THE STATE OF DISRUPTION

ANNUAL REPORT 2019

facebook

TABLE OF CONTENTS

WHAT COMES AFTER DISRUPTION ?

Did you ever have "growing pains" as a kid?

It's a common phenomenon. According to the Mayo Clinic[1], symptoms include an intense aching or throbbing sensation in the leg muscles that begins around age 3 or 4. While the pains are bad enough to wake some children at night, there's no specific treatment and no cure. The good news is, there's also no need—growing pains don't slow growth, and they don't cause other problems. Eventually, the pain disappears on its own.

Innovation is a blast. It's also incredibly hard work. After the initial fun of making a big splash and challenging front-runner brands for market share, many disruptors experience growing pains in their business. What used to come easy suddenly takes a lot more effort. Challenges pile up. Problems multiply. Important questions take more time to answer than ever before.

Many of the best-known disruptor brands are just now reaching a point where they're learning to push past their discomfort and find the next stage of growth. They've moved beyond the hyper growth phase, understanding that the next stage of growth requires them to build a sustainable brand by creating deeper, more lasting relationships with consumers.

Perhaps unsurprisingly, the experience is forcing them to draw on the wisdom and struggles of the older, more traditional brands they disrupted. Legacy brands have been studying disruptor playbooks for years—now, it turns out, the favor is being returned. As a result of this dual exchange of information, there exists a body of learning steeped in both the trials of tradition and the challenges of rapid growth—insights to benefit marketers at all levels of experience.

Read on to understand the state of disruption in 2019, and take a deeper look at how both disruptor and legacy brands are taking advantage of the latest technologies to further their connections with consumers and reach the next stage of growth.

— Simon Whitcombe, VP, Global Marketing Solutions, US

facebook

CHAPTER 1

THE CONSUMER LANDSCAPE

EVER WISH YOU HAD A CRYSTAL BALL ?

You're not alone—most marketers feel the same way. While your chance of finding an ancient mystical relic that predicts future business trends is (sadly) low, there are other reliable ways to gauge where marketing is moving next. You just have to know where to look.

The truth is, disruption doesn't happen in a vacuum. Disruption thrives on consumer response. Digital-born businesses that first made their name by challenging conventional industry practices did so in response to clear consumer needs. Customers, in turn, disrupted conventional behaviors to adapt their media usage based on the convenience of disruptor brands. Rinse, repeat.

So what does this all add up to?

People are disruptors, too. And by studying the behavior of today's most engaged consumers, marketers can gain a sense for the innovations and solutions that will thrive tomorrow.

You can start by getting to know Gen Z—an active, engaged consumer group who is all about three things: technology, speed, and convenience. Their habits and preferences outline a clear path forward for marketers and businesses alike. These are the top trends demonstrated by today's Gen Z consumers—truths that can help you understand and anticipate what's next in the world of B2C engagement.

—Chris Sarandos, Marketing Lead, Emerging Disruptors, Facebook

CONVENIENCE TAKES THE CAKE

TIME IS VALUE

...not just money, as the old adage claims. Value is self-determined, but can be measured in minutes, currency, impact, or a combination of all three. Today's consumers—particularly the youngest, most engaged audiences—are constantly looking for new ways to maximize convenience. The brands that provide the most value for the effort are the brands that will last.

71% of people say they're increasingly interested in services that save them time and effort[1]

59% of people sometimes consider convenience over price when choosing where to shop[2]

FRICTION HAS A PRICE

Consumers expect and demand mobile-first, intuitive experiences that seamlessly get them from where they are to where they want to be. Even though businesses are constantly promising "now"—that's not always the case. Every new step or delay in a customer's journey creates a new cause of friction — and increases the chance a customer will abandon their journey.

$213B of revenue is lost (or deferred) because of friction each year in the US[3]

84% of US shoppers are unlikely to shop with a brand again after one negative experience[4]

WHAT'S NEXT?

Younger audiences will age up with the expectation of spending the majority of their media time on mobile and digital. And they'll continue to favor media and marketing solutions that deliver the most value for the least amount of fuss. By taking steps toward a Zero Friction Future, businesses can begin building seamless experiences that remove friction from the customer journey.

facebook IQ

SIZE DOESN'T MATTER

...Not when it comes to screen time. For the youngest viewers—tomorrow's biggest consumer audience—delightful video experiences can happen anywhere, anytime. This audience generally isn't old enough to remember the transition from movie theater to TV to DVD to laptop. They've grown up with expectations of video portability and convenience. "TV" (any form of video, really) happens on their time.

There are an estimated 235.1 million digital video viewers in the US today—nearly 83% of all internet users[5]. By 2021, mobile will account for 41% of all time spent on digital video.[6] Per a recent eMarketer study, digital video—and digital media in general, including audio—is the biggest media benefactor of consumer self-disruption. And traditional TV is projected to take the biggest hit, with penetration declining and time spent falling 10% by 2021.[7] Meanwhile, time spent on digital video is projected to increase 9% by 2021.[8] Within digital, mobile outperforms desktop/laptop usage in time spent.

Source:
5. eMarketer (2019), "Q1 2019 Digital Video Trends."
6-8. eMarketer (2019), "US Time Spent with Media 2019.

TV ON THEIR TIME

Video is more popular than ever, as evidenced by the use of mobile to complement traditional TV, and the popularity of mobile streaming services. But increasingly, young consumers are watching shows and movies away from "the box".

More than **1 in 3** (35%) members of Gen Z have never had a cable TV subscription, and 64% say they're often on their phone during commercial breaks anyway.[9]

52% say pay TV is irrelevant now that streaming services (e.g. Netflix) are available (1.37X more than Boomers)[10]

55% of US Instagram users say they don't watch TV on a weekly basis.[11]

Source:
9-11. Facebook IQ (2018), "Trends 2.0". Research conducted by Crowd DNA (Facebook-commissioned study of 11,300 people across AU, BR, CA, DE, FR, GB, ID, IN, KR, NG and US). Gen Zers defined as people ages 18-23, Millennials as 24–33, Gen Xers as 34–53 and Boomers as 54+.

WHAT'S NEXT?

Device disruption—primarily in the form of mobile—created this consumer trend. Expect a further preference toward second-screen viewing in the future, along with an increased expectation for content that's specifically designed for small screens and everything they enable—including vertical viewing and shorter running times.

facebook IQ

CAMERA IS THE NEW KEYBOARD

Younger audiences have been discovering, experimenting, and living with the stories format for more than five years—a lifetime by digital media standards. They don't just use stories as a way to connect with the people and brands they love, but as a way to experience the world. For Gen Z, the importance of the stories format lies in its ability to deliver more immersive and intuitive means of connecting.

"TELL ME A STORY"

Immersive mobile experiences are more popular than ever. More than one billion people interact with stories everyday across the Facebook family of apps and services.

65% of people agree the stories format helps them feel closer and more up to date with friends.[12]

58% say they've become more interested in a brand or product after seeing it in stories.[13]
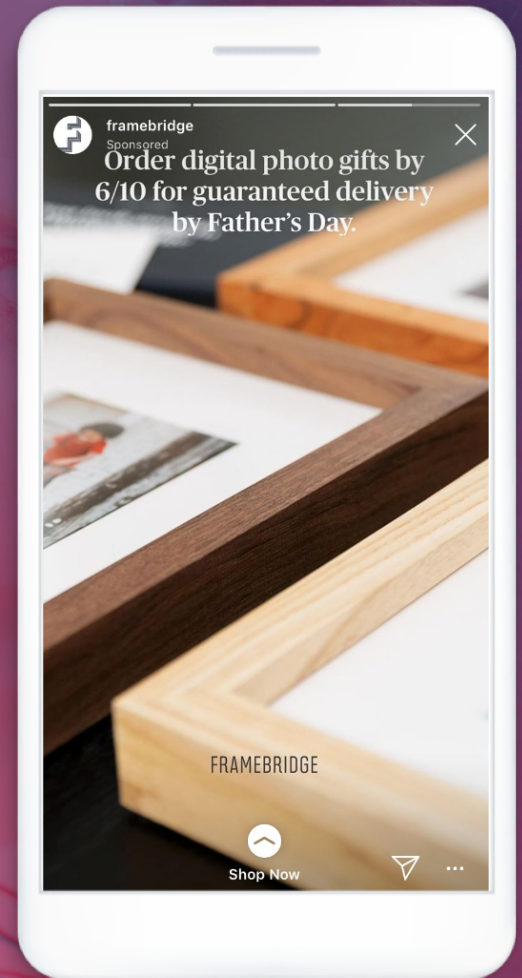
Immersive video experiences have been integrated into people's everyday lives. As discovered in Facebook IQ research, people have used videos to discover new brands (39%), try new recipes (39%), watch new TV shows (30%), find new restaurants (22%), and book trips or vacations (22%).[14]

facebook IQ

WHAT'S NEXT?

The popularity of the stories format gives us insight into how people expect to interact with brands in the future. They'll want brand experiences to be full-screen, ephemeral, authentic, playful, and interactive:

_____

Full-screen

Stories utilize a phone's full screen, so advertisers can share more information and grab viewers' attention with larger images than typically expected on mobile. Expect future marketing innovations to utilize as much screen real estate as possible.

Ephemeral

Most stories only last 24 hours, so viewers feel captivated by a sense of participating in a special, once-in-a-lifetime moment. Stories' fleeting nature makes each one seem unique—like catching a perfect snowflake. Marketing is already temporal—rather than being a liability, this can be an opportunity for the right creative team.

Authentic

Because you share a moment as it happens, a story seems more real and genuine than a feed post that's constantly being curated, edited, and updated. This speaks to the expectation of connection many consumers have in the mobile age.

Playful

Stories are often interactive, so they directly engage consumers in a personalized experience that other ad formats can't provide. Moreover, since stories are transitory, they can be more fun. Part of their inherent appeal is the built-in exclusivity—here today, gone tomorrow, but still impactful. Whimsical, humorous messages humanize brands and help your messages feel directly intended for a consumer.

Interactive

You can feature consumer polls, emoji slider polls, questions and more in a story, thereby enabling you to get immediate feedback on your customers' likes and dislikes. Interaction is an increasingly important marketing tool for disruptors—we'll explore this a little more near the end of the chapter

MESSAGING MEANS BUSINESS

Did you know that 88% of people today regularly use a messaging app to communicate with friends and family?[15] Just as messaging dominates personal communication, it's also become the most popular way for people to contact a business. On Messenger, people and businesses around the world now exchange over 20 billion messages each month—a 10X increase since 2016.[16]

For customers, messaging is more direct, convenient, and valuable than placing a phone call. In fact, 64% of people say they'd choose messaging a business over picking up the phone or sending an email.[17] But since not every business is messaging-enabled, this cutting-edge shopper preference creates opportunity for businesses that already are.

A COMPETITIVE ADVANTAGE

According to Facebook IQ research, more than 70% of people expect to message businesses with questions more often in the future. Meanwhile, more than 66% say being able to message a business makes them more confident in the brand, and more than 56% say they already message across their entire path to purchase. This highlights the utility of messaging not only as a way to build shopper satisfaction, but a way to drive more purchases while people are already engaged.[18]

WHAT'S NEXT?

Since messaging exists as a 1:1 conversation, it creates the opportunity for a more personalized customer experience. Forward-thinking businesses can leverage this reality by determining new ways to re-engage customers during the discovery and post-purchase phases.

Some examples include:

Picking up the conversation by "pinging" customers if they haven't responded after a lull in contact

Leveraging automation, natural language processing, and standard flows to scale your ability to respond to common customer questions

Providing personalized, post-purchase responses that nurture relationships and create opportunities for further sales

Source:
15. Facebook IQ, "Trends 2.0". Research conducted by Crowd DNA (Facebook-commissioned study of 11,300 people across AU, BR, CA, DE, FR, GB, ID, IN, KR, NG ,and US), Sep 2018. Gen Zers defined as people ages 18-23, Millennials as 24–33, Gen Xers as 34–53 and Boomers as 54+.
16. Facebook internal data. April 2019.
17. Nielsen (2016), "Facebook Messaging Survey." by Research conducted by Nielsen (Facebook-commissioned study of 12,500 people ages 18+ who used a mobile messaging app in the past 30 days across AE, BR, FR, GB, ID, IN, JP, KR, MX, TH, TW, US, and VN).
18. Sentient Decision Science (2018), "Motivations, Mindsets and Emotional Experiences in Messaging (vs. Feed)." Research conducted by Sentient Decision Science (Facebook-commissioned survey of 8,156 people in BR, GB, IN and the US).

facebook IQ

THE VIRTUES OF BEING VIRTUAL

As evidenced by the popularity of small screens and immersive stories, younger consumers have disrupted traditional media habits by adopting an "explore more" mindset that keeps them open to new experiences. And this adventurous spirit extends to shopping as well—69% say they love trying new products. But what happens when a product isn't physically accessible?[19]

Augmented Reality can be used to design virtual product experiences that pair perfectly with an audience's willingness to explore. Since younger consumers embrace both disruptive tech and disruptive products, there's no better way to position a product as cutting-edge than by pairing it with innovative marketing.

THE IMMERSIVE ADVANTAGE

AR lets customers simulate a product before they buy. For products and services that normally rely on physical experience to motivate a purchase—think clothes, makeup, furniture, and other purchases driven by personal taste—this can be a game-changer. Imagine being able to try on a new suit, test out a new lipstick, or visualize a new couch in your living room, all from the comfort of a phone or tablet—without ever physically engaging with the product.

Interior design disruptor Houzz currently brings this concept to life with its home design app that lets users see how new furniture and design products would look in their current space before they decide to buy.

ALMOST LIKE THE REAL THING

53% of US consumers say they'd be interested in using VR to try on clothes or makeup before purchasing[20]

93% of tech adopters (and 53% of all 18-34 year-olds) are interested in using AR or VR to explore products before buying them[21]

WHAT HAPPENS NEXT?

Expect virtual innovations to expand to every industry as consumers age up and the tech becomes more prevalent. One thing's for sure: the consumer expectation is already there, even if some businesses are still catching up. In a recent FBIQ survey, 63% of consumers expressed interest in using VR to view products without having to visit physical stores.[22] Globally, 64% say VR will eventually become a part of everyday life.[23]

Source:
19-20,22. Facebook IQ (2018), "Trends 2.0". Research conducted by Crowd DNA (Facebook-commissioned study of 11,300 people across AU, BR, CA, DE, FR, GB, ID, IN, KR, NG, and US). Gen Zers defined as people ages 18-23, Millennials as 24–33, Gen Xers as 34–53, and Boomers as 54+.
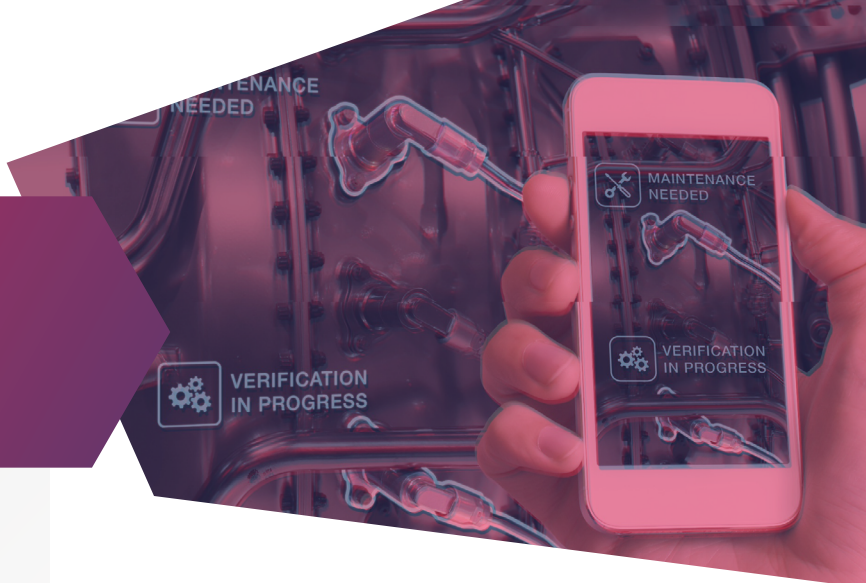21. Accenture (2017), Accenture Digital Consumer Survey.
23. Boston Consulting Group (2018), "Augmented Reality: Is the Camera the Next Big Thing in Advertising?"

facebook IQ

THERE'S MORE IN STORE FOR IN-STORE

Remember the new maxim, "Time is value"? Nowhere is this more true than in the world of commerce. As brands continue to deliver on consumer demands for immediacy and personalization, the path to purchase shortens. And consumers continue to maximize time for the sake of convenience.

