



RETINA

How Marketing Leaders are Adapting to the Changes in the Digital Landscape

This eBook features industry experts from Dollar Shave Club, Retina AI, The Maze Group, and Bring Ruckus as they discuss the challenges and opportunities that come from the changing to the digital landscape.





Context

Earlier this year, Apple began releasing iOS 14.5, which prompted users to answer whether or not they would allow their data to be tracked for advertising purposes. As a result of this update, brands are continuing to face an increase in measurement uncertainties and marketers are now being tasked with quickly understanding and preparing for a post-IDFA world.

What is IDFA? - The Identifier for Advertisers is an anonymized unique identifier assigned by Apple to a user's device that allows an installed mobile application to track user behavior across other companies applications, websites, or offline properties for the purposes of ad targeting, personalization, and measurement.

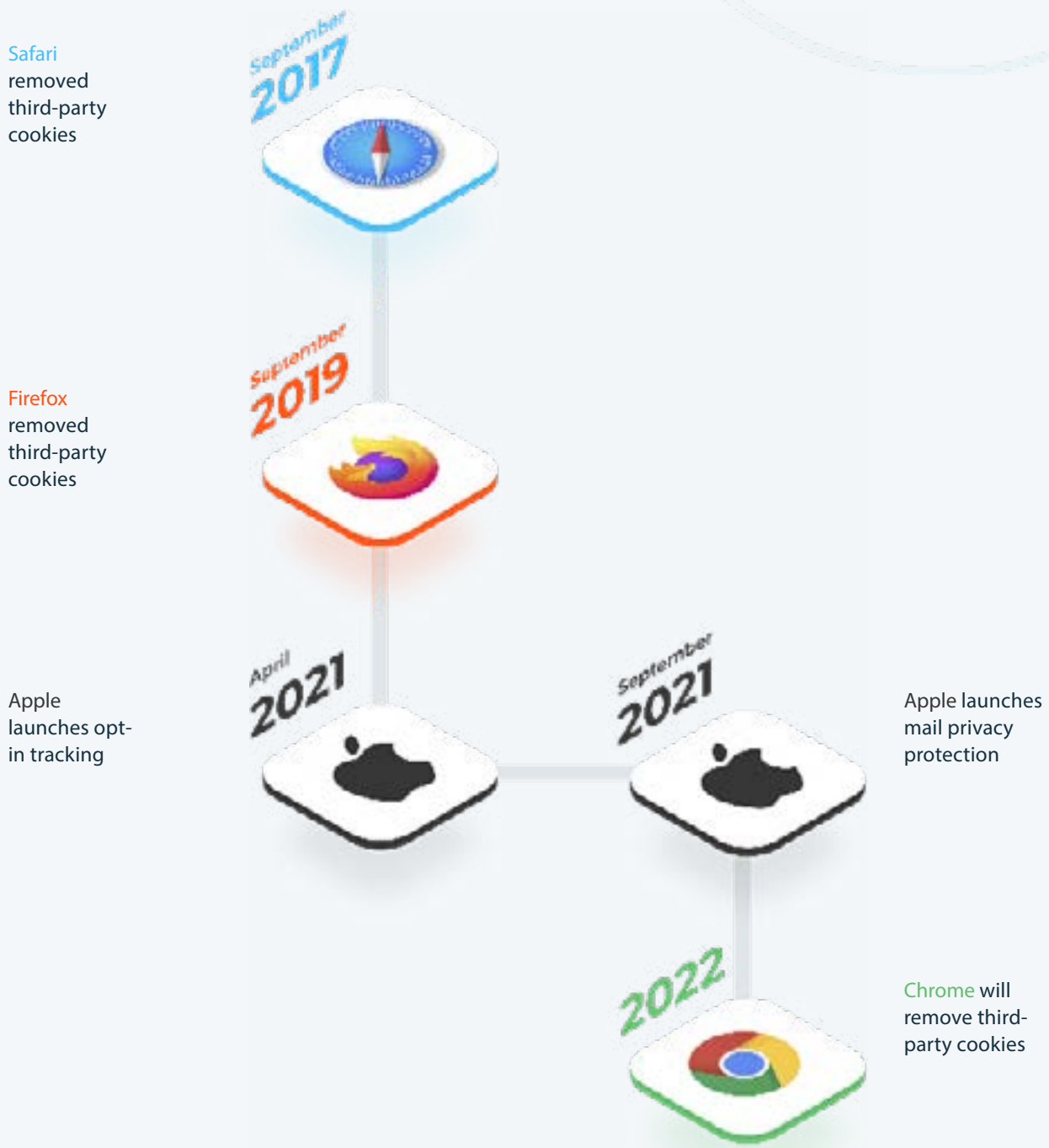
While these changes come with their own set of challenges, they're giving marketers the opportunity to think creatively and tap into new resources they may have not considered before.

