

FULL-FUNNEL RETAIL DIGITAL MARKETING

Engage your customers throughout their journeys using digital's three biggest channels: Search, Social, and Ecommerce Advertising

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Introduction

No other industry has gone through as much fundamental change over the last decade as Retail. The digital and mobile revolutions have transformed the way consumers shop and allowed niche startups to compete with established brands. To stay competitive, engage their customer base, and grow market share, retail marketers need to maximize opportunities for monetization—using data intelligence to pull it all together.

Retail marketers must master digital marketing's three biggest channels to achieve their goals. Paid Search, Social, and Ecommerce Advertising offers massive scale to reach virtually every internet user, robust data to target consumers with the right message, and self-service management so that practitioners can closely monitor and optimize their programs to drive sales.

Today, these three channels represent over [70% of digital advertising budgets](#) and almost everyone online uses search engines, is a social media user, and now buys products online. If you're going to start anywhere to take your marketing program to the next level, it makes sense to start there.

With over fourteen years as an enterprise-level Search, Social, and Ecommerce advertising platform, Skai is uniquely positioned to help retail marketers understand the unique and complex opportunity of full-funnel retail advertising.

Retail brands, imagine if 70% of your online marketing spend could be optimized to work best together to drive the maximum return on your advertising investment—engaging your customers throughout their individual purchase journeys at scale and gently nudging them down the funnel at every step of the way. Although there are many different ways to achieve this, mastering these three channels can get you most of the way there.





Keeping up with an ever-changing industry

Pre-internet, the role of marketing was to shepherd every consumer down a predetermined funnel. But in an Internet-enabled world, each purchase path is a separate, unique journey with consumers performing their own research, engaging with brand messaging when they decide to, and purchasing on a timeline of their choosing.

In a COVID-19 world, retail marketers looking to drive online product sales has become even more important than before. Being successful means that marketers must build relationships with customers to aid them in their purchase decisions with the right information when they want it. They must engage them at key inflection points across channels to reinforce their value, carefully shape their buying criteria, and leverage every signal possible to better understand what messaging is needed at the right time.

Most importantly, marketers must plan their programs knowing that their brand is no longer the center of their universe—it's the consumer—and customer-led marketing is the only approach.

*It's no longer your sales path, it's **their** buying journey.*

Understand what each channel does best to align to the customer so you know which levers to pull

Today, every retail brand uses Search, Social, and Ecommerce Advertising, but many are using them as siloed, full-funnel channels rather than in a unified approach to align with the consumer. While 82% of marketers in a recent study say that they have a customer-led approach in their planning, [only 13% of brands feel they have reached that goal.](#)

These three channels provide full-funnel options for retail marketers to drive product sales and practitioners are working hard to maximize their channel's full-funnel potential. However, each channel has its own unique benefits which dictate how best to use them to engage consumers throughout their purchase paths.

Marketers need to take a step back, acknowledge where and how each channel works best, and then holistically plan with a full-funnel strategy.



Paid search in the funnel

Retail marketers simply can't ignore the power of Search to help consumers research product purchases. According to [Forrester Consulting](#), more than 90% of consumers say they use search engines when discovering, exploring, and engaging during their purchase decision making:

- 95% of respondents use at least one search channel for discovery (top-funnel)
- 94% of respondents use at least one search channel for consideration/purchase (mid-funnel)
- 93% of respondents use at least one search channel for engagement (bottom-funnel)

As part of a full-funnel retail marketing approach, paid search can be used at every stage of the purchase journey to reach your target audience. A [relatively recent shift](#) in Google's editorial policy now enables marketers to send ad traffic to Amazon, Facebook, and other destinations, which is a huge advantage for retail marketers.

