HOW WE SCALED THIS E-COMMERCE CLIENT TO $120K/MONTH

+ THE BEST FACEBOOK AD HACKS FOR YOUR E-COMMERCE STORE

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Product Blitz

Welcome!

Watch this

Hi, my name is Alec Mountain and I'm the founder of Product Blitz, a growth marketing agency.

Thank you for taking the time to open my latest digital product outlining how we helped scale one of our e-commerce clients to $120K/month in revenue. In the first portion, I'll walk you through the full strategy of how we did it and afterwards I'll share with you some key insights on how you can make your Facebook ads perform better.

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NEOH

HOW WE SCALED THIS E-COMMERCE CLIENT TO $120K/MONTH

Product Blitz has executed on an end-to-end advertising strategy for NEOH that has resulted in over 20,000 new customers and six-figures in monthly revenue.

TOPIC:

NEOH is one of Product Blitz's most beloved and long-standing clients. We've been working together for over a year now, testing and analyzing a handful of marketing strategies to take their product to the next level.

THE DESIRE:

NEOH USA was launched in February 2018 as the perfect mix between a protein bar and a candy bar. NEOH has the taste of a candy bar, but with the nutritional value of a protein bar. A rich, chocolate taste with only 90 calories, 1g of sugar, and 8g of protein. Since launching, the company has desired to develop an advertising strategy that's both reliable and scalable. In other ways, a systematic way to grow their revenue that is cost-effective.

THE PROBLEM:

Prior to hiring Product Blitz, the company struggled to acquire customers at the right price point to grow their business profitably. Ads were not engaging and the funnel was poor, which simply led to high acquisition costs. This questioned their belief in Facebook as a dominant marketing channel for their business moving forward. However, this all changed over time as Product Blitz reinvented their marketing approach through a couple of key strategies that have proven to be both unique and effective. Let's talk about them.

THE CHATBOT ERA: GAINING TRACTION ON AMAZON

For the first several months of working with NEOH, we sold exclusively through Amazon.com.

Below is a picture of the core part of our advertising funnel
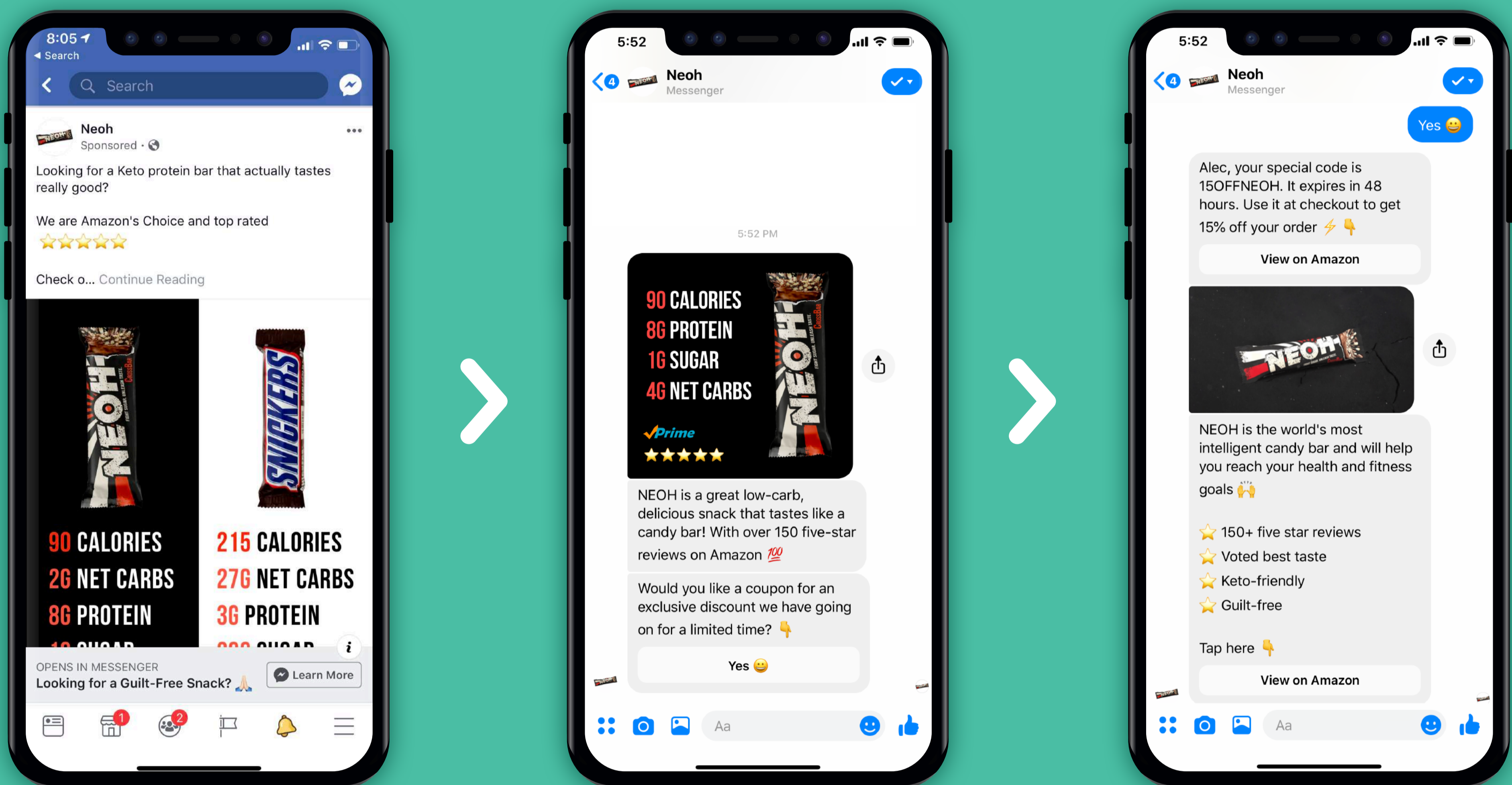
As shown above, we drove traffic from our advertisements directly to Facebook messenger. This style of advertising is especially unique for e-commerce companies, as it favors conversations over direct website visits. After users click on the initial advertisement, we talk about the value of the bar and ask afterwards if they'd like a 15% off coupon. When they tap the 'yes' button, they immediately get an instant, friendly response with their coupon code.
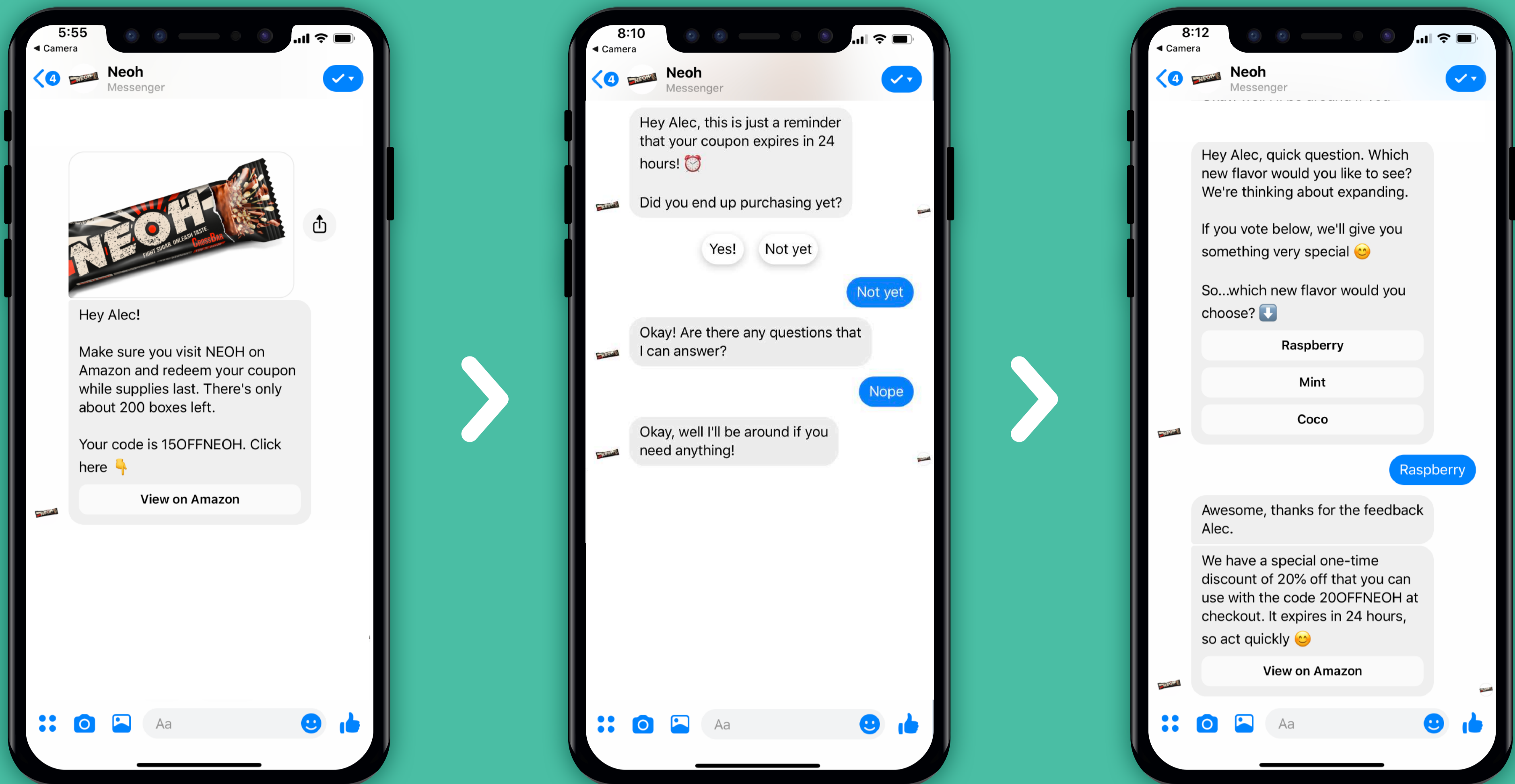
The beauty of using Facebook Messenger is that after somebody interacts with your chatbot once, they are automatically 'subscribed' to you, meaning you can message them as much as you want in a 24 hour period (per Facebook's policy). After that 24 hour period, you can message them one additional time with a promotional message and as many times as you like with non-promotional messages.

