



Your Guide to Mastering The Art of Conversions

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Understanding Conversions

A conversion is a key metric to understanding the performance of a campaign. It enables you to determine if an interested prospect decided to complete a desired action.

It's beneficial to uncover the story around your conversion data. That story will reveal in what part of a funnel a conversion was completed, time between the click and conversion, what device the conversion occurred on, and more.

Uncovering this information provides insights into how new customers are acquired, how best to optimize a campaign to improve performance and how to build an existing client base.



A conversion is the completion of a desired action on a website. This action may vary from business to business, depending on their goals and their key performance indicators (KPIs).

Here are some common conversions:



Signing up for an e-mail



Registering for a webinar



Visiting a landing page



Making a purchase

Conversion events can also be engagement focused, such as page visit, click-to-call, or app download. Or, they can be more action focused like form fills, add to cart, or a product purchase.

Some conversion points may be more valuable than others since all campaigns and clients are different. As advertisers, it is vital to understand what conversion point your client values most as their primary KPI. From there, optimize campaigns based on driving focus and efforts towards that primary KPI.



Types of Conversions

TYPES OF CONVERSIONS



There are two types of conversions: *view-through* and *click-through*. Both offer a unique opportunity to better understand how your end user responds after seeing (or hearing) an ad in the wild. To understand how conversions work, it's important to first understand conversion windows.

Conversion Windows

As consumers, we know that when we see an ad, even if it captures our interest, we don't always click on it. We may think about the ad for a few days or weeks before engaging with the brand or product that was promoted. A conversion window captures the period of time between an ad impression and a conversion. Windows are typically 30 days, and the window starts immediately after a user views or clicks on an ad. If that user converts within the 30-day window, the conversion is recorded.





View-Through Conversions

A view-through conversion (VTC) happens when someone is served an ad for the first time—their first impression—doesn't click on it, but converts at a later time.

That conversion may happen at any time within the view-through conversion window. The VTC window starts as the first impression is served and continues until there is a conversion within a certain number of days.

Windows apply to click-through conversions (CTCs) as well. By definition, a click-through conversion is when a user clicks an ad and later converts as a direct result of clicking that ad. Just like with view-through conversions, that conversion doesn't need to take place immediately. The key difference is that with VTCs,

the ad has only been seen, whereas with CTCs, the ad has been clicked.

In most demand-side platforms (DSPs), the view-through window defaults to 30 days. You can shorten or lengthen it depending on your brand, product or campaign performance objectives. The longer the conversion window is, the more conversions you'll typically see.

Typically, advertisers will set the same window across all other platforms used in their marketing mix. When setting a view-through window, be mindful of what is appropriate for your campaigns as well as the shelf-life of cookies.

Don't underestimate the power of this metric because it presents an opportunity for you to learn more about your target audience's behaviour—giving you insights on how to better optimize your campaigns.

Click-Through Conversions

A click-through conversion is when a user clicks an ad and later converts as a direct result of clicking that ad.

Most marketers choose a 30-day window. Any conversions that happen within 30 days following an impression being served are then tracked as conversions in your reports. The longer the conversion window is, the more conversions you'll typically see.

Remember, the time frame or 'window' for both VTCs and CTCs can be modified at any time. The clock starts the moment a user views or clicks on your ad, and will track them until they convert—as long as it is within the window of days that you've outlined.



Conversion Strategies



To build an effective conversion strategy, you'll start by identifying and considering the various factors that could impact a user's journey leading up to the conversion event.

To start, have a strong understanding of your product and audience. Know your product or service's key features, the advantages it provides users, and who your ideal consumer is. Identify key attributes of your target audience, for example, which generation they belong to and their general interests. This information will help you build a strategy that will drive and influence your ideal consumer behaviour.



Some of the key campaign factors to consider before building your strategy include:



