Popping the Question:

Turning Engagement into Revenue

Table of Contents

Introduction

Your Journey to “I Do”

Love at first sight rarely happens — in reality, or in retail. There may be heated glances, but without an emotional connection, any hope of a relationship fizzles. For businesses, that emotional connection is critical to generating holiday sales and developing a lasting relationship. Research found that 82% of consumers that are highly engaged emotionally with a brand will be loyal. Those are better odds than Bumble swipes, Tinder matches, and bar nights.

But every company has its own journey to get from visitor engagement to revenue. Some companies start with social media interactions; others begin during a Google search. Finding your path to “I do” is the key to increasing your holiday sales.

To help you build this emotional connection with your customers, we’ve created the Popping the Question ebook.

In This Ebook, You’ll Learn

- What the customer journey is and how to identify it.
- The four most common types of attribution models, which will help you understand and track the customer journey.
- How to segment users based on their journeys.
- Basic ways to measure your marketing initiatives, so you know what’s working and what needs tweaking.
- How to identify the best channels to turn visitor engagement into action.
- The importance of testing and refining your marketing to generate incremental sales and strengthen your connection with customers.

You’ll also learn how to make your marketing better using the continuous improvement process. This is an ongoing effort to design campaigns that build on your successes. You’ll also create a reaction plan in case things didn’t go as expected.

Each step in this process is critical for designing a customer journey that leads to increased holiday sales. While you can’t control every part of it, a customer journey that forges an emotional connection will only boost your bottom line.

Ready to turn that first smoldering glance into a lifelong relationship? Let’s get rolling.

01

What Is the Customer Journey, and How Do You Identify It?

The customer journey is the total sum of all the experiences that a customer goes through when they're interacting with your brand. Over half of companies (51%) actively map their customers' journeys so that they can be more competitive. And it doesn't look like at all like you'd expect.

Most marketers are very familiar with the standard marketing funnel. It's a hypothetical model of the customer journey that's been around for years. It starts at the top with the customer first becoming aware of you. The funnel narrows as the customer learns more about your products and services and gets closer to a conversion. The funnel assumes that most visitors will drop off as they start making decisions: moving from awareness to interest and ultimately to purchase.

Marketing funnels work well for business-to-business (B2B) companies because those customers tend to put more time and consideration into their decisions and are usually making large, infrequent purchases. However, for direct-to-consumer (D2C) brands, the marketing funnel is an incomplete model. Visitors don't always enter the funnel at the awareness stage and proceed linearly to the bottom.

The Modern Marketing Flywheel

Instead of looking at the customer journey as a straight line, more companies use the marketing flywheel. Unlike a marketing funnel, a flywheel is an energy-efficient power source for your revenue stream. Happy customer momentum propels you to the next stage of your relationship by building on the afterglow of a successful first transaction.

The modern marketing flywheel puts the customer at the center or hub. Sales, service, and marketing are the spokes surrounding the customer. The momentum builds when you give your customers attention. You want to spin the areas that will improve the customer experience and remove anything that will stop your momentum. For example, if you have amazing customer service but poor marketing, you want to improve your marketing to make your flywheel spin faster.

If you map the customer journey to the flywheel, you can keep your customers with you for the long haul. The flywheel uses marketing to turn visitors into customers and customers into brand advocates.

The flywheel requires constantly attending to customers throughout the relationship. From the moment they first meet you, they need to be spinning happily at the center of the flywheel.

Discrete vs. Unified Touchpoints

Your visitors will encounter a lot of touchpoints as they interact with your business. It's important to identify all of these interactions and understand how they affect the customer journey and, ultimately, your relationship with customers.

Customer journeys are as unique as the customers on them, so it should be noted that no two journeys will be the same. Touchpoints will vary and typically include interactions before purchasing, during the purchase, and after the sale.

Traditionally, discrete touchpoints aren't recorded or counted. At other times, they're not seen as part of the big picture. Without the context, you can't understand the entire customer experience. For example, a visitor may click on an ad on a social media site and buy from that link. That's a discrete touchpoint, but it's only one of many that the customer likely encountered.

Unified touchpoints relate each touchpoint to one another and the customer journey. This provides you with a complete picture of the customer's experience and assigns a value to every interaction.

For example, think about the customers buying beauty products. According to Google, someone searching for cosmetics could hit over 125 touchpoints before they make a purchase. They may first search for a particular product, like anti-aging cream. Then, they might head to a brand's website to read up on their products. They also might check several product reviews before returning to the brand's site and purchasing the product. Every one of those touchpoints needs to focus on the customer to draw them into the flywheel.

Now that you know more about the customer journey and how to identify it, let's take a look at how to assign credit to touchpoints. This tells you what's working and what's not on your visitor's path to becoming a customer. We'll start by diving into attribution models and provide information on different models for different goals.

02

Attribution Modeling

Companies use attribution models to figure out how different touchpoints affect the customer journey and to track how effective every step is for generating revenue. These models assign credit to visitor actions based on a set of rules. Attribution models have three components: the visitor's actions, how much credit should go toward the action, and how far back they're measuring. All three are important in understanding the customer journey.

Most companies use digital attribution models. In the US, 87% of companies use attribution modeling to try to figure out how effective their marketing is. However, they may not be using the best attribution model for their particular situation. Only 58.3% use multi-channel digital attribution, which includes more than one online touchpoint, like Facebook ads and Google searches.

Types of Simple Attribution Models

Attribution models can range from simple to "you probably need a supercomputer for this" complex, but even using the simplest models can help point your marketing efforts in the right direction. There are four basic attribution models that serve as the foundation for tracking the value of individual touchpoints.

1. **Last-Click** attribution gives all (or most) of the credit to the last click or action the visitor took before buying something. For example, if they bought a product after clicking on an Instagram ad, all or most of the credit for the sale would go to that ad. This is the easiest model to start with. It works well if you're measuring how effective a limited-time promotion is.

   For other cases, last-click isn't necessarily effective as it only counts the last action the visitor took, so you don't get a full picture of the customer journey.