We used a few automatic messaging sequences executed on autopilot to drive more sales. For example on the left picture, if somebody did not visit Amazon (by clicking the button) within one hour of requesting their coupon, they would be reminded to do so. The middle picture is reminding the potential buyer that their coupon expires in 24 hours to incentivize them to purchase soon before their offer runs out. The right picture is automatically sent a few days after their coupon has expired and asks for their feedback in exchange for another limited-time discount. This was a great way to re-engage people that did not purchase before and increased sales by 15%!

THE RESULT:

After the campaign was fully optimized, we were generating a 2X ROAS (return on ad spend). This means for every $1,000 we were spending on ads, we were generating $2,000 in revenue. Because NEOH is a consumable product with a high customer lifetime value, the company was very happy with these aquisition costs.

SHOPIFY MAGIC: THE ULTIMATE ROUTE TO SCALING

When we were selling directly to Amazon, we had many people ask for samples prior to purchasing a full box. It makes sense that an amount of people were weary of purchasing 12 bars before knowing what they tasted like. With that, one of NEOH's investors suggested we do a sampling program, where we give two bars away for free if the customer pays for shipping. This way the barrier to purchase is much smaller, meaning we could acquire customers much cheaper and a larger audience would be willing to try NEOH at the same time.

The goal of this advertising strategy was to acquire customers at a low price point to try NEOH via a sample and then get them to repurchase a full box on Amazon. Since you can't list items for free on Amazon, we initially took buyers to our Shopify site to purchase a sample. After they had received their order, we had an automated email sequence set up to incentivize them to purchase a full box on Amazon afterwards.