At Retina, we connected with a few marketing leaders across different industries to ask them how they have been navigating through these changes. We came back with some insightful tips and tricks that can help marketers work through these challenges as we approach the New Year. But first, let's take an in-depth look at these industry changes and make sense of them.



Timeline

The digital world is becoming more private. Consumer privacy laws and industry changes are making it harder for advertisers to track online activity, especially with third-party cookies. We have highlighted the key changes in our timeline below:



Third-Party Cookies

Third-party cookies allow marketers to track prospects and customers across websites to understand their interests, preferences, and behaviors.

We use cookies to help improve our services, make personal offers, and enhance your experience. If you do not accept optional cookies below, your experience may be affected. If you want to know more, please read the [Cookie Policy](#)

ALLOW

DISALLOW

Marketers use third-party cookies to reach new and similar audiences online, personalize campaigns based on behavioral preferences, manage campaigns, and measure performance with metrics like return on ad spend (ROAS).

Remember that time, a few months ago, when you were looking up a new pair of shoes online? Now do you remember how those shoes seemed to follow you from Facebook to Instagram and other sites? If an individual opts out of tracking, brands will not be able to target them in that way. With the new changes, if a consumer does not opt into third-party cookies, ads will be less targeted and personalized as brands won't have actual browsing behavior to reference.

Apple Privacy Changes

With iOS 14, Apple launched opt-in tracking for its users. Instead of automatically opting into tracking using the IDFA, or identifier for advertisers, users are now prompted to either "allow" tracking or to "ask app not to track."



Interview with Retina AI CEO and Co-founder, Emad Hasan: Making Sense of the Digital Landscape Amid the iOS and IDFA Updates



Emad Hasan
CEO and Co-founder
Retina AI

We sat down with our CEO and Co-Founder, Emad Hasan, to ask him a few questions about the changes and challenges that eCommerce marketers are working through amid the iOS updates. Here are his thoughts on how marketers can work through the evolving digital marketing landscape.

Q: How have the iOS updates impacted Retina's clients and additionally, what are you seeing in the market regarding Facebook CPM's, conversions, etc?

E: Most of our customers and prospects are saying they're seeing their customer acquisition costs almost double over the last couple of months. My suspicion is that this is being driven by two major factors (1) IDFA changes and (2) more VC/PE/IPO money chasing the same people via advertising on Facebook.

The impact of the IDFA change is such that fewer conversions are getting registered and the Facebook algorithm is taking longer to get out of the learning phase and hence not as good at optimization. This raises the prices on conversions because their algorithm bounces around between a lot of people before honing in on the right audience.

The other issue is that with the pent-up demand from dollars from venture capital and private capital going into consumer companies, the auction price has gone up because the supply of people and ad slots have not fundamentally gone up. Both of these major issues have now resulted in almost doubling customer acquisition costs for consumer brands on Facebook.

Google has seen a smaller impact because it doesn't rely on cookies as much and instead uses last-click attribution. And on the YouTube side, it's clear that they have increased their ad loads (supply) to keep prices (CPM) steady. As a result, we are seeing many marketers look to diversify their marketing efforts, including moving dollars towards other channels outside of Facebook in order to test out different customer acquisition campaign strategies.

Q: Can you share some actionable advice for marketers trying to work through these changes?

E: Absolutely, if I had to share one piece of actionable advice, it would be to think quality over quantity. As customer acquisition becomes increasingly expensive, businesses need to stay away from one-and-done customers. Marketers now have limited third-party data, which makes it even more complicated for them on who they should be optimizing their ads and targeting campaign towards.