2. **First-Click** attribution gives all or most of the credit to the first click or action a visitor took before buying. For example, if a visitor first found you through a Google search, that search would be assigned all or most of the credit for the sale. Like last-click attribution, you don't get a complete picture of the customer journey. However, it is useful if you're trying to determine how visitors are initially finding you.

3. **Linear** attribution gives the same amount of credit to all the actions a visitor took. If a customer clicked on a Facebook ad, then searched for you on Google, and finally purchased after receiving an email, each one of these gets equal credit for the sale. Linear attribution can be more useful than last-click and first-click models because it includes more of the customer journey. However, one downside is that it doesn't take into account how influential each touchpoint is.

4. **Time-Decay** attribution gives the most credit to the action taken closest to a purchase. In a time-decay attribution model, a visitor might click on a link in an email. A week later, they click on an ad and buy something. With this model, both touchpoints would get credit, but the ad click would be weighted more heavily for the sale.

   Time-decay attribution can help you optimize the touchpoints closest to a sale. If you line up your look-back window to the typical buying cycle, you can get a more complete picture of the customer journey.

Attribution Model Attributes

As you become more familiar with both attribution modeling in general, and the typical customer journeys for your company, you can expand on simple attribution models and add in complexity that gives you better insight. This complexity usually takes the form of tweaking specific attributes of your attribution model — how you measure touchpoints, which ones are counted, how you weigh individual touchpoints (that is, how much value each one is worth), and what timeframe you count touchpoints from.

Touchpoint Recording

Not all touchpoints are created equally, and not all attribution models count all touchpoints. Sometimes, this is a result of deliberate choice. As an example, most standard digital attribution tools default to being click-only — they only measure touchpoints that are actions like a customer clicking on an ad, a search result, or a link. The alternative for more advanced users is to use blended attribution, adding views to the model — that is, counting every time a user sees an ad as an individual touchpoint. There are pros and cons to both options — the former is much simpler, but gives a less complete picture of interactions before a sale; the latter is more complete, but also more complicated and can make it difficult to get a signal out of a mess of noise.

Other times, missing touchpoints are simply a matter of not having the right technology in place. Simple attribution tracking platforms, like Google Analytics, are limited in what data they have access to. For example, they might be able to see that you had a conversion come in from Facebook, but they won't have any way of tracking how often that user went to your Facebook page or what they did there before they landed on your page.

For smaller companies, this lack of resolution and visibility may be worth the significant reduction in complexity and the cost of using a simple attribution platform — Google Analytics is free, whereas enterprise-level analytics platforms can range into the tens or even hundreds of thousands of dollars per year. However, there are real benefits to unifying your data and being able to draw a clearer map of your customer journey.

Weighting/Value

The idea that not all touchpoints are worth the same value is a pretty intuitive one for most marketers. Unfortunately, being intuitive doesn't make something easy to do. Assigning values toward a conversion to diverse and sometimes widely-spaced-apart touchpoints can be incredibly challenging. This is one of the reasons so many marketers use simple last-/first-touch or linear attribution models — it keeps weighting very simple at the cost of losing meaning.

The next best option is to manually assign different values to different touchpoints. Doing this by hand requires a firm knowledge of your customers' buying journey in order to understand which steps are the most and least important. Once you understand the priority of each touchpoint, it becomes relatively easy to give them specific point or percentage values. The biggest drawback to this approach, aside from the time and effort of doing this by hand, is that it creates a static system that doesn't react to changes in consumer behavior. It's also not guaranteed to be right — objectively weighting data is one of the hardest things for marketers to do.

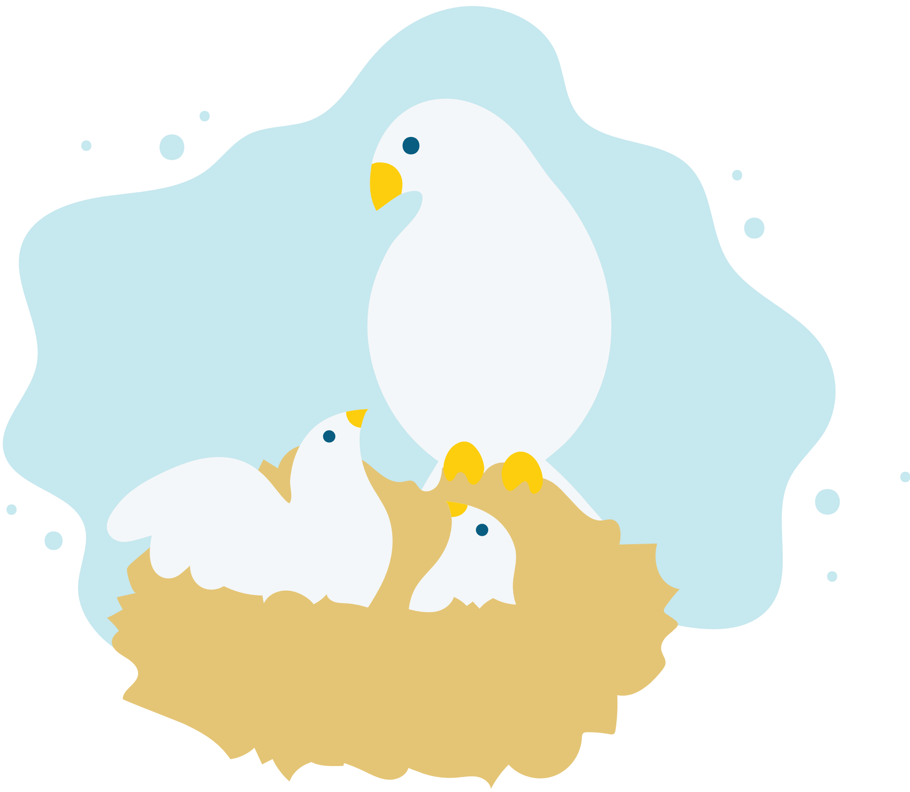
The optimal solution to the weighting problem is to outsource the heavy lifting to an algorithm. Data-driven, machine-assisted attribution modeling is the latest and greatest in marketing insight. The idea is that rather than picking one model based on assumptions and sticking with it, your model should be constantly tested and refined to better match the reality of how customers are behaving. This would be a near-impossible task for a human, but for data modeling software, the task is relatively easy. Using data-driven attribution allows you to get much better insight and more accurately prioritize your marketing activities.

