



THE 2017 GUIDE TO FACEBOOK DYNAMIC ADS

How to Drive Conversions & Improve ROI



+



Table of Contents

Introduction to Facebook Dynamic Ads	3
How to Create a Facebook Dynamic Ad	6
Best Practices for Facebook Targeting	12
Utilizing Demographic Data to Increase Targeting Capabilities	17
Test Cross Selling & Upselling Opportunities with Dynamic Ads	27
The Final Takeaways	31



Introduction to Facebook Dynamic Ads

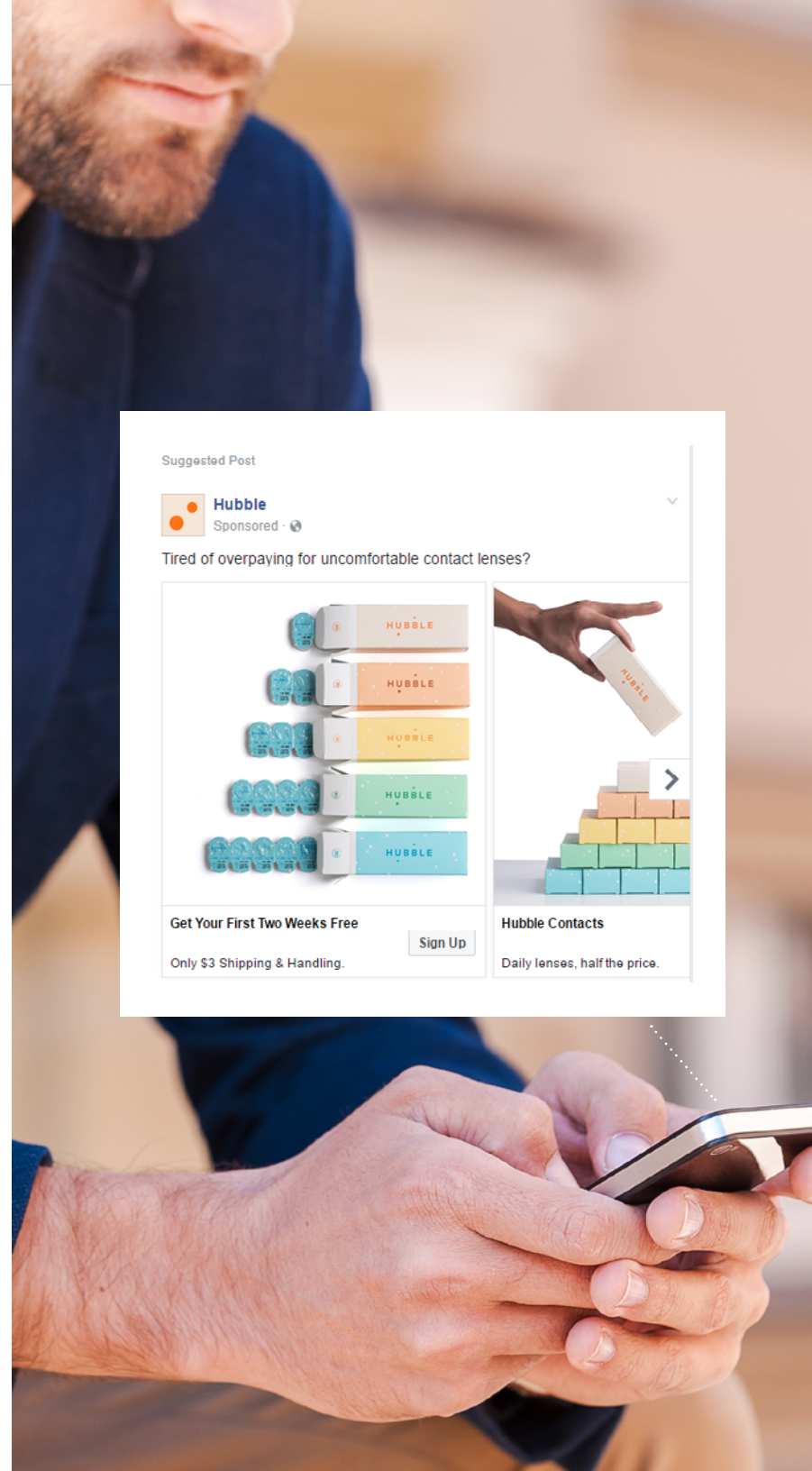
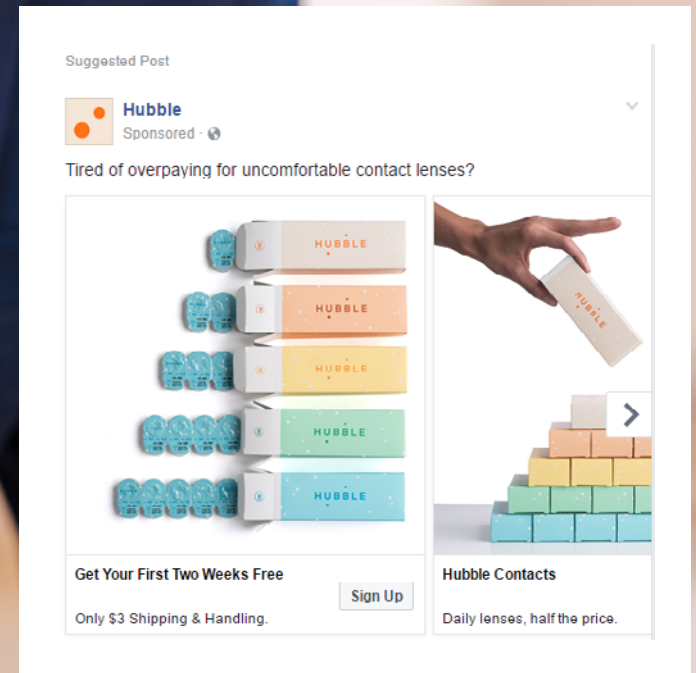
[Facebook ads](#) are an incredible tool to build an audience following, but the power of retargeting shoppers through [Dynamic Ads](#) is what sets Facebook apart from other forms of paid social advertising. If you're not using Dynamic Ads, it's likely you're missing out on one of Facebook's most rewarding ad types.