In order to attract and retain high-quality prospects who can be converted into loyal customers, marketers should consider leveraging data analytics and business intelligence tools to figure out who exactly those loyal customers are. It is even more critical now to find those with a high customer lifetime value (CLV). Once these segments are identified, make sure to personalize marketing campaigns to speak directly to these high-value audiences.

Advice from Zack Werner from the Maze Group: How Zack is Helping Clients Navigate the Facebook Attribution and ROAS Challenges in the Face of the IDFA



Zack Werner
Founder, The Maze
Group

Zack is the founder of the Maze Group, which helps its enterprise clients leverage technical solutions and full-funnel marketing tactics with the goal of shifting focus to measurable, profitable growth.

As an expert in decision-making that drives profitability, Zack is uniquely poised to offer invaluable insight into strategies and tactics that can help marketers navigate changes to ad tracking and attribution. During a recent conversation with Zack, he shared the following insights on how to navigate through the Facebook Attribution and ROAS challenges in the face of the IDFA.

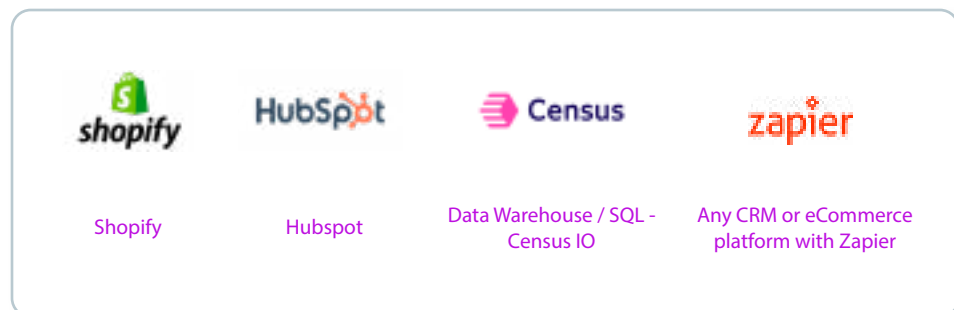
The Fundamentals of Funnels with Facebook Attribution

Historically, funnels within Facebook have been set up to drive people to a brand's website using look-alike audiences (or other types of audiences in more unique cases). From there, they enter your re-targeting pool () that is based on the Facebook /custom audience pixel.

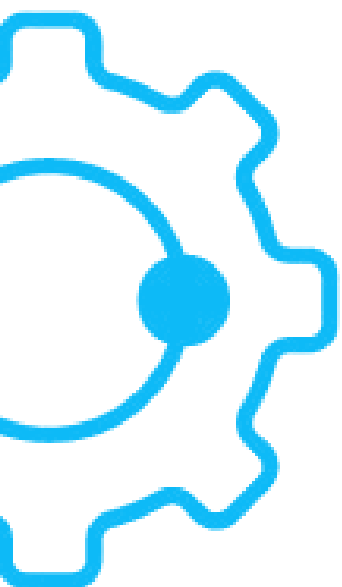
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THE PROBLEM - Due to IOS 14.5 blocking the custom audience pixel, you are not able to engage potential customers in that second part of the funnel, which means potential customers are not getting to the place where they have enough information about your brand to feel comfortable signing up or converting. What's the solution?

1. Use Facebook's custom audience pixel to track conversions.
2. Take advantage of [Facebooks' Conversion API](#) and their [browser side pixel](#); this will help maximize the data match rates on Facebook's end for conversion.
3. Have an API connection between your eCommerce platform and Facebook.



4. [Upload your converted audiences](#) directly into Facebook (that way you can track conversions there).
5. Use [customer information](#) whenever possible for all browser-based pixels. This will help increase the match rate for all standard events on Facebook letting your remarketing audience and conversion match at a higher rate. This can be done by storing data like email addresses, name, location, etc on your data layer and then linking it in your Facebook pixel configuration.