Timelines

Sometimes called the "look-back window", the timeline of your attribution model determines the maximum time between a touchpoint and a conversion. Any touchpoints that occurred before this maximum aren't counted, which makes sense — if someone saw your ad five years ago, it's safe to say that had a minimal impact on the purchase they made last night. Or maybe not — this attribute is highly dependent on your business cycle and how long a typical customer journey takes. For consumer retail purchases, that typically means less than 15 days. For some large ticket items, or for B2B companies, it can be significantly longer.

It's important to set the right lookback window for a couple of reasons. If your timeline is too long, you may be giving undue weight to some touchpoints — especially common ones like view-throughs on ads that may happen every week for a year before a purchase occurs. Setting the timeline too short, on the other hand, can overemphasize bottom-of-funnel activity without acknowledging all of the work that happened to first attract the consumer to your brand. In either case, getting your lookback wrong by a significant amount will often result in wasted marketing budget, as you push resources into activities that don't generate the strongest returns.

Attribution modeling is a complex enough topic that we can write tens of thousands of words and still barely scratch the surface. However, this basic overview should be sufficient to give you the tools you'll need to measure your progress on the journey from "Nice to meet you" to "I do." In the next section, we'll start going a little bit more in-depth into what to do with all of this customer data you're collecting, and how to use it to help guide consumers down your path to conversion.



03

Segmenting Users Based on Their Journeys

One of the best ways to draw visitors into the flywheel is to personalize their experiences. Segmentation allows you to do this. Over 78% of consumers will only respond to offers if they've been personalized based on previous experience. Personalized calls-to-action perform 202% better than generic “Buy This Now!” messages.

There are two basic ways to segment visitors: by demographic information and by their actions. When you segment users based on actions, you look at their existing customer journey to deliver a more personalized experience.

Classifying Users Based on Actions

You can use a number of different action groups to classify and segment visitors. Some users may fall into more than one bucket, and that's fine. That just lets you provide them with more targeted offers.

The Problems They're Trying to Solve
Some users may come to your site to solve specific challenges. You can look at the pages they spend time on to figure out what problems they're trying to solve. The types of product and content pages they view can help you understand what their needs are and what products and services are a good fit.

What They've Bought
Customers can also be classified based on their purchase history. Group them by the products they've shown interested in and deliver targeted suggestions and coupons for related/ complementary products.

How Frequently They Buy
Analyzing purchase frequency is another great way to segment customers. This helps with knowing when to kick off a promotional cycle, add a level of sophistication to a seasonal campaign, and serving ads to customers when they're most likely to buy.

How Satisfied They Are
Customer surveys and data from CRM systems, contact centers, and social media can be used to find out customer satisfaction levels. Segmenting by customer satisfaction level can help you engage with your most satisfied customers them and convince them to buy again (or even recommend your products).

How Engaged They Are
Customer engagement includes any time a customer interacts with a brand, including on social media. It's important to note how often customers engage with your brand and on which channels. This will help you segment customers by preferred channels, products viewed, and level of engagement — leading to a more personalized experience.

How They Found You
Visitors might find you through a web search or a social media channel. Knowing this can help you show ads on relevant channels.

How to Identify Segments

Creating these audience segments can be as simple or as complex as you'd like. Most people start with simple, single-channel data, for example just looking at customers once they get to your web page. You can tease out meaningful and powerful segments even with a single data source — where your customers came from, as an example, or what products they spent the most time looking at. For single-channel segmentation, free tools like Google Analytics are often enough, though they will still need to be tweaked or extended to link visitors to specific known users.

The next step after single-channel segmentation is to start bringing your channel data into a single 360-degree picture of your customers. This requires more advanced tools with analytics capabilities. The benefit, however, is that you can find much greater insight when you can track customer engagement from Facebook to Instagram to email to your website and beyond. Think of it like being able to zoom out on your customer data to see the big picture.

While segmentation allows for personalization, they aren't necessarily the same thing. When you segment customers, you group them by actions or characteristics, like how often they purchase. Personalization is when you take those actions or characteristics and use them to tailor messages to individuals or groups.

The Risk of Over-Segmenting Users

It may be tempting to make your segments exceedingly specific. Unfortunately, things don't work exactly like that, for a couple of reasons. The first and foremost is because of a concept called "overfitting". In statistics, overfitting refers to building a model that is too perfect for the data you have — so much so that it isn't very good at modeling new data that comes in.

For marketing, this results in segments that are good at describing the customers you based the segment on ("People who searched for 'purple clown shoes', have visited our website 38 times, and liked a post about birds on our Instagram page") and bad at applying to any new customers that come in.

This leads to another problem — as segments become more specific and narrow, they become comprised of smaller audiences. If you take this line of thinking to its ultimate conclusion, you end up with each customer in their own segment, which is obviously not ideal. Even if you stop long before things get silly, having too few users in a segment makes it difficult for that segment to be useful for testing and analysis. Remember: the smaller the sample, the less certain any conclusions drawn from it become.

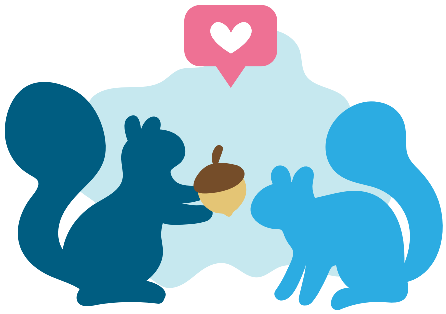
More practically, there are the costs involved with managing a large number of segments, which each need their own content (such as ads, email offers, and blog posts), as well as the time and resources to manage individual campaigns and analyze their results. And when segments get too narrow, it becomes easy to overlook customers. Unless you have very advanced tools, over-segmenting may cause more harm than good.