"BRICK AND MORTAR" MEANS *BUILT TO LAST*

We know from Mary Meeker's 2019 Internet Trends report that brick and mortar retail is still dominant, since e-commerce currently accounts for 15% of all purchases.[24] 69% of people say they value being able to look at products in a store—and 57% are excited about stores integrating new technology that further enhances the shopping experience.[25] But in the surest sign yet that today's consumers respond to technological innovation by creating their own disruption, shopping now happens seamlessly across digital and physical spaces, making the relationship between digital marketing and retail experiences more important than ever before. This is especially true for direct-to-consumer brands. Research shows that direct brand consumers are 83% more likely to go to a pop-up or physical store location before a purchase than non-direct brand consumers.[26]

SHOPPING NEVER STOPS

Spotting an ad for a product online can inspire a store visit, just as stumbling across a new product line in-store can spur an urgent search on mobile. And, of course, many consumers order products online for in-store pickup. Mobile is the connective tissue driving the 24/7 shopping trend. Increasingly, consumers tell us their mobile phones are an essential component of online and offline shopping experiences:

92%
of global Instagram users said they've taken action in the moment when they saw a product/service on Instagram, such as following a brand, visiting their website, or making a purchase online.[27]

67%
of retail fashion consumers (and 89% of consumers 18-34) use their mobile devices in-store to look for discounts, compare products, and compare prices to items at different stores.[28]

Source:
24. Meeker, Mary (2019), "Internet Trends 2019."
25. Facebook IQ (2018), "Trends 2.0". Research conducted by Crowd DNA (Facebook-commissioned study of 11,300 people across AU, BR, CA, DE, FR, GB, ID, IN, KR, NG, and US). Gen Zers defined as people ages 18-23, Millennials as 24–33, Gen Xers as 34–53, and Boomers as 54+.
26. 83% research Source: IAB (2019), "Disrupting Brand Preference."
27. Facebook IQ (2018), "Project Instagram." Research conducted by Ipsos (Facebook-commissioned survey of 21,000 people ages 13-64 in AR, AU, BR, CA, DE, FR, IN, IT, JP, KR, TR, UK, and US).
28. Accenture (Nov 2018-Feb 2019), "Retail Fashion Consumer Journey Study." Research conducted by Accenture (Facebook-commissioned online study of 1,729 respondents ages 18+, USA, Nov 2018-Feb 2019).

facebook IQ

56% of 2018 US holiday shoppers use their smartphones in-store.[28]

71% of consumers turn to online channels for fashion inspiration.[29]

Nearly **2 in 3** direct brand consumers say the ability to engage with a brand 24/7 is important—39% higher response than non-direct brand consumers.[30]

WHAT'S NEXT?

Many digitally native, direct-to-consumer brands have begun catering to cross-channel shopping behavior by investing in brick and mortar experiences. Essentially, these brands are moving "from clicks to bricks"—but that doesn't mean they're adopting the same retail presence as traditional retailers. They're doubling down on disruption by delivering brand-centric experiences that come to life in physical spaces. **This is retail shopping at its core, done in an innovative way.**

DISRUPTIVE RETAIL

smile DIRECT CLUB

SmileDirectClub, originally known for delivering dental aligners by mail, recently announced plans to open hundreds of "Smile Shops" in CVS locations nationwide, where customers can get a 3D scan of their teeth, in lieu of using the company's at-home impression kit.[31]

Casper

Last year, disruptor mattress brand Casper debuted The Dreamery in New York City—a "nap store" and lounge where visitors can book quiet time on a Casper mattress as a respite from their busy day.[32]

Glossier.

Beauty disruptor Glossier—described by its founder as neither e-commerce or physical retail, but "emotional commerce" at the intersection of discovery and art—recently opened its Glossier Flagship store, which features a unique point-of-sale system that allows customers to begin their purchases in-store and finish them online.[33]

Source:
28. Facebook IQ (2019), "Facebook Global Holiday eCommerce Study." Research conducted by IPSOS (Facebook-commissioned online survey in 29 countries of 1,500 holiday shoppers per country, ages 18+).
29. Accenture (Nov 2018-Feb 2019), "Retail Fashion Consumer Journey Study." Research conducted by Accenture (Facebook-commissioned online study of 1,729 respondents ages 18+, USA, Nov 2018-Feb 2019).
30. IAB (2019), "Disrupting Brand Preference."
31. Thomas, Lauren and LaVito, Angelica. "CVS will bring hundreds of SmileDirectClub shops to its stores, offering a cheaper way to straighten teeth." Published 25 April 2019. CNBC.
32. Pearl, Diana. "Casper Debuts The Dreamery in NYC, a Lounge Where You Can Pay to Take a Nap." Published 12 July 2018. Adweek.
33. Walton, Chris. "Glossier To Open New Flagship Store In New York." Published 5 November 2018. Forbes.

facebook IQ

CHAPTER 2

MISSION-DRIVEN MARKETING

APATHY IS NOT AN OPTION

Speaking out can be better for the world and better for your brand

With the cultural desire for visibility at an all-time high—enabled in large part by digital advances in sharing and communication—people today more feel empowered to stand up for their beliefs than ever before. In turn, many disruptor brands have learned the importance of speaking out about social, cultural, and political issues that align with their values, so they can strengthen their bond with consumers and do their part as responsible corporate citizens.

But research suggests there's still work to be done, as people increasingly say they care about what a brand stands for and how it gives back—and that they'll stop supporting businesses that are on the wrong side of an issue. According to a recent Accenture study, 53% of consumers who are disappointed with a brand's stance on a social issue speak up about it. This can generate a lot of bad buzz—both online and in real life. Even more substantially, 47% walk away in frustration, and 17% never go back to the brand.[1] Now we're talking about an even bigger problem than bad buzz—driving customers away is simply bad business.

At the same time, the positives of owning a brand identity that's unafraid to speak out have never been clearer. In the same Accenture study, 62% of consumers said they want companies to stand up for issues they're passionate about, such as sustainability, transparency, and fair employment practices.[2] In a 2018 Cone/Porter Novelli study, 88% of Americans said they'd buy a product from a purpose-driven company, and 85% said they'd support that company in their community.[3]

By exploring the issues that matter most to consumers, brands can find new opportunities to make their voices heard. Read on to learn how several disruptor brands are approaching this issue today, and find out why brands that do good are more likely to do well.

— **Kate Hamil, Industry Manager, Emerging Disruptors, Facebook**

facebook

WHERE DO YOU STAND ?

According to a 2018 Cone/
Porter Novelli study[4] on purpose
marketing, top issues concerning
today's customers include
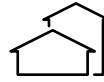
86%
Domestic job growth[5]

85%
Access to health care[6]

83%
Sexual harassment[7]

81%
Racial equality[8]

80%
Women's rights[9]

76%
Cost of higher education[10]

74%
Immigration[11]

73%
Climate change[12]

69%
Gun control[13]

63%
LGBTQ rights[14]

Source:
4-14. Cone/Novelli Porter (2018), "2018 Mission Social Good Purpose Study."

facebook

Globally, members of Generation Z—today's trendsetters, tomorrow's primary audience—are vocal about what matters most to them

68% say brands should contribute to society[16]

76% say we need to make sure we're protecting the future of the planet for generations to come[15]

68% say "it's important for me to work for a company that shares my values"[17]

66% say it's important to buy and use products that are sustainably produced[18]

EXCLUSION IS OUT

GLOBAL CONNECTION IS STRONGER THAN EVER

67% say social media makes it easier to get involved in and show my support for causes that they're passionate about[21]

SOCIAL RESPONSIBILITY IS IN

56% of Americans say traditional gender roles are increasingly irrelevant[19]

54% More than 1 in 2 (54%) say they look for fashion/beauty advice from people of any gender—not just their own[20]

73% Members of Generation Z say their smartphone allows them to connect with communities and groups that share their interests—both locally (71%) and globally (73%)[22]

84% of Instagram users say they're open to discovering small/local brands and new brands or products on Instagram[23]

facebook

When you align
your brand with causes
that represent your values, you
grow your relationship with
like-minded consumers

Better for
society

Morally and
ethically
sound

Sets a
positive
example

Next-level
branding

Deeper
customer
connection

Differentiates
your business

Improves
reputation

New PR and
marketing
opportunities

facebook
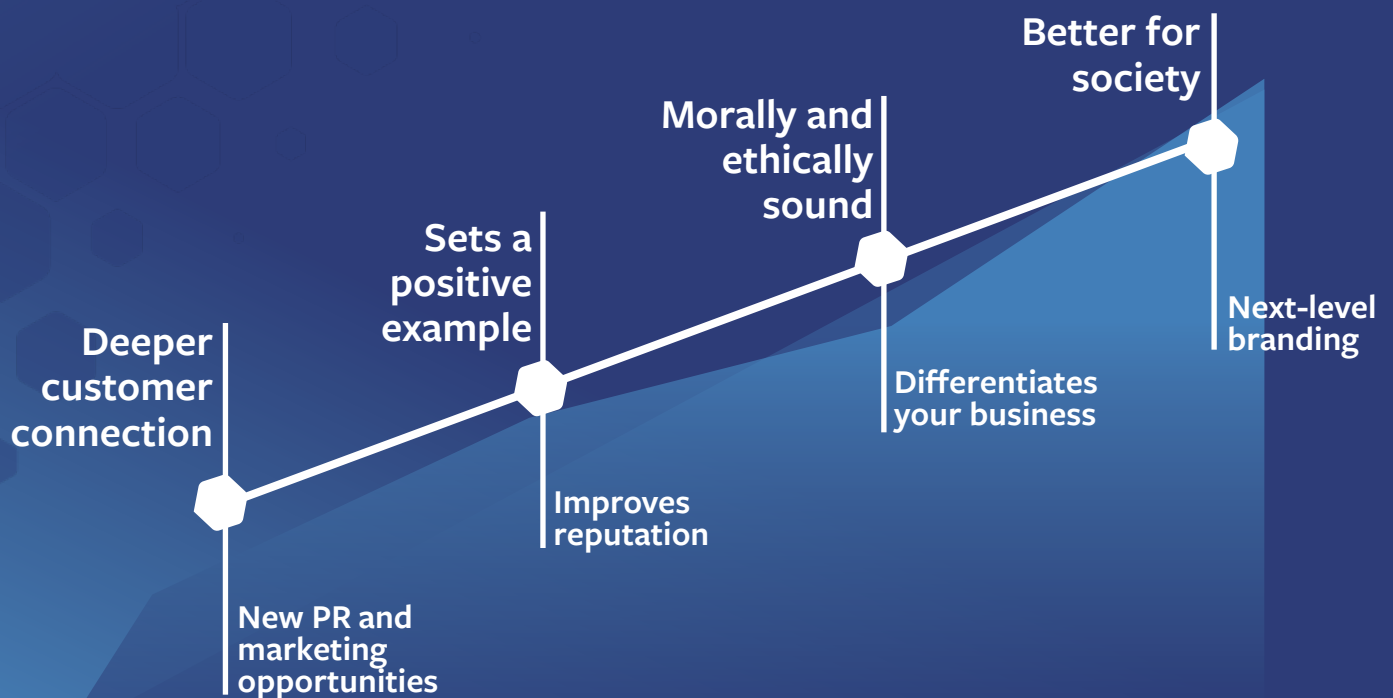
MISSION-DRIVEN MARKETING

LEARN FROM THE BEST

Looking for some inspirational examples that can inspire your brand to do better? Study disruptor brands that built their name by doing the right thing.

facebook

THE ENVIRONMENT

"Going green" isn't just lip service. Increasingly, brands are turning to sustainable manufacturing and packaging as part of their business model.

ROTHY'S

BACKGROUND

Rothy's transforms recycled plastic water bottles into colorful, comfortable shoes. In just three years, Rothy's has grown from an upstart disruptor to a **$700 million** valuation—repurposing more than 35 million plastic water bottles in the process.[24] Rothy's takes a whole-brand approach by optimizing for sustainability at every step of its business.

SUSTAINABILITY AS A BUSINESS MODEL

Sixty-six percent of people in Gen Z say it's important to buy and use products that are sustainably produced. Rothy's whole-brand approach to sustainability extends from its product line to its hiring practices, giving it an easily marketable hook that's also environmentally responsible. Targeting a zero-waste future, Rothy's shoes are crafted from recycled plastic and 100% post-consumer materials. Owning its workshop and every step of the supply chain, Rothy's 3D knits its shoes to shape and **hand-crafts** each pair—eliminating material waste in the process. Shoes are shipped to consumers in a single biodegradable box with no outer bag, and Rothy's offsets all carbon emissions through carbon credits.[25]

WHY THEY SPEAK OUT

Every minute, one million water bottles are sold globally. Crafting its uppers from recycled plastic water bottles, Rothy's diverts waste from landfills to create stylish, wearable shoes. Customers not only look good wearing Rothy's, they feel great about making a purchase that also helps the planet.
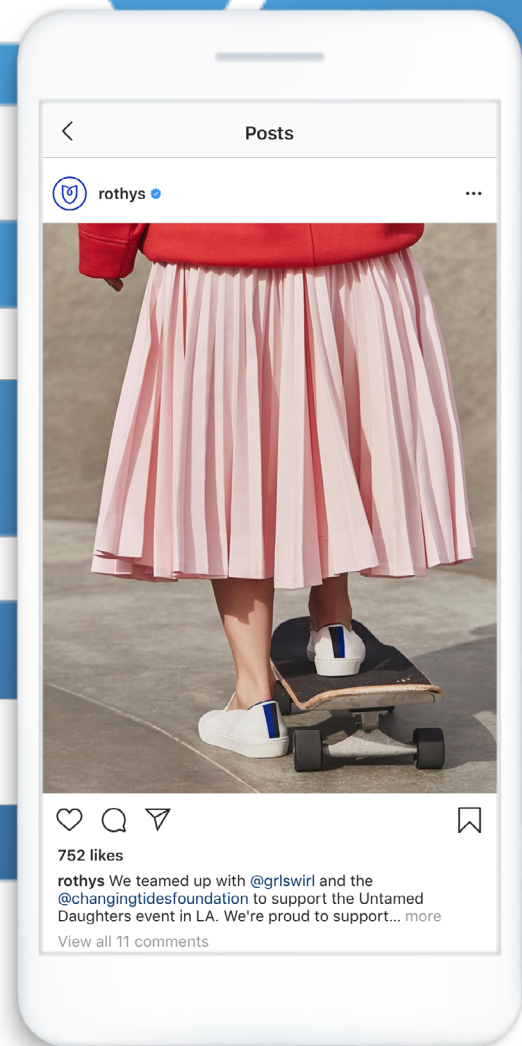
"At Rothy's, we take a whole brand approach to sustainability. From our materials to our production to the way we treat our people, we consider sustainability every step of the way."

—Kerry Cooper, President and Chief Operating Officer, Rothy's

Source:
24. Forbes (2019), "Next Billion-Dollar Startups: Rothy's Makes This Year's 'It' Shoe. But Can It Keep Growing Amid A Flood Of Copy Cats—And A Founder's Departure?"
25. Facebook IQ (2018), "Trends 2.0." Research conducted by Crowd DNA (Facebook-commissioned study of 11,300 people across AU, BR, CA, DE, FR, GB, ID, IN, KR, NG, and US, Sep 2018. Gen Zers defined as people ages 18-23, Millennials as 24–33, Gen Xers as 34–53, and Boomers as 54+).

facebook

Grove
COLLABORATIVE

BACKGROUND

Grove Collaborative is a certified B Corp brand that bills itself as the fastest-growing natural home and personal care company in the US. With cleaning products made from plant-based ingredients and packaged with recyclable or reusable materials, Grove aims to become the first pollution-reducing consumer brand.

CONSUMER PRODUCTS AS A FORCE FOR GOOD

Grove product lines include Seedling by Grove, a line of sustainable, tree-free paper products made from bamboo and sugarcane, and Laundry Vessel, a reusable glass dispenser and ultra-concentrated line of detergents that enable chemical-free laundry cleaning. The company is committed to becoming plastic-free, zero-waste, and carbon-neutral by 2023. Grove brand products are estimated to save one million pounds of plastic in 2019, and the company has pledged to plant one million trees within the next three years.

WHY THEY SPEAK OUT

Grove says it doesn't just want to do "less bad"—it wants to do **more good**. Innovations such as Laundry Vessel were birthed by the realization that one billion laundry jugs are discarded in the US every year, and only 30% are recycled. The Grove philosophy states no one should ever have to choose between what's good for them and what's good for the planet.