Campaign Messaging



Ad Format



Single Channel or Multi-Channel Campaign



Target Device

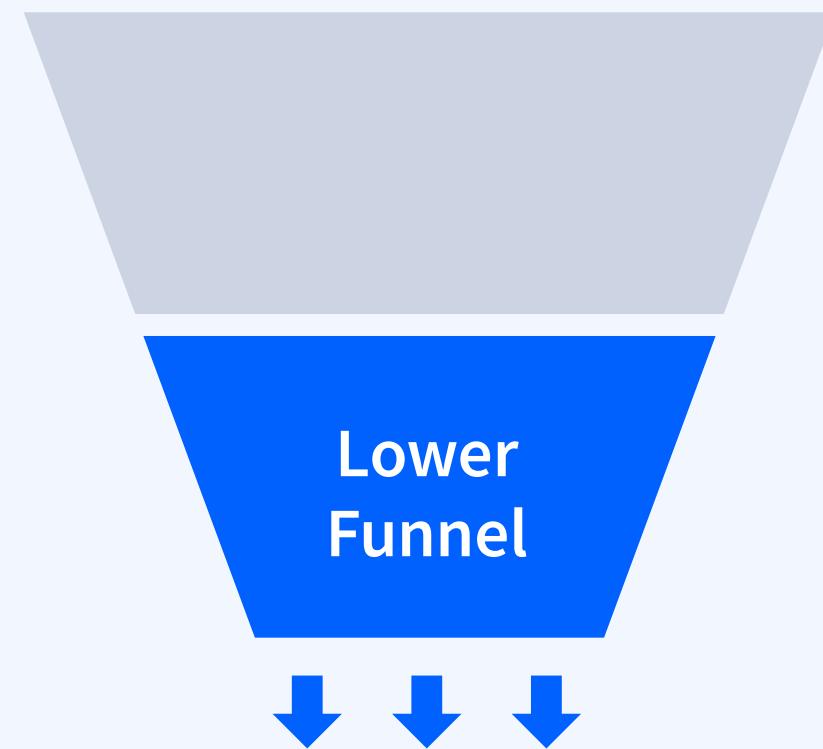


Campaign Timing



Lead Time for Conversions

With these factors in mind, take a redefined funnel approach to create a conversion strategy that meets your campaign objectives. Instead of the typical approach of awareness, interest, then consideration, focus on the lower half of the funnel.





Interest

Bid Low, Expect a High CPA

- Use StackAdapt Custom Segments, Interests & Intent segments, 3rd-party segments, and lookalike audiences to build interest.
- Aim for a low effective cost per a thousand impressions (eCPM) to have as many touch points as possible.
- Target a broad audience that's likely to convert due to the nature of the product or service. You'll likely have a higher cost per acquisition (CPA), but you can build interest or convert a user who hasn't yet interacted with the brand.
- Exclude retargeting lines with this campaign strategy so you only target users who have not already shown interest in the product or service.

Consideration

Bid Low, Expect a High CPA

- This strategy aims to engage with users who have shown interest in the client's product or service.
- Target users who have watched videos in the upper funnel to completion, have visited a landing page, or create a pool of users who have read and interacted with the website.
- You can also target users who are similar to those who have previously converted, by creating a lookalike audience based on converted users.
- With this strategy, you have narrowed down your audience. Be sure to tweak your creative messaging according to whichever strategy you opt for.

Intent

Bid High, Expect a Lower CPA

- Retargeting is the best way to re-engage an audience that has shown interest.
- Set a high and aggressive bid to ensure you are reaching all interested users.
- To capture an even more narrowed audience that has shown an interest in converting, retarget based on page visits that are lower in the funnel—that could be cart abandoner or specific product page visitors.
- For example, on an e-commerce website, you know a user who has added things to their cart but has not yet made the purchase is more likely to convert. With this strategy, you'll go heavy on retargeting that user.

Importance of Proper Setup

Once you have selected your conversion strategy, complete your campaign plan with the right message, the right target audience, and with the right lead time.

Be Strategic With Prospecting

Prospecting is important not only to discover new interested users, but to feed into retargeting efforts. This is because prospecting can help find new audiences to target that you can later re-engage, leading to better customer relationship management. The goal is to target the audience that is most relevant to your product or service.

How can you be strategic with prospecting?

- Consider new audiences that will feed into your retargeting pool.
- Leverage lookalike audiences that build off your retargeting but act as a new prospecting line.
- Identify new opportunities for users who haven't been introduced to your product or brand and that way you can create additional growth.



Be Assertive With Targeting

It's best to retarget users who have dropped off in the pre-sale, visited the conversion page, or visited pages with pre-conversion events.

Creatives for retargeting ads should have a clear call to action. The creative should directly focus on the conversion. If the conversion is a product purchase, look towards offering a promo code or a discount that encourages the user who left the cart to make the purchase.



Automate Efforts With Performance-Based Budget Allocation

Separating the campaign into multiple lines and manually moving budgets regularly based on performance is challenging and time consuming. The Performance-Based Budget Allocation feature in StackAdapt allows our machine learning algorithm to optimize your campaign budgets towards the best performing campaigns—those that are achieving the lowest CPA.



You can also leverage this feature to A/B test different strategies or creative sets.



Best Bid Strategies to Win Conversions

For most campaigns, the default bid strategy is cost per impressions (CPM). For conversion-focused campaigns, cost per click (CPC) and cost per engagement (CPE) bids are often preferred. They are particularly beneficial when you are prioritizing click-through conversions over view-through conversions.

With CPC, you only pay when a user clicks on the ad. With CPE, you only pay when a user engages with the destination website for at least 15 seconds. These tactics could help in adding quality users—who are truly interested in the product or service—to the retargeting pool.

Note: CPC and CPE bids could affect pacing, so it's best to test it with a smaller budget alongside traditional CPM bid campaigns.