There is hope, however. Mass personalization allows you to give every visitor a unique experience that perfectly meets their specific needs. Rather than getting too detailed on an individual segment, it's best to keep them broad and just have users belong to multiple segments. So rather than having a segment for people who interact with you on Facebook mobile, from the state of Wisconsin, using an Apple device, and who have shown interest in green coveralls sized men's medium, you can have a user who simultaneously belongs to the segments "Facebook mobile", "Wisconsin", "Apple device"... well, you get the point.

Mass personalization counters some of the negatives of over-segmentation since each segment remains relatively broad. This keeps its population large enough to be a valid sample for experiments, saves your team from managing more creative than they can handle, and still allows you to treat every customer as an individual. It may take more effort to set up, but the payoff is a much better user experience and a more effective marketing effort.

Marketing Segment Archetypes

While each visitor's customer journey will vary depending on their needs, preferences, and individual actions, you can make an educated guess about what someone's customer journey may look like based on their online habits. For example, understanding the typical actions of the marketing segment archetypes below can help us put together a rough idea of what their customer journey will look like.



The Social Shopper
As social media use has risen, so has the prevalence of the Social Shopper. These shoppers leverage social platforms and apps on mobile devices to explore new trends and find new products. Even more importantly, they treat shopping as a collaborative effort shared with friends and followers and frequently solicit feedback from their community.

The Social Shopper might first find you when they see you featured in an influencer's Instagram post. A few days later, they might see a retargeted ad pop up while they're browsing the internet, reminding them that they wanted to check out your product. Finally, they may head back to your Instagram page and scroll through the comments, seeing what other followers and trendsetters have to say before clicking the "shop this" button and making a purchase.

The Dealhound
As long as there have been bargains, there have been Dealhounds around to hunt them down. Although the methods in which they bargain hunt have become more high-tech, this shopper wants one thing: to get the best deal possible. They take their time researching reviews, searching for the best price, and looking for discounts and sales.

If the Dealhound found you online, it was likely through a sale or discount offer. Once they got to your website, the first thing they did was sign up for your email newsletter to get a discount code for their first order. And even though they may have made their decision to buy from you, they'll most likely wait until there's a sale or a compelling offer to spur them to pull the trigger.

Now that you have a better understanding of how to segment customers on their unique journeys, you'll want to see how your marketing measures up. In the next section, you'll learn how to test and measure your marketing initiatives and turn your data into insights.

04

Measuring Your Marketing Initiatives

Only 39% of companies say their marketing is effective, which is shockingly low. Even more shocking is how many companies can't say if their marketing is or isn't effective because they don't measure their results. To be part of the small group of companies with effective marketing, you have to know exactly why your marketing is or isn't working, and how to fix it. Here are three ways to make sure you're at your peak performance for the holiday season.

1 **Measurement**
Most marketers know how to measure and can rattle off pages of metrics on their latest campaign. The trouble is that all the data in the world doesn't mean much if it's the wrong data. So, the first step to shape up your marketing is to ensure you measure the right things — these right things are called key performance indicators (KPIs). Like in dating, it's not just about noticing signs — it's noticing the right signs.

2 **Testing**
Once you know which KPIs to measure, you need to know what they mean and what to do with them. This involves reading raw data and turning it into insight. Unfortunately, there isn't a hard and fast rule for creating insight. It's a skill that takes practice, but there are some generalities that can help make sense of it all. It's the same in dating; you have to know what the signs mean and what action to take based on them. It's not an exact science, but you can pick up a few tips about what to look for.

3 **Improvement**
Once you have data and insight, you have to roll up your sleeves and get to work. This is where testing comes in. Testing is the act of figuring out how to improve your marketing in practical terms: which call to action works best? Which audience is most receptive to our messaging? Which touchpoint has the biggest impact on customer lifetime value? Testing lets you take some of the guesswork out of marketing and allows you to make clear, defined progress on your KPIs.

Setting and Evaluating KPIs

Every KPI is a metric, but not every metric is a KPI. This truism helps clarify why setting KPIs is a challenge for so many marketers and companies. A KPI doesn't do much good if it's not the right one, or if it doesn't help you make intelligent decisions. A KPI isn't just any old metric from your marketing report. So what makes a good KPI? A good KPI is:

Actionable
A good KPI is a number that you can directly influence, and that changes based on your input.

Clear
A good KPI isn't ambiguous or confusing. It should be immediately clear to anyone looking at it what you are measuring and why.

Relevant
A good KPI should be linked to a specific business objective that your marketing department, and the company as a whole, is trying to achieve.

Meaningful
A good KPI has to be able to affect the business objective it is linked to. It has to have a real impact on the larger objective.

In short, a KPI is a metric that shows your progress towards a broader business objective, can be easily measured, clearly communicated, and that you have some influence over. Neither of these criteria are any more or less important than any of the other ones, and setting a good KPI requires that all four of them are met.

It's important to not set too many KPIs. Too many managers get into the mindset of "if one is good, 10 are better." The problem with that is that too many KPIs cloud your ability to make decisions. It makes it more difficult to tell if you are moving towards your goals, and can create analysis paralysis as you try to balance one KPI against another.

Instead, try to have no more than one KPI for every major marketing initiative you roll out. That isn't to say you shouldn't be measuring multiple metrics for every activity — only that you should be very clear about which are the most important and most directly affect your larger objectives. Remember, your KPI is the bottom line on any given marketing activity, and there should only be one bottom line.

Turning Data Into Insight

The best KPIs in the world don't mean much if they remain in a vacuum. Remember, the point of KPIs is to improve your marketing, not just to give you something to report on. So the next step is to turn your data into meaningful insights.

To gain insight from data, make sure you look at all of your data in one place. With one major KPI per activity and countless smaller metrics, it can be difficult to get the whole picture — especially across multiple channels like social, email, advertising, SEO, etc. Many analytics tools will have some capability to draw in data from multiple sources.