When to use Paid Search in the Funnel

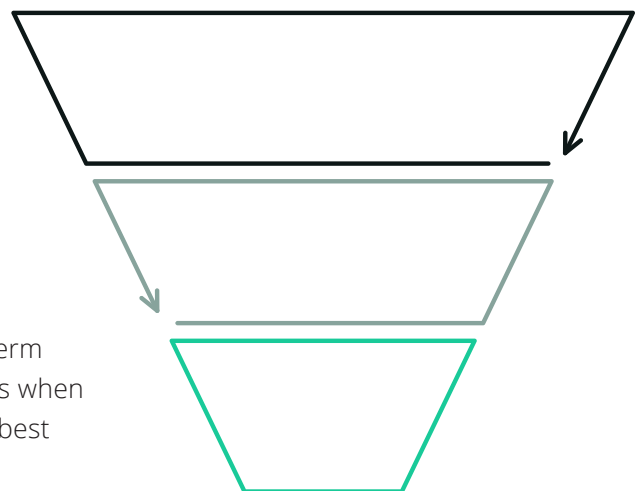
Visibility on search engines when consumers research product decisions is critical to your success.

Every relevant search should be considered a potential future sale, whether it's at the beginning of the purchase path or near the end. You must be there as they search for solutions to their problems without even a product purchase in mind, to counter the claims of competitors, and to navigate consumers to where they can purchase once they are ready to convert.

While search advertising is a proven tactic to get the right message to the right person at the moment they are actively searching, paid search requires a user-initiated search of a brand's keyword list to trigger an ad. Another limitation is the search text ad format isn't very engaging or influential on its own and it's best use is to transport users to richer content which can engage and educate them.

Paid search in the funnel

- 1** Reach consumers as they look to solve a problem or begin building their consideration set
- 2** Be found when consumers begin product/category research to figure out their buying criteria and options
- 3** Bid aggressively and build out countless long-term keyword variations to own bottom-funnel terms when consumers are ready to buy or looking for the best offer/price



Social advertising in the funnel

In 2019, eMarketer estimated that 2.95 billion people, or [77.0% of internet users globally, will use a social network](#) at least once per month. That number will grow to over 3 billion people in 2020. Not only does social advertising offer massive scale to reach those people, but it also provides unparalleled targeting with its deep data on each user. As [government regulations and private-industry policy changes](#) protect consumer data privacy and restrict targeting capabilities, marketers will need to rely on social advertising more to target their audiences accurately.

[81% of consumers surveyed](#) credit social media for making them aware of a recent purchase, and 30% report that ads on social media sites were responsible for their discovery of a recent purchase. Influencer marketing on social platforms is growing as a tactic, with [41% of Instagram users following at least one influencer](#).

As a full-funnel channel, social advertising is inherently visual and engaging, with a variety of ad formats (posts, video ads, stories ads, product ads,

carousels) as storytelling tools to build emotional connections with and influence social users.

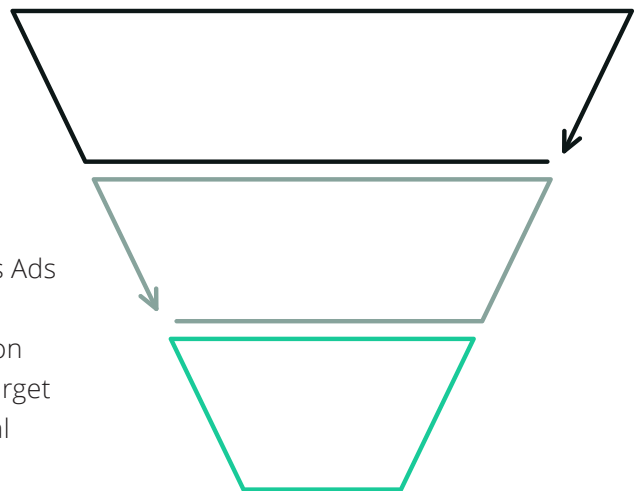
When to use social advertising in the funnel

Unlike Search—or Ecommerce Advertising that is primarily search-triggered—marketers can push ads to social media users based on a myriad of targeting criteria fueled by a breadth and depth of audience data that is unparalleled by other channels. Social has multiple benefits for retail success, including product ads (i.e., dynamic shopping ads on Facebook), social commerce (i.e. Facebook Marketplace, Instagram Checkout), and social referral traffic to retail sites—[which has grown 110% in two years](#), growing faster than any other referral channels.

Even though a critical differentiator to Social is that it doesn't require a user search to trigger an ad, it is also one of its drawbacks. To be successful, the ad experience requires additional targeting in order to be relevant. It also can be a disruption as social users are on those platforms to perform a variety of tasks and may not be initially interested in stopping and engaging with a brand message.

