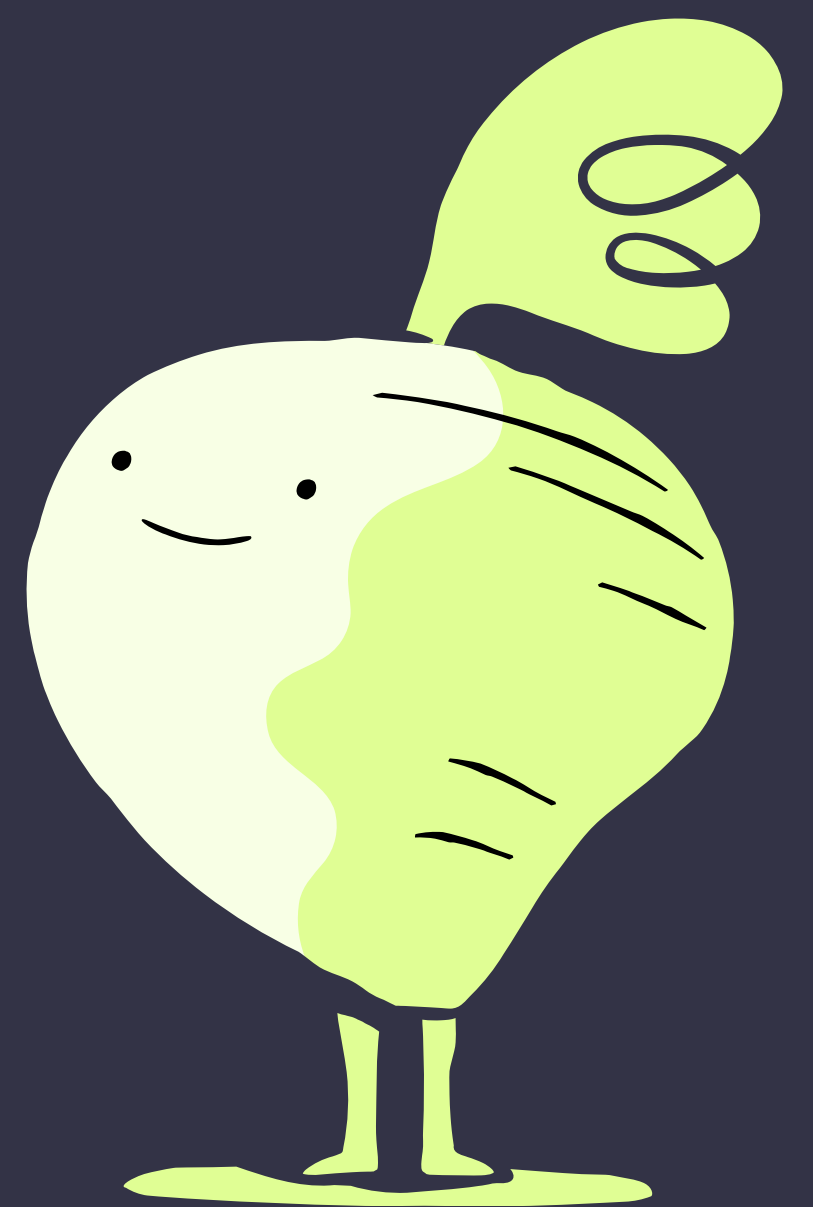