Google Analytics, for example, can give you information on several different campaigns in one place, especially if you extend its capabilities with smart tagging and various integrations. Another popular option is to build out custom dashboards in a tool like Tableau or Google Data Studio. The best option is to use a tool that can compile all of your campaign metrics into one simple and intuitive display for you, saving the manual labor required.

Remember to also look at trends. Even the most well-defined KPIs can move dramatically for little discernible reason between reporting periods. Focusing on individual data points or changes across a short time frame can distract you with noise when you should be focused on a signal. Instead, look at the general direction the KPIs are moving in, how quickly the trend is changing, and where will you be if the trend continues.

You also need to assign context to your data points and KPIs. Everyone has their own opinions on what the data means; the spike in sales is because you ran an ad on Instagram. But another person says it's because you changed the image to feature a person. Identify why it matters and what you're looking at. Also, note how it affects the business and how it was collected; this can help put it in perspective.

At this point, you want to begin testing. You should also keep in mind that it's important to limit KPIs. Isolating important metrics to measure the impact of specific changes is critical to generating insight. Remember that insight isn't the definitive answer to a question. Instead, think of insight as turning broad, nebulous questions into specific ones you can test and answer.

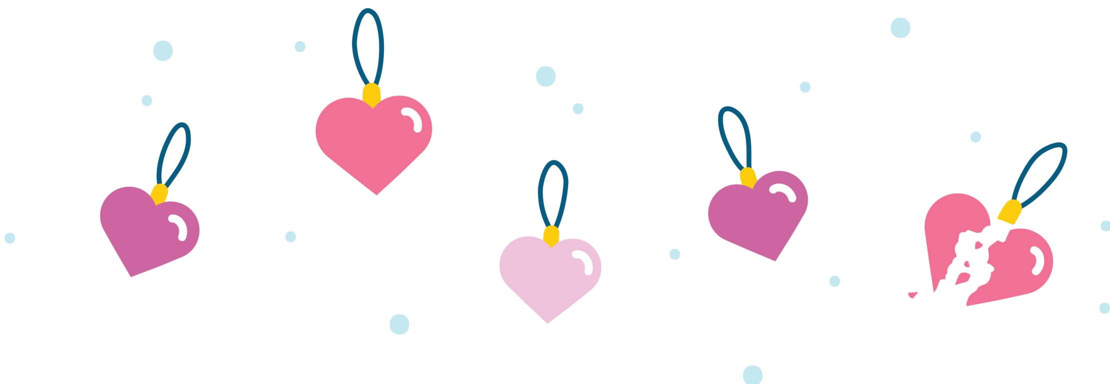
Testing and Improving

You have your KPIs and you have some insights into what's behind KPI behavior. Now, you need to turn that into a test that can confirm or reject your hypothesis. A good hypothesis has a couple of criteria:

1. It is a statement, not a question. Your hypothesis should be an educated guess as to the answer to one of the questions brought up in insight. For example, if you are trying to explain a traffic spike, a good hypothesis might be "when we post images on Instagram, our traffic numbers go up."

2. It is an educated guess. It's easy to think that testing anything and everything will produce results eventually, but it is a large waste of time to take the shotgun approach instead of testing specific things that are more likely to get good results. If you posted an image on Instagram shortly before your traffic spike, then it stands to reason that there's a chance that the two are linked. If you didn't post anything, saying Instagram can increase traffic (while possibly true) isn't a hypothesis — it's just a guess.

3. It can be proven but also disproven. Any good hypothesis can be tested directly by changing something in your control. "If we post an Instagram image, traffic will go up" can be tested by posting an Instagram image. "Posting a beautiful picture on Instagram causes traffic to go up" isn't, because it creates too many outs about the definition of "beautiful image."



When reviewing your KPIs for insights in the previous sections, always keep a running list of questions that you would like to answer. As time and resources allow, come up with hypotheses that can answer these questions, and transform them into experiments you can run. There are some best practices that you should keep in mind when conducting tests on your marketing.

Be very clear about what you test. The best-planned experiments won't produce any meaningful results if the independent variable (the thing you have control over) isn't clear and easy to modify, or if the indirect variable (the thing you're measuring as the result) is difficult to measure.

Isolate as many variables as possible. You're trying to prove that the thing you're changing is affecting the thing you're measuring. That means removing as many other variables as possible. Practically, that means conducting tests across a variety of segments, days of the week, etc. It also means avoiding testing during times when there is a lot of interference. For getting your holiday campaigns up and running, that means testing early and not during the holidays.

Get your sample right. Along with avoiding confounding variables, testing a large enough sample helps to ensure that your results are really because of the change you made, and not just a statistical fluke. To find out how large a sample you need, you can use a sample size calculator, many of which can be found online.

Don't change direction midstream. It's easy to get impatient during a test as you think of better ways to test your hypothesis, or entirely different hypotheses that might result in better outcomes. Ignore that temptation and let the test run all the way through. Then, if you didn't get the results you wanted or you think you can do better, run a second test. Then a third. Think of testing as an ongoing process that constantly gets you better and better results.

Keep it simple. It's easy to think of 10 different things you may want to test simultaneously. And if you have experience in statistics, a large audience, and enough time, it's possible to set up a valid and successful multivariate trial. But for most companies, that just introduces complexity and noise into an already complex process. The best practice for most companies is to test one variable at a time and make incremental improvements rather than jumping in headfirst with everything.

This simple formula of measure, analyze, test, improve is the quintessential continuous improvement cycle that drives great marketing. Mastering it will help your company go from 61% who aren't satisfied with their marketing efforts to the 39% that are. This is especially critical for holiday campaigns, where many businesses earn the majority of their revenue and profit. Setting up the right KPIs, knowing how to use them to gain insight, and then constantly testing your approach will put you in a much better position by the time holiday sale season rolls around.

05

Optimizing the Customer Journey

You've put in the work to stand out from the crowd, and now you have your customers' attention. To paraphrase one of the greatest poets of our time, "if you like it, you should put a ring on it."