Thanks to the introduction of Dynamic Ads, Facebook not only serves as a **brand awareness** tool but also acts as **direct response channel** to get a higher ROI for advertisers.

It's no surprise that display-based product advertising has been an **increasingly effective revenue-driver** for retailers in recent years.

Dynamic Ads can be found on mobile, desktop, and tablets across Facebook:

- ✓ Newsfeed
- ✓ Right Hand Column (not on mobile)
- ✓ Audience Network (similar to Google's Display Network)



Similar to using PLAs to target bottom of the funnel shoppers, Facebook is creating more advertising options to retarget and convert customers. With Dynamic Ads, retailers can **promote relevant items from an entire catalog** across any device. They can also display ads for thousands of items to the right audience through an **automated process**.

Dynamic Ads are **feed-based ads** that serve up a retailer's offerings on Facebook users' feeds, and can be targeted to specific audiences based on actions they've taken on the website (for instance, viewed a product page or added items to a cart).

In the following guide, we will explain why Facebook Dynamic Ads are a must-have for any business or brand trying to engage with customers, improve ROI and increase conversions on the platform.



How to Create a Facebook Dynamic Ad



How to Create a Facebook Dynamic Ad

Facebook Dynamic Ads are designed to help businesses promote their entire product catalog across all consumer devices.

Luckily, if you already have a product catalog from Google, **you can directly apply the feed to your Dynamic Ads.**

But, before you can set up a product catalog and upload your feed, your business must be listed in Business Manager with an Ad Account.



PROTIP: If a retailer wants to provide an agency access to their account (whether it be for an audit or management purposes), they will need to implement the following steps, which you can read about in our recent blog post: "[How To Locate Your Facebook Advertiser Account ID & Assign An Agency](#)"



1. Facebook Business Manager / Ad Account

Facebook Business Manager allows retailers to manage all their users, ad accounts, and Pages in one place. Retailers who want to take advantage of Facebook Advertising will have to set up Facebook Business Manager first.

*To learn more on how to set up your
Business Manager/Ad Account, check out
our [blog post](#)*



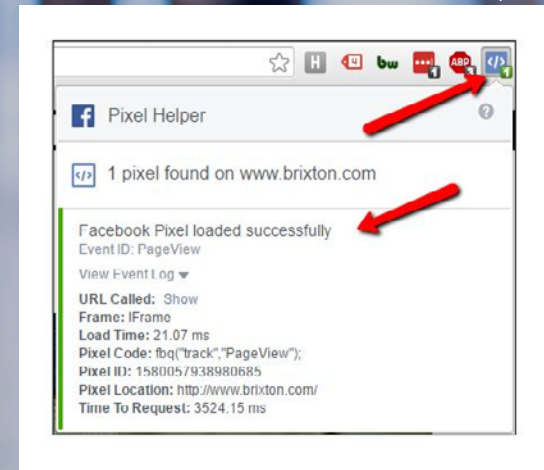


2. Facebook Pixel

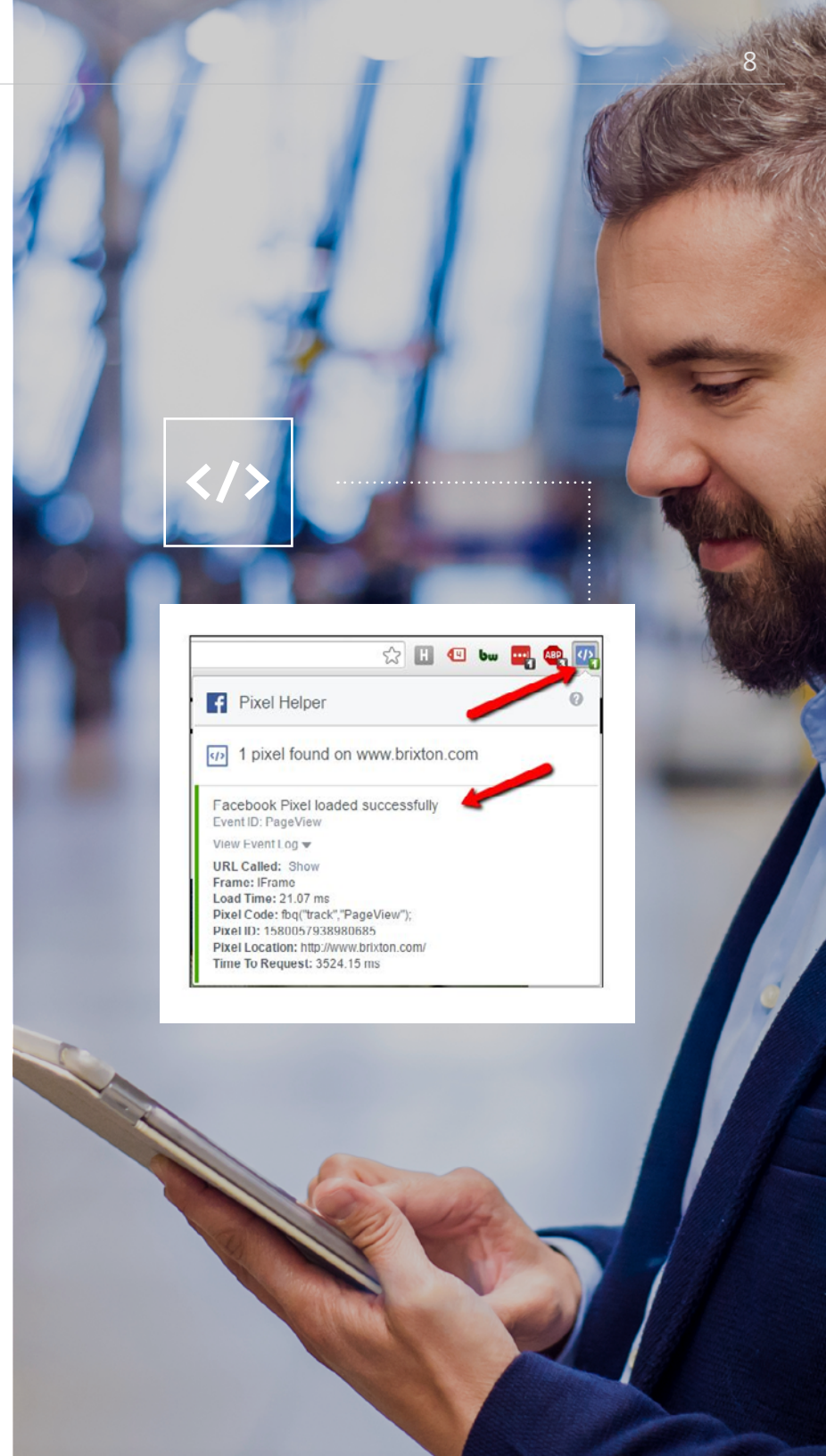
Facebook’s pixel allows retailers to monitor the actions shoppers take after clicking on their ads across devices including mobile, tablets and desktop.

