

# Chapter 30

## Reaching Your Customers Using Facebook and Google Dynamic Ads

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### ABSTRACT

*Dynamic Product Ads (DPAs) and Dynamic Search Ads (DSAs) represent a type of online advertising primarily used for remarketing purposes. However, more and more advertisers can use DPA for acquisition campaigns as well. Dynamic ads are an integral part of the marketing strategies of all large e-shops and companies that have a product or service catalog. Dynamic advertising reduces the time and effort put into the creation of online advertisements and provides the highest level of personalized targeting possible. With a product catalog and a properly set pixel or tracking code, it is possible to create individually customized ads within seconds. This chapter tests the effectiveness of DPAs and DSAs within the context of the two greatest advertising platforms, Facebook and Google ads, and compares their performance against the manually optimized ad sets.*

### INTRODUCTION

*Dynamic search ads (DSAs) and dynamic product ads (DPAs) help advertisers reach potential customers by displaying content that is tailored specifically for them. According to WordStream (2019), multichannel marketing strategies lead to an 80% higher visit rate of a target e-store. Moreover, 37% of online shoppers look for shopping inspiration on social media, and 96% of B2C marketers agree that Facebook and Google ads have a significant impact on their marketing revenues. The WordStream statistics also claim that 65% of advertisers agree that dynamic content is effective. On average, only*

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approximately 4% of website visitors make a conversion, that directly generates income, before leaving a website (GrowthBadger, 2019).

The driving force behind marketing automation is the ability to send personalized messages tailored to a specific customer. The content is delivered to the customer in the ideal moment, i.e., when needs and searches for information arise during a browsing session. Marketing automation tools affect shoppers at the most important stage of the purchasing process—before reaching a selected merchant. Implementation of these tools greatly increases the chance that demand will eventually be placed with the merchant and not with the competition. Marketing automation systems can be used to raise customer awareness about the brand or present them the required product information to build their trust and significantly shorten the purchasing process. Experienced marketers and advertisers confirm that potential customers are not ready to respond immediately to their first contact with the company. To do so, the customer needs to be captivated, convinced, and acquired. This process is called *lead nurturing*.

A basic function of all marketing automation tools is delivering pre-selected content to potential customers, always based on their specific actions. For example, when a user visits a new car website, the system automatically responds by sending him/her an e-mail with a detailed product line offer. Similarly, when a customer leaves the shopping cart before the purchase is completed, the system can send him/her an e-mail or a special offer message for a particular item that was left behind. Thus, marketers create different automation rules in the system environment to cover the entire purchasing process or a product life cycle. When a customer makes action X, the system performs action Y. System marketing automation tools enable accurate tracking and evaluation of campaign responses to contacts in the marketing database. A full history of responses to past campaigns is available to marketers and merchants. Through lead nurturing, the campaign audience gradually becomes familiar with the brand, their relationship with the company is established, and the desired purchase is made.

In this chapter, we test the effectiveness of dynamic content ads during the entire conversion process. For the purposes of this experiment, we are going to combine search and product dynamic ads provided by the advertising platforms Facebook and Google ads. The performances of the dynamic campaigns are judged based on the standard metrics such as reach, click-through rate, number of conversions, and profitability. To get reliable results, a reference group of manually optimized ads are set up and used for the comparative analysis of the advertising performance.

## **THE EFFECTS OF PERSONALIZED ADS ON ONLINE USERS**

Personalization is the key to individual marketing and targeting. The essence of personalization in the online environment is to offer the user services and products that are based on the information in the user's profile or behavior on the website. The necessary prerequisites for creating a personalized offer of products and services by the provider identifies the user (based on his/her registration in the system or based on the use of cookies and tracking codes), sufficient information about the user and his/her preferences, and subsequent processing of the data manually or by the system.

Research relating to the study of how personalization affects the behavior of the consumers is very extensive (Tran, 2017). Many researchers have already tested the impact of exclusively tailored advertising in traditional media (Baek and Morimoto, 2012; Yu and Cude, 2009), in the online environment including social media and websites (Bleier & Eisenbeiss, 2015; Li, 2016; Gironde & Korgaonkar, 2018) and in the context of mobile devices (Grewal et al., 2016; Lu et al., 2019). The up-to-date findings prove

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