Turning early engagement into sales is an area where a lot of brands struggle. On the one hand, it's tempting to make a strong push and go all-in on the ask as early as possible. But the customer may not be ready to buy yet or may be turned away by a hard sales pitch. On the other hand, many brands wait too long to go for the ask, and consumers move on to the next option because a strong enough push wasn't made. So how do you go from getting engagement to getting a conversion?

Engagement vs. Direct Response

We should also pause for a minute here to talk about the differences between engagement/awareness campaigns and conversion/sales campaigns. This is where we take it back to the marketing fundamentals because the structure of a direct response campaign can be markedly different than an awareness campaign.

On the surface, it may seem that the biggest difference between the two is the goal. A direct response campaign is trying to get the customer to buy something. An awareness campaign just tries to make them aware of your brand. Simple, right?

The reality is not quite that simple. All campaigns, regardless of their place in the funnel, or on the flywheel, have a set objective in mind. They all seek to motivate the customer to take a specific action. For an awareness or engagement campaign, it can be something low-risk like following a social media page, signing up for a newsletter, or requesting more information, but it is still a quantifiable, objectively measurable goal.

The biggest difference between a general engagement/awareness campaign and direct response is the scope and immediacy of the action you're encouraging. In the former case, you may be happy to let consumers see the same ad 10 or more times before it finally clicks. For the latter, you want the response to be… well, direct. A good direct response campaign convinces a consumer to become a customer right now, and the goal is more high stakes — they need to buy, not just like.

The Perfect Proposal

If we could give you the formula for how to execute the perfect proposal, we would. Unfortunately, in dating and marketing, there's no such thing. The best you can do is learn as much about your customer as you can so you know how and where to make a move (we'll talk about the "when" a little bit later).

The first place to start is with an audit of the channels customers use to interact with your brand. Do they share every picture you put up on Instagram? Do they watch every one of your videos? Click on your ads a lot? Take note of which touchpoints happen closest to a conversion. This doesn't mean you should disregard or downplay all of the ones that came before, but it will give you an idea of the channels that are most likely to lead to an immediate purchase.

Once you have an idea of which channel to pursue, it's important to know how to maximize your direct response activities. The best course of action to take is to review what you know about your customers, make a hypothesis, and test and retest until you have it just right. Still, there are some best practices you should keep in mind:

Email
Email is the traditional go-to for direct response. For a long time, marketers treated email as the only viable direct channel, writing off digital almost entirely as "top-of-funnel". While we now know better, email is still one of the best ways to get your consumers to say yes. The key to email hasn't changed, though. You have to be relevant, timely, and impactful.

Relevance means the offer has to match their interests. With the number of retargeting and analytics platforms available, there is no excuse for sending out irrelevant emails.

Timeliness means the email has to arrive when the customer is close to making a decision. You can try to take a shotgun approach and send a constant stream of offer emails, but that's a good way to land in the spam folder permanently.

Impactful means the offer has to be compelling enough to make them want to respond. This could be the quality of the offer itself, like a high discount, or it could be a bit of extra motivation in the form of something like time limits or an induced feeling of scarcity.

Social
It's somewhat difficult to give best practices for social as a channel because the various social platforms are so different, and even individual platforms have many different ways to display your messaging.

One key for social that is universal, however, is to make your ads as easy to respond to as possible. When there is an option to buy directly from the platform, that should be your go-to for direct response.

Product shots are good for engagement and awareness, but for getting people to buy, focus on using imagery with your target audience using the product. If you have multiple distinct audiences, create different ads to target each of them individually.

That's important to remember, even aside from photography. Social networks give you a wealth of audience information. The best direct response campaigns will be the ones that use this data to build individual ads for each segment.

Video
Video itself can be largely thought of as two separate groups. There are video ads that can be used anywhere another ad would go. Then there are ads in videos. The latter tend to be less effective for direct response — the last thing someone watching a video wants to do is interrupt their viewing to go buy something.

When using videos as ads, remember that shorter is better. Unlike raising awareness, the goal isn't to show off cool features or fancy cinematography, but to overcome objections as quickly as possible. Get to the point.

This is especially important with ads on social platforms. Shorter ads tend to have much higher completion and click-through rates, and users of Instagram stories highly prefer that the ads be simple and easy to understand.

Native and dynamic ads
We wanted to add a special section for native and dynamic ads, even though they aren't necessarily channels by themselves. Both can be extremely powerful ways to change an okay-performing campaign into a high-performing one.

Native ads mimic the look and feel of whatever media they are displayed on. This can be an advertorial, a Facebook ad that looks like a standard, instream post, or a sponsored link in a list of links.

Native ads have a strong advantage in that they get your product in front of customers without interrupting the flow of what they are doing. The difficulty, however, is that it places extra importance on your creative being able to pop.

Dynamic ads allow you to populate ad creative on the fly based on a set of elements. This creates a tremendous opportunity for personalizing ads based on segments and buyer types.