"At Grove, we believe consumer products should become a positive force for environmental and human health. That's our North Star—the standard by which we measure everything we do."
—Stu Landesberg, Co-Founder and CEO, Grove Collaborative

facebook
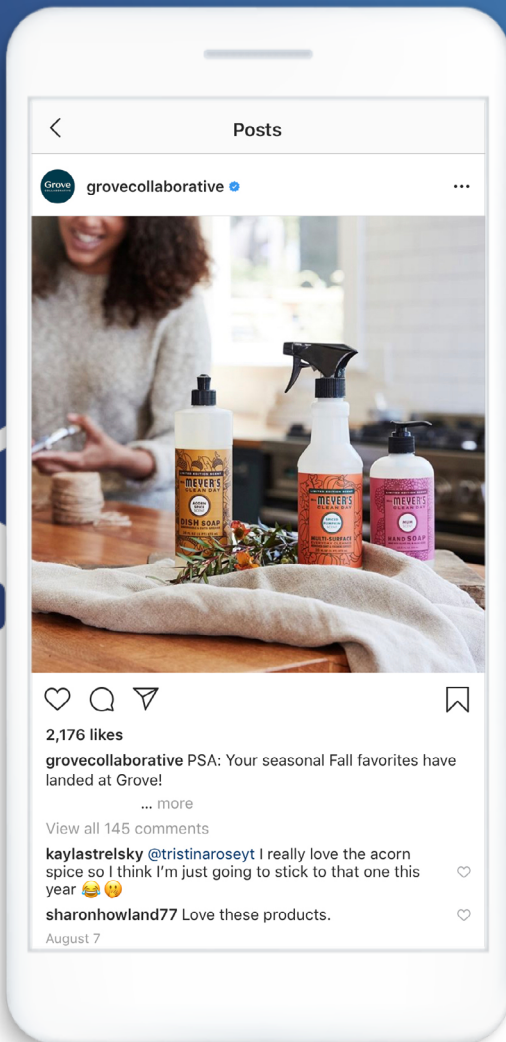
COMMUNITY GIVING

There's no shortage of need in the world today. For every value your brand espouses, there's a matching cause that could use your help.

BACKGROUND

Known for its innovative feminine hygiene underwear, Thinx Inc. has earned a reputation for fearless marketing that directly addresses the needs of its audience and the uses of its products. This willingness to speak out extends to other critical issues that align with the company's brand values, giving Thinx Inc. a platform from which to promote menstrual equity, cultural marginalization, and assistance for those with limited resources.

FINDING THE PERFECT MESSAGE MATCH
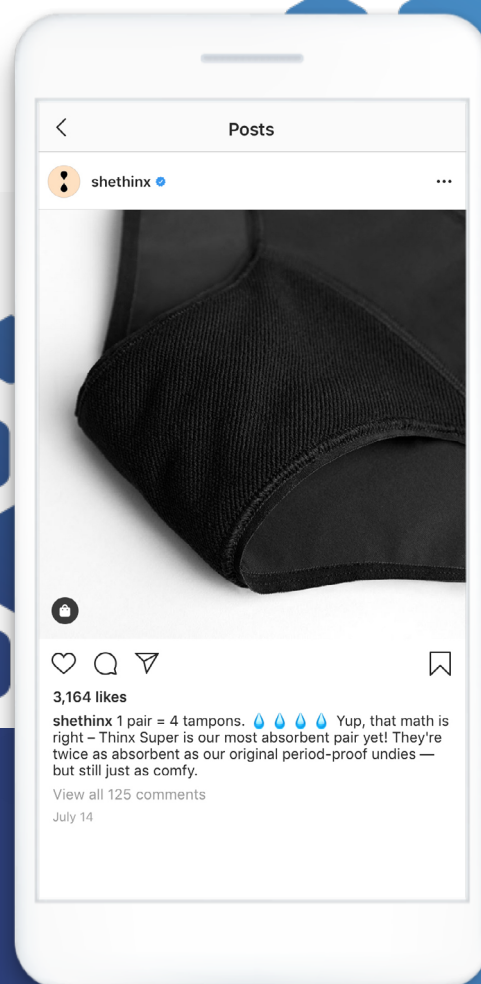
The company's GiveRise program is where Thinx Inc. brings its "giveback pillars" to life through community-based partnerships:

- **Advocating for equity.** With products that catalyze social change, Thinx Inc. is a perfect brand candidate for speaking out against discriminatory policies and advocating for inclusivity. For its first-ever advocacy campaign, Thinx Inc. partnered with PERIOD, the largest youth-run nonprofit in the world, to launch United for Access, a campaign dedicated to demanding free and easy access to period products for students across the US. Together, they hand-delivered a national petition showing support for the end of "period poverty" to the US Department of Education in early 2019. As of summer 2019, the effort has resulted in changes to five local policies.

- **Educating future generations.** Thinx Inc. has partnered with schools, after-school programs, and youth-serving nonprofits to implement EveryBody, an inclusive, activity-based, medically accurate puberty education curriculum designed by teachers and health experts. EveryBody shares factual, unbiased information that students can use to make informed issues about their own health and wellness. Since the launch of the pilot program in 2017, it's served nearly a thousand students in New York City and Los Angeles. In 2019-20, the program is expected to expand to other regions as well.

- **Access for everyone.** Thinx Inc. works with Girls Inc., Safe Horizon, the Alliance of Border Collaboratives, and nearly 30 other organizations to help expand access to basic menstrual hygiene products and community services such as reproductive healthcare and mentoring. To date, Thinx Inc. has donated more than half a million dollars to community-based organizations, and reached more than 40,000 people with product donations.

Thinx

Posts

shethinx

3,164 likes

shethinx 1 pair = 4 tampons. 💧💧💧💧 Yup, that math is right – Thinx Super is our most absorbent pair yet! They're twice as absorbent as our original period-proof undies — but still just as comfy.

View all 125 comments

July 14

WHY THEY SPEAK OUT

"At Thinx Inc., we see it as a responsibility to give back and create a world that's more equitable for future generations. We're proud to work alongside our customer community, non-profit partners, and community-based organizations to make real change on the ground."

— Laura Blackburn, Director of Thinx Inc. GiveRise Program

facebook

BACKGROUND

TOMS Shoes was one of the earliest brands to stake its business model to the idea of giving back. Founded by Blake Mycoskie in 2006, the shoewear and apparel company's "one for one" model has to-date been responsible for the donation of more than 85 million pairs of shoes to children in need. The company later added eyewear, coffee, and bag lines—each with its own charitable giving component—leading to substantial donations of prescription eyeglasses, optical treatment and surgery, clean water, and safer birth services for vulnerable communities around the globe.
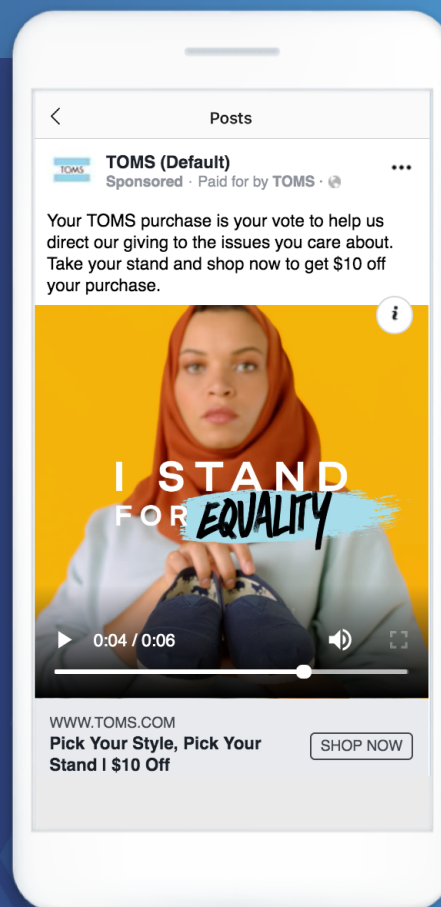
STEPPING UP TO DO EVEN MORE

Recently, TOMS launched two new initiatives to expand its platform and drive even greater social impact:

- **#EndGunViolenceTogether:** In 2018, Mycoskie announced the #EndGunViolenceTogether campaign, which drove people to a page on the TOMS website where they could easily send physical postcards to their representatives, urging them to pass universal background check legislation for gun purchases. Additionally, the company announced a $5 million contribution to organizations around the US that are committed to ending gun violence.

- **Stand for Tomorrow:** Motivated by a customer base that's increasingly engaged with social issues, TOMS recently shifted its business model beyond 1:1 donations. To help bring this evolved giving model to life, TOMS launched the Stand for Tomorrow campaign in Spring 2019. In this campaign, with every TOMS purchase, customers can choose an issue area that's important to them, and help direct giving efforts and dollars to the issue area of their choice. Current Stand for Tomorrow initiatives include giving shoes, ending gun violence, safe water, equality, mental health, and homeless services.

  - TOMS' "Stand for Tomorrow" Facebook campaign reached **18 million new users, had 600K total engagements, and drove 98K cause submissions.**

WHY THEY SPEAK OUT

As a pioneer of 1:1: giving, TOMS' brand is synonymous with "giving back". While its earlier years were focused on marketing and expanding the concept with consumers, the company now feels motivated and capable of using its equity to do even more. TOMS wants to develop a greater understanding of the issues that matter to its consumers, and continue exploring ways to support partners who are working to address and create innovative solutions for many different issues around the world.

TOMS (Default)
Sponsored · Paid for by TOMS ·

Your TOMS purchase is your vote to help us direct our giving to the issues you care about. Take your stand and shop now to get $10 off your purchase.

I STAND FOR EQUALITY

0:04 / 0:06

WWW.TOMS.COM
Pick Your Style, Pick Your Stand | $10 Off

SHOP NOW

"We continually challenge ourselves to connect with consumers in a meaningful way and show how their simple act of purchasing TOMS can create a better tomorrow. We are proud to stand with our giving partners who are working to make this future a reality and we continue to explore ways to involve consumers in our giving."

— Liza Doppelt, Vice President, Global Brand Marketing, TOMS

facebook

EQUALITY

Special product lines gives brands another way to bring their support to life. Donating a portion of proceeds helps businesses and consumers further the cause.
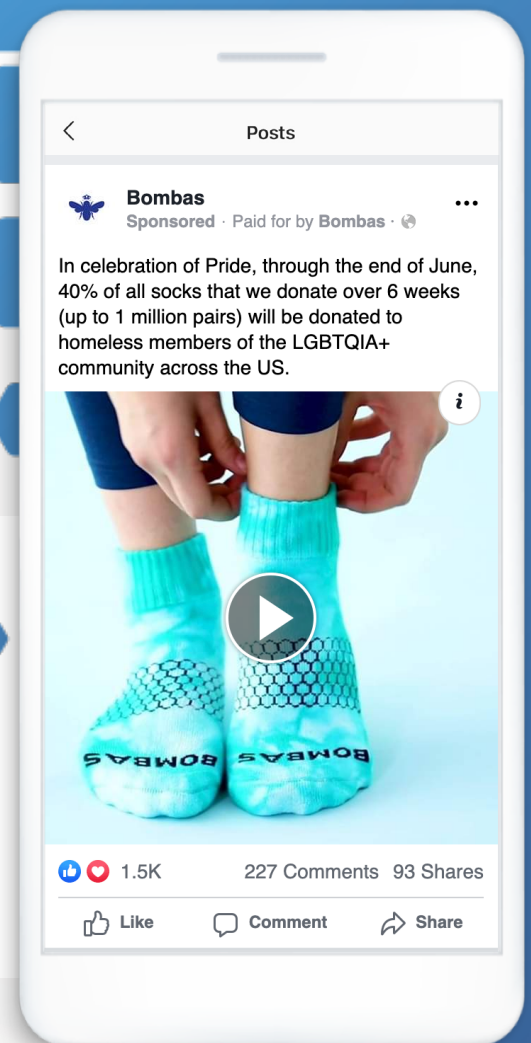
🐝 BOMBAS

BACKGROUND
Bombas is known for its innovative, high-quality socks, as well as its 1:1 giving model, whereby a pair of socks is donated for every pair sold.

MEETING AN IMPORTANT SOCIAL NEED
For Pride Month in June 2019, Bombas further strengthened its commitment to social good by directing donations to homeless LGBTQIA+ youth, in partnership with The Ally Coalition. Additionally, the company developed and sold a special-edition line of socks featuring the rainbow colors of the Pride flag. To promote Bombas as well as Pride, the company ran a unique Pride campaign in select cities via Facebook. It performed so well, Bombas ran out of the special-edition socks and shifted all creative to a donation message for the duration of the campaign.

Facebook Post

Bombas
Sponsored · Paid for by **Bombas** · 🌐

In celebration of Pride, through the end of June, 40% of all socks that we donate over 6 weeks (up to 1 million pairs) will be donated to homeless members of the LGBTQIA+ community across the US.

👍❤️ 1.5K   227 Comments   93 Shares

👍 Like   💬 Comment   ➤ Share

32.7%
conversion lift

7.7-point
purchase intent lift

1.15x
ROAS

22.5-point
message agreement lift

27.3-point
ad recall lift

WHY THEY SPEAK OUT
The Bombas team first landed on its giving model after learning that socks are the single most-requested item in homeless shelters. As its product line has expanded, so has its giving—Bombas donates a matching item for every clothing item consumers purchase. The company achieves giving at scale by partnering with more than 1,700 community partners throughout the US. Bombas has donated more than 24 million clothing items as of August 2019.

facebook

RETHINKING "GOOD BUSINESS"

EVERLANE

BACKGROUND

"Why does a designer tee cost $7 to make but $50 to buy?" That question—rooted in the belief that people have a right to know why they pay what they pay for clothing—led Michael Preysman to found Everlane in 2011. The Everlane online consumer experience is built on radical transparency, revealing the true costs behind every item of clothing— minus traditional retail markups. While typical brands might charge customers 5–8X the cost to manufacture and market a product, Everlane aims for 2-3X. Every product they've sold since 2011 features an infographic breaking down the true cost for the company to produce the item. Since its founding, Everlane has launched multiple initiatives into responsible sourcing, ethical factories, and programs that give back.

RESPONSIBLE SOURCING AND PRODUCTION

Everlane uses recycled materials whenever possible, and has committed to using only recycled plastics in its supply chain by 2021. As a company, they've eliminated single-use plastics in their offices and stores. Additionally, they've launched a LEED-certified denim-factory that uses only recycled water, relies on alternative energy sources, and repurposes byproducts. Everlane's ReNew line has repurposed three million plastic bottles to date. Its Tread footwear sub-brand is carbon-neutral today, and aspires to one day become the world's first zero-impact sneaker.

ETHICAL FACTORIES

In order to ensure the integrity of its workspaces, Everlane works with third-party auditors to review its factories four times a year, evaluating factors such as fair wages, reasonable, work hours, and safe working conditions. The goal with each review is to reach a score of 90 or above for every factor. For transparency, they share factory names, images, and stories from their owners on the Everlane website.

GIVING BACK

Every Black Friday, Everlane donates a portion of its profits to a charitable cause as part of its Black Friday Fund initiative. In 2018, Everlane donated $13 to the Surfrider Foundation for every Black Friday order placed, to aid beach cleanup and keep plastic out of the ocean.

Posts

everlanewomen

2,314 likes
everlanewomen #WideLegWednesday at a museum. A true masterpiece 🤷‍♀️. 📸: @lauren.mcclelland
View all 23 comments
July 18, 2018

facebook

MISSION-DRIVEN MARKETING

NEXT STEPS

Recommendations for mission-driven marketers

1 Start internally
Is social good already integral to your company culture? If it isn't, you'll have trouble generating employee support for your mission. Make sure the mission is shared, and find ways to engage your employees and make it happen.

2 Set the example
Take another look at the top issues concerning consumers. Several—diversity, health care, equal pay, gender equality—can be addressed today within your own company. Other options, such as finding helpful ways for your company to give back, can start with you. Be a brand that practices what you preach.

3 Be authentic
Consumers can spot a fake. If your mission, cause, or stated purpose isn't clearly aligned with your demonstrated values, shoppers will smell opportunism.

4 Be honest
The easiest way to appear "authentic" is to actually mean what you say! If you choose a mission that's core to your business and marketing strategy, you'll have no trouble being true to yourself.

5 Do your homework
Educate yourself on the issues that matter to consumers and society at-large. Give yourself the tools to speak accurately and eloquently about the causes you promote.

6 Engage top talent
There are so many ways to be of service. Quick, 1:1 giving is important and impactful. The same is true of finding new ways to solve long-term systemic problems, such as the lack of affordable housing or the prevalence of racial profiling. Chances are, the people you work with are among the brightest and most motivated minds in the US workforce today. Your creativity can drive real change, no matter your focus.

facebook

BUILDING A BRAND COMMUNITY

facebook

PSST ... WANNA KNOW A SECRET ?

If you had to name one defining characteristic that's common to successful disruptor brands, what would it be? Think carefully. At first, you might be inclined to say something like, "It all starts with an innovative product," or "It's all about timing the marketing to the moment"—and of course, both things are true.

But take a closer look, and we think you'll notice that the most notable disruptors succeed in doing something that's less flashy, but ultimately more meaningful.

Some of the most successful disruptors are the ones that build an active, vocal community around their brand.

Why community is so important for disruptors

What makes community the secret ingredient of disruptor success? As with so many other facets of disruptor growth, it all starts with technology. As more and more people connect online, they find new ways to redefine the word "community". A recent global survey revealed that 72% of people see community existing online as much as offline.[1] Forward-thinking disruptor brands have found that connecting with these communities can be a powerful way to build loyalty, spark new creative ideas, develop better products, and drive business growth.

