FULL-FUNNEL

MARKETING STRATEGIES

AdRoll

INTRODUCTION

The funnel is a well-understood marketing concept that is usually split into three stages—each of which presents marketers with a unique set of challenges. At the top, marketers generate awareness. In the middle, they nurture potential customers. And at the bottom, they turn prospects into spending accounts.

This guide was developed to help marketers use the AdRoll suite of products to effectively nurture prospects at every stage of the funnel. We also provide a framework to help you identify the right campaign success metrics.

THE HISTORY OF THE MARKETING FUNNEL

First developed in the late 1800's by E. St. Elmo Lewis, an early American advocate of advertising, the marketing funnel is a model that illustrates the customer journey toward the purchase of a product or service. Often referred to as the AIDA model, which stands for Awareness, Interest, Desire, and Action, Lewis' funnel had four distinct stages. The AIDA model has since been adopted and altered by many marketing departments and remains at the core of popular approaches to marketing.

WHY A FULL-FUNNEL PERSPECTIVE IS IMPORTANT

The full-funnel perspective gives marketers the opportunity to adjust the approach to, and measurement of, their campaigns according to where a prospect is in the buying cycle. Because customers require a different approach at every stage of the funnel, it's important to adjust your marketing strategy accordingly. However, it's also important to remember that campaigns targeting these distinct stages have different objectives and therefore must be measured using different metrics. By failing to take campaign objectives into account, marketers run the risk of measuring the wrong thing or expecting a specific strategy to accomplish something it was never designed to achieve.

THE CUSTOMER JOURNEY

The customer journey refers to the path that prospects take from brand awareness to conversion. Although each customer's journey is different, you can generally break it down into five stages:

1. **Discovery:** A prospect becomes aware of your brand.

2. **Interest:** They engage with your brand via your website.

3. **Intent:** They demonstrate interest in your offering (e.g., downloading a piece of content or placing an item in their shopping cart).

4. **Conversion:** They complete a desired action, thus converting into a customer or qualified sales lead.

5. **Loyalty:** They become a repeat customer.

ATTRACT

Campaigns toward the top of the funnel grow a business over time by driving awareness and continually developing a stream of new prospects.

CONVERT
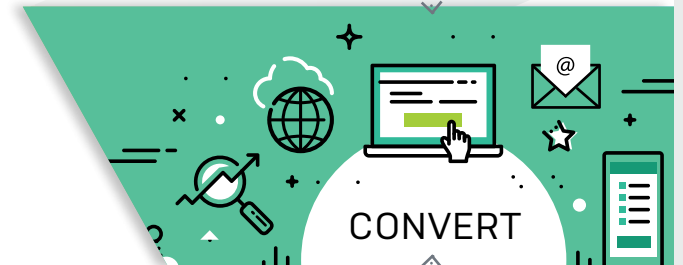
Campaigns toward the bottom of the funnel do the heavy lifting. They convince prospects to complete a desired action and work to retain customers over time.

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DIFFERENT STAGES MEAN DIFFERENT KPIs

One of the biggest mistakes marketers make when setting up a campaign is that they use the same success metrics for every stage. This causes a number of problems:

- Underinvestment in new-user acquisition
- Overinvestment in campaigns for customers who repeat purchases regardless of marketing efforts
- Limited investment in mid-funnel nurturing

"Marketers should take incremental steps away from last-click attribution and toward multi-touch modeling."

Multi-touch attribution models

In an ideal world, marketers would measure the success of their campaigns by taking into account every touchpoint that contributes to a sale. The multi-touch attribution model is generally viewed as the gold standard for marketing attribution. It aims to incorporate all touchpoints, including display advertising, search, and even offline marketing, like events. The idea is that by accurately distributing credit across channels, multi-touch attribution helps marketers better optimize their entire marketing strategy.

However, an all-inclusive, multi-touch attribution model isn't always possible. The setup process can be expensive and involved—requiring a deep dive into data, deduping of multiple systems, and more. For that reason, we recommend not taking an "all or nothing" approach by waiting for the perfect attribution solution.