Social advertising in the funnel

- 1** Use reach & frequency buys to build awareness on new products and stay-top-of mind on the products consumers already know
- 2** Target consumers with value propositions based on their audience characteristics. Go in-depth with engaging ad formats such as Video Ads and Stories Ads
- 3** Retarget users who have engaged with you either on social sites or your site. Upload customer lists to target them or lookalikes. Either transact directly via social commerce or drive them to your product pages



Ecommerce advertising in the funnel

Online retailers—such as Amazon, Walmart, Target, eBay, and others—have tremendous first-party purchase data and valuable and in-market shopper audiences that, when combined, offer the “holy grail” of retail marketing: the right message to the right person in the right place, at the right time..

Google and Facebook garnered over 60% of US total ad revenue in 2019 and are two of the most well-known success stories in the history of marketing. But ecommerce advertising is growing even faster with marketers than those two behemoths. When compared to the first four years of initial growth, Amazon’s ecommerce advertising offering (Amazon Advertising) is on a more rapid trajectory than either Google or Facebook. Through ecommerce advertising, [Amazon has generated as much ad revenue in its first four years than Google or Facebook generated in their first seven years.](#)

...offer the “holy grail” of retail marketing: the right message to the right person in the right place, at the right time.

Shoppers in online stores are inherently leaning towards the bottom of the funnel, but retail marketers can use full-funnel keyword strategies to reach consumers as they browse these sites looking for products. While some research shows that [two-thirds of US shoppers typically start their search for new products on Amazon](#)—and [other research shows less than 50%](#)—the fact remains that online retailers are an essential destination for retail marketers to utilize for both influence and sales.

What is the primary reason that US retail marketers advertise on amazon?

% of respondents, Dec 2018



Note: among those who have advertised on Amazon; numbers may not add up to 200% due to rounding

Source: Nanigans and Advertiser Perceptions, “Amazon’s Advertising Ascent: What Retail Marketers Really Think,” Feb 6, 2019





When to use ecommerce advertising in the funnel

You can't get any more at the bottom of the funnel than advertising inside an online store, and retail marketers say their top reason for working with ecommerce advertising publishers like Amazon and Walmart [is due to the high ROI](#). Even though the primary ad type is search-triggered, there are display ads that can be pushed to targeted users based on their historical buying and browsing behavior. Although tremendously powerful, to serve an ad, this channel requires a consumer to be on an online store. If they aren't, they can't be reached.

And here's where the bottom funnel can work against a brand—if a consumer has decided exactly what he/she wants before arriving at a store, it may be hard to change their mind. Consumers have to be engaged with at the top and middle of the funnel before they've decided exactly what brand they want to buy.

Ecommerce advertising in the funnel

1

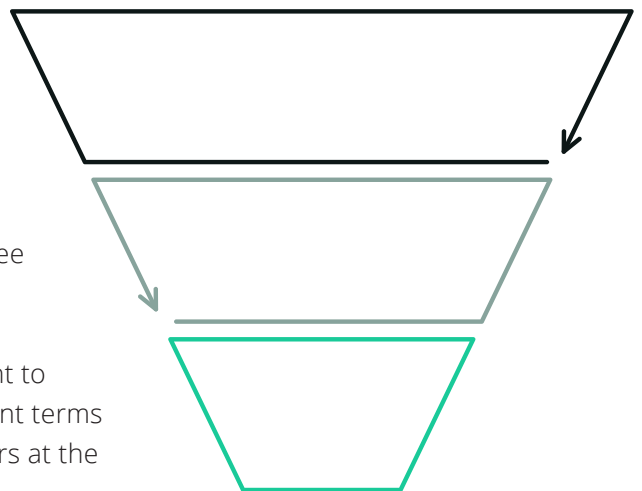
Upper funnel is somewhat limited unless a consumer starts their product search in an online store

2

Reach consumers when they have yet to decide on which product to buy. Bid on keywords they use to append features to their product searches (i.e., coffee maker with reservoir)

3

Bid-to-value on keywords that demonstrate an intent to buy. Own your share-of-voice on your most important terms to make sure competitors don't steal away customers at the last moment