—**Jacqui Cole, Industry Manager, Emerging Disruptors, Facebook**

Source:
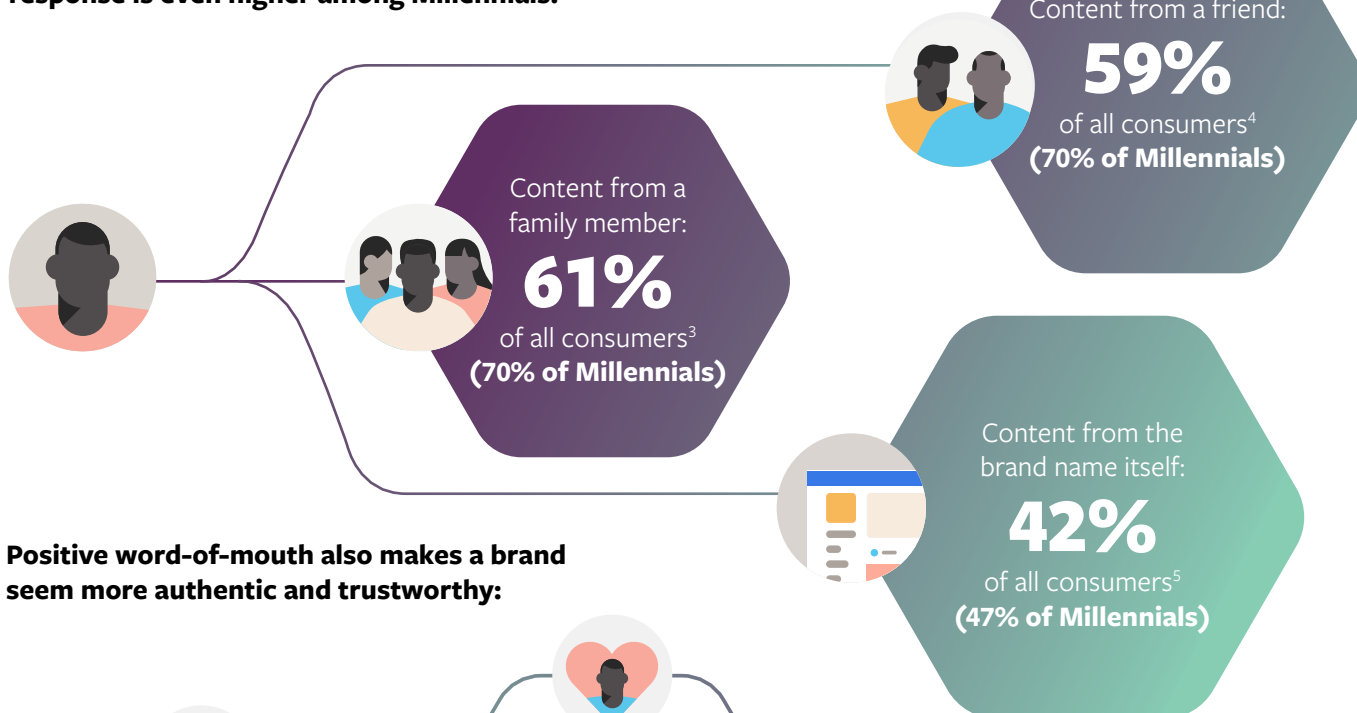1.Facebook IQ (2019), "Why Community Should Be Your Next Creative Muse."
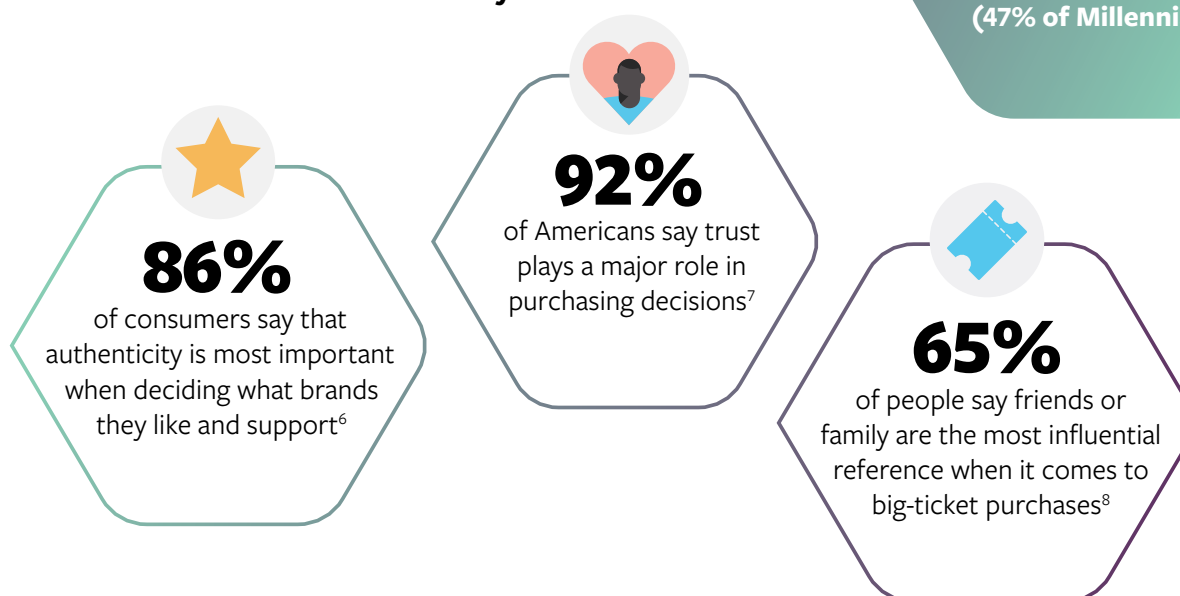
facebook

WORD OF MOUTH #FTW

Brand communities don't just spring up overnight, and they aren't easily replicated. Creating and nurturing an organic, loyal community requires an investment of both time and resources to get right. But the benefit to a business can be substantial. Once a brand has developed a following, it can serve as a differentiating factor against other brands, and deliver significant word-of-mouth marketing that grows with time.

Research tells us that content from friends and family has the highest impact in driving purchase decisions[2]—and that the response is even higher among Millennials:

Content from a friend:
59%
of all consumers[4]
(70% of Millennials)

Content from a family member:
61%
of all consumers[3]
(70% of Millennials)

Content from the brand name itself:
42%
of all consumers[5]
(47% of Millennials)

Positive word-of-mouth also makes a brand seem more authentic and trustworthy:

86%
of consumers say that authenticity is most important when deciding what brands they like and support[6]

92%
of Americans say trust plays a major role in purchasing decisions[7]

65%
of people say friends or family are the most influential reference when it comes to big-ticket purchases[8]

Source:
2-6. Stakla (2017), "Consumer Content Report: Influence in the Digital Age."
7, 8. SurveyMonkey, "SurveyMonkey Reveals New Research to Help Businesses Understand Consumer Perceptions on Trust." 6 November 2018. http://www.globenewswire.com/news-release/2018/11/06/1646241/0/en/SurveyMonkey-Reveals-New-Research-to-Help-Businesses-Understand-Consumer-Perceptions-on-Trust.html

facebook

COMMUNITY GROWS LOYALTY

Perhaps the most obvious reason for brands to invest in communities is that it serves as a way to build and retain their customer base. Depending on the age of a business, customer acquisition can be expensive, particularly in the case of newer, competitive sectors that offer discounts to first-time users. One estimate pegs the cost of marketing to new users as 5X higher than what it costs to market toward existing customers.[9]

Loyalty is a long game. For disruptor brands that want to scale beyond their initial splash, marketing is no longer about who can grow the fastest, but about who can keep growing. By investing more in community, marketers can focus on driving loyalty and retention. And when a bond is formed, it can be immensely profitable. According to a 2018 report from Accenture, **two-thirds of customers will spend more with a brand for which they feel a sense of loyalty.**[10]

COMMUNITY LEADS TO BETTER PRODUCTS

Community can be an incredible creative spark that changes the way a brand lives in people's hearts and minds. Community-curious brands are often rewarded with creative inspiration—whether it comes in the form of a new campaign that brings people together or a new product feature you didn't know people wanted.

Disruptors succeed because they build the products they know their customers want—not the ones they think they want. These brands are notable for listening to their customers and actively soliciting feedback when appropriate. Doing this within an existing community enables brands to get honest feedback from their most active and loyal consumers—feedback that can be much more accurate and trustworthy than what they get from a focus group.

Source:
9. Hüify, "Acquisition vs Retention: The Importance of Customer Lifetime Value." 17 February 2018.
https://www.huify.com/blog/acquisition-vs-retention-customer-lifetime-value
10. Accenture (2018), "To Affinity and Beyond: From Me to We, the Rise of the Purpose-Led Brand."

facebook

COMMUNITY BUILDS BRANDS

Is your company growing loyalty and creating better products by connecting with your most loyal customers? Read on to learn how some of today's most notable, consumer-favorite disruptor brands have benefited from their communities.

PELOTON

Empowering connection

Four years ago, the Official Peloton Member Page on Facebook had about 1,300 members. Today, that number has risen to over 190,000. The group receives hundreds of posts and tens of thousands of comments and reactions each day—a testament to **Peloton's** commitment to nurturing community around its brand. The exercise and media company is built on principles of community, with products that allow customers to simulate the gym workout-class experience from the comfort of their own homes. Bringing people together outside of class was a logical next effort, and it's paid off.

The Facebook Group was first started by a customer in early 2015. When Peloton saw it was a great forum for its members to connect, it began moderating later in the year. Today, whenever a customer purchases a Bike, Tread, or Digital subscription from Peloton,

they're encouraged to join the group. New members often use it as a way to find which instructors and classes they should start with. In the process, they build relationships with other members of the community.

Given high community engagement, Peloton uses the group to crowdsource improvements and feedback on its products. New features including Target Metrics, Custom Audio Controls, GPS & Run Metrics, and more have all come about in response to direct member feedback. The brand also monitors the group for customer-service related issues it can route to the right teams. Additionally, Peloton gets insights into member growth, engagement, top contributors, loyalty, and more. And Peloton uses a Facebook pixel to better understand which pieces of group content lead members to take action on its own website.

"It's a gift to have hundreds of posts a day from members who are openly sharing their questions, concerns, and feedback. As our community continues growing, the Peloton experience becomes more inspiring, more competitive, more immersive, and more connected."

**—Jayvee Nava, Vice President of Community, Peloton**

facebook

310NUTRiTiON®

Growing customer relationships

One of the biggest barriers to dieting, weight maintenance, and learning to live a healthy lifestyle is a lack of support. 310 Nutrition—which grew from its founder's garage to become a category leader in the health, weight loss, and nutritional supplement category—addresses this problem by supporting its customers throughout their health journeys, with the 310 Nutrition Community Facebook Group. By giving people tools, motivation, and education to meet their goals, the 310 Community creates a safe, nurturing environment that helps customers live a healthier, happier lifestyle. At more than 281,000 members and growing, the community currently gains an average of 250 members each day.

For 310 customers, the benefits are clear: support and advice to help adapt to a new lifestyle and make positive health changes, as well as social proof that 310's products work. And 310 reaps benefits too, as it gains a direct line to customers for support, product feedback, and testimonials. In addition, 310 has gained valuable product insights into their customers' average target weight loss goals and desired product offerings. By this point, the company has even gotten to know and speak with many of its "310 lifers" personally as a result of their group membership.
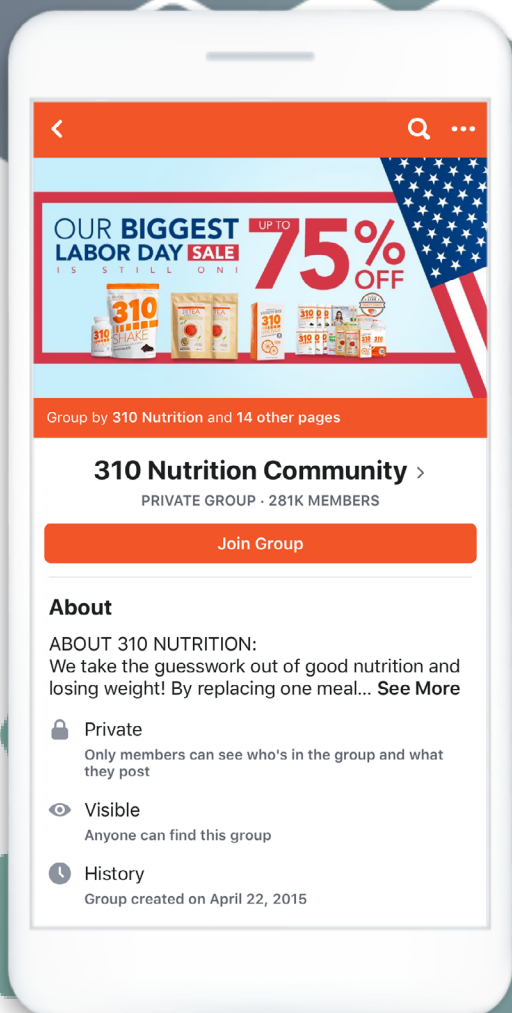
"The best thing we can do as a company is listen to our customers and adapt to what they need and want. We learn what they struggle with on a daily basis, which gives us more guidance on how to assist them in their health journey."

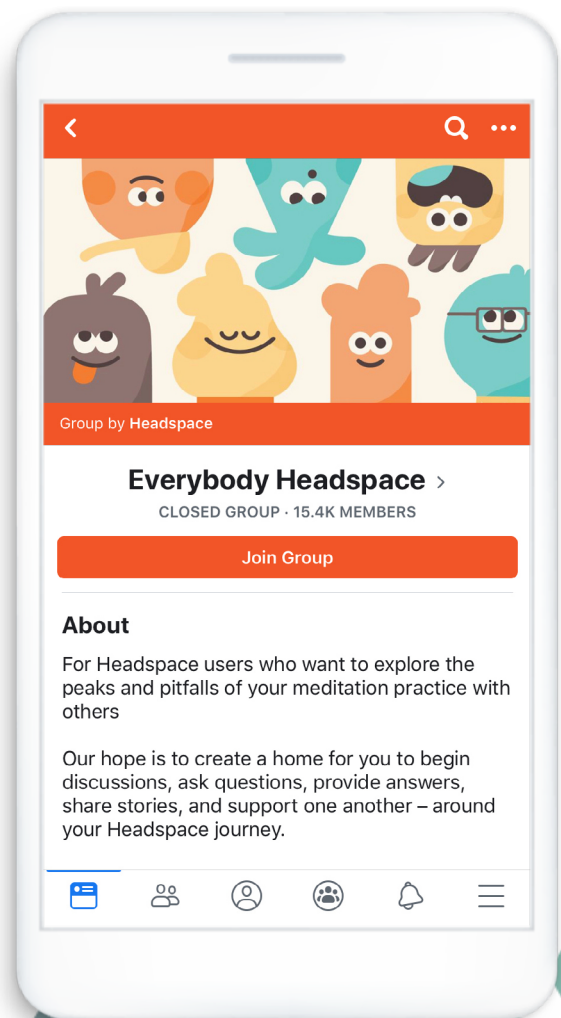—Marina Randolph, President, 310 Nutrition

facebook

HEADSPACE

Organic support for devoted users

Meditation app Headspace is a perfect example of a brand that builds loyalty through community. The company's Facebook Group—which shares the name of its live group meditation feature, Everybody Headspace—exists as an online community where Headspace users can discuss meditation practices and lend support for each other in the quest for well-being. The company keeps the space free from product placement posts, advertising, and fundraising.

Headspace primarily uses the group to give its community a safe space to share their journey, solicit advice from peers, and ask for help when going through a tough time. Additionally, the company's Customer Experience team monitors comments and responds when members have questions or issues with the product. Headspace also reaches out to the group for feedback around new features.

Community building is near and dear to the mission of Headspace. Prior to launching its best-selling app, Headspace operated as an events company that hosted live meditation clinics and events in London. Building a community of inspiration, guidance, and support is key to making mindfulness more prolific worldwide, as well as encouraging Headspace members to continue meditating by using the app.

Group by **Headspace**

Everybody Headspace ›
CLOSED GROUP · 15.4K MEMBERS

Join Group

About

For Headspace users who want to explore the peaks and pitfalls of your meditation practice with others

Our hope is to create a home for you to begin discussions, ask questions, provide answers, share stories, and support one another – around your Headspace journey.

"There's a lot of power in shared human experiences, and Headspace members are already organically inclined to connect and support each other through their mindful journeys. We want to empower our members to achieve something good together—to feel part of and contribute to something bigger than themselves."