OUR FUNNEL:

FACEBOOK AD → SHOPIFY PURCHASE (SAMPLE) → EMAIL DRIP → AMAZON PURCHASE (FULL BOX)
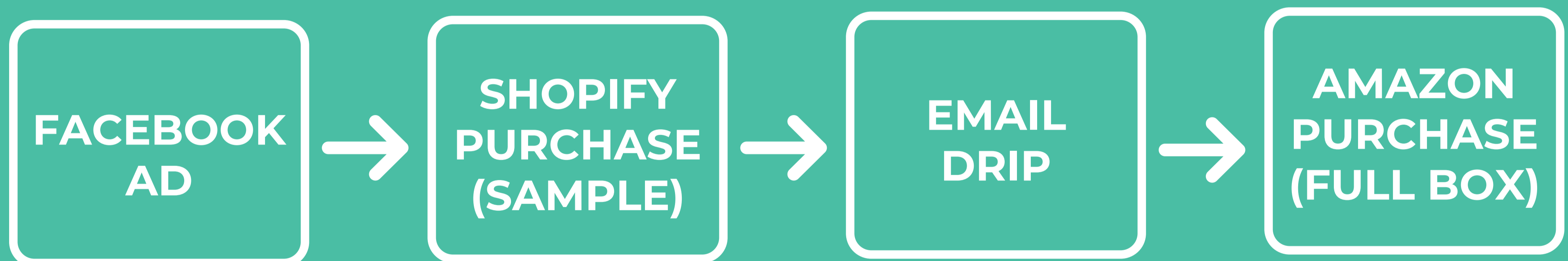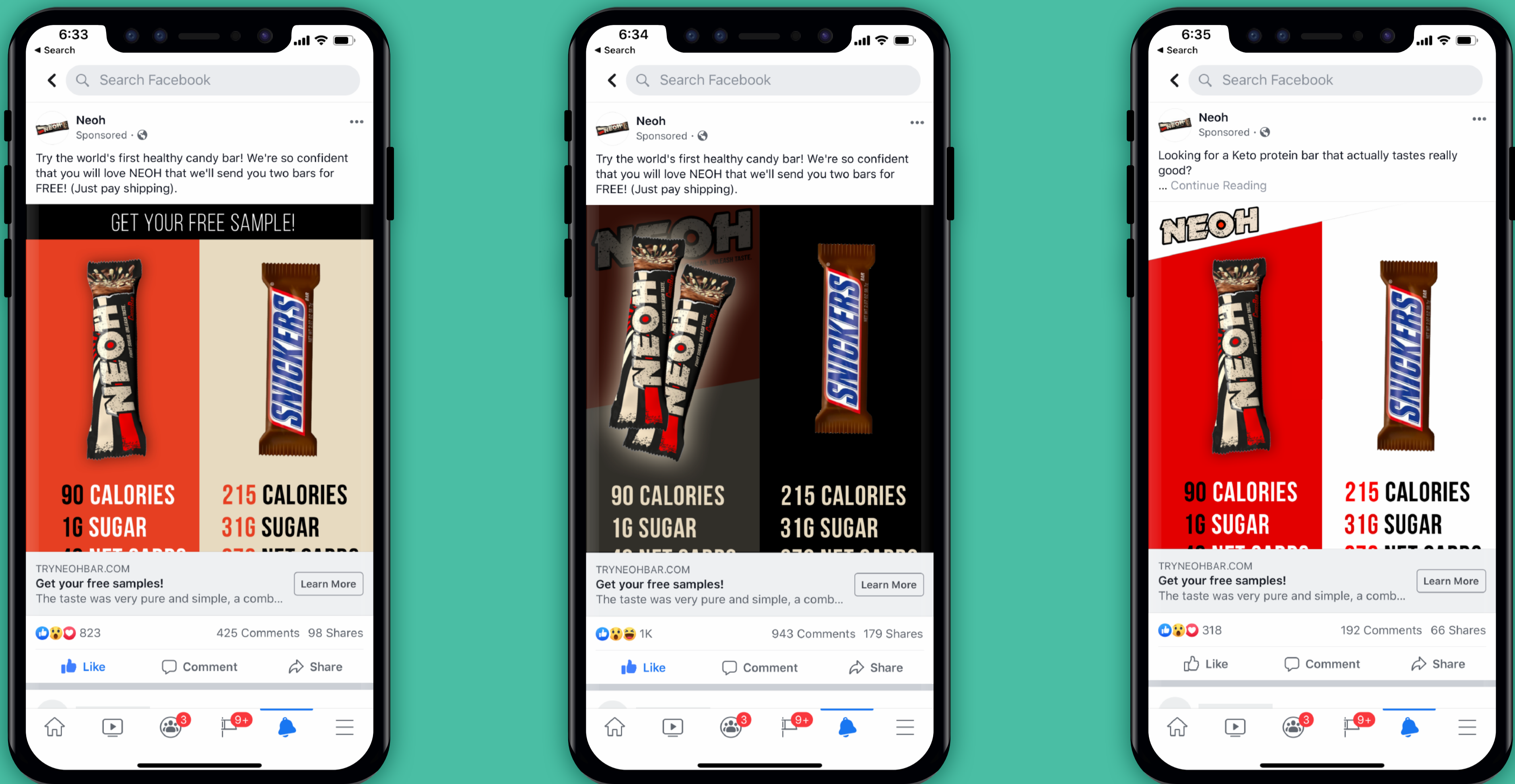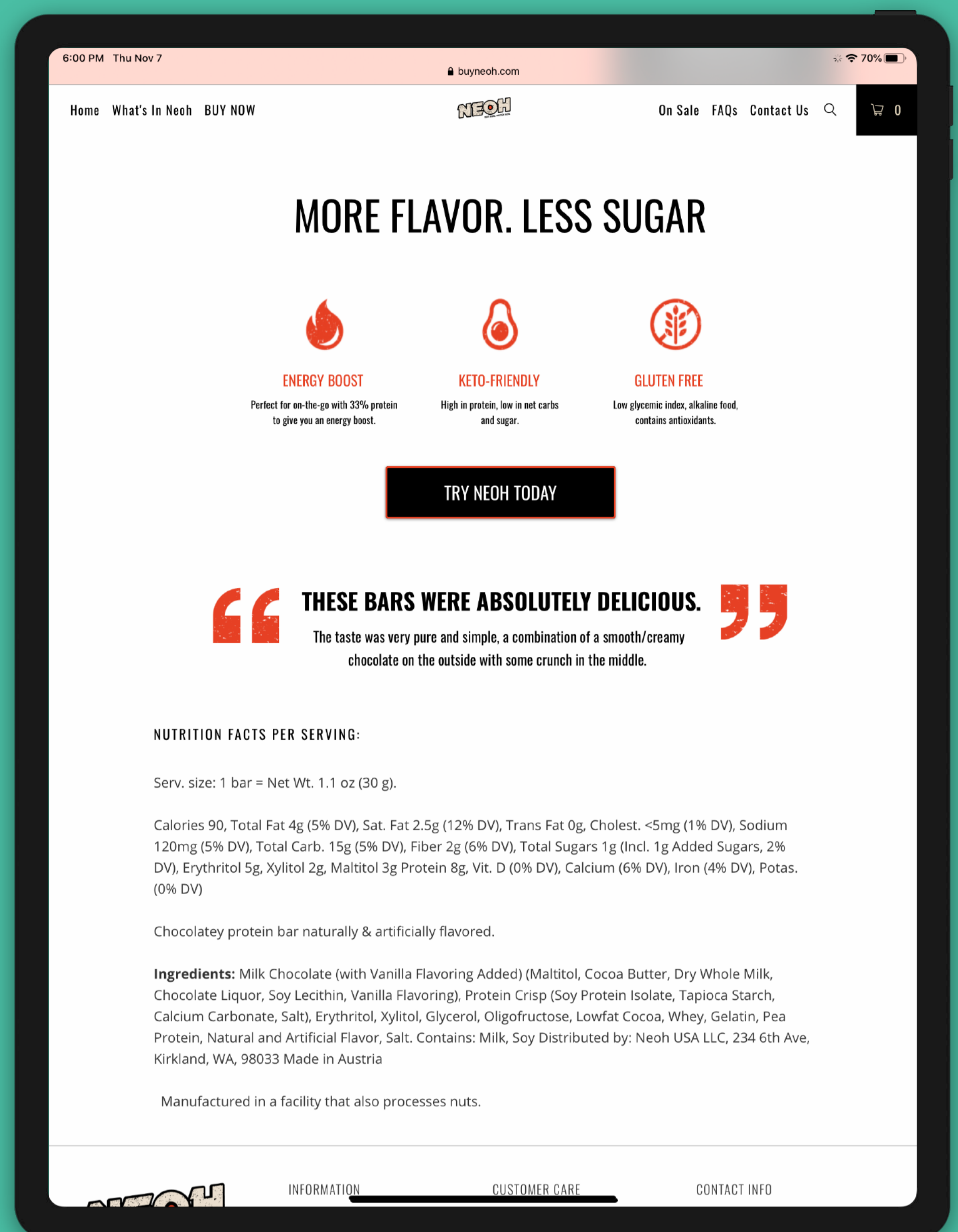
Above are some of our best performing advertisements.