By creating a tracking pixel and adding it to the pages of a retailer’s website where conversions happen, like the checkout page, retailers can see who converts as a result of their Facebook Ads.

To learn more about how to install the Facebook conversion pixel, check out our [blog post](#)



PROTIP: In order to verify that the Facebook Pixel is installed properly, we recommend that you install the [Facebook Pixel Helper Chrome Extension](#).



3. Product Catalog

A product catalog in Business Manager holds a file that contains a list of all the products you want to advertise. This file is called a product feed. The feed is a set of items uploaded or fetched from a business to keep the content of your product catalog up-to-date.

When you create (or integrate an existing) feed from your catalog it will automatically deliver images, descriptions, and prices in your ads.

The Facebook Pixel is then used to measure actions, such as purchases, and profile target audiences for ads. Finally ads are created and delivered based on your catalog, (displaying relevant items from your catalog feed and target your audience).

**PROTIP:**

A product item is a single product represented in your online store, such as a SKU or stock keeping unit. You can have a single product feed to represent all of the products in your catalog; or you can have multiple product feeds with each feed representing a single country or single division's products.



4. Sync Your Product Catalog & Pixel

It's vital that your product catalog is linked with the Pixel. You can check this by going back to the Business Manager and clicking **"Product Catalogs"**.

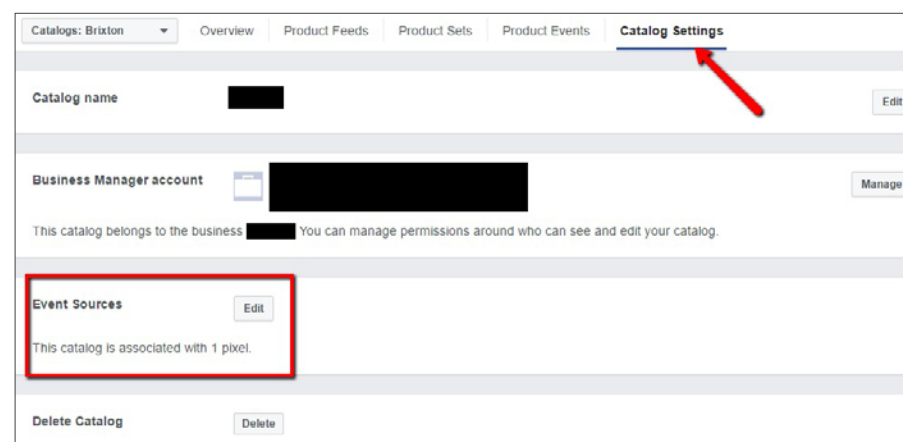
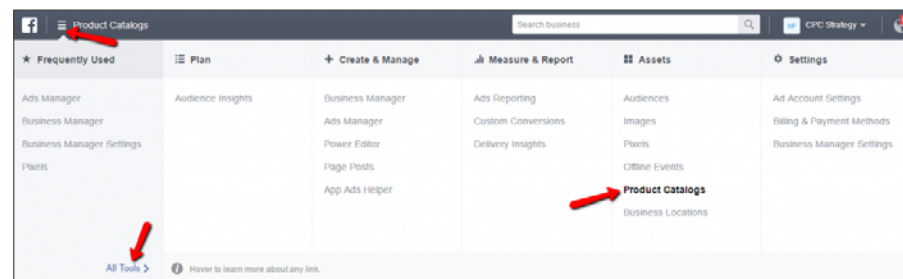
Select your account and when you go to your **"Catalog Settings"** you should see your Pixel linked (as pictured on the right).