—Leo Zhang, Community Product Lead, Headspace

facebook

L'ANGE™

Embracing authenticity to drive growth

Hair and beauty brand L'ange Hair has created [Heavenly Hair Starts Here (L'ange Fan Club)](), a Facebook Group that enables a supportive community of customers who are passionate about hair care and love learning from each other. Group members not only support each other, they've helped L'ange grow a large base of customers who now purchase multiple times a year.
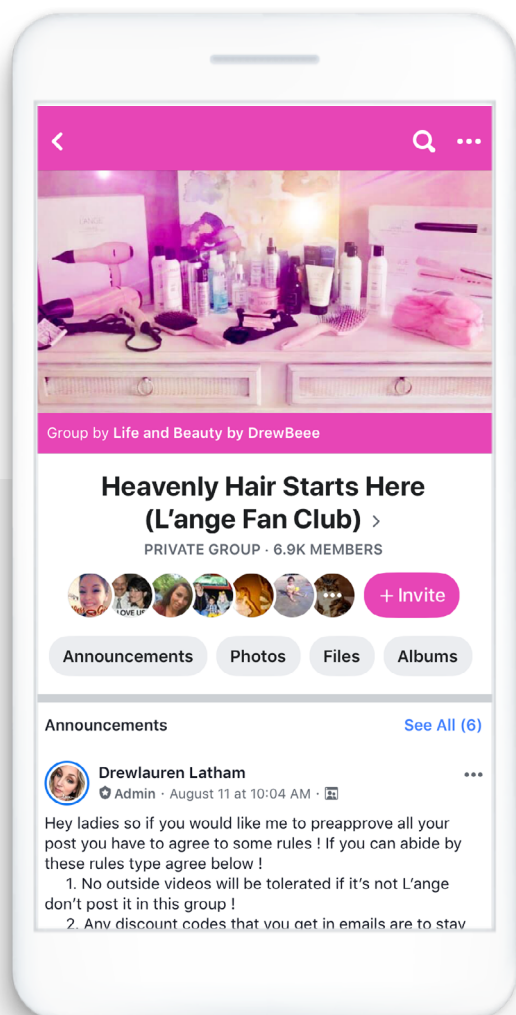
L'ange says being active in its group helps it communicate with customers, build rapport, capture honest customer feedback, educate customers about new products, and more.

"It adds a personal element, so we're not a faceless, large company that isn't interested in our customers and their needs," said David Gabay, CMO of L'ange Inc. "We utilize more than one Facebook group, each slightly different. Heavenly Hair Starts Here is for VIP customers who are truly loyalists. This has helped us develop new products. They receive advance notification about launches or sales events, give us ideas, and help us test at different pre-production stages."

The company's public page is a platform to demonstrate its products, answer questions in real time, resolve issues, host fun contests, and more. "Our members are quick to answer each other's questions, which is great," said Gabay. "Because there's an interaction between L'ange and our customers, they have become mini-ambassadors of their own."

Group by **Life and Beauty by DrewBeee**

Heavenly Hair Starts Here (L'ange Fan Club) ›
PRIVATE GROUP · 6.9K MEMBERS

+ Invite

Announcements   Photos   Files   Albums

Announcements   See All (6)

Drewlauren Latham
Admin · August 11 at 10:04 AM ·

Hey ladies so if you would like me to preapprove all your post you have to agree to some rules ! If you can abide by these rules type agree below !
   1. No outside videos will be tolerated if it's not L'ange don't post it in this group !
   2. Any discount codes that you get in emails are to stay

"**Authenticity can be hard sometimes for a brand. But if you have an army of supporters and believers, they can become your strongest and most vocal avenue to an even stronger community.**"

—David Gabay, CMO, L'ange Inc.

facebook

BORN ONLINE, ACTIVE EVERYWHERE

Many disruptor brands were born digital-first, but that doesn't mean their communities have to be. In fact, digital disruptors are turning to local groups to build stronger, in-person communities around their brands:

Peloton
The exercise and media brand has built a loyal following by combining digital communities with local, in-person activities. Each year, the company hosts Peloton Homecoming Weekend[11], a big in-person party for Peloton members. This year, more than 3,000 people made it to New York City for the celebration, and thousands more connected remotely from Peloton studios around the country. Since Peloton products give users the opportunity to "dial in" to a live workout class from the comfort of their own home, in-person gatherings are a logical next step.

Outdoor Voices
The online athletic apparel company currently hosts free weekly events in 10 US cities to bring its digital community closer together. Founder Ty Haney is a proponent of growing "everyday fitness" via organized IRL activations, such as "dog jogs" and free group exercise classes.

How you can build a community around your brand

Make the investment
Community-building is a choice that requires time, effort, patience, and focus. Start by committing to your investment and continually exploring ways to build brand affinity through loyalty.

Be active everywhere
Extend your digital community to the physical world. Act as a source of advice and inspiration in customers' everyday lives.

- Create a feeling of exclusivity by giving customers first access or sneak peaks at upcoming, real-world product launches and announcements.

- Encourage online communities to connect in the real-world by creating events and experiences for them offline.

Start a new group
Groups are a good way to extend your brand to the platforms where they're already spending their time. When you build a strong on-platform group, you're telling customers you're not waiting for them to come to you—you're extending yourself to them.

- If you don't have or need a branded group, consider becoming a moderator in a pre-existing online community.

- To get started with Facebook Groups, check out the Facebook Groups Hub.

Source:
11. Peloton, "Celebrate The Power Of Community During Peloton Homecoming Weekend." 28 April 2019.
https://blog.onepeloton.com/celebrate-the-power-of-community-during-peloton-homecoming-weekend/

facebook

MACHINE LEARNING

Burned out on buzzwords? It happens to the best of us. But machine learning deserves the attention. It's revolutionizing how disruptors approach marketing, and it could change your business for the better.

MACHINE LEARNING

THE ROBOTS ARE COMING!*

*But there's no need to panic. In fact, it could be good news for your marketing team.

Disruptor brands have mastered the art of campaign optimization. In recent years, many have learned how to hack their way to direct-response success by developing an advanced understanding of customer demographics, targeting finely honed audience segments, focusing on pockets of efficiency, and manually optimizing campaigns to grow direct response.

But believe it or not, there is such a thing as being overly optimized.

The growth plateau some disruptor brands are currently experiencing has taught them a valuable lesson: reactive optimization is unsustainable and difficult to scale for long-term growth. While there's much to admire about granular targeting and creative, this approach can lead to oversaturation and redundant messaging over time. Many marketers have optimized themselves into a box, and they've begun to realize the limits of their once-revolutionary segmentation.

Today, there's a better way. Through automation and algorithms, signal-based **machine learning** is simplifying account management, driving better campaign performance, and scaling businesses faster by helping marketers identify new, previously-unforeseen growth opportunities across channels and placements. Proven marketing tactics, powered by machine learning, are creating better performance and freeing up marketers to focus on their most strategic efforts.

The robots are coming, but they're here to help. Machine learning is the future of marketing. Read on to learn how you can start putting it to use for your business..

—Andrew Donehower, Industry Manager, Emerging Disruptors

facebook

BUSINESSES HAVE EMBRACED MACHINE LEARNING—WITH INCREDIBLE RESULTS

◆ THIRDLOVE

The bra and underwear brand has used machine learning models to revolutionize product fit and improve ROAS. From its founding, the company has relied on machine learning to enable virtual fitting without a tape measure or in-store visit. Today, customers can use the ThirdLove Fit Finder—a series of 10-12 online questions that can be answered in about a minute—to find the precise fit and style for their body. In fact, using machine learning to determine customer needs is what initially led to the company's decision to offer half sizes.

ThirdLove also uses machine learning to help its marketing partners maximize paid marketing spend. The company has built propensity models that project the likelihood a customer is ready to make a purchase, so they can deliver an ad at exactly the right moment. They also use machine learning to create actionable customer segments that bolster their retention marketing efforts and identify opportunities to deliver personalized messaging and offers.

Lemonade

The insurance company already bucks industry trends by charging flat fees, donating unclaimed money to charity, and providing an entirely digital insurance experience. Lemonade leverages machine learning to understand its customers and identify claims patterns at scale—in the process, collecting an estimated 100X more data points per customer than a standard homeowners policy form. The company uses information like this to fuel their models and offer more accurate insurance quotes based on probability data—shortening the time it takes to provide a quote, providing more accurate assessments, and passing potential savings on to its customers.

Other uses of machine learning at Lemonade include evolving fraud algorithms to identify potential crimes, averaging eight algorithm updates per day, and building a more autonomous org structure.

"**The machine learning models we've created at ThirdLove not only inform and optimize our marketing spend, they play a key role in our cross-channel marketing strategy.**"
—**Megan Cartwright, Director of Data Science, ThirdLove**

facebook

Tell us the kind of people you want to reach...
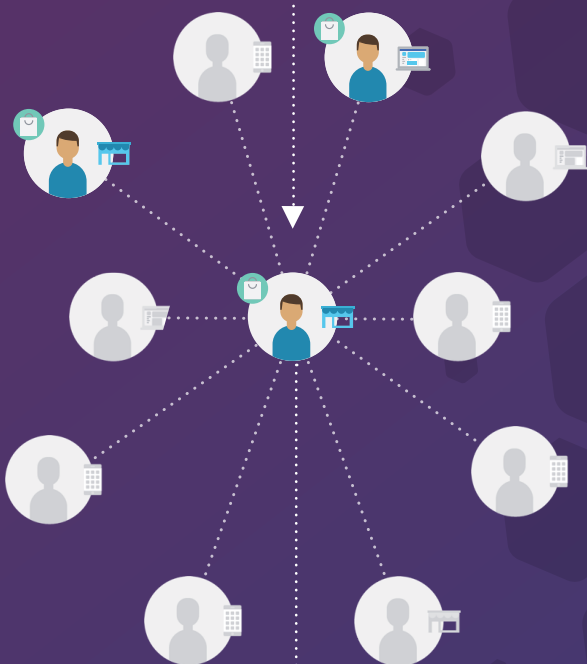
...our system follows your guidance to match content to the right people

WORTH THE HYPE

Machine learning refers to the use of automated technologies to process large amounts of data and make informed predictions about critical questions. Across the globe, businesses are turning to machine learning to accelerate growth and improve operational efficiency.

Direct-to-consumer disruptor brands, always quick to challenge the status quo, are leveraging signal-based machine learning to deliver and optimize ads in ways that are more efficient than taking a reactive approach.
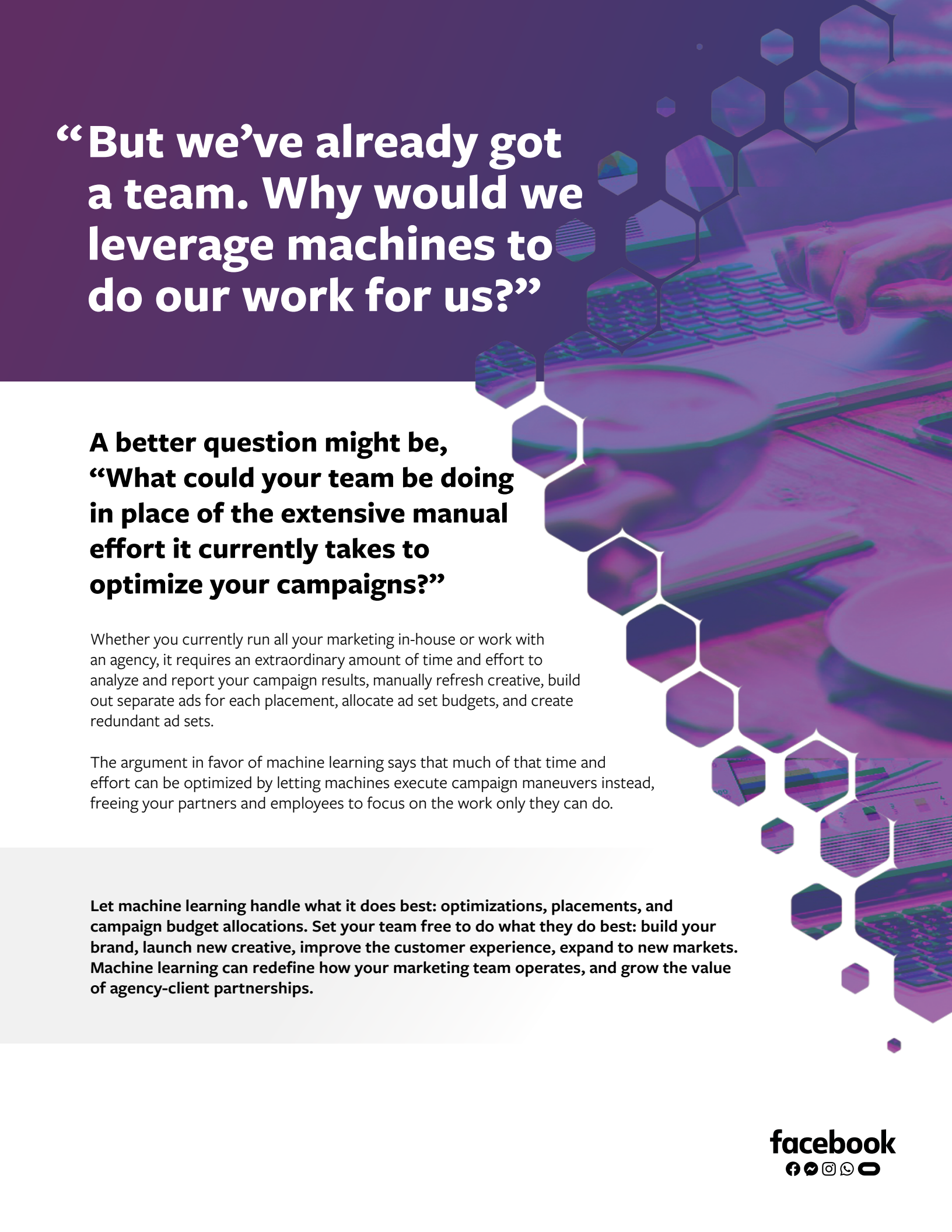
What are signals and why do they matter?

Like in-store actions, shoppers' online engagement offers a rich source of insights to help advertisers better understand the customer shopping journey. We call these inputs signals. For more information about how signals help businesses, check out Facebook IQ's three-part series, "From Browsing to Buying: What the Facebook Pixel and Other Signals Reveal about Online Shoppers" here.

Automation points the way to success

Increasingly, these brands are loosening the reins on manual reporting and optimization, and relying instead on automation that optimizes campaigns in real time, based on hundreds—even thousands—of intent signals and customer actions. These companies recognize that machine learning is faster and more efficient for gathering insights, testing ads, learning what works, and optimizing for the best result.

For marketing teams like yours, machine learning helps deliver on your ultimate goal—putting the right ad in front of the right person at the right time—more frequently, while giving you added bandwidth to focus on strategy.

facebook

"But we've already got a team. Why would we leverage machines to do our work for us?"

A better question might be, "What could your team be doing in place of the extensive manual effort it currently takes to optimize your campaigns?"

Whether you currently run all your marketing in-house or work with an agency, it requires an extraordinary amount of time and effort to analyze and report your campaign results, manually refresh creative, build out separate ads for each placement, allocate ad set budgets, and create redundant ad sets.

The argument in favor of machine learning says that much of that time and effort can be optimized by letting machines execute campaign maneuvers instead, freeing your partners and employees to focus on the work only they can do.

Let machine learning handle what it does best: optimizations, placements, and campaign budget allocations. Set your team free to do what they do best: build your brand, launch new creative, improve the customer experience, expand to new markets. Machine learning can redefine how your marketing team operates, and grow the value of agency-client partnerships.

facebook

MACHINE LEARNING CAN HELP OPTIMIZE FOR BETTER BUSINESS OUTCOMES

Better performance
Stronger ROAS, conversions, CPA, user relevancy, and more

Real-time optimization
Leverage signals to test tactics, learn best practices, and optimize campaigns

Rapid scalability
Find new growth opportunities across placements and audiences

Simplified reporting
Fewer campaigns to check

More time
Focus on strategy instead of getting stuck in the weeds

facebook

READY TO GET STARTED? THESE FACEBOOK SOLUTIONS CAN HELP

After analyzing successful campaigns from our top 100 disruptor advertiser clients, Facebook developed the Power 5—a list of the five most successful marketing techniques driving performance on Facebook today.

Each of these tactics leverages machine learning to drive success. And while each is capable of improving performance on its own, we've observed incredible benefits in cases where businesses have used all five together—including better account performance, higher ROI, and lower CPA:

1. AUTOMATIC PLACEMENTS
This opt-in campaign feature delivers the right ad to the right person at the lowest possible cost, across all Facebook & Instagram placements. Consumer genomics company Helix experienced a 5X increase in sales and 2X increase in conversion rate. Learn more.

2. CAMPAIGN BUDGET OPTIMIZATION
This feature maximizes campaign results and spends less on underperforming ad sets. Air purification company Molekule saw 19% lower cost per purchase and 1.25X higher ROAS. Learn more.