For the entirety of the campaign (and still today), we mainly ran these ads of comparing NEOH to a Snickers bar in slightly different variations. We've tried an assortment of other ads, but nothing really came close to performing as well as these because they had a very click-through-rate (about 6% on average), which led to low acquisition costs.

Here's a couple reasons why these ads perform so well:

1. We're comparing our product to a household name (Snickers). And not only comparing it, but showcasing how much healthier NEOH is in regard to calories, sugar, net carbs, etc. By nature, this makes people curious about what we have to offer.
2. The ad is cut off at the bottom. That is no mistake. Since viewers can't see the full comparison, they are incentivized to click in order to see the rest. When testing these ads against others that weren't cut off, our cost per click was 3x as expensive because the CTR was so much lower.

Home   What's In Neoh   BUY NOW   On Sale   FAQs   Contact Us   Search

NEOH LOW CARB PROTEIN & CANDY BAR

We've packed the taste of a candy bar into a protein bar so you can satisfy your sweet tooth without the guilt!

TRY FOR FREE

2 FREE NEOH BARS

We are so confident you will like NEOH we will send you two FREE bars. Just pay shipping.

FREE, just pay shipping.

QUANTITY
FREE TRIAL (2 BARS)   12 PACK

QTY
− 1 +   + ADD TO CART

WHY NEOH BAR?

90 CALORIES
33% calories from protein

1G SUGAR
Candy bars avg 15g, Protein bars avg 11g

8G PROTEIN
Great tasting way to add protein to your day

4G NET CARBS
An excellent low carb alternative

TRY NEOH TODAY

MORE FLAVOR. LESS SUGAR

ENERGY BOOST
Perfect for on-the-go with 33% protein to give you an energy boost.

KETO-FRIENDLY
High in protein, low in net carbs and sugar.

GLUTEN FREE
Low glycemic index, alkaline food, contains antioxidants.

TRY NEOH TODAY

" THESE BARS WERE ABSOLUTELY DELICIOUS. "
The taste was very pure and simple, a combination of a smooth/creamy chocolate on the outside with some crunch in the middle.

NUTRITION FACTS PER SERVING:

Serv. size: 1 bar = Net Wt. 1.1 oz (30 g).

Calories 90, Total Fat 4g (5% DV), Sat. Fat 2.5g (12% DV), Trans Fat 0g, Cholest. <5mg (1% DV), Sodium 120mg (5% DV), Total Carb. 15g (5% DV), Fiber 2g (6% DV), Total Sugars 1g (Incl. 1g Added Sugars, 2% DV), Erythritol 5g, Xylitol 2g, Maltitol 3g Protein 8g, Vit. D (0% DV), Calcium (6% DV), Iron (4% DV), Potas. (0% DV)

Chocolatey protein bar naturally & artificially flavored.

Ingredients: Milk Chocolate (with Vanilla Flavoring Added) (Maltitol, Cocoa Butter, Dry Whole Milk, Chocolate Liquor, Soy Lecithin, Vanilla Flavoring), Protein Crisp (Soy Protein Isolate, Tapioca Starch, Calcium Carbonate, Salt), Erythritol, Xylitol, Glycerol, Oligofructose, Lowfat Cocoa, Whey, Gelatin, Pea Protein, Natural and Artificial Flavor, Salt. Contains: Milk, Soy Distributed by: Neoh USA LLC, 234 6th Ave, Kirkland, WA, 98033 Made in Austria

Manufactured in a facility that also processes nuts.

INFORMATION   CUSTOMER CARE   CONTACT INFO

After viewers click, they're taken to a custom-built landing page on Shopify. At this point, it's important to recite the value proposition (2 free bars), as well as sell the product through its value. Cheap website clicks from the ads are nice, but conversions are what ultimately matter, since the goal is profitability.

We also have the 12-pack listed (at a 20% discount) in case people would like to order a larger quantity up front. Although only about 5% of purchasers ordered a full box, it still helped increase our average order value (AOV) by about 10% overall, which definitely helps with our margin.

When users go to checkout, they are charged $5.73 for shipping. The actual cost of the shipping is $3, so we have an additional $2.73 to help cover the advertisement costs, product costs, packaging, and human labor. Since some people order full boxes, our average order value is $6.30.

I do find it fascinating that if we would have priced the two bars for $5.73 with free shipping, the campaign would have been way less effective. That's what makes the psychology of 'free + shipping' so interesting and a great strategy if you have the right product.

25% of people will pay the $5.73 shipping price. The other 75% will leave. It's great that 25% will buy initially, but we wanted to capture a portion of those 75% of people who thought the price was too expensive.