According to **Mitchell Freland**, Technology Specialist at CPC Strategy,

"Uploading your feed to a URL on a daily basis ensures that Facebook can receive the most up-to-date information on your products, and ensure that your customers have the best experience. This also allows you to easily push updates out to Facebook, without a cron job or scheduling system."



Mitchell Freland
Technology Specialist
CPC Strategy



For more on how to set up your product catalog, check out our [blog post](#).



Best Practices for Facebook Targeting



Best Practices for Facebook Targeting

Advertisers can apply Facebook retargeting efforts to Dynamic Ads as well as traditional Facebook ads such as Static Ads.

In a CPC Strategy client study (below), we found **Dynamic Retargeting ads have a 249.97% higher return** on ad spending (ROAS) compared to static retargeting ads:

	ROAS	Spend	Revenue
Conversions	\$2.72	\$61,032.26	\$166,149.53
Dynamic Ads	\$9.53	\$18,885.86	\$179,932.50
Grand Total	\$4.33	\$79,918.12	\$346,082.03

Audiences include:
Conversions: [CRM audience](#), site visitors who haven't purchased
Dynamic Ads: Site visitors who viewed content/product & cart abandoners



PROTIP: To track retargeting efforts—advertisers should reference their Facebook pixel data located within the Facebook Ad Manager



Dynamic ads allow retailers to scale to all of their products more efficiently. Dynamic Ads are great for bottom of the funnel (closer to the purchase stage), but if you want to drive more traffic to your site you will need to market to people who have not been to your site before. That's when targeted and lookalike audiences come into play.

It depends on the retailer, but so far CPC Strategy has seen significant success with Facebook retargeting efforts for apparel and hobby-related retailers. This was especially true for [Designer Living](#), a home decor retailer that teamed up with CPC Strategy in 2016 to improve their Facebook advertising efforts.



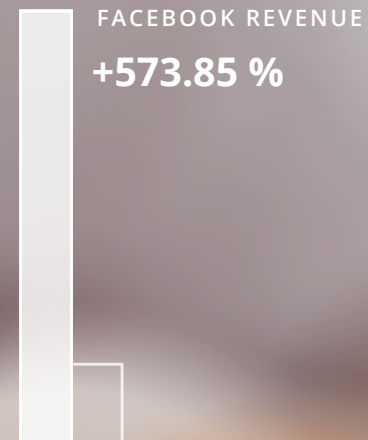


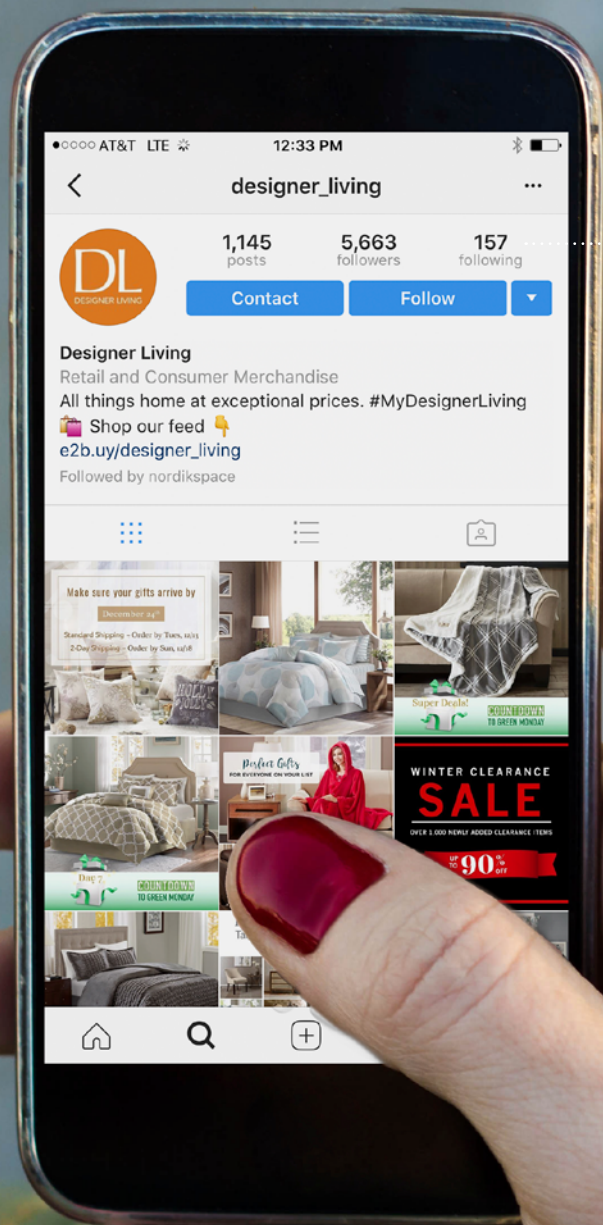
One of the main challenges for Designer Living was that they were not optimizing their advertising strategy on Facebook. Although they were running organic and paid Facebook ads prior to CPC Strategy's involvement, they were not leveraging **advanced targeting and display capabilities to increase conversions.**

To grow revenue and fine tune their Facebook advertising strategy, we set specific objectives and designed conversion-focused ads – geared towards generating sales. Dynamic Ads provided Designer Living with another avenue to promote their inventory.

The introduction of **Dynamic Ads** helped to close the loop, create more conversions, and turn Facebook into an impactful ecommerce channel for Designer Living. When we introduced Designer Living to Facebook Carousel ads in April, which allow advertisers to showcase multiple images and links in one ad, we also saw a **114.11% jump in revenue** (from April 2016 – June 2016).