	Paid Search	Social Advertising	Ecommerce Advertising
Top-funnel	Reach consumers as they look to solve a problem or begin building their consideration set	Use reach & frequency buys to build awareness on new products and stay-top-of mind on the products consumers already know	Upper funnel is somewhat limited unless a consumer starts their product search in an online store
Mid-funnel	Be found when consumers begin product/category research to figure out their buying criteria and options	Target consumers with value propositions based on their audience characteristics. Go in-depth with engaging ad formats such as Video Ads and Stories Ads	Reach consumers when they have yet to decide on which product to buy. Bid on keywords they use to append features to their product searches (i.e., coffee maker with reservoir
Bottom-funnel	Bid aggressively and build out countless long-term keyword variations to own bottom-funnel terms when consumers are ready to buy or looking for the best offer/price	Retarget users who have engaged with you either on social sites or your site. Upload customer lists to target them or lookalikes. Either transact directly via social commerce or drive them to your product pages	Bid-to-value on keywords that demonstrate an intent to buy. Own your share-of-voice on your most important terms to make sure competitors don't steal away customers at the last moment

Full-funnel retail marketing

While digital marketing's three biggest channels—Search, Social, Ecommerce Advertising—can reach consumers across the funnel, the best option is to use the strengths of all three together to engage your audience at every stage of their purchase paths. By doing this, it compliments each channel to offer a solid, full-funnel retail marketing program.

While retail marketers still need to fill the gaps with other forms of advertising, leveraging the best options of these three channels will make substantial inroads with consumers at scale.



Skai empowers customer-led retail marketers

A full-funnel digital approach is not easy, but Skai's industry knowledge, expert teams, and robust cross-channel capabilities help retail marketers get more sophisticated in their customer-led marketing approach.

Maximize and amplify the value of each channel's strengths

Since 2006, Skai has spearheaded innovation and driven unparalleled performance for world-class retailers and agencies through best-of-breed platform solutions designed for success on the leading growth marketing media: Search, Social, and Ecommerce Advertising.

- **World-class client engagement.** Platform training, on-demand help, and a client support team that is committed to making sure that you maximize your marketing investment.
- **Expert Services.** Channel experts and consultants that can help you reach your business goals.
- **White-Glove onboarding.** A dedicated onboarding manager whose focus is to understand your current program, map goals, handle all data needs, and develop a custom migration plan.

Workflow efficiency and intelligent automation

Skai's platforms enable marketers to save time, reduce costly errors, and apply automation to handle repetitive tasks.

- **Performance optimization.** Innovative machine-learning puts your money where it counts the most—within and across media platforms to maximize ROI.
- **Feature-rich workflow.** Automated actions, dynamic creative features, collaboration/auditing tools, forecast & delivery analytics, and more!
- **Cross-channel management:** Audience



management, conversion tracking across channels, and more to maximize your efforts across channels.

- **Skai Collaboration Suite.** Cross-team capabilities allow you to stay connected in order to streamline workflow and optimize processes—even when working from home.

Meaningful insights to empower data-driven decision making

Skai believes that the future of advertising is [Total Marketing Intelligence](#).

- **Unbiased, relevant data.** Run agile, low-risk experiments to gauge the ROI and overall business value of each actionable insight, again, right within the Skai platform, for strategies that keep getting smarter.
- **Actionable recommendations.** Go from theoretical to practical quickly with Skai's standalone, AI-driven recommendations within your marketing activation platform.
- **Tools to test & measure.** Context is everything. Make marketing more effective with full-picture, independent insights from 13K+ data sources, including external and market signals along with marketing and business data.



About Skai

Skai is the leading marketing activation and intelligence platform for brands looking to drive growth by engaging customers across digital touchpoints. Skai offers the only marketing solution that combines augmented analytics for actionable consumer and market insights with campaign orchestration and marketing measurement for success on Google, Facebook, Microsoft, Amazon, Walmart, Apple Search Ads, Pinterest, Snapchat, Instagram, Verizon Media, Instacart, Target, Yandex, Yahoo Japan, and Baidu. Skai's machine learning algorithms leverage market signals and internal data, enabling brands and agencies to predict trends and keep pace with customers. Skai has seven international locations and is backed by Sequoia Capital, Arts Alliance, Tenaya Capital, and Bain Capital Ventures. Please visit skai.io for more information.