Since they already added the product to their cart and began the checkout process to see what the shipping price was, we had their contact information on file. Using an email software platform called Drip, if a site visitor added something to their cart and did not purchase within 2 hours of doing so, they would automatically get an email with an 'exclusive offer' to purchase. You can see the sequence below.
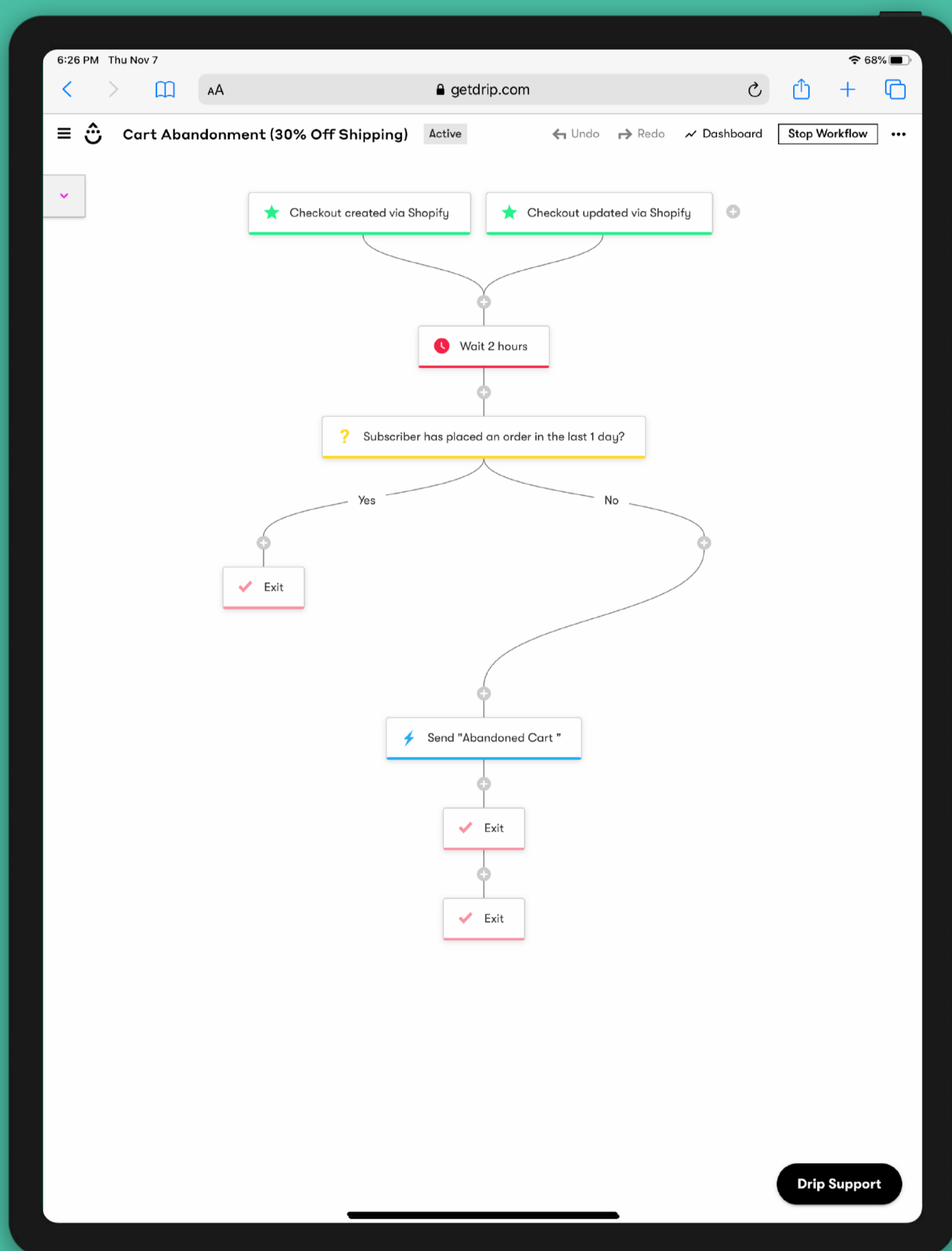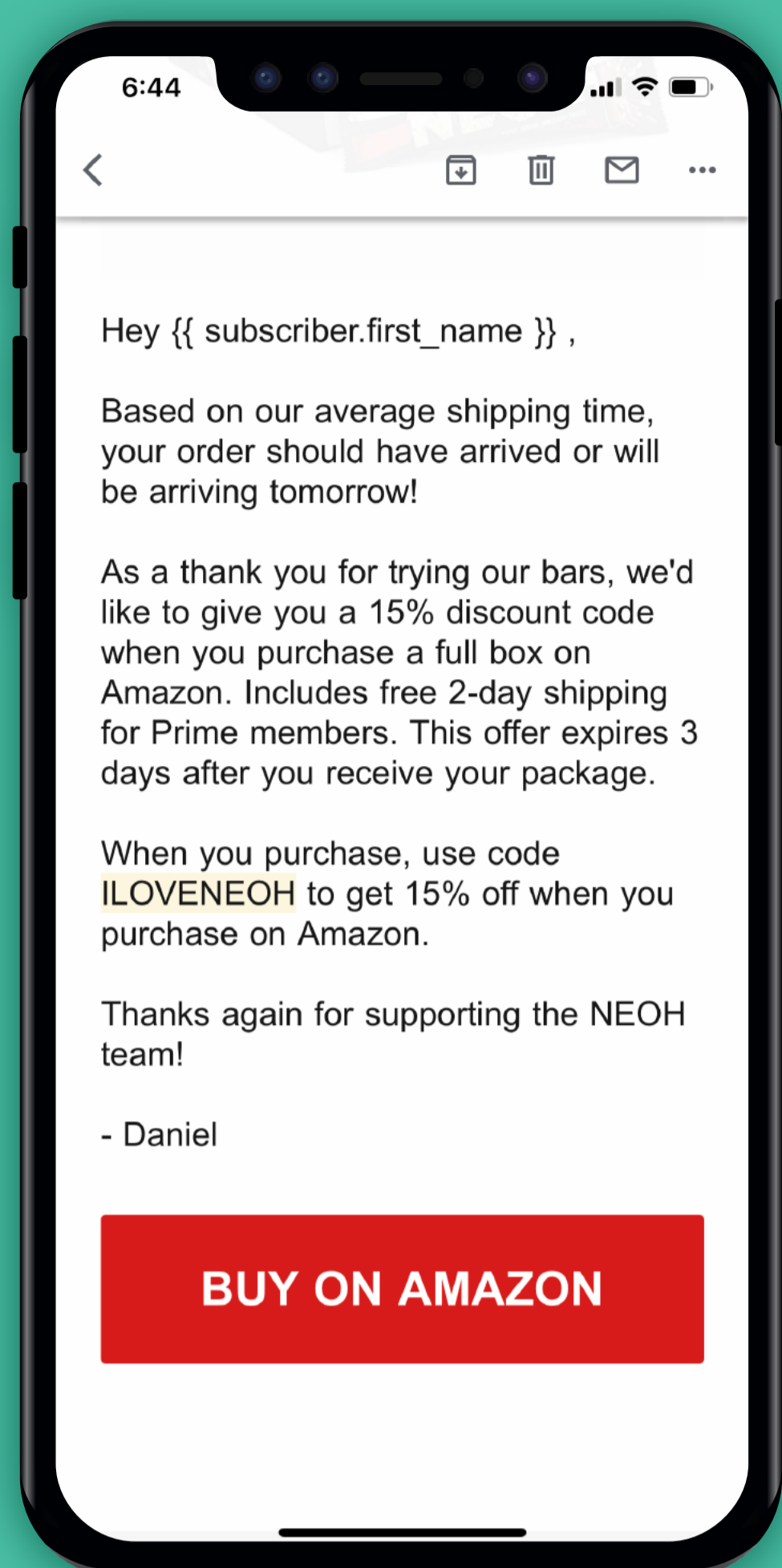