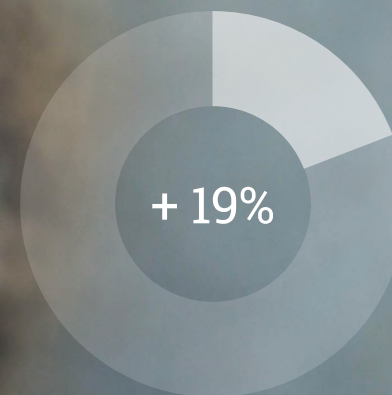
The Results





To drive engagement on Facebook and Instagram, CPC Strategy worked with Designer Living to create prospecting-focused ads – designed to reach new audiences and expand the retailer’s market penetration. We optimized Designer Living’s static ads by targeting the audiences they wanted to reach and creating **specific retargeting ads for Instagram**.

We also implemented different campaigns, creative and retargeting for Instagram and saw a **19% improvement in conversions on Instagram**.



Utilizing Demographic Data to Increase Targeting Capabilities



Utilizing Demographic Data to Increase Targeting Capabilities

Today, almost every piece of technology we have can be connected to the internet, and each time we use our devices, the internet learns a little bit more about us through our behaviors, clicks, and purchases we make. With the growth of eCommerce over the last ten years, marketers know that understanding and capturing the data of consumer intent online is vital. However, now more than ever it is **necessary for online survival**.

As a marketer, big data and all its nuances—how to capture it, translate it, segment it, and make it profitable—is now your Mount Everest. So if you're going to climb the digital marketing mountain, the best way to start is with the foundational data of who, what, where, when and how (also known as demographic data).

This data is crucial to building any marketing campaign that produces results, especially on Facebook. It's important to understand precisely what demographic data is, the history behind how it came to be successfully collected, best practices on how to efficiently capture it and most of all, using that information to power personalized Facebook campaigns that convert.



The Basics | Demographic Data

Segmenting customers by demographics helps give you a more detailed image of your market. Dividing your customers according to age, sex, location, interests, income, education, etc, ensures your messaging relates to them. Analyzing segmented demographics can help indicate commonalities in groups and how a market will respond to tailored campaigns, helping you increase targeting capabilities.

Demographic data helps tailor content to match customers' needs.

H&M for example, is a brand that carries items for both children and young adults. How they target each group is going to have extreme differences. If H&M showed content curated for young boys to a 25-year-old female, it would interrupt her shopper journey and defer her site conversion.

Personalizing demographic data helps smooth and complete the journey a customer takes when shopping on a site by making sure that the content they see is personalized and relevant to their interests.




Motivate Customers to Engage

Without data, it's nearly impossible to understand what motivates customers. The purpose of collecting demographic information is so one can shed light on the egocentric nature of their customer cohorts. Which in turn, allows marketers to understand what will trigger positive responses that encourage interaction.

However, the infrastructure of a site is often an intricate web of analytics and marketing technology that doesn't always allow for marketing agility. Customers want to be acknowledged as an individual, rather than part of a collective.

Approaching customers with tailored, data-rich campaigns makes their experience on the website consumable, resulting in better-performing campaigns with higher response rates from customers. So how do marketers quickly launch campaigns in real time as they're learning about their customers?





Sign up for Saks Fifth Avenue email and
ENJOY 10% OFF*
your next saks.com order.

You'll be the first to know
about the newest trends, collections, sales & more.


Simply enter your email address to sign up.

Enter Email Address

or

ENTER OUR SWEEPSTAKES ▶

*10% off your next purchase for new customers.
(Promo code to arrive via email within 24 hours.) Offer details will be included
on the next email communication. Offer can only be used at saks.com.



Welcome to UNIQLO

\$10 OFF*

Your first online order of \$75 or more

ENTER YOUR EMAIL HERE

*We'll never share your information and you can unsubscribe with a single click at anytime.
Offer will arrive via email approximately 24-48 hours after sign up.

In the early days of the internet, marketers used what were called “**popovers**,” “**popups**”, or “**popunders**” to grab attention and collect customer information, but this slowly began to poison the user experience. By the early 2000s, popovers were hit from both ends: users started to ignore them so their effectiveness dwindled while web browsers started building in tools that blocked popovers in the first place.

During roughly that same time, eCommerce was exploding and online retail marketers started utilizing a more tailored and elegant approach to popovers: **interstitials and modals**.

Interstitials and modals achieved success within eCommerce because they were customizable in design and functionality, quickly making them a cornerstone of on-site marketing. Now, it’s no longer a question of which sites *are* using this form of marketing, but which ones *are not*.



Now that generic modals have become commonplace in eCommerce marketing, we're seeing a similar pattern to what happened with popovers a decade ago. Effectiveness is waning as consumers have become frustrated by in-your-face modals constantly interfering with their shopping process. In addition, certain modal practices are now also coming under fire from Google.

