

Luxury Retailer Achieves 430% Return on Facebook Ad Spend in Only 6 Days [Case Study]

It's no secret that affluent consumers are flocking to Facebook in droves. Luxury marketers looking to reach this exclusive group are advertising in the Facebook News Feed to promote their products and drive increased traffic to their stores. Nanigans recently conducted a case study with a leading luxury retailer to better understand the effectiveness of luxury marketing on Facebook.

Throughout the lifetime of the campaign, the luxury retailer achieved on average a 430% ROI (return on ad spend) in only six days and a 780% ROI after thirty days.

Goal

The retailer's goal was to find and acquire new customers on Facebook to achieve a 400% return on ad spend in thirty days.

Strategy & Approach

The retailer leveraged a variety of creative elements, targeting options and Ad Engine's ROI optimization algorithms. The campaign was organized around four product lines: handbags, shoes, premier designers and contemporary designers.

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Creative:

The retailer ran Page post photo ads in the desktop News Feed with the objective of driving incremental sales. The News Feed offered increased prominence and larger creative which resonates well with affluent consumers.

The ad creative was product specific featuring copy focused on seasonality, trends and designers. The most effective calls-to-action featured premier designers, such as “Shop Jimmy Choo.” Every ad was directed to a custom landing page that matched the designer promoted in the ad.

Targeting:

The retailer leveraged a variety of Facebook targeting options such as Demographics, Custom Audiences, Lookalikes, Interests and Partner Categories to reach their audience. The Custom Audience segments were hyper-targeted to specific product lines allowing the retailer to develop Lookalikes that had a high probability of delivering return.

The campaign was aimed at females ages 40-55 and 55+. Effective partner categories (owners of luxury automobiles, corporate attire buyers, fashionistas) were layered with relatable keywords (specific designers and stores).

Bidding & Optimization:

The campaign leveraged Ad Engine’s ROI optimization algorithms, bidding adjusted automatically based on real-time purchase and cost data in order to

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maximize ROI. CPM bidding was aimed as high as possible to reach the retailers' coveted audiences of high spending, affluent women, ages 40 plus.

Results

Throughout the lifetime of the campaign, the luxury retailer achieved on average a 430% ROI (return on ad spend) in only six days and a 780% ROI after 30 days. Bidding based on expected ROI allowed the retailer to continue to bid high enough to reach its highest value and most profitable customers.

Based on the study results, there seems to be an obvious interest in luxury retailers among affluent Facebook users. For marketers that aren't taking advantage of Facebook, now is the time to start before the busy holiday shopping season. And remember that those retailers who master creative, targeting and optimization for their Facebook advertising campaigns will be the ones that find success.