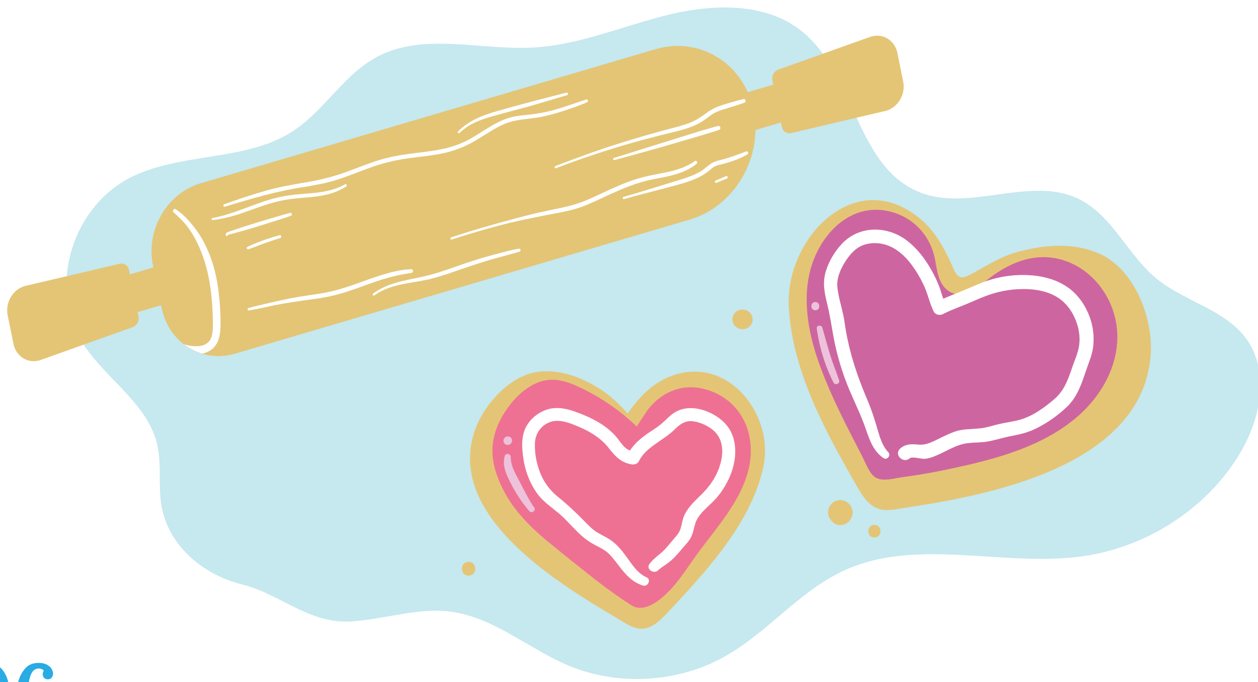
Combining dynamic and native ads provides even more opportunity to create customer experiences that spur immediate action. You can create Facebook ads in-stream that mimic the kinds of posts your customers prefer, showing them products that they've previously shown interest in. Or you can use companies like Yotpo and TargetBay to create native ads out of real customer reviews to convince your targets to pull the trigger.

When it's Right, it's Right

Knowing when to go from engagement to sales is a tricky proposition. There isn't a hard science to it, and there's no one-size-fits-all solution. There isn't one metric or stat that we can point to and say "this is where you get down on one knee and pop the question." Instead, you'll have to refer to the customer journey map that you're building. Look for actions customers take right before they buy, and keep in mind that they may be different for different segments.

The customer journey maps you've created will help not just with the when, but also the how. A proper customer journey map will cover not only the actions that tell you when a customer is in the right stage, but will also answer questions about what is holding them back from going to the next stage, and what you can do to encourage them. If you need additional help creating a customer journey map, you can read our in-depth guide here.

By understanding when your customers are ready, and what they need to help them go from maybe to yes, you'll have some ideas on how to reach them when you pop the question. In the next section, we'll help you refine your campaign, so when the holidays roll around, you'll be ready to convert with the best of them.



06

Testing and Refining

Good research and planning make for a solid foundation for any holiday marketing plans. Taking it to the next level requires putting your strategy out to the world, testing it, refining it, and constantly optimizing it. That, in turn, requires a continuous improvement plan that makes the process smoother and more streamlined. Trust us when we say you'll want the process to be as smooth and streamlined as possible before the holidays hit. Juggling the busiest sales season of the year while improving your testing program is a recipe for holiday blues.

How to Test and Evaluate Success

Before we get ahead of ourselves and start planning a long-term improvement strategy, it's important to remember testing. A continuous plan can't succeed unless you have a sound understanding of what to test, how to test it, and what kind of tests can be performed. We won't cover the specifics of how to conduct A/B or multivariate testing here, as that could be a whole ebook by itself, but we will focus on the high-level concepts that will allow you to use a testing platform or protocol of your choice.

Understanding Testing Variables

What makes a good variable? In the simplest set of tests, there should be two identified variables: dependent and independent. The independent variable is a specific item that you can control. This can be a design element; a word, sentence, or entire piece of copy; it can even be something large like a channel or outlet. The dependent variable, on the other hand, is something that only changes indirectly in response to the changes you make to the independent variable. In simple terms, the independent variable is the input, and the dependent variable is the output.

When selecting a variable to test, it often makes sense to start with the independent variable that you would like to see a change in. Starting with the output metric can give you some ideas of what you can change and how. In a data-driven approach to marketing, it's always a better idea to start with the result you want and work backward. Testing is no different — begin with the effect and identify a cause you can manipulate.

The last kind of variables you need to be concerned with are confounding variables. These aren't variables you will manipulate directly, and they will be outside of the scope of your test, but they can still affect results and invalidate your experiment. For example, you see a spike in sales while running an A/B test and think it is due to using one creative message over another, but it's actually due to a change in the season when sales typically increase.

In a scientific experiment, you attempt to eliminate confounding variables by completely isolating the independent and dependent variable, so that you can show that X caused Y with absolutely nothing else affecting the results. Unfortunately, in marketing and the social sciences, it's often impossible to completely isolate your test from outside influences. Instead, you can do your best to isolate as much as possible by using larger sample sizes and running small tests across a diverse sample, as well as typically keeping changes between variations in the independent variable small and limited to two — variant A and variant B (hence A/B testing.) Most importantly, it's critical to understand what variables other than the one you're testing might impact results, and how.

What to Test

Ask any marketer, and they'll give you a million ideas on things you can test. You'll get answers ranging from button colors to page layouts to channel messaging to your entire ad mix. Testing is good, but in a high-pressure/low-turnaround marketing environment, you simply can't test everything. Instead, you need to focus on areas where you can make the biggest impact, or areas where you can make the fastest impact. Choosing which is right for your brand depends on what is important to your brand and how well your marketing performs.

The first place to go when looking for ideas on what to test is the KPIs you set earlier. These are the metrics by which your marketing's effectiveness is evaluated and, by extension, the metrics by which your effectiveness is evaluated. They should also be the most critical inflection points in your customer journey, making them ideal test candidates.