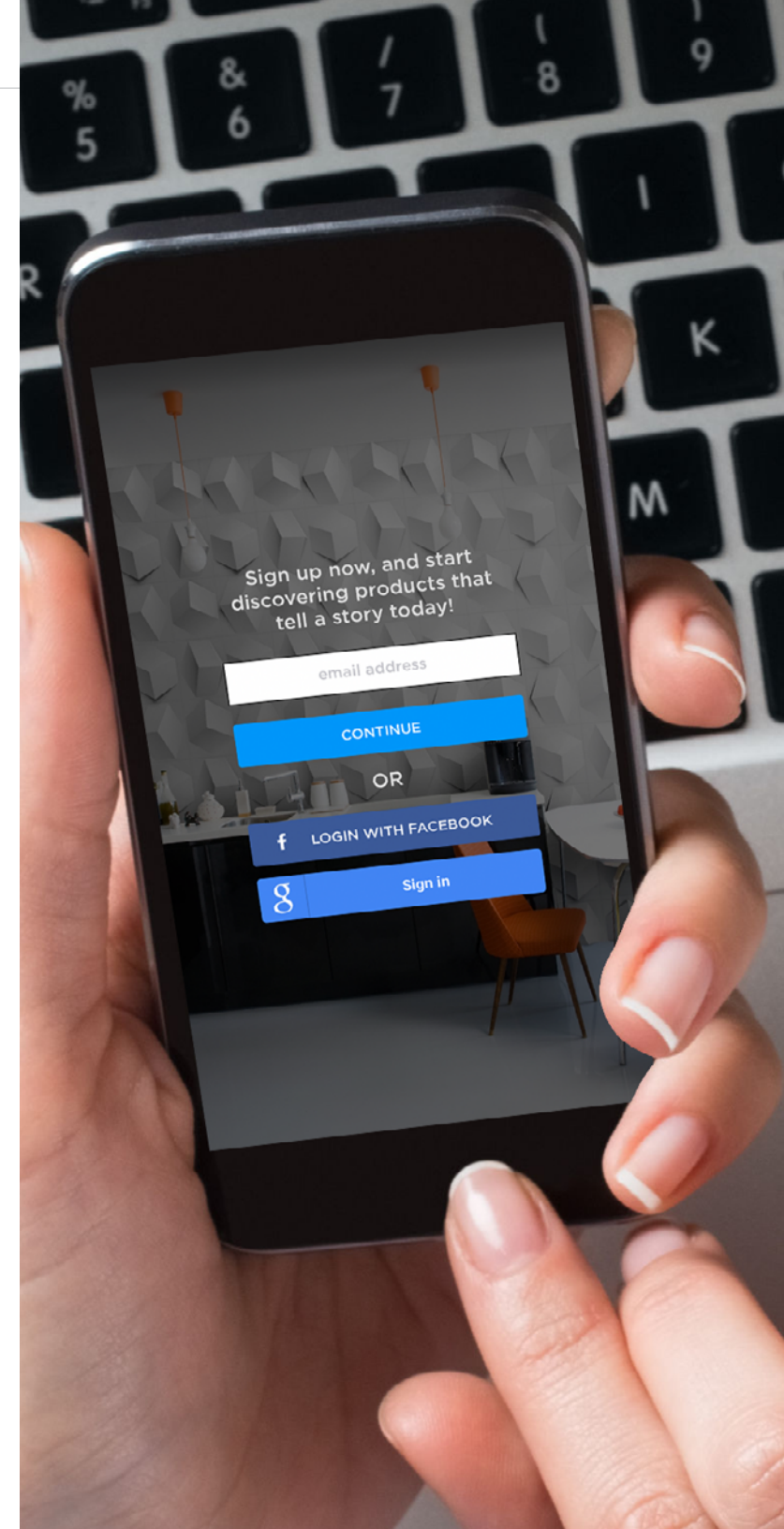
Let's Get Efficient

According to Google these intrusive interstitials/modals severely hinder the user experience—**especially on mobile**. With retailers now seeing over half of their traffic coming from mobile, it is more important than ever to be efficient and compliant across every device.

However, this increase in mobile traffic doesn't equate to higher conversion rates. Mobile devices convert 2.3x lower than desktops at 1.43%, on average. Combating this discrepancy means there needs to be simpler solution to move customers through the conversion funnel.

Powering campaigns like **Social Login, Referral Programs, or Social Sharing with Facebook** are the easiest ways to capture more rich data for enhanced targeting.

Using a platform that can collect data to procure campaigns targeting women, ages 22-30, living in Charlotte, NC, who are interested in XYZ product, by their own name, is infinitely more valuable than a campaign that only has the capability to target people in Charlotte, NC.



If a site uses an on-site marketing platform (OMP) such as [AddShoppers](#) for their campaigns, demographic data can be used for multiple levels of segmentation and targeting. Targeting capabilities can be stratified using a three tiered funnel composed of segments, demographics, and personalization.

Utilizing demographic data to efficiently target customers takes the form of knowing how to optimize your customer's journey. Targeting customers can start off with email captures. From email customer engagement can take the form of an email that pushes holiday promotions. This type of engagement can lead to the customer placing their first order.

People are generally excited about their recent purchases and want to share their excitement with their friends, and Facebook is the perfect outlet for sharing. Human egocentricity can be put to good use by having **a sharing campaign** in place that encourages connecting with a social network to share.

Using Facebook as the source for Refer-a-Friend campaigns not only captures data from the referrer, but also the referee. Even if one of the participants doesn't convert, their information is already captured through Facebook, further expanding your targeting reach. Facebook ads can then be used to target those customers based off their search history on the brand site.

This data is not only impactful for on-site marketing, but for off-site endeavors like email marketing campaigns. A key component of making social data useable off-site, is making sure that whoever is collecting it, has the ability to seamlessly push it to your CRM, ESP or DMP.





Powering Campaigns with Facebook Data

Data for campaign personalization can be pulled from a few different networks, but **the most popular, and complete data provider is Facebook.** Facebook is also the most powerful platform for driving effective campaigns. From our 2015 network stats, we saw 21.9% more traffic driven by Facebook to eCommerce sites than any other network.