The Email Workflow
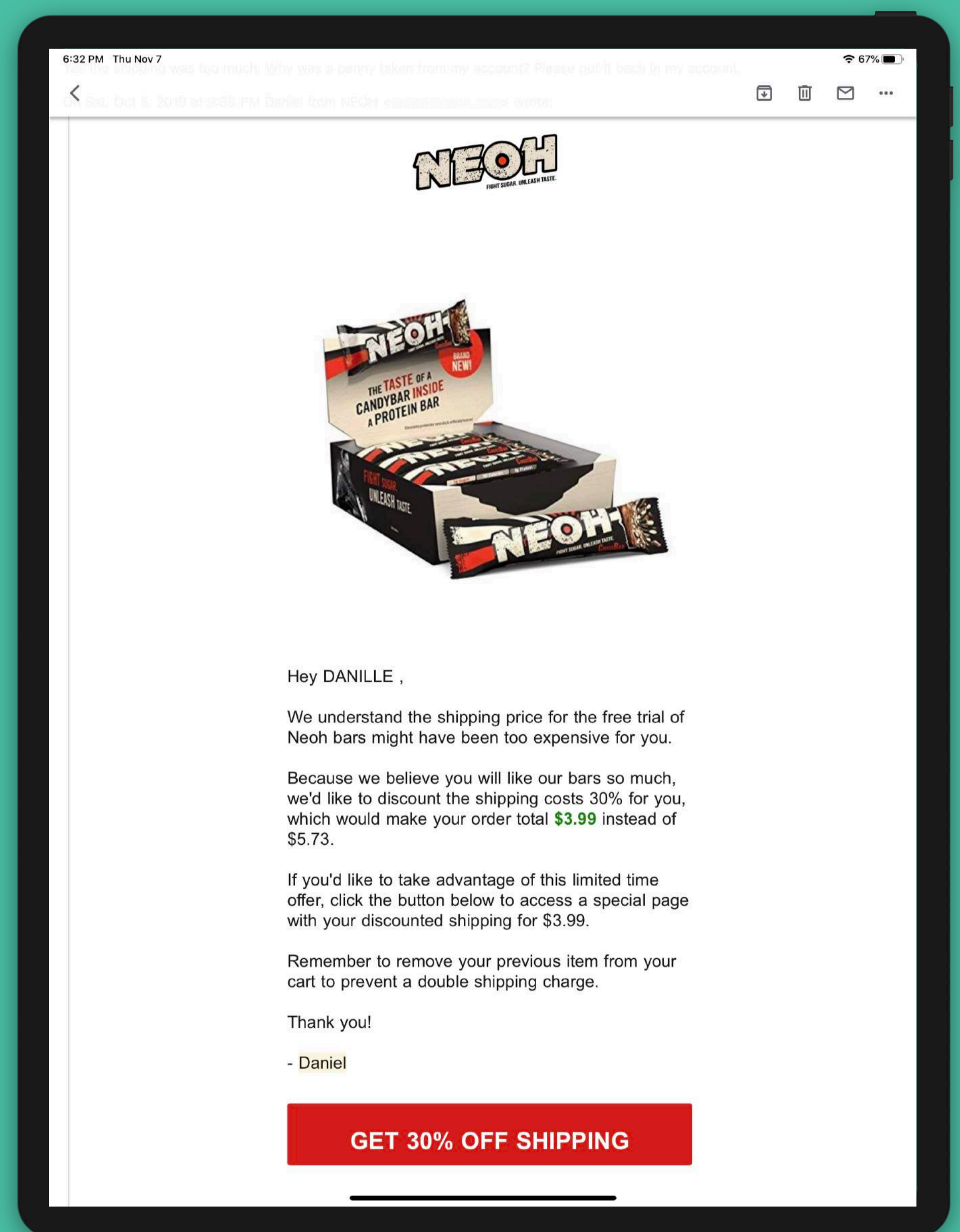
The Abandoned Cart Email

As shown, our abandoned cart recovery sequence offers a discount that brings the shipping price down from $5.73 to $4. Having this email sequence alone generated 15% more orders on a daily basis and helped decrease our overall acquisition costs.

Selling tens of thousands of samples is great for increasing your revenue numbers, but the real profits were generated in our follow up sequences after a customer had received their order. We created an additional sequence within Drip to send the customer a discount for a full box after they had received their trial bars. This element was very important for the campaign as the full box sales are what created real profits, helped create lifetime customers, and increased our Amazon rankings.

Hey {{ subscriber.first_name }} ,

Based on our average shipping time, your order should have arrived or will be arriving tomorrow!

As a thank you for trying our bars, we'd like to give you a 15% discount code when you purchase a full box on Amazon. Includes free 2-day shipping for Prime members. This offer expires 3 days after you receive your package.

When you purchase, use code ILOVENEOH to get 15% off when you purchase on Amazon.

Thanks again for supporting the NEOH team!