Break down your KPIs to a definitive action. Does a customer need to click on something for it to count? Do they need to navigate to a certain page? Engage with you on a specific platform? Once you have the final quantifiable action, identify some specific things you can test. As an example, if one of your KPIs is "Visits from Facebook", a good thing to test might be the calls-to-action you use on the Facebook platform to send visitors to your main site. The important thing to remember is to look at your KPIs as a series of discrete steps or actions, each of which can be tweaked in a number of different ways to hopefully increase KPI completions.

Deciding which KPIs to test depends on how your marketing efforts go. If your approach is fairly well optimized and you don't see any sharp drop-off points or obvious problem areas, you may see better results by running multiple quick tests that will allow you to cover a lot of ground in a shorter period of time. This will let you identify the most critical areas for small, but meaningful, improvements. On the other hand, if you have some obvious problem areas, you should immediately set your focus there and test different approaches to improve them.

Moving Beyond A/B

It may seem like testing everything you want to test is an impossible proposition. Just the combinations of headline/creative/copy/CTA for a single ad can quickly reach into the thousands. Part of the approach to deal with this is simply to make peace with knowing you can't possibly test everything you want to. But experienced marketers have another option: multivariate and programmatic testing.

Unlike A/B testing, multivariate testing uses more than two variations for the independent variable, or manipulates multiple independent variables simultaneously, while still measuring results with one dependent variable. An example would be testing multiple headlines, creatives, and CTAs of one ad in various combinations at the same time. This can drastically speed up the ability to iterate on marketing initiatives, but it comes at the cost of more complexity that increases exponentially with every variable or variation you add.

The solution to the complexity issue is programmatic testing. In programmatic testing, you input all the variables and variations that you want to test into your testing software and let the algorithm manage all of the complex math that goes into selecting sample sizes and evaluating and weighting results.

While that sounds complicated, almost every digital marketer has probably already run complex multivariate trials without realizing it. Most advertising platforms like Google AdWords and Facebook Ads are naturally set up to test combinations of ad/keyword/format, and most marketers at least experiment with playing around with variations on headline and body copy within ad groups. More complex applications require special tools and software, but they largely follow the same basic principle.

Building Testing into a Continuous Improvement Program

Ad-hoc testing is better than no testing but planned and structured testing is still better. And even better is a culture of testing and investigation in the marketing department. A formalized continuous improvement process is instrumental to get both boxes checked off.

The term continuous improvement comes primarily from manufacturing. Before the introduction of the continuous improvement process concept, factory owners and companies focused mainly on large improvements that could be immediately felt in the bottom line. But that had the downside of being cumbersome and expensive to implement. Manufacturing managers realized that using statistical analysis to drive rapid incremental improvements in processes could add up to huge savings very quickly. After all, saving even a fraction of a penny per widget produced adds up to millions of dollars if you manufacture enough widgets.

There is a very useful analog for marketers. It's easy to focus on large, splashy initiatives like rebrands or website redesigns, but those initiatives take a lot of time, are costly, and bring plenty of risk with them. In between these large changes, there is significant room to create a major upside by improving every KPI by fractions of a percentage point at a time. Since all programs take time to create and implement, it's important to put your continuous improvement process in place now so that you're ready for the holidays.

What Does a Marketing Continuous Improvement Program Look Like?

A continuous improvement program for marketing has three main components. The first is the overall goal or objective, which you should already have after putting together your KPIs. The second is the testing itself. And the third is the results and implementation of findings. Typically, you will only need to set goals and objectives once per year, however, keep in mind that you may want to revisit them at least once per quarter for a quick sanity check to make sure they're still the right goals and objectives for your company.

There is no uniform or recommended time for how long the testing phase should be. Instead, try to keep it as short as possible while still pulling good data. The advantage of a continuous improvement model is its ability to iterate and improve quickly, so you want fast sprints rather than long marathons for testing. With that said, however, if you have a particularly thorny problem, you may need to allocate multiple iteration cycles to improving one area or run some extra-long tests to get the best results. Rather than extending the testing period, combine two or more cycles into one, so you stay on your schedule.

The analysis and implementation phase is where the magic happens. You start with the data you've pulled from test results — if you use a testing platform, you should have the data largely ready to go; if not, you may need to do some number crunching to find out which variant performed best. Many testing platforms will also automatically roll out your best variant on their own once the test is completed, saving you from doing the implementation.

Whether you have the process automated or not, you should still take the time to review the data collected. Look at whether or not it has resulted in a meaningful shift in your results, and whether you need to adjust your goals or the KPIs you track. More importantly, reviewing test results and next steps publicly with your team and other stakeholders helps to instill a culture of improvement by allowing everyone to see how much progress even small changes can make. When you combine visible improvement with a routine, you form a company-wide habit that can make it much more likely that your program will last. It will also get you into the habit of running tests and reacting to them quickly — an invaluable skill during the holiday madness.

07

Conclusion

Finding love this holiday season, whether you're looking for a new sweetheart or a new customer, can be as easy or as hard as you make it. Planning your marketing efforts out well in advance of the busy season will let you capitalize on the engagement you've built throughout the year to grow sales. Failing to plan, on the other hand, will leave you broken-hearted.

Understanding the customer journey of your users will allow you to structure holiday sales and campaigns in ways that fit user behavior, meeting them where they want to be met and helping them navigate pain points and roadblocks. Creating attribution modeling programs will help you fill in the gaps on those journey maps, and tell you where and how to nudge customers in the direction you want. Segmenting your user base will allow you to give every consumer the exact right deal that fills their heart with holiday spirit and makes them want to shop. Measuring results will set you up for improving and testing your programs. And finally, understanding how to make the last big ask with direct response marketing will help you seal the deal.

This ebook is hardly a comprehensive guide, and every single one of these sections can easily be an ebook in its own right. Instead of seeing it as a one-stop-shop for your holidays, use this guide as a jumping-off point. Create a high-level plan now, before the holiday season sets in, and check out our blog and our other guides and playbooks for more detailed tips and tricks on sections that you think you need some help in. And as always, feel free to reach out to our team to see if AdRoll can help turn your holiday dreams into realities.

Happy holidays, and happy holiday planning, from our family to yours!

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