Split-funnel metrics: a step in the right direction

A sensible and achievable step toward better attribution is the careful selection of metrics that will be used to evaluate specific campaigns and objectives. Depending on what stage of the funnel a prospect is in, determining the right key performance indicators (KPIs) will help you more accurately assess performance. For example, campaigns at the top of the funnel should focus on the number and quality of new site visitors, while campaigns targeting the bottom of the funnel should be measured on return on investment (ROI), cost per acquisition (CPA), and customer lifetime value (LTV).

DEFINITIONS FOR ADROLL KPIs

New site visitors:

The number of new visitors who came to your site after you launched a campaign.

Quality of new visitors:

This is measured by engagement, including the time spent on your site or the number of pages viewed. Be sure to compare the quality on a product-by-product basis. For example, we found that AdRoll Prospecting visitors were 20% more engaged than all other traffic.

Number of conversions:

The total number of conversions driven by a campaign.

Attributed closed deals and new sales:

The total number of deals closed from prospective customers who interacted with an advertising campaign.

View-through conversions (VTCs):

Conversions that resulted from customers who viewed ads but did not click.

Lift on retargeting:

The amount that your AdRoll Retargeting pool increased once you began a Prospecting campaign.

Cost per acquisition (CPA):

Your overall campaign spend divided by the total number of conversions.

Return on investment (ROI):

The total amount of revenue generated by your campaign, divided by your total costs.

Lifetime value (LTV):

The net profit attributed to a customer over their lifetime.

ATTRACT AT THE TOP OF THE FUNNEL

Finding the right prospects—those who match your ideal customer set—is possible with AdRoll Prospecting. By analyzing your existing customer data, AdRoll can help you find new, high-quality audiences when they're in the market for your products. AdRoll Prospecting is powered by the AdRoll IntentMap™, the world's largest advertiser data co-op with over 1.2 billion digital profiles.

Additionally, you can use your existing CRM data as a foundation to inform your new-customer acquisition campaigns.

Goal at the Attract stage: find new customers

Products:

- AdRoll Prospecting
- CRM data

KPIs for the Attract stage

The KPIs for upper-funnel marketing should help you measure how effectively you're driving new visitors to your website.

These are the KPIs that will help you understand how to optimize for new site visitors:

- Quality of new visitors
- CPA
- Number of conversions
- Lift on retargeting

**AdRoll Prospecting
CRM data**

ATTRACT

CONVERT

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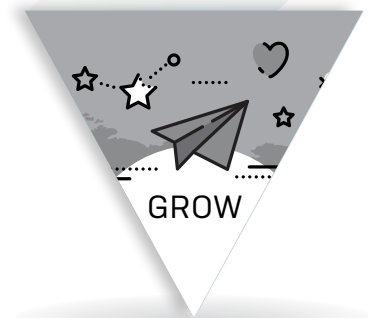
CONVERT AT THE MIDDLE OF THE FUNNEL

AdRoll has several products designed to help convert prospective customers into paying accounts.

AdRoll Retargeting helps nurture prospects and bring people back to your website with ads that are personalized according to their online behavior.

SendRoll is an email retargeting product that automatically sends triggered emails to your prospects based on their browsing behavior on your site.

We can also integrate with third-party CRM platforms, allowing you to upload targeting data and build campaigns from both.

### Goal at the Convert stage: transform prospects into customers

Products:

- Retargeting
- Dynamic Creative
- CRM Retargeting
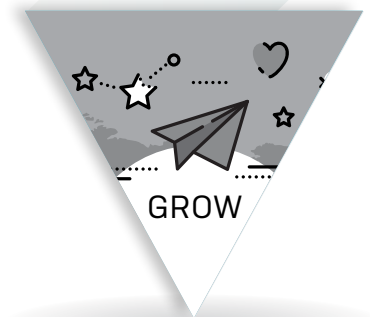- SendRoll

KPIs for the Convert stage

The customers in the middle of the funnel have interacted with your brand and are potentially interested in purchasing your product. The KPIs at this stage should be related to how efficiently you're able to convert customers.