- Daniel

BUY ON AMAZON

In essence, the objective of the campaign was to acquire customers in a scalable way at a low cost by selling two bars at a time *for free*. And we would make our real profits by incentivizing them to repurchase on Amazon to grow our presence there. With that, the Shopify store was a rocket engine for our Amazon growth, which was the intended outcome. For those in the consumer goods industry, if you have the right product that fits this model, it could very well be a faster and more profitable way to grow compared to selling higher quantities up front.

THE RESULT:

Since beginning the campaign, we've done over 20,000 orders via Shopify in the span of a few months and thousands have repurchased through buying full boxes via Amazon. The cost to acquire a customer has been on average $3.50 with an average order value of nearly double that on Shopify. With a more than positive return on ad spend and a healthy number of customers repurchasing on Amazon, this campaign has been really great for NEOH and has helped them achieve monthly revenues of over $120K. In some months, Shopify was responsible for generating nearly half that revenue. For a Shopify store that's been up and running since June, having that type of explosive growth is exciting.

In the process we've also gathered more than 50,000 emails, which we plan on using this holiday season for marketing purposes.

BONUS

E-COMMERCE HACKS

Our favorite Facebook ad strategies & practices that have helped our clients generate sales and grow profitably

Section 1: Advertising Optimization

This section is all about how to utilize important features of the Facebook ad manager to ensure your creative performs well.

OPTIMIZE FOR PURCHASES

At the beginning of campaign setup, you'll be asked to select a campaign objective. If you're selling on your own website (direct to consumer), you should almost always select the **conversions** objective. By selecting the conversions objective, the metric that will be prioritized is purchases because you're letting Facebook know you want sales.

As you continue into the ad set level, you will be asked to select a conversion that you want to optimize your ads for. Selecting the **purchase** option is almost always a safe bet. Further, under the Optimization for Ad Delivery section below, you will want to select the **conversions** option. By selecting the conversions option (as opposed to landing page views), Facebook will show your ads to the people most likely to purchase based on previous buying behavior. Because it is a higher-quality audience, it is more expensive to target, but it is always worth it because your ads will convert to sales much better.

UTILIZE ADVANCED TARGETING

Targeting is one of the most critical parts to any advertising campaign. And by targeting, I mean the types of people who your advertisements are shown to. When creating a new ad set, Facebook gives you a plethora of options based on who you can target. This ranges from age, gender, and location based on demographics. However, most advertisers will go a step further and target consumers also based on their interests, whether it's hobbies, certain behaviors, job titles, entertainment, and more. There's no shortage of options to targeting those who you believe closely match your ideal customer, since Facebook collects a lot of information on its users. Though, we can go even further and specific with who we advertise to by utilizing custom audiences and lookalike audiences.

CUSTOM AUDIENCES

A custom audience is a group of people who you can specifically target based on the contact info you have on them. For example, let's say you have had 1,000 customers in the past year and would like to advertise an offer on Facebook exclusively to them. You can import their email addresses directly to Facebook and it will link their email address to their Facebook account (most of the time). This means that can show your ads on Facebook just to these customers and nobody else. This precise targeting often leads to a very high ROI.

LOOKALIKE AUDIENCES

The lookalike audience is an advanced form of targeting that can greatly improve your advertising results. In the 'custom audiences' section above, we described a scenario where you would like to advertise to 1,000 of your customers who purchased within the last year. Instead, what if you wanted to advertise an offer to acquire new customers who had never purchased from you before? Creating a lookalike audience allows you to target a unique, new group of people who closely match the traits of your existing customers. After you create a custom audience, you can create a lookalike audience based on that user data. Facebook already knows a lot about your current customers (assuming their emails you uploaded link to their Facebook account), which means they can find the similarities in all of them (based on their interests) and create a new group of people who you can target that closely match your customers. This way you are just showing your ads to the people most likely to convert because they resemble the top 1% of people that match your current customer list.

DYNAMIC CREATIVE

Dynamic creative is an option you select on the ad set level. As described by Facebook: "Dynamic creative takes multiple ad components (such as images, videos, titles, descriptions and CTAs) and then optimizes them to deliver efficient results for each impression served. These help you create personalized creative variations for each person viewing your ad, with performance that scales."

I love using dynamic creative because when I begin working with a new client, we're almost always testing an assortment of images, text, headlines, etc. to find out what works best. By using dynamic creative, Facebook will test all of our creative at once by using a unique combination of our different copywriting, imagery, and headlines to figure out what's working best. And because of machine learning and artificial intelligence that's built into Facebook's ad platform, it understands which creative is performing best and will show that more often. With that, it's a great place to start to understand what is best resonating with viewers.

KNOW YOUR METRICS

This is the most important of all. To be successful in Facebook advertising, you need to be able to understand your data and make educated decisions based on what is happening. At the most basic level, this means looking at various ads you're running from a metrics standpoint to see what's working well and what's not. Advertising on Facebook is all about testing and iterating efficiently based on what's performing best. And there's so much to test based on campaign objectives, audience targeting, creative assets, and more. It's a puzzle looking to be solved. To ensure Facebook & Instagram is a profitable marketing channel for your business, you need to also greatly pay attention to the cost you pay to acquire customers. If you're selling a physical product that's $30 and it costs you $40 to aquire a customer, you're losing money.

When we work with our clients, it's very important for us to know and understand their margins, as well as their customer lifetime value. That way we can work with the client to determine what the target customer aquisition cost is. And as your marketers, we work extensively to hit those target metrics, so that you can grow in a way that makes sense for your business long-term.

For most business owners in the e-commerce space, running Facebook ads is way too much work if they want to actually do it profitably. You'd have to make it your full-time job to understand the platform well enough to get the results you want. That's why companies hire us — because it is our full-time job to kick ass at advertising :)

Section 2: Creative & Copywriting

Even when you know the Facebook ad manager well, if your advertisements are not creative and lack engagement, you're not going to get the results you want. This section focuses on a several strategies I've used to create winning creative that results in more buyers at a lower cost.

LEAD WITH OFFERS

Especially when you're targeting to cold audiences (people that don't know your brand), getting sales on Facebook is often difficult if you don't incentivize buyers with offers. When working with my clients, we typically discount products anywhere between 15%-25% off. There may be times when we discount steeper, such as on Black Friday. In order for the discount to be effective in getting you customers, the customers need to know about the discount. It may seem obvious, but make sure the offer is advertised in the headlines.

Over time as you grow a strong customer base, using discounts won't be as much of a necessity. But in the beginning, offering a nice discount is worth having them as a potential customer long-term.

