

Getting Facebook Fans for Cents: What Gordmans Learned in Facebook Advertising

OVERVIEW

Founded in 1915, the Omaha-based apparel and home fashions retailer operates 70 stores and over 3.5 million square feet in 16 states, employing more than 4,000 associates. When Gordmans went looking for a partner to help them build out their Facebook strategy to increase fan acquisition and engagement as well as drive customers to their brick and mortar stores, they looked to Webtrends. Veronica Stecker, the Social Media Manager at Gordmans shares what she has learned marketing on Facebook.

“At the beginning of last month, Gordmans opened two new stores in Minneapolis. In addition to our traditional marketing efforts, we created several Facebook ad campaigns. Overall though, these ads definitely helped in garnering more visitors.”

-VERONICA STECKER, SOCIAL MEDIA MANAGER, GORDMONS

OBSERVATION #1

SPONSORED STORIES OUTPERFORMED REGULAR FACEBOOK ADS

There are two types of Sponsored Stories – a Sponsored Like, which targets friends of your fans, and a Sponsored Post, which shows messages to existing fans. Gordmans ran a highly targeted Sponsored Like ad against the regions where they have 68 retail locations, a female demographic, and interest terms for bargain hunting.

While most Facebook ads are lucky to get a 0.05% CTR, this campaign drove a 0.400% CTR on the first day, which fell by 45% within 48 hours to 0.220%. Generally, anything at or above 0.1% is highly optimized! Sponsored likes also decreased the CPC by 70% and CPF by 83% overall. That is like getting a 77% discount off from Facebook!

7,375,779 Impressions **10,246** Clicks **0.139%** CTR **\$2,371.00** Spent **\$0.32** CPM **\$0.23** CPC

Date Range ?	Campaign ?	Impressions ?	Social Impressions ?	Social % ?	Clicks ?	Social Clicks ?	CTR ?	Social CTR ?	Actions ?	Action rate ?	CPC ?	CPM ?	Spent ?
01/01/2011-04/15/2011	Sponsored Likes	7,375,779	7,375,779	100.00%	10,246	10,246	0.139%	0.139%	8,172	0.111%	0.23	0.32	2,371.00

43,277,608 Impressions **11,262** Clicks **0.026%** CTR **\$8,600.00** Spent **\$0.20** CPM **\$0.76** CPC

Date Range ?	Campaign ?	Impressions ?	Social Impressions ?	Social % ?	Clicks ?	Social Clicks ?	CTR ?	Social CTR ?	Actions ?	Action rate ?	CPC ?	CPM ?
10/01/2010-04/18/2011	FoF 18-24	17,669,563	15,606,212	88.32%	4,449	3,828	0.025%	0.025%	1,922	0.011%	0.67	0.17
10/01/2010-04/18/2011	FoF 25-34	9,357,370	7,583,987	81.05%	2,694	2,103	0.029%	0.028%	1,353	0.014%	0.74	0.21
10/01/2010-04/18/2011	FoF 35-44	7,647,740	5,984,225	78.25%	1,980	1,432	0.026%	0.024%	941	0.012%	0.91	0.24
10/01/2010-04/18/2011	FoF 45-54	8,602,935	6,730,662	78.24%	2,139	1,506	0.025%	0.022%	778	0.009%	0.84	0.21

In two days in, this ad drove 515 clicks for \$76 and gained 418 new fans. That works out to 18 cents per fan and a click-to-conversion rate of 81%. Most brands out there are getting fans at between \$2 and \$10, the former via self-serve and the latter via premium ads. \$0.18 for a new fan, one that is giving your brand permission to talk to them, is a great cost of acquisition.

Gordmans found the key to success with Facebook advertising is leveraging the endorsement of their existing fans. People are far more likely to click on events that are associated with what their friends are doing.

OBSERVATION #2

HIGHLY ENGAGED CONTENT EQUALS POSITIVE FAN GROWTH

The creative refresh demand of social requires you to be able to iterate much quicker, refresh your content and creative much quicker than what we have seen with the other types of online marketing. Just standing out on a page is not enough; so Gordmans knew they needed to rotate ads to keep them fresh. Facebook Ads are typically served to the same users multiple times, often in the same day, so they quickly tune-out repeat ads.

Gordmans also used Webtrends Apps platform to develop fresh and engaging apps rewarding customers for engaging with them through fans-only promotions. While apps have about a 10-14 day shelf life before people start to drop off in interaction, Ads have around 3-5 days before you see a dramatic drop off.



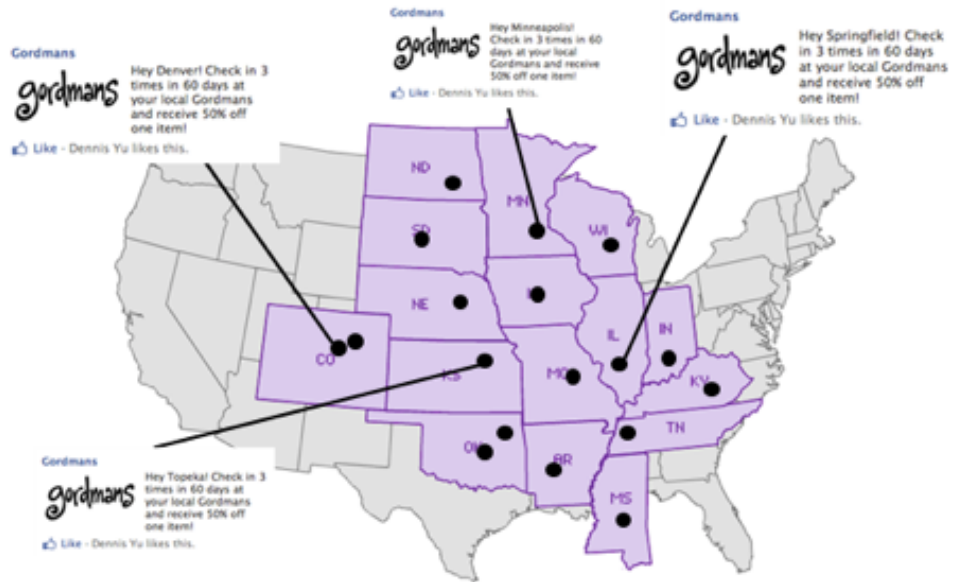
Gordmans also made sure the wall postings resonated well with the brand. As a result, only 5% of fans have unsubscribed from the page.



OBSERVATION #3

GEO-TARGETING WORKS!

The average human attention span is about 30 seconds. In fact, successful Facebook advertisers try to relate images to their audience, for example by serving an image of a local landmark or in Gordmans case including the city name is another way to garner more attention.



By injecting the city name in the ad image in conjunction with the geo-targeting the ads were more appealing and relevant. Gordmans found that geo-targeted ads with the city name on the ad image performed better than the ads without it. With geo-targeted ads that offered fans the opportunity to check in and claim deals, Gordmans was able to drive customers to their brick and mortar stores.



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