These are the KPIs that will help you understand how to optimize for conversions:

- ROI
- CPA
- Number of closed deals
- VTC

ATTRACT

CONVERT
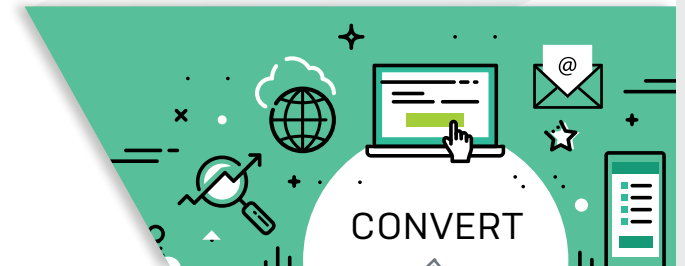
Retargeting
Dynamic Creative
CRM Retargeting
SendRoll

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GROW AT THE BOTTOM OF THE FUNNEL

AdRoll's suite of products can also be used to convince as many users as possible to purchase again. Marketers looking to grow their bottom line should combine Retargeting, CRM Retargeting, and SendRoll to create a seamless flow from the top of the funnel to the bottom.

**Goal at the Grow stage: increase customer LTV**

Products:

- Retargeting
- CRM Retargeting
- SendRoll

KPIs for the Grow stage

The KPIs at this stage should help marketers understand how effectively they're retaining and upselling customers over time.

These are the KPIs that will help you understand how to optimize for retention:

- ROI
- CPA
- LTV
- VTC

ATTRACT

CONVERT

Retargeting
CRM Retargeting
SendRoll

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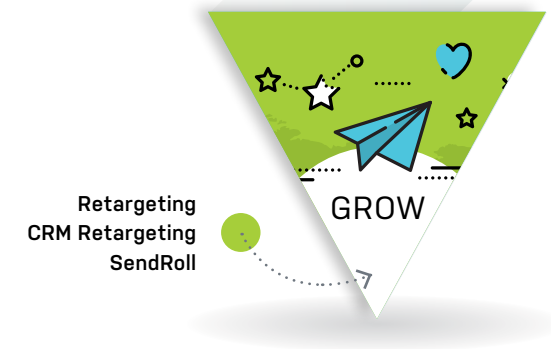
THE BASICS OF LTV AND ROI

There are many ways to calculate LTV, but a model that is tailored to the specifics of your sales cycle will be most effective. LTV is important because it helps marketers calculate their ROI over time.

Here is the formula to calculate LTV:
LTV = (Average Margin per Order x Repeat Sales Frequency x Average Retention Time)

Example:
$300 = ($100 x 0.5 purchases per month x 6 months)
Lifetime value is $300.

Here is the formula to calculate ROI:
ROI = (LTV-CPA)

Example:
Use these values:

LTV = $300 (calculated above)
CPA = $50 (what we pay to "buy" high-quality customers)
ROI = ($300-$50)

Overall ROI is $250, a 400% increase on the CPA.

By gaining a deep understanding of the LTV of your average customer, and using that to determine how much to spend to get them to convert, you can get a more accurate sense of what your ROI is.