Collecting demographic/social data from Facebook can be pulled in via solutions like social login, referral campaigns, or social sharing. With Facebook accounting for 57% of all social logins, electing to offer Facebook login improves conversion rates and captures a myriad of data points for personalization accessible to a brand, including: First/Last names, full name, email, profile name, birthday, gender, image, shares, clicks, sales.

Social data opens the door for exploring different methods for applying the data to different demographics via segmentation. Breaking down the data categorically expands the reach your campaigns and can boost success rate.

Additional social data that Facebook provides takes your marketing opportunities further down the targeted funnel, **generating more narrow experiences.** So instead of using segmented demographic data like geography to generically target audiences, Facebook offers the opportunity for deeper targeting possibilities.



Personalizing Your Campaign Segmentation

Once social data is aggregated, personal data can then be applied to different segmented demographics. Without providing a one-step process for obtaining personal information, it makes it harder on the brand's marketing team to develop segmentations, but it is still possible. Personalization works together to build unified shopper profiles that enables better content targeting.

From data collected across our (AddShoppers) network, we've seen that 1:1 personalization campaigns drive 9% more revenue and 600% more actions on average. For example, a client in the novelties industry saw the positive effects of personalization using Facebook, with a 644% increase in conversion rate for email captures and 15.7% higher conversion rate to purchases.

Another client in the apparel industry, ran a campaign that targeted Facebook traffic. The campaign was shown to site visitors that came to the retailer's site directly from Facebook, asking the shopper for their email address. Once the address was entered, customers were given a coupon code for 15% off their order; this led to a 6% conversion rate.

This campaign style effectively gathered information necessary to further segment shoppers with specific campaigns. They now know the customers that converted at checkout with the coupon code are Facebook fans. This opens the door for retargeting and email campaigns that are tailored to their last purchase.

Due to Facebook's popularity, AddShoppers has multiple clients that run campaigns using Facebook as the referring source. Doing so helps determine the level of customer engagement for targeting purposes.

The common denominator in having effective targeted campaigns starts with taking control of on-site marketing efforts. An OMP that helps a brand take their customers through a shopper journey by producing ways to gather, store, and put their data to use, enables marketing agility.



Test Cross Selling & Upselling Opportunities with Dynamic Ads



Test Different Cross Selling & Upselling Opportunities with Dynamic Ads

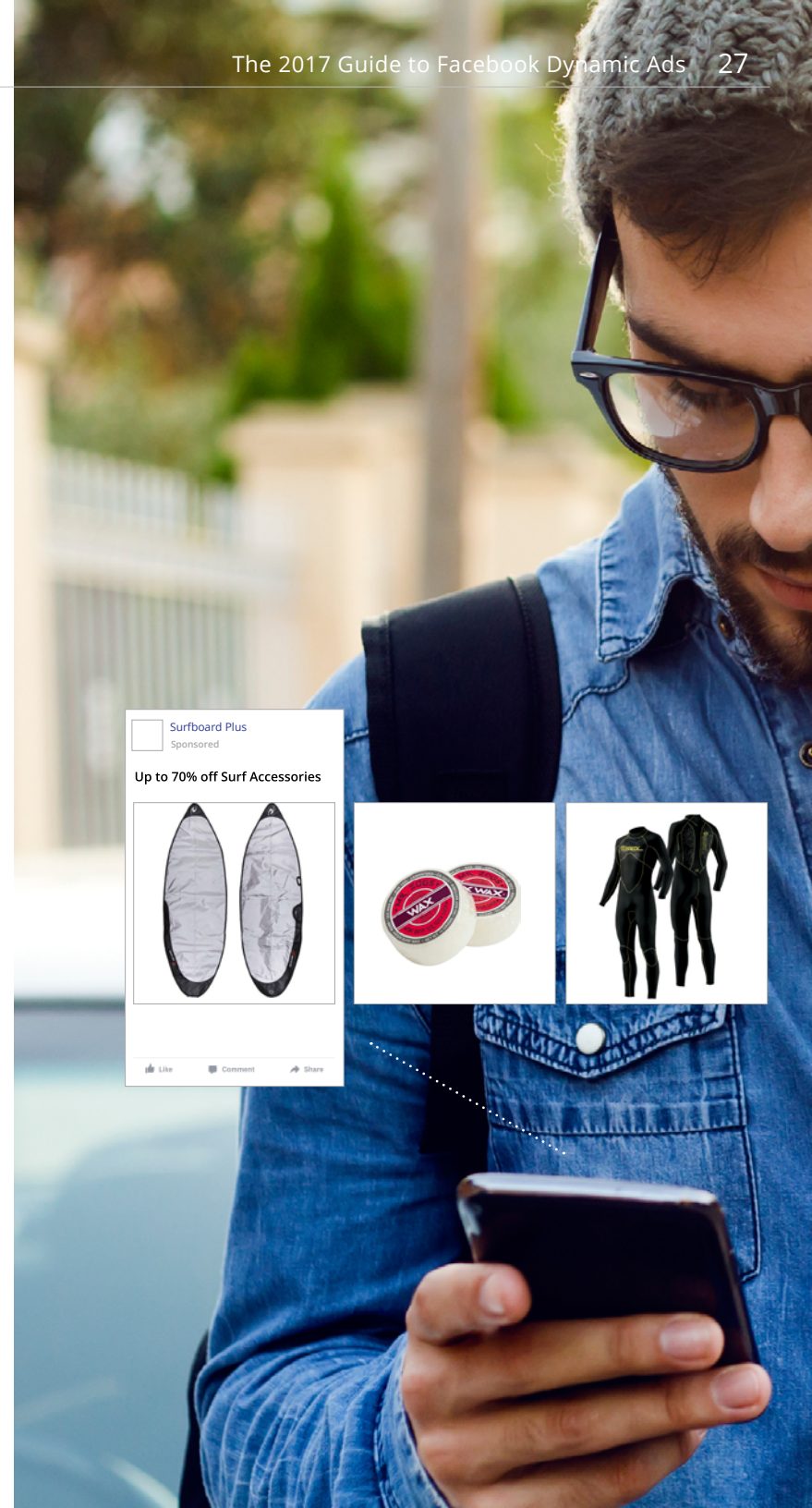
There are two main ways Dynamic Ads can be used to turn first-time buyers into repeat customers, especially if some of your products are seasonal or infrequently purchased: **Cross Selling and Upselling.**

Advertisers have always been able to use dynamic ads to show related products to people who have viewed an item or added it to their cart, but now advertisers can use dynamic ads to show related products to people who have purchased an item too.