3. AUTO ADVANCED MATCHING
This feature enables more accurate conversion attribution and increases audience size.
On average, companies see an 8% increase in their ability to match Facebook users to purchases made online. Learn more.

4. DYNAMIC ADS
These show the right products to people who have expressed interest from your site, app, or elsewhere. Kids' clothing retailer Primary saw 2.8X higher CTR and 60% lower cost per purchase. Learn more.

5. ACCOUNT SIMPLIFICATION
Simplify your ad account setup to improve efficiency. Sock e-commerce company Bombas achieved a 2X increase in product purchases and 23X increase in sales per ad set. For more information on how to set up your account for success, watch this webinar hosted by Facebook auction experts.

POWER5

To learn more about the growth opportunities enabled by machine learning, and learn from businesses who've used it successfully, visit the Power 5 Hub.

facebook

MEASUREMENT

LAST-CLICK ATTRIBUTION IS SO LAST YEAR ...

And the year before that, and the year before that, and the year before that...

IN AN IDEAL WORLD

Advertisers would be able to understand the impact of every customer marketing interaction across every marketing channel. They'd do this by leveraging custom, multi-touch attribution models, and measuring the performance of every channel in a way that tied the weighted value of each touchpoint back to CLV (Customer Lifetime Value). Then, they'd use these insights to optimize future media investments and build multi-channel campaigns that drive customers to convert more efficiently, for more value.

IN REALITY

Most advertisers today are still measuring the performance of each marketing channel by itself, with siloed metrics and performance evaluations that can't measure the entire path to purchase. These outdated methods rely heavily on last-click attribution—based on the same philosophy marketers have used to measure conversion for decades. This results in inefficient marketing spend and a lack of clarity into which channels are driving true business value over time.

IT DOESN'T HAVE TO BE LIKE THIS

Maybe perfect media measurement that accounts for every online and offline channel is still years away. But that doesn't mean marketers in 2019 have to rely on last-click attribution alone. In fact, there are steps brands can start taking now that will enable them to more accurately measure the effectiveness of their marketing channels—starting with how they evaluate performance on Facebook platforms. By mapping a measurement journey that can prepare their business to one day achieve true cross-channel measurement —and learning from the examples of innovative disruptors that have already started taking these steps— brands can realize a more valuable and actionable measurement future.

— Suganya Sivachalam, Client Measurement Lead, Emerging Disruptors, Facebook

facebook

"I suppose it is tempting, if the only tool you have is a hammer, to treat everything as if it were a nail."[1]
—Maslow, 1966

Source:
1. Maslow, Abraham H. (1996), The Psychology of Science.

facebook

A SUBWAY STORY

SHANNON'S HOME

A

Last-click attribution

SHANNON'S OFFICE

B

Consider this analogy:

Shannon's daily commute involves driving from her suburban home to the train station, taking a commuter train into Manhattan, riding the subway from Grand Central Station to the Financial District and, finally, walking from the subway stop to her office building. By the logic of last-click attribution, Shannon's walk from the subway station to the office deserves 100% of the credit for getting her from the suburbs into the city, while the other modes of transportation played no role in getting her to work on time.

Of course, if Shannon had attempted to make the entire trip on foot, she would've never made it to the office in the first place—even though "walking" is the winner in this scenario.

Does this attribution approach make sense to you?

Why risk giving all the credit to the wrong media? If you're measuring digital ads based on last-click measurement and cookies alone, you're not seeing the whole picture.

facebook

A PROBLEM THAT'S EVOLVED OVER TIME

It wasn't always like this. In the nascent days of digital, last-click attribution was important because it provided a simple, elegant solution to an equally simple problem. Since most traffic back then originated from just a handful of channels, it was convenient and mostly accurate for marketers to assign 100% of conversion value to the last-click touchpoint.

But over the years, consumer journeys have grown exponentially more complex—just like Shannon's daily trek from the suburbs. With mobile phones, laptops, desktops, and tablets, many consumers now own multiple devices.

Research tells us 80% of people bounce back and forth among devices when shopping—and 40% of online purchases involve multiple devices along the way.[2]
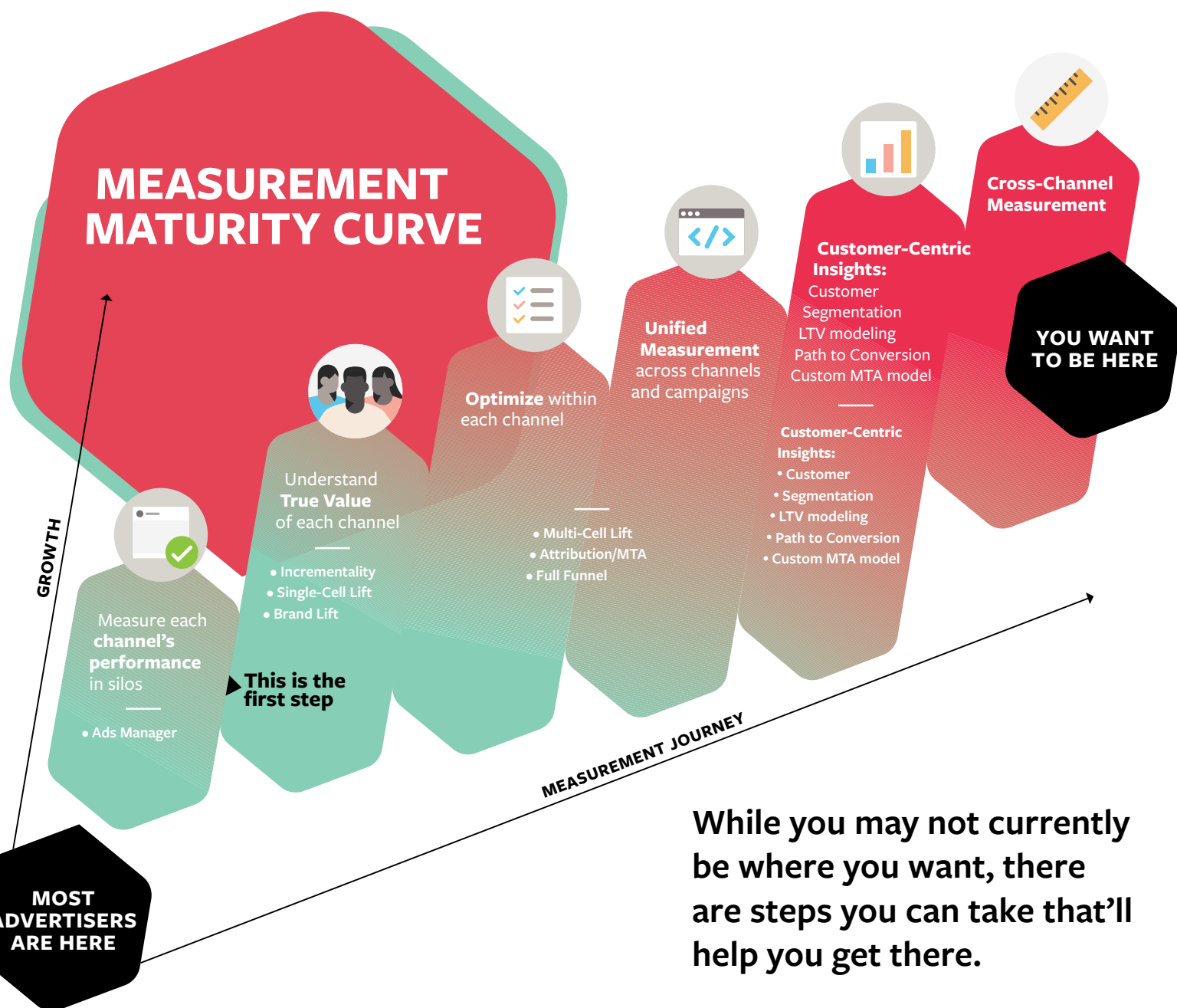
Relying on last-click attribution alone can be accurate only if a customer didn't see or click on any other ads along the way.

facebook

Source:
2. GO-Gulf (2017), "Cross-Device Marketing—Statistics and Trends".

MEASUREMENT

PLAN YOUR JOURNEY TO CROSS-CHANNEL MEASUREMENT

MEASUREMENT MATURITY CURVE

GROWTH

MEASUREMENT JOURNEY

MOST ADVERTISERS ARE HERE

Measure each **channel's performance** in silos

• Ads Manager

Understand **True Value** of each channel

• Incrementality
• Single-Cell Lift
• Brand Lift

▶ **This is the first step**

Optimize within each channel

• Multi-Cell Lift
• Attribution/MTA
• Full Funnel

Unified Measurement across channels and campaigns

Customer-Centric Insights:
Customer Segmentation
LTV modeling
Path to Conversion
Custom MTA model

Customer-Centric Insights:
• Customer
• Segmentation
• LTV modeling
• Path to Conversion
• Custom MTA model

Cross-Channel Measurement

YOU WANT TO BE HERE

While you may not currently be where you want, there are steps you can take that'll help you get there.

facebook

THE FUTURE BEGINS WITH INCREMENTALITY

For many advertisers, the first step to moving beyond last-click is focusing on the impact advertising has on true business results. You can do this by embracing incrementality measurement.
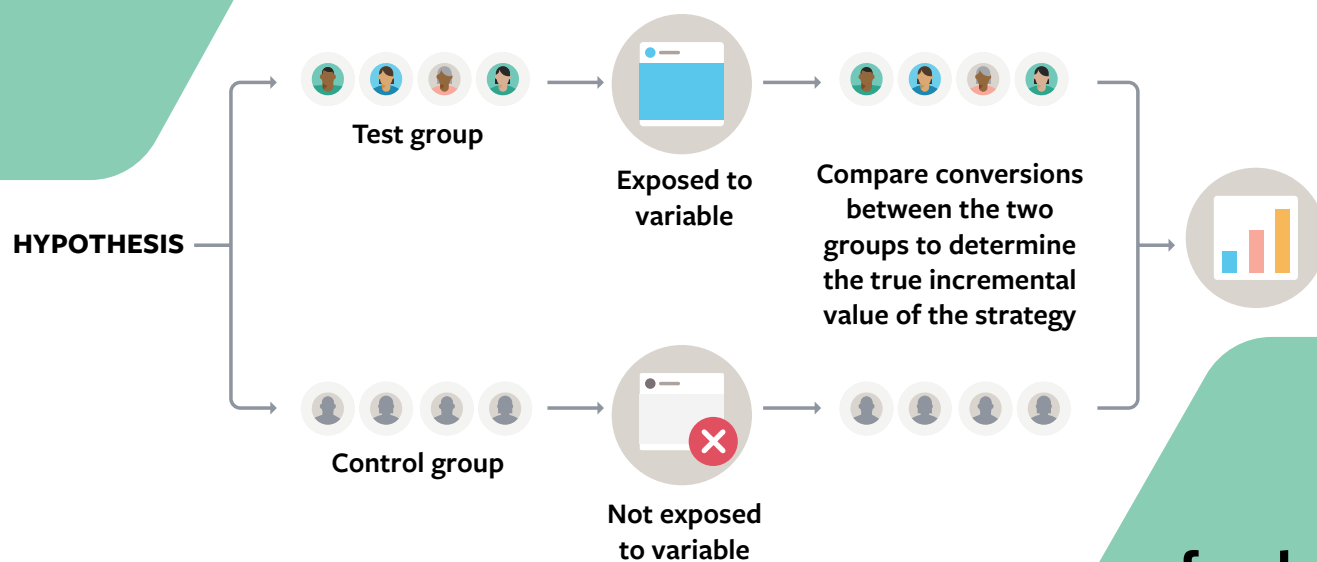
What is incrementality?

A measure of the true value created by any business strategy, determined by isolating and measuring results independent of other potential business factors. Incrementality is calculated by comparing differences in outcomes between two separate audience groups: those who've been exposed to the strategy and those who haven't.

Incrementality measurement can be broken down into two categories: the incremental lift a strategy achieves in driving conversions ("conversion lift"), and the incremental lift a strategy achieves in driving brand objectives ("brand lift"). Advertisers can implement conversion lift and brand lift tests for their ads and campaigns in order to determine the incremental impact of their ads, then make adjustments based on what they learn.

The most effective way to measure incrementality is to run an experiment

HYPOTHESIS

Test group → Exposed to variable

Control group → Not exposed to variable

Compare conversions between the two groups to determine the true incremental value of the strategy

facebook

DISRUPTOR SUCCESS STORY: EMBRACING INCREMENTALITY

⬡ ROTHY'S

> **"The lift tool has been really helpful for us in understanding what's incremental and how we can justify scaling further."**
>
> **—Kerry Wharton Cooper, Chief Operating Officer, Rothy's**

About ROTHY'S

Rothy's transforms recycled plastic water bottles into colorful, comfortable shoes. In just three years, Rothy's has grown from an upstart disruptor to a $700 million valuation[3]—repurposing more than 35 million plastic water bottles in the process.

Measurement background

As with many rapidly-growing startups, Rothy's was initially resource-constrained. Their marketing team relied solely on Ads Manager to evaluate Facebook ad performance and make go-to-market decisions. As Rothy's grew in market share and cost per acquisition (CPA) rose, the company looked for new growth opportunities at a more acceptable cost.

Starting the journey

Rothy's worked with their Facebook Marketing Science partners to develop a measurement plan, hoping to answer business questions by leveraging a test-and-learn approach to incremental measurement.

Source:
3. Forbes (2019), "Next Billion-Dollar Startups: Rothy's Makes This Year's 'It' Shoe. But Can It Keep Growing Amid A Flood Of Copy Cats—And A Founder's Departure?"

facebook

Breakthrough

ROTHY'S MEASUREMENT JOURNEY AND IMPACT

Phase 1
Explore the value of Facebook

Business question:
What is the true value of Facebook campaign?

Hypothesis:
Facebook is driving incremental value

Measurement action
Rothy's ran lift study tests

Finding
Facebook ads were driving 39% incremental lift in purchases

Learning & test opportunity

Phase 2
Find ways to improve efficiency

Business question:
How can we improve the efficiency of Facebook?

Hypothesis:
We can improve efficiency by simplifying account structure

Measurement action
Rothy's used a lift study to test a simplified account structure against their existing account structure

Finding
While both structures demonstrated incremental lift in purchases, the simplified account structure drove 37% more purchases at a 1.2X better ROAS

Learning & test opportunity

Phase 3
Test alongside other channels

Business question:
What is the incrementality of Facebook with TV campaigns running?

Hypothesis:
Facebook is still driving incremental value

Measurement action
Rothy's launched a new TV campaign and ran tests to determine if running ads on TV and Facebook simultaneously affected incrementality on Facebook

Finding
Running Facebook alongside a TV campaign drove 42% more purchases at a 1.34X better ROAS

facebook

MEASUREMENT AS A SOURCE OF TRUTH

Rothy's now uses incrementality-based lift measurement as their source of truth, using it to:

facebook

Understand
the continued business growth
Facebook delivers

Calibrate
their attribution window
to ensure they accurately
measured day-to-day
performance

Make
strategic go-to market
decisions such as how to
structure their ad account

Quantify
creative impact by checking the
performance of new creative,
as well as how it impacts
awareness of their brand

facebook

READY TO BEGIN YOUR INCREMENTALITY JOURNEY?

Many disruptors are driving transformational business growth by evolving last-click attribution to focus on incrementality measurement. If you're ready to do the same, consider Facebook's new test-and-learn **Power Lift** measurement program.

What is Power Lift?

A prescriptive approach to getting started with lift testing. Power Lift combines brand and conversion lift tests in parallel, in order to answer basic questions about Facebook ("How well does it work for our business?"), as well as strategic ones ("What are the most effective strategies to help us scale on Facebook effectively?"). The net result is a measurement approach that captures the true business outcomes of your marketing.

Why try Power Lift?

Power Lift uses gold-standard methodology to capture the causal impact of Facebook, Instagram, and Audience Network ads on business performance.

When thinking about where to start, consider first implementing incrementality measurement for your most important marketing channels. As you evaluate how comfortable your organization is with embracing a test-and-learn mentality, it may make sense to start with smaller tests in areas where you know you can prove value quickly, and then build up over time.

This approach helps solve several measurement challenges facing today's marketers:

Over-reliance on clicks. Last-click attribution is less useful in display/feed environments, since counting clicks may not account for the value created by an impression. By measuring the impact of being exposed to an ad across devices, Power Lift offers a more holistic view of an ad's performance.

The shift to mobile browsing. While people use multiple devices throughout the day, a large share of purchases still happen in physical stores. Power Lift measures people, not cookies, which helps advertisers understand ad performance across multiple devices and conversion events, regardless of if they happen online, offline, or in an app.

Ineffective testing. There's currently no universal standard to determine the impact of digital advertising. Most test methodologies don't prove causation accurately—Power Lift does.