REPORTING

With so many different KPIs to take into account, it can be challenging to measure the success of any given campaign. To help marketers solve this problem, we developed a full-funnel marketing report. It shows how your customers have interacted with your marketing and where prospects have converted across the entire funnel. This report can help you understand the relationship between different marketing campaigns at different stages. For example, it shows how Prospecting adds to the overall number of conversions. In fact, when advertisers use Prospecting and Retargeting together, engaged visitors are 80% more likely to convert than they are when advertisers use Retargeting alone (global, median result from Q3 2016).
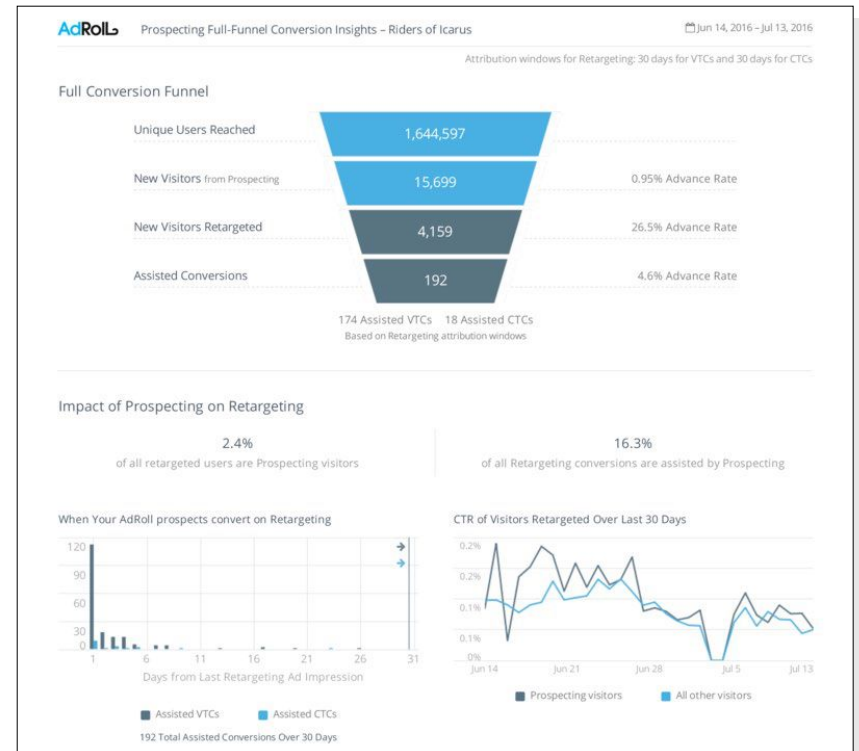
For Prospecting campaigns, you can find the report within the Actions tab of your Prospecting dashboard.

LAUNCH CHECKLIST FOR A FULL-FUNNEL CAMPAIGN

AdRoll makes it easy for any marketer to run campaigns across the web, social, and email. A successful full-funnel approach requires that marketers follow specific steps when creating their campaigns.

New campaign checklist:

Open an AdRoll account
Register for your account here.

Place your AdRoll Pixel
Place the code to begin running your campaigns.

Enter your payment details
This can be done securely in the AdRoll dashboard.

Upload your ads
AdRoll can help you create ad creative, if required.

Sync your account with Facebook, Instagram, and Twitter
Run your ads on social media platforms.

Opt into SendRoll
Win more customers with emails triggered by customer behavior.

Create your audience segments
Use CRM data onboarding to turn third-party data into customer segments.

Find new customers with Prospecting
Opt into the IntentMap to help find users who have not visited your site.