WRITE GREAT COPY

You could be running the same exact video ad, but if one variation has excellent copy and the other doesn't, then that often leads to a huge performance difference. The words you say above and below your image/video are just as important as the creative itself. Words greatly influence buying behavior on Facebook. Here's some of my tips for writing great copy:

SPEAK TO MORE THAN JUST THE PRODUCT ITSELF

Many Facebook marketers will only speak to the product, without talking about how it's a particular solution to the customer's problem. Products don't match people — problems do! Instead of just advertising your product by saying something like 'we have a sale!', also talk about why people would buy your product in the first place and how it's better than competing solutions. We did that exceptionally well with NEOH and it reasonated with a lot of people. When you're selling high-ticket items, this is especailly important because the more money someone spends, the more trust they've instilled in your brand. And it's hard to build trust when you don't clearly communicate your brand's value to your customer's life.

USE EMOJIS 😄😍👍🚀

Using emojis in your copywriting on Facebook and Instagram is almost a must. Because time and time again, ads with emojis are proven to have higher click-through rates, which lead to lower customer aquisition costs. Don't overdue it, but make sure they're part of your message.

HAVE STRONG HOOKS

For highly-engaging ads, you must have one or an assortment of hooks that make people turn their heads and help them build confidence in your brand. Here's a few ideas:
- Customer testimonials or case studies
- Giving something away for free
- Using user generated content as ads such as video testimonials from happy customers or industry influencers
- Guarantees or free returns
- Strong offers such as discounts

COMPARE YOUR PRODUCTS TO COMPETITORS
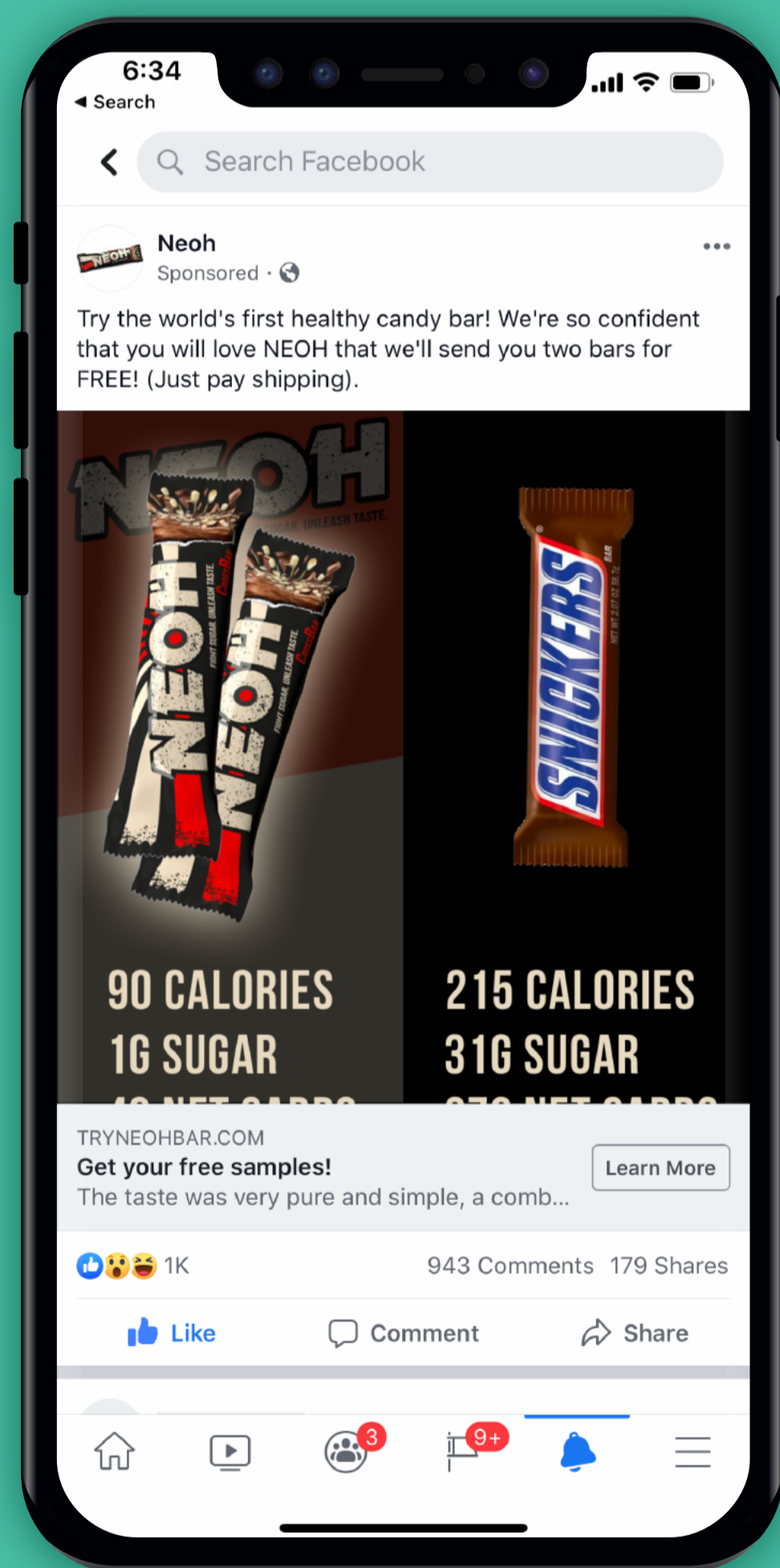
A creative strategy I've used regularly with my clients that I don't see much from competitors are side-by-side comparisons. Comparing your product with a well-known competitor showcasing why yours is superior can lead to very high click-through rates. As you saw in the case study section, this is exactly what we did with NEOH. Even more, the ad was cut off at the bottom, which is truly the secret sauce because people want to click to view the full comparison.

For food products, this is easy to do because you can compare nutrition facts assuming it's a healthy alternative. For other products, you have to get more creative by comparing features. And Facebook only allows so much text in the image, which can make this difficult, but still doable!

> "Product Blitz was started because I have a passion for influencing the marketplace with products & services that enhance people's lives. I'm obsessed with innovation and if you have something truly great, I'll feel committed to expose it to your target audience in an efficient way that drives real business outcomes. The type of results that allow you to significantly increase your customer base, scale your business, and have greater impact. If you're not thinking big, then we're not talking."

Alec Mountain
CEO, Product Blitz

Ready to ramp up your sales? Start the conversation by booking a strategy session.

Book A Free Strategy Session