterest, or Instagram offer as a call-to-action in retargeting ads, similar to the personalized modal we showed in strategy #1 above.

Something like “Get 10% off your first purchase” is enough to give these potential customers the boost they need to go ahead and buy something from your brand. (Even better, if you require an email address for the coupon, now you can feed your email marketing engine from strategy #2 above to go along with your retargeting strategy.)

### 4. Social Contests

A final on-site strategy for engaging on-site traffic via social is using a Social Contest. Since this segment of traffic is already very familiar with the act of Pinning, sharing, or posting, direct them to a contest built around these actions. For example, a “Pin to Win” giveaway, or a “Share Your Wishlist” contest.
There's a lot of flexibility with these promotions, but here's how we generally run these types of giveaways for maximum results:

1. Participants enter contest by connecting via social login or entering their name & email

2. Once entered, the participant shares products or pages from the site to the social network of their choice and receives one additional entry per share

3. Award lucky winner(s) with their prize at the end of the contest

There's a bit more happening here than meets the eye. Let's take a closer look at step 1 and 2:

**Step 1**

This allows you to capture new leads as people enter the giveaway.

**Step 2**

The sharing activity helps (a) give shoppers a chance to browse the catalog, (b) drive additional traffic to your products in the future and (c) helps spread the contest to a wider audience by sharing the contest itself to social networks like Facebook.

As you can see, Social Contests are a great way to drive social engagement that captures leads and encourages viral sharing behavior.
What Now?

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
Generate More Revenue From Social Marketing

AddShoppers helps leading retailers utilize on-site influencer marketing to identify and engage their top advocates as well as increase their website's revenue per visitor. Join a live demo to see our platform in action and learn how it can help you drive more revenue.

Join a Live Demo