Choosing the Goal and the Value

With our traditional CPM bid campaigns, choosing the right goal is important. A CPC goal is recommended for both click-through and view-through conversions. Setting the goal value is as important as setting the goal type itself.

- A high CPC goal value results in a higher eCPM (\$2 and above).

Low CPC Goal Value – Low eCPM (\$1 or below)

This approach lets the campaign serve more impressions, which increases your chances of getting attributed to an impression-based conversion.

When you set a low CPC goal, the system bids in such a way that the advertiser pays less to achieve more clicks. It does that by serving more impressions with a lower CPM.

It's ideal to test both approaches and see what works best. If the main objective is getting conversions, a higher CPC is not an indicator of poor performance, and often it is expected.

Advanced Conversion Tracking

☰ If you'd like to track your conversions with more detail, consider the following tactics:

Maximize Conversion Revenue

If you have conversion revenue set up on the conversion event, you can use this feature to maximize revenue generation, focusing on factors that are bringing in the most revenue per dollar spent. You have the option to either select a static or dynamic revenue value.

Prioritizing Conversion Events by Weight

Once you define which conversion event is more important to the client, you can allocate weightage to each conversion, and the campaign will adjust accordingly. For example, if a form fill is the most important conversion, you can assign the value “1”. If downloading a PDF is not a priority, but a conversion nonetheless, you can assign a lower value of “0.3”.

Secondary Conversions

Reporting on conversion events is meant for tracking purposes. The campaign will not optimize towards secondary conversion events. However, having secondary conversions will help you understand how users are engaging with a landing page once they click-through to the website. These secondary conversions are highly valuable especially when looking at the consumer journey, as it gives the advertiser a better sense of audience behaviour.

Conversion Optimization Strategies



Optimization is an integral part of every marketing strategy, and that includes your conversion strategy. Here are tips and considerations for optimizing your conversion strategy.

Look at Actionable Insights

Using data-driven learning, we are able to plan better and optimize campaigns effectively with more clarity and understanding of where people are online. This provides insight into their behaviours and opportunities to connect with them. Use data to figure out what is and isn't working, and use those insights to make adjustments and maximize your campaign's potential.



Here are a few things to consider:

Supply Sources

Evaluate your supply sources to see if any of them are not driving conversion volume. If so, consider removing them from the campaign.

Device Types

Take a look at which device types are driving performance and shift more investment to those using bid factors.

Audience Types

Whether its Interest and Intent segments, Custom Segments, Browsing Audiences or 3rd-party segments, evaluate how your audiences are impacting conversion volume. Based on your analysis, determine what new audiences to test or refine existing audiences based on what is working well and what is not working well.

Lookalike Audiences

If you are seeing good conversion results from your target audience, it may be worth building a lookalike audience based on those users. This adds another dimension to reaching new users, based on the existing audience.

Geography

Evaluate which geographic regions show stronger conversion metrics and which areas can be optimized by bidding less. If they do not provide performance value to the campaign, remove them all together.

Creatives

It is always best practice to run all creative sizes. This allows you to tap into additional inventory and maximize your potential for both conversions and scale. Creative optimization is a great way to drive better performance through bid factors and creative tactics or removing underperforming creatives altogether.

Conversion Time

Evaluating at what time users are converting can inform the strategic decisions you make about when to run campaigns. Initiating dayparting is a useful tool to help maximize spend when it matters most, by only running at certain times of the day and certain days of the week based on campaign performance.

Note: If your campaign is still struggling when it comes to driving conversions, it is highly recommended to revisit both the landing page and conversion event to see what improvements can be made and what can be actioned moving forward.

Predictors of Conversions



Campaigns With No Conversions

In some cases, a campaign may be struggling to get conversions, and that lack of data makes it difficult to optimize conversion campaigns effectively.

In this case, focus on secondary performance metrics as “predictors” of conversions and optimize your campaigns towards better performance on those secondary metrics. For example, if the conversion event is a form fill, focus on trying to optimize towards driving 15-second engagements, given the lead time needed to fill out the form is the secondary metric.

Other KPIs would include driving more site traffic to maximize the opportunity for a conversion to take place if engagement data is not available.

It is always good to take a look at the conversion pixels to see how often they are firing, and whether the conversion event itself may be hard to achieve. Try to look at ways to optimize the experience of the end user to maximize conversion potential.

Conclusion



Uncovering the story behind every conversion gives you a picture of upper and mid-funnel performance, enabling you to understand how your campaign is functioning. By tracking conversions, you can gain valuable insight into how you are acquiring customers, while building on your existing client base.



StackAdapt is a self-serve programmatic advertising platform used by the most exceptional digital marketers. This state-of-the-art platform is where some of the most progressive work in machine learning meets cutting-edge user experience. Ad buyers plan, execute, and manage data-driven digital advertising campaigns across all devices, inventory and publisher partners.

For more information, visit stackadapt.com.