CONCLUSION

Full-funnel strategies allow marketers to diversify their advertising efforts and target customers at all stages of the customer journey. By setting up the right KPIs to measure success, marketers can learn how to optimize campaigns and grow their business.
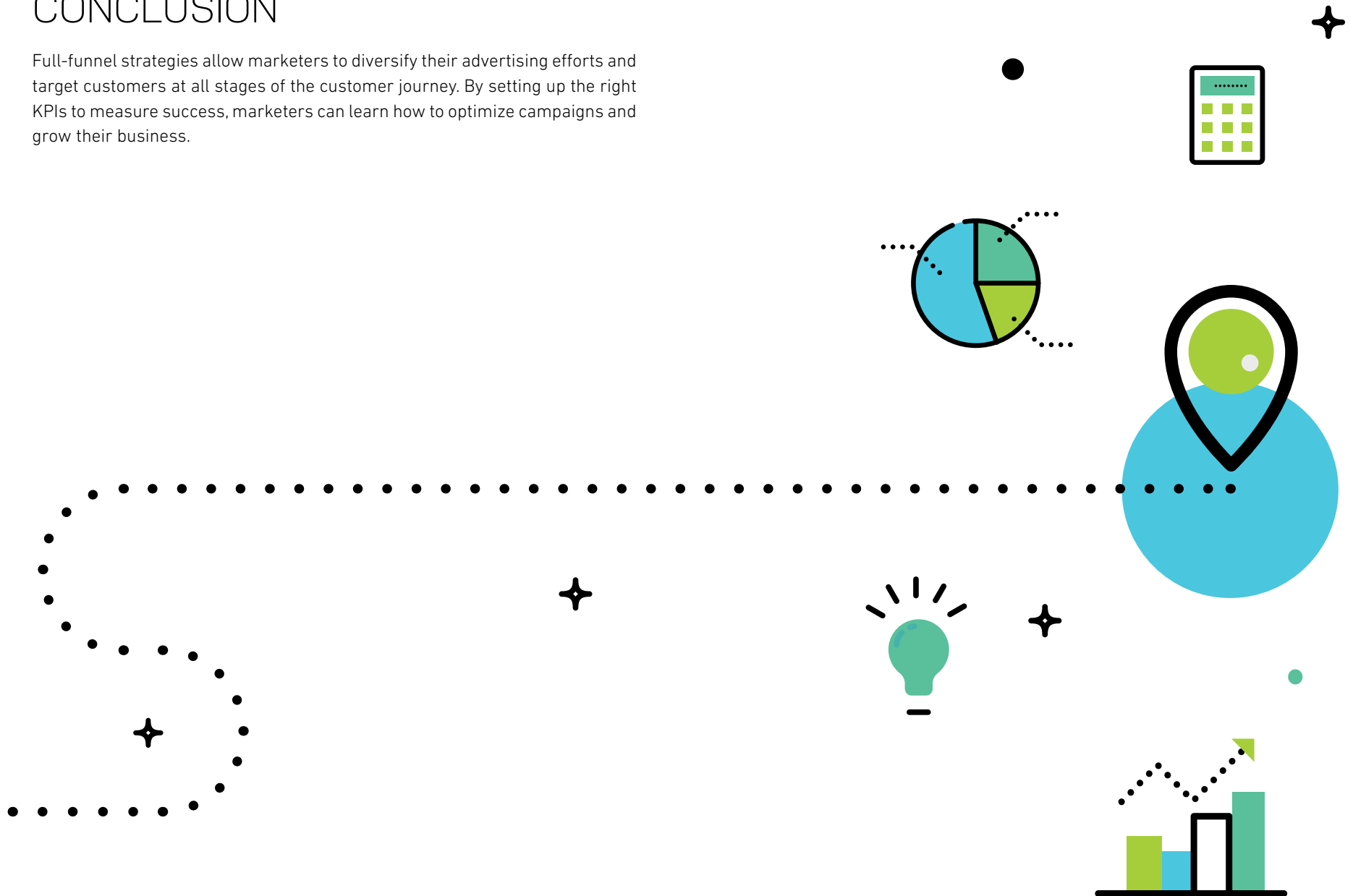
MARKETING THAT DELIVERS PERFORMANCE AT EVERY STAGE

AdRoll maximizes the value of customer intent data to attract new prospects, convert them into customers, and grow their value over time.

ATTRACT
How do I reach new customers who are unfamiliar with my brand?

- **Prospecting:** Drive new potential customers to your website
- **CRM:** Maximize the value of your CRM data to target prospects

CONVERT
How do I turn prospects into customers?

- **Retargeting:** Target high-intent audiences with relevant ads
- **Dynamic Creative:** Increase performance by using custom dynamic creative
- **CRM Retargeting:** Re-engage existing customers using CRM data
- **SendRoll:** Send triggered emails tailored to prospective customers

GROW
How do I maintain customer loyalty and increase lifetime value?

- **Retargeting:** Run loyalty campaigns and cross-sell to existing customers
- **CRM Retargeting:** Leverage CRM lists to re-engage existing bases
- **SendRoll:** Send triggered emails tailored to prospective customers

AdRoll is headquartered in San Francisco, with offices in New York, Dublin, Sydney, London, and Tokyo.

AdRoll is a leading performance marketing platform with over 25,000 clients worldwide. Its suite of high-performance tools works across devices, helping businesses attract, convert, and grow their customer base. The company is home to the world's largest opt-in advertiser data co-op, the IntentMap™, with over 1.2 billion digital profiles. AdRoll's goal is to build the most powerful marketing platform through performance, usability, and openness.

AdRoll's inventory includes:

Google OpenX

Learn more at www.adroll.com.

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