Benefits

Measure real actions across devices, not cookies

Measure real business value, not clicks

Prove return on ad spend (ROAS)

Learn if your attribution model is accurate

Understand the impact of your marketing

LEARN MORE
For more detail on incrementality, check out the Facebook IQ Incrementality Hub.

facebook

SIGNAL-BASED CAMPAIGNS: BEYOND DR

As discussed in the machine learning chapter, over-optimization of direct-response efforts alone can limit marketing efficiency over time. Repeated targeting eventually oversaturates even the most sophisticated audience segments and messages.

For advertisers who already have some experience measuring incrementality, signal-based, full-funnel campaign design can move them closer to the goal of mature, cross-channel measurement.

What is signal-based campaign design?

Signal-based campaign design optimizes beyond just DR objectives, to include mid- and upper-funnel signals such as "added an item to an online cart," "abandoned a cart," or lead-gen. Facebook machine learning can be leveraged to find people who match a requested signal—e.g., a person likely to add an item to an online cart—and deliver the message that fits best.

At its core, this approach helps advertisers holistically segment audiences, plan campaigns, and inform future strategies. By diverting part of a campaign budget to optimize for mid- and upper-funnel signals, advertisers can do a better job delivering the right message to people at the appropriate stage of their customer journey, while still driving lower-funnel goals like acquisition.

Benefits

▶ Drive brand awareness to build your future consumer base now

▶ Take advantage of Facebook's machine learning capabilities

▶ Reach more potential customers while still hitting your DR goals

Today's Traditional Full Funnel campaigns are planned as Brand + DR, which can lead to sub-optimal campaign designs

BRAND

BRAND TYPICALLY INCLUDES:
Broad audience
Video assets
Reach optimization

DR

DR TYPICALLY INCLUDES:
Narrow audience
Static assets
Conversion optimized

AWARENESS

LEAD GEN

ADD TO CART

ABANDONED CART

PURCHASE

SIGNALS BASED
Every stage across the funnel is an opportunity for to target users and drive purchase.

facebook

DISRUPTOR SUCCESS STORY: SIGNAL-BASED CAMPAIGNS

◈ THIRDLOVE

About THIRDLOVE

From its founding, the bra and underwear brand has relied on machine learning to enable virtual fitting without a tape measure or in-store visit. Today, customers can use the ThirdLove Fit Finder—a series of 10-12 online questions that can be answered in about a minute—to find the precise fit and style for their body. In fact, using machine learning to determine customer needs is what initially led to the company's innovative decision to offer half sizes.

Measurement background

Like many disruptor brands, ThirdLove began their Facebook measurement journey with an open mindset to the test-and-learn approach. By now, they understand the value of incrementality to measure their DR and brand marketing efforts, and are ready to continue maturing their measurement.

Time for a change

After repeatedly marketing to high-likelihood audiences with DR campaigns intended to drive incremental sales, ThirdLove was starting to see a gradual increase in CPAs. The company worked with its Facebook Marketing Science Partners to find a solution by leveraging signals from other stages of the funnel. They built a campaign with the high-funnel objective of driving people to take the Fit Finder quiz, then compared the results against a more typical reach objective campaign.

Breakthrough

ThirdLove found that addressing people who took the Fit Finder quiz led to an **incremental 37% in purchases**, compared to users who were targeted with other higher-funnel tactics.

"**Measuring incrementality is at the core of ThirdLove's marketing strategy, and Facebook's lift tool allows us easily to run multiple tests per year, ranging from simple conversion lift tests to more complex multi-cell studies.**"

—**Katie Frieberg, Head of Growth, ThirdLove**

facebook

IS SIGNAL-BASED CAMPAIGN DESIGN RIGHT FOR YOU?

You should consider this approach if:

▶ You're currently seeing CPA or CPM costs rise even though you haven't made major recent changes

▶ You're already following Facebook's other recommended campaign best practices

▶ You're ready to leverage additional Facebook measurement to find the best strategy for your business

To learn more about how signals work across the customer journey, contact your Facebook Marketing Science Partner.

facebook

CREATIVE STRATEGY

BREAK THROUGH WITH A BIG IDEA

Disruptors have inherently built businesses around consumers' unaddressed needs. In most cases, the product itself is a big idea. Studio cycling from my home? Period-proof underwear? Stylish flats that I can put in the wash? When it so often takes a "big idea" to break through in advertising, it's no surprise that disruptors are among the best at driving skyrocket growth on our platforms—they often bring a clear and compelling brand and actionable, purposeful creative.

In the old way of thinking, marketers thought of creative as "above-" or "below-the-line," or upper-, mid-, or lower-funnel. This is certainly not the way that a customer thinks about advertising. And this is no longer the world of front page versus classifieds, or prime time versus late night. On Instagram, Facebook, Messenger, and WhatsApp, an impression is an impression. At the end of the day, it's all content. Whether we're creating to drive mass awareness of a new toothbrush or to sell a car, what matters is conveying an idea that creates real value for people, expressed in a way that captures attention, and drives action. With this approach, you're more likely to build creative that's good for your business as well as the people it serves.

As the legendary advertising creative director Bill Bernbach famously said, "Today's smartest advertising style is tomorrow's corn." His advice still rings true today as we strive to constantly innovate and break the rules. My team and I couldn't be more excited or grateful to be your partner on this journey as we learn, create, and hopefully disrupt ourselves along the way.

— Kelly Stonelake, Creative Shop Director, Facebook

facebook

WE LIVE IN THE ATTENTION ECONOMY

Before Sara can fall in love with your brand, before Steve can purchase your products, or before Shilesh can be inspired by your message, they have to pay attention to the stories you tell. And our mobile devices have empowered us to choose what we pay attention to. In the intimacy of your mobile phone, discovery is active. From the scroll, to the click, to the video view, to the conversion—just about everything is done with intention.

So how do you get your customer to stop scrolling and pay attention? You've likely heard Facebook talk—a lot—about speed. Facebook has got to be the only place where anything over 15 seconds is considered "long-form." And it's true, speed is one of the most critical paths to breakthrough.

However, if you're focusing on short-form video alone, you're leaving opportunity on the table. Build ideas to break through, but also to reward interest. Facebook likes to think of this concept as **Pitch, Play and Plunge.**

- "Pitch" your ideas to break through, leading with just the most compelling essence of the idea that you can get across immediately to everyone.

- Reward that interest by building to encourage users to "play" and lightly explore through interactive content.

- Open the door to really let people "plunge" deeply into your idea and brand through immersive content. Why? Because people interact with brands in different ways, and getting different versions of the same idea across ensures they see the one most tailored to what they prefer.

BREAK THROUGH AND REWARD THE INTEREST

PITCH →
Make it an immediate
get to the many

PLAY →
Make it interactive
for the curious

PLUNGE
Make it immersive
for the interested
to dive in

All of this isn't just a hunch. Facebook conducted a 3,000-brand meta study in the U.S. using the Brand Lift measurement tool to prove that a more "campaign"-style approach works best.[1] The study showed that any single style of asset shown three times—whether a six-second video, interactive unit, or long video—would perform less well than exposing audiences to three different assets of varying lengths and interactivity styles.

facebook

Mixed-asset ecosystems break through better and connect deeper than short-form video alone. Facebook data shows that not only does exposure to multiple styles of assets drive top-of-funnel metrics like recall and top-of-mind awareness more effectively, it also drives significantly better connection on some of the most difficult mid-funnel metrics for brands to move: **familiarity and affinity.**

MIXED-ASSET IDEAS CONNECT BETTER AT EVERY LEVEL[2]

Index lift of mixed asset campaigns over single-style asset campaigns

1.2x	1.2x	1.3x	1.8x	1.9x
Ad Recall	Top of Mind Awareness	Message Association	Familiarity	Affinity

When it comes to performance objectives, mixed asset campaigns can drive positive return-on-ad-spend (ROAS) and expand audience reach significantly, as compared to campaigns using only still- or short-form performance oriented creative.

facebook

TELL MOBILE-FIRST STORIES

A CROSS-FUNNEL ECOSYSTEM OF CREATIVE ASSETS CAN DRIVE MORE REACH
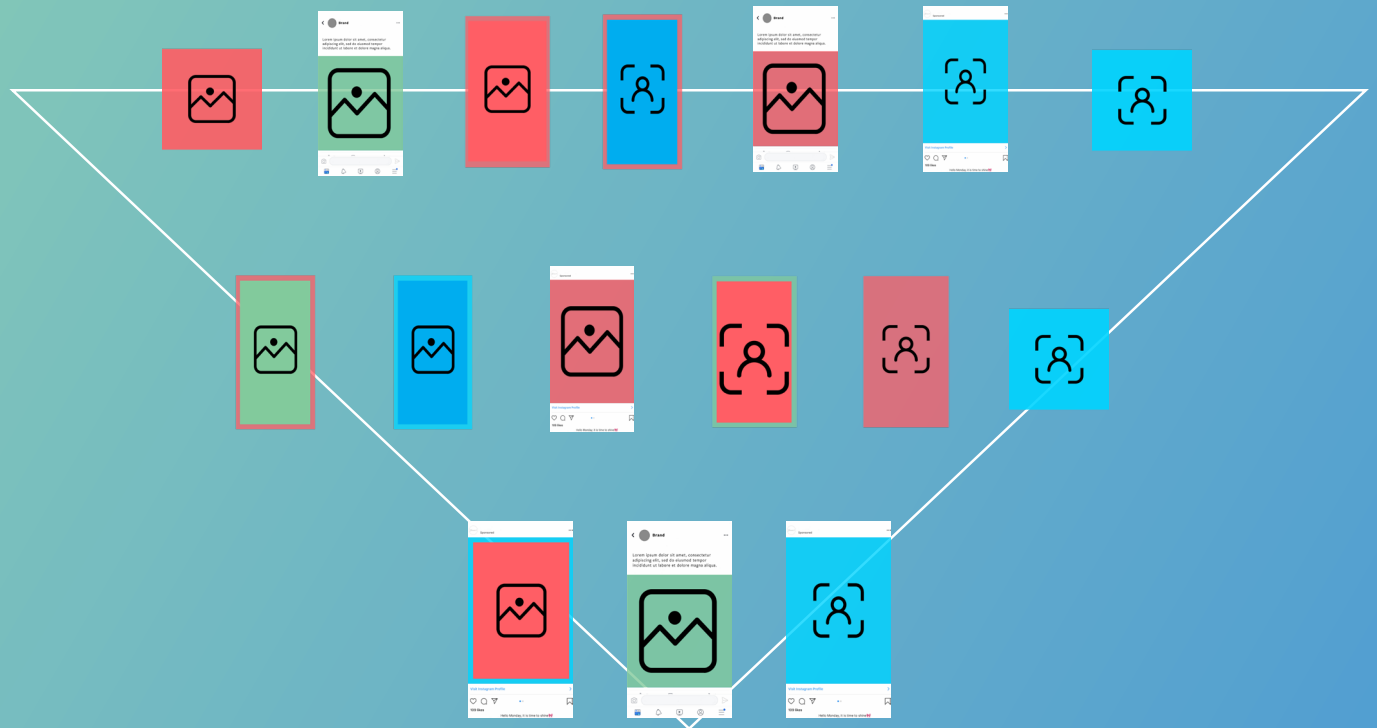
The power of an idea has not changed, but the way you tell it has. In a Facebook-commissioned study through Metrixlab, researchers sought to understand if tailoring video ads specifically for mobile would have any significant difference in how well viewers recalled their messaging compared to narratives built for the big screen. The study assessed 1,144 ads distributed across 25 countries.

The study showed that creative developed specifically for mobile has a higher view time and recall than work that hasn't been optimized for mobile. The video ads with the lowest recall in the study used traditional narratives, stories with a linear beginning, middle, and end. The problem with using linear narratives for mobile is that customers don't always experience the story in a set order and may see branding or key messages at the end rather than at the beginning of the campaign. By contrast, the study's top performing ads, which had the highest recall and longest view times, used nonlinear narratives tailored for mobile. Even video ads with the shortest view times saw a boost in recall if they used nonlinear narratives.[3]
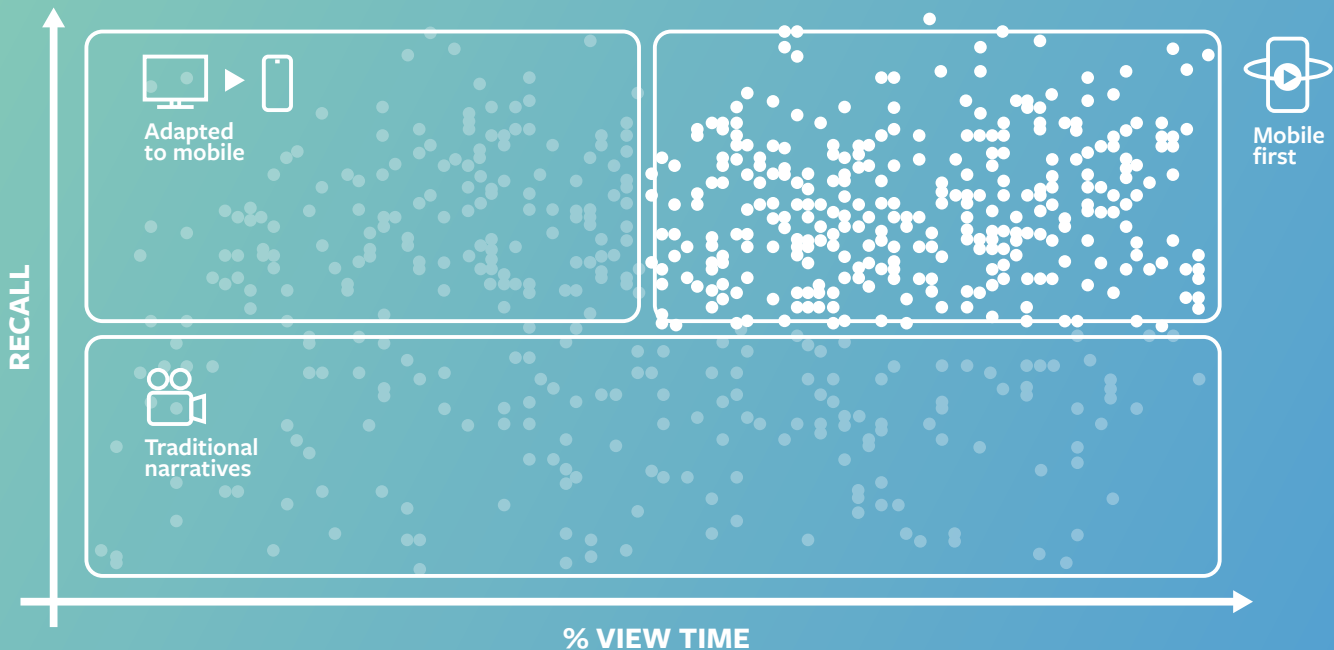
facebook

FIGHT FOR EVERY SECOND

MOBILE FIRST CREATIVE HAD BETTER PERFORMANCE BOTH IN RECALL AND VIEW TIME

So what does it mean to build mobile-first narrative arcs? The key takeaway is BE FAST. A recent MMA study revealed that it just takes 400 milliseconds for the human brain to engage with mobile advertising, and for an imprint, positive or negative, to be triggered. This means that people can take in an enormous number of visual signals in an instant, and their attention can't be taken for granted. As the MMA says, "Essentially, by the time a consumer blinks, their brain has already seen and processed a mobile ad. And more so, in the time it takes for their heart to beat once, they have very likely formed an emotional response." The study also revealed these additional insights:

- **Ads in a mobile feed environment get attention faster and trigger more cognitive lift, compared to desktop.**

- **Cognitive processing is accelerated for known brands.**

- **Weak ads create negative emotional responses in less than a second.[4]**

Source:
4. "Mobile Marketing Association Reveals Brands Need a 'First Second Strategy.'" Mobile Marketing Association. March 6, 2019.
https://www.mmaglobal.com/news/mobile-marketing-association-reveal-brands-need-first-second-strategy

facebook

LAYER ON CREATIVE CONSIDERATIONS TO DRIVE ACTION

Static + video work better together
Using both static images and video assets within the same campaign drives better DR performance and higher conversions than using either format separately. The two formats may complement each other in messaging, attract different audiences, or both. Set up multi-cell lift tests to compare different proportions of budget allocations between video and static ads, holding other factors constant.

Travel booking aggregator site Kayak.com saw success with this strategy, increasing conversion rates by 90% when running a static image in tandem with a video, versus running a static image alone.

Highlight the brand early
Showing a logo, recognizable spokespeople, colors, products, or visuals associated with your brand within three seconds is positively correlated with conversion lift. . You could also consider superimposing a logo over a portion of the video instead of a traditional "brand card."