For example, if a shopper purchases a surfboard on your website, retailers will be able to feature complimentary items to that same customer—such as wax, surf leash or a board cover.


Facebook advertisers are pushing for high conversion rates. With the latest features, retailers can connect with people who are likely to purchase—not just click—on their ad. Optimizing for conversions helps advertisers spend more efficiently, since they're only showing their ad to people likely to purchase.

Advertisers who optimize dynamic ads for conversions can expect to see fewer but higher-value impressions.



Surfboard Plus
Sponsored

Up to 70% off Surf Accessories



Like Comment Share



Facebook Dynamic Ads: Cross-Sell Functionality

Cross-Selling functionality gives retailers the tools to reach the right people, at the right time, with the right message.

[Alp-n-Rock](#) is a premium sport-fashion brand founded in Southern California with a focus on quality, the environment, and the outdoors. Since 2009, the brand has expanded to include a full outerwear collection, equestrian apparel, and a studio line.

CPC Strategy worked with Alp-n-Rock in 2016 to improve their Facebook advertising efforts targeting past purchasers/cart abandoners, and utilizing Facebook Dynamic ads to promote cross-sell and upsell opportunities.

If a customer purchases a pair of yoga pants, a cross-sell would be if we target that same buyer with a Facebook Dynamic Ad featuring a complimentary yoga tank.

Or if someone purchased Spring gear 4 months ago (and is in the Past Buyers 120 Days audience), when Alp-n-Rock launches their new Fall line, we target the customer with an ad to bring her back for a repeat purchase.

Facebook Dynamic Ads: Upsell Functionality

Facebook Dynamic Ad “upsells” can increase sales because they advertise a similar but more expensive product. This strategy proved to be a successful approach for Alp-n-Rock and led to an overall **14% growth in Facebook Dynamic Ad revenue**.

As Alp-n-Rock’s Facebook audience continues to grow, we can add them to remarketing audiences. This provides a wider net of potential customers that we can target with Dynamic Ads ads each time a new season comes around.

To learn more, you can read the full case study [here](#).



The Final Takeaways

The Final Takeaways

Below we've compiled the best practices for Facebook Dynamic Ads, according to **Sarah Rogers**, Senior Social Strategist at CPC Strategy.

1 Facebook Pixel

As we mentioned, installing the Facebook Pixel correctly is a vital component of your Dynamic Ad strategy. Make sure your pixel is firing correctly on the relevant pages on your site. For example, if you want to track your cart abandoners, the pixel should be installed on the checkout page or if you want to track certain product page visits, make sure it's set up on those pages as well.

2 Product Feed

Whether you're syncing data from your Google feed or creating a Facebook feed separately, retailers should make sure that the feed is transferring all data into your dynamic ads accurately include text, headline, and more.



Sarah Rogers
Senior Social Strategist
CPC Strategy

Keep in mind you can customize the names of products so they don't get cut off on mobile. Facebook is very mobile-driven and it's essential to not only looking at how ads appear on desktop but on mobile devices too. Advertisers can segment time frames for your audiences based on their needs or the type of product. Find the window that works best for your brand / products (people who visited in the past 3 days or week or month).

3 Images

We optimize images before they are pulled in by the feed. This ensures all images are loaded properly and are displayed correctly. Be aware of the different requirements for product images on Google/Facebook. Without resizing your images, the best suggestion is to center the product in the image. Our advice is to have a square image, at least 100 x 100 pixels.

According to Facebook, Carousel format uses a square 1:1 aspect ratio images (600x600px) while single product ad uses 1.91:1 aspect ratio image (1200x 630px). You can learn more about image requirements [here](#).





4 Test Upsell & Cross-sell Dynamic Ads

Try upsell & cross-sell tactics for turning one-time customers into repeat buyers, and you should see a higher return on your Facebook ads investment through Q4 and beyond.

5 Metrics

Conversion clicks through to the ad for purchase is a valuable metric. According to our experts, your ROI should always be higher for dynamic ads. If it's not, that's a pretty clear indication you're doing something wrong within your strategy or set up.




What Now? Schedule Your Free Facebook Evaluation

CPC Strategy's Facebook Evaluation is a complimentary **60-minute** analysis and assessment of a retailer's existing Facebook advertising strategy, campaigns, targeting settings, audiences, profitability metrics, and more.



[SCHEDULE MY EVALUATION](#)

 **cpcstrategy**

We Turn Browsers Into Buyers

Delivering On-Site Experiences Should Not Take A Village

AddShoppers On-site Marketing Platform (OMP) engages customers, creating a unified shopper profile that enables better content targeting to dramatically increase revenue per visitor.

Access our most recent client case study featuring our client Mabel's Labels, an Avery brand, and learn more about how we help retailers succeed.

[**Access the Case Study**](#)