Growth and Retention Strategies with Dollar Shave Club and Bring Ruckus



Kyle Iwamoto
Director of Digital
Merchandising and
Monetization
Dollar Shave Club



Anish Shah
CEO
Bring Ruckus

The holiday season almost always promises an uptick in sales for eCommerce and subscription-based businesses, but the true challenge is retaining those seasonal customers. We sat down with industry experts, Kyle Iwamoto from Dollar Shave Club, and Anish Shah from Bring Ruckus, to discuss how to identify your high-value customers, what acquisition strategies to use during the holiday season, and how to retain these customers after the holidays.

Identifying Loyal, High-value Customers

The ability to identify a high-value customer allows a business to make better decisions across all fronts of an organization.

“What leads to building a quality customer lifecycle is testing,” said Anish Shah. “You can segment out your [customer] list and can look at people who’ve only made purchases at a discount of X percent or above, and run very specialized tests to those audiences. For example, you could [perform] a 50/50 test... 50 percent of that cohort is going to

continue getting discounts and the other 50 percent will get zero discount.”

This kind of testing allows you to get unique insight into how loyal your customers are to your brand and how motivated they are to continue moving through the funnel. In the eCommerce world, this is a great Litmus test to establish where your target audience stands. For subscription-based businesses, this looks a little bit different.

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“What [we’re] alluding to is thinking about your customer journey and having and testing iterations. Maybe thinking about discounting not just one time but thinking about discount flows,” said Emad Hasan. “How often have you gone back and looked at what has worked? Thinking about Black Friday, of the people we acquired last [year], which of those customers did we actually end up retaining? And what about them is unique? [This is as simple as] are people buying gifts or pursuing promotions?”

“Because [subscription-based businesses] have this ecosystem of repeat purchasers and numbers, there are two unique behaviors that are happening,” said Kyle

Iwamoto. “You have your evergreen, day-to-day purchases..., and you have these funny off-cycle moments of gifting, so maybe Valentine’s Day, maybe Father’s Day. So one thing we typically will do is try to understand, of our membership, who is likely to make that incremental purchase? And where are they sending it to?”

These are crucial questions to ask your clients as you begin strategizing for Q1 2022. Retaining customers in the New Year is all about understanding what attracted them to your brand in the first place and how loyal they are to it.

Prioritize

Prioritizing the customers that remain loyal to your brand may be the key to success this year. This group of customers wants to buy from your brand and has been reliable in this pattern of behavior. This group will continue to do so, even in a year with as many obstacles as this one. Arm yourself and your business with as much data about your customers and their value to your business as possible in order to target the people that will actually convert.

Customer Lifetime Value, or CLV, is the metric that will provide you with the context needed to prioritize your customers year-round. Whether you want to understand a customer’s long-term value in relation to your marketing efforts or if you’re just looking to understand how your customers move through the funnel, CLV is an invaluable piece of a marketer’s toolkit.

Conclusion

Change within the marketing industry is inevitable, but thinking creatively, tapping into new resources, and leaning on others to learn what has worked for them will allow marketers to overcome whatever whatever comes next.

As we lean into our industry experts, we want to share key takeaways from each contributor:

Emad Hasan, CEO, and Co-founder of Retina AI

“Think quality over quantity.” Stay away from one-and-done customers. In order to attract and retain high-quality prospects who can be converted into loyal customers, marketers should consider leveraging data analytics and business intelligence tools to figure out who their most loyal customers are. It is even more critical now to find those with a high customer lifetime value (CLV).

Zack Werner, Founder of The Maze Group

“The days of being able to waste money at massive 5% look-alikes are over.” Brands today should be working towards converting customers earlier as retargeting becomes increasingly difficult with the recent privacy changes.

Kyle Iwamoto, Director of Digital Merchandising and Monetization at Dollar Shave Club

“It is important to preserve your brand while still driving results.” There is always healthy tension on what levers you can pull to drive conversions - the most effective is typically discounts but while doing so, you want to preserve your brand lens and build retention plays along the way.

Anish Shah, CEO of Bring Ruckus

“What leads to building a quality customer lifecycle is testing.” Thinking about your customer journey and having and testing iterations that are reflective of their behaviors (buying patterns, demographic, location, etc.) are important to the ongoing success of a business.



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Retina is the customer value management solution that empowers growth marketers to use first-party data and predictive analytics to acquire and retain high-value customers.

Optimize your customer retention strategy. Get in touch with us:

SALES@RETINA.AI >