Showcase the product or service
Facebook data suggests that advertisers should use the majority of a video to showcase the product or service being advertised. You can show multiple products or variants, like Beats by Dre did in a campaign that resulted in a 29% increase in purchase lift.[5]
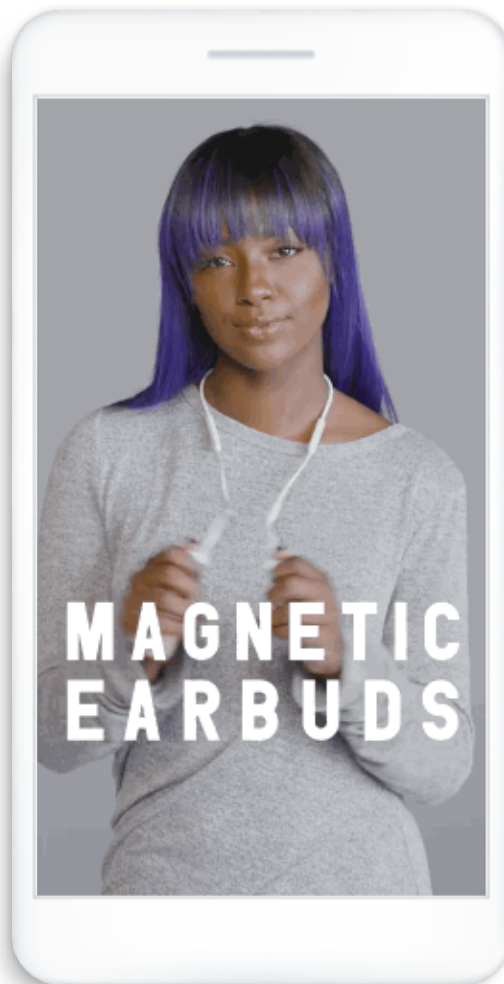
TEST AND LEARN

Historically, advertisers' approach to building creative has been quite reactive. They throw countless executions out into the world, drop what doesn't work, and optimize what does. But what if we didn't drop what didn't work, but instead tried to improve it based on what does work? You can be even more deliberate on Facebook's platforms: Using real-time signals, you can learn which creative resonates most with your audience, focusing on improving performance while still allowing for experimentation with bolder, more interesting ideas. Creative split tests produce strategies with an average 72% improvement in cost-per-acquisition (CPA).
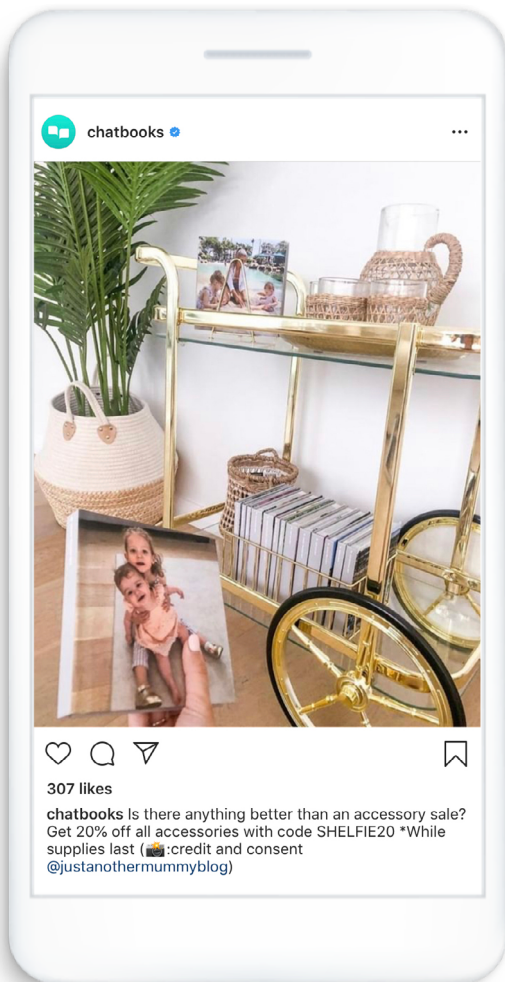
facebook

chatbooks

chatbooks ✓
...

307 likes
chatbooks Is there anything better than an accessory sale? Get 20% off all accessories with code SHELFIE20 *While supplies last (📷:credit and consent @justanothermummyblog)

A standout example of iterative creative development is Chatbooks, an app that transforms the images from your phone into beautiful photo books for families. Chatbooks developed insight-driven hypotheses for different messaging themes, including the concept of not having time to make photo books, multitasking, dealing with parental guilt, the durability and kid-friendly nature of the books themselves, and the desire to capture all of life's moments. Facebook created lightweight prototypes featuring the product and only changed out the text and message. These prototypes were then compared against one another for app installs, cost per install, and purchases.

One clear "winner" rose from the rest: the creative with the "kid-friendly" messaging. Facebook then created two more prototypes that built off this kid-friendly message, making these slightly more conceptual. In one concept, Facebook explored the idea that if a kid loves the photo book too much (and thus it falls apart), Chatbooks will replace it, no questions asked.

This creative performed so well that Facebook is helping create another campaign that introduces an official Chatbooks Guarantee, as well as a shoot to bring the Guarantee to life across asset types. With this process, Chatbooks has literally co-authored their creative brief with the customer.

Results

Facebook created ads for Chatbooks that tested various themes in its messaging. The "kid-friendly" messaging saw a 3.85% boost in installs, a 3.75% lower cost-per-install, and a 118.75% increase in purchases.

3.75%
lower cost-per-install

3.85%
boost in installs

118.75%
increase in purchases

facebook

BUILD FOR DIVERSITY

If you're not building creative that's relevant to people from all walks of life, all around the world, you're potentially missing out on opportunities to engage people more meaningfully and develop personal connections with your customers. As the world becomes more connected, diversity and inclusion in advertising is proving to be not only good for society but also good for business.

Now there's a way to quantify the value of building diversity into your advertising. Data for Diversity, a Facebook Marketing Science initiative, helps brands improve their ads' representation through the ongoing assessment process described below.

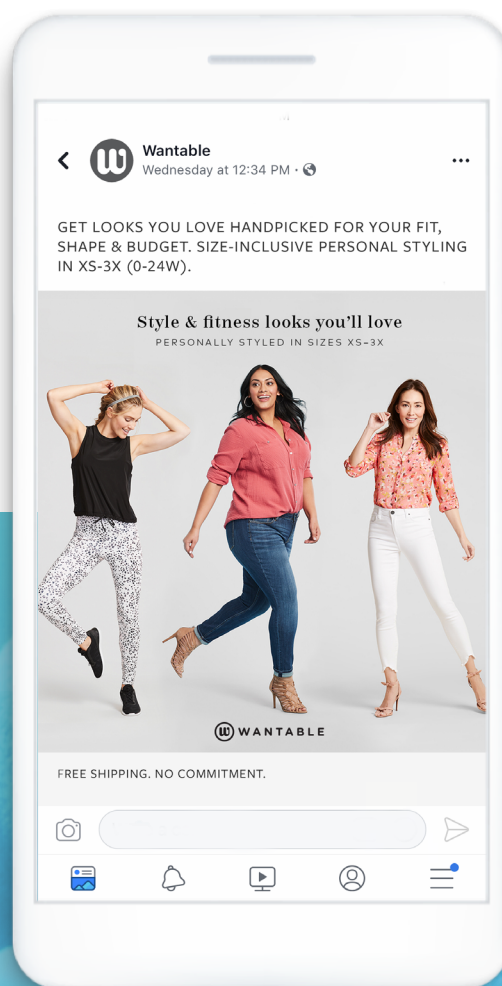| JOURNEY	HOW TO DO IT	WHY IT MATTERS
Step 1 **Test your latest campaigns**	Test your previous five ads shown on Facebook to assess the level of diversity represented	Brands usually don't track representativeness, so this step helps show if the brand has opportunities to improve its representation in ads.
Step 2 **Check the stereotypes**	Check your advertising against the list of damaging stereotypes listed on the Data for Diversity site.	While advertisers sometimes find stereotypes an effective way to convey brand messages and stories quickly, some stereotypes are repeated so frequently that they create a one-dimensional, limited, and often biased representation of some groups. Aside from sending negative messages to society about certain groups of people, brands run the risk of losing trust with audiences who feel that they're not being accurately represented—or represented at all—in their advertising campaigns.
Step 3 **Measure the impact of representation**	By measuring the impact of more diverse representation in your advertising and communications, you can improve your engagement with a broader and more diverse set of people.	Download marketing science software for free that measures the impact of representativeness on your business.

facebook

DATA FOR DIVERSITY CASE STUDY

"Wantable wanted to reach new users and partnered with the Facebook team to undergo a brainstorming process to develop new, unique messaging for different audiences. They identified several new audiences they hadn't spoken to before and significantly increased their creative production efforts as a result, generating over 700 unique creatives, more than double their normal output.

One such campaign, titled "All Women All Sizes", promoted inclusive representation and plus size offerings of their subscription box. When integrating these changes to their account, their efforts drove a 608% lift in sales compared to a 114% lift in with their existing creative strategy."

"Empowering our customers to live their best lives is at the heart of Wantable's purpose. To Wantable, empowerment means helping employees and our customers to be the best version of themselves and we do not discriminate on things like age, gender, sexuality, race, or religion. In fact, as a brand, we reject a one-size-fits-all approach to fashion. We know our customers are real people that can't be summarized by a simple profile or a fictional persona. Our customers are a unique mash-up of their life experiences, style, and aspirations. We celebrate all women and all sizes and individuality. Our campaign, "All Women, All Sizes," was created as a way to connect with current & prospective customers to invite them to become part of the Wantable community, a community that does not discriminate."

—Tiffany Cooley, Chief Marketing Officer, Wantable

Wantable
Wednesday at 12:34 PM · 🌐

GET LOOKS YOU LOVE HANDPICKED FOR YOUR FIT, SHAPE & BUDGET. SIZE-INCLUSIVE PERSONAL STYLING IN XS-3X (0-24W).

Style & fitness looks you'll love
PERSONALLY STYLED IN SIZES XS–3X

Ⓦ WANTABLE

FREE SHIPPING. NO COMMITMENT.

facebook

EVOLUTION OF FACEBOOK MARKETING

From measuring Likes to life

On Facebook, a Like used to be the primary signal of customer intent. Eight years ago when I joined the company, businesses wanted to know how to increase this metric—along with shares, comments, and other stats that fell under the People Talking About This (PTAT) category. These metrics helped advertisers learn more about what people were interested in now and what they would be interested in next.

Today, marketers have access to a broader range of signals. In large part because of mobile, people have shifted more of their lives into the digital realm, from communicating to shopping and everything in between. Over the years, Facebook has built platforms and products to help support people as they make that shift. As a result, much of people's digital lives now take place on our platforms. From sharing to messaging, buying to selling—it all happens here.

These changes in technology and consumer behavior have had a profound impact on marketers too, of course. Compared to eight years ago, the online marketing landscape has gotten even more competitive as more of the already intensely competitive offline shopping world goes online. In fact, online-only shopping in the U.S. now outranks all other U.S. offline retail spending sectors except auto sales.[1] Technology has made it easier than ever to set up an online shop and market to customers, as the rise of direct-to-consumer disruptor brands has shown in recent years.

Serendipity is alive and well

Today, meeting customers' expressed needs, which are often communicated through Likes, clicks, and searches, is a foregone conclusion. To truly stand out, disruptors must leverage signals to not just meet demand, but generate it. They can't wait for customers to look for the products and services they already love; these companies must help customers discover what they will love. As technology gets better at being predictive, creating moments of serendipitous discovery is essential.

Targeted advertising has always been Facebook's secret sauce. In our early days, we had to especially prove this capability to direct-response marketers. We had to show them that we were great matchmakers—bringing together the products that businesses wanted to sell with exactly the right people who would be

Source:
1. "Online Stores Now Trail Only Auto Dealers in U.S. Retail Market" 16 July 2019. https://www.bloomberg.com/news/articles/2019-07-16/online-stores-grab-no-2-spot-in-520-billion-u-s-retail-market

facebook

most interested in buying them. And because we stopped engaging with people once they clicked on an ad and left our platforms, our predictive targeting techniques had to be exceptionally precise.

We had to instill confidence in marketers that the customers we connected them with would want to buy their products—and become some of their biggest fans. At the same time, we had to instill confidence in customers that we weren't betraying their trust in us. Knowing that trust was and always would be the bedrock of our business, we made sure that any audience data we provided marketers was aggregated and anonymized and that we weren't sharing anyone's personal information.

Today our targeting capabilities have gotten far more robust as both the scale of signals and our ability to intelligently analyze these signals have evolved. We've come a long way since the first Like, and we're always eager to share the insights that will advance your business goals and take your marketing to the next level.

— **Brad Murphy, Industry Manager, Emerging Disruptors**

RECOMMENDATIONS
To make the most out of the signal targeting capabilities of Facebook, we recommend following these best practices:

Focus on machine learning as the new targeting—Gone are the days when marketers tried to find the "right ad, right place, right cost" targeting sweet spot. Now, disruptive marketers rely on the immense computational power of machines to identify the customer intent signals most likely to drive desired outcomes. Machine learning identifies the signs that a customer will buy your product and targets customers setting off these signals.

Use Advanced Matching to optimize your costs per conversion—By matching up your customer identifiers and pixel event data with our Advanced Matching technology, you'll be able to more accurately attribute your customers' pathways to conversion. This understanding will help you attract and engage the customers who convert most efficiently. Learn more about Advanced Matching here.

Optimize to late-funnel actions that impact customer lifetime value—Machine learning allows Facebook to predict which customers are most likely to take one of your desired actions—such as a purchase— not just once, but again and again. Instead of targeting proxy metrics that are tangential to your business, tell us the customer actions that have the most direct impact on your bottom line. We'll deliver to your business goals in the most cost-effective way possible.

Connect the dots in the customer journey—The more we know about your business, the more we can help drive your desired outcomes. With Pixel, App Events, and Server-Side APIs, we can close the gaps in your customers' behavioral journey and deliver a holistic, precise, and accurate picture of their next steps and lifetime value to your business.

Create a customer-centric and data-driven organization—Design your organization's structure around the customer journey, not around channels. Make sure that development and data science support every aspect of your marketing enterprise.

facebook

THE SCIENCE AND SOUL OF DISRUPTION

We began this report discussing how many disruptor brands have entered a new stage of their growth, one that brings uncertainties about reaching new audiences and capturing business value.

In many ways, the winners in this phase are the ones who will find the optimal balance between science and soul. It's a relief to know that the two can still coexist and that they're even better together. For example, while disruptors must use the massive technical power of machine learning to identify the ideal moments to reach customers, they must also remember that each of these engagements is the start of a relationship. As such, creating memorable and meaningful connections in these first seconds still requires the artful touch.

Along with this dance between science and soul, the interplay between technology and the consumer continues to impact nearly everything about the way we live and the way we advertise. The two shape one another, each influencing, reacting to, and impacting the other as the years pass.

facebook

KEY PRINCIPLES THAT EMBRACE THE SCIENCE AND SOUL OF MARKETING AS TECHNOLOGY AND CONSUMER BEHAVIOR CONTINUE TO CHANGE THE GAME:

Shopping time is any time.

With digital being such an intrinsic part of the consumer's day, you never know when inspiration might strike. (Although signal-based marketing can give you a really good idea). Go beyond addressing demand—generate it by showing customers new products and services that they'll love.

Friction is not your friend.

Once inspiration does strike, make it easy for people to buy from you anytime, anywhere, and anyhow. Customers expect a seamless process at every stage of their journey with you, from discovery to delivery. Friction comes at a high cost and is frequently the culprit behind a customer's break in brand loyalty. In fact, a recent study revealed that 57%[1], of shoppers have stopped buying from a company because a competitor provided a better experience.

But omnichannel engagement is your friend.

Instead of putting up barriers between online and offline or between various platforms and devices, think about engagement across channels as a fluid process. Consider how consumers may want to buy on your site, but also in-store, or spend time with their communities that are online as well as in real life. Consumers aren't just using one device at a time, either. When they watch TV for example, they're also on their mobile phones, telling friends what they think about the show.

A liquid mindset comes in handy with targeting and measurement, too.

Avoid over-segmenting and applying rigid rules to your campaign targeting and structure. Let machines do the hard work of matching the ideal people, placements, and creative. And instead of piecing together your campaigns' performance metrics, use incrementality to understand the broader impact of your marketing.

Big ideas help you break through the noise.

Whether it's your product itself or a bold social message, a big idea can help you stand out. But once you've got the customer's attention with a great idea, you've got to make the most of every second. Reward their interest by inviting them to interact with your content and explore it on multiple levels. Adopt a test-and-learn approach to creative and aim to reach a diverse set of people in different ways.

As always, it's a distinct pleasure to work with disruptors who are changing the world. We're excited to support the innovators as they create the future of marketing, continually exploring new ways to make lasting, meaningful connections with every customer.

— **Jake Bailey Head of Industry, Emerging Disruptors, Facebook**

Source:
1. Salesforce State of the Connected Consumer, second edition. 2018 https://www.salesforce.com/content/dam/web/en_us/www/documents/e-books/state-of-the-connected-customer-report-second-edition2018.pdf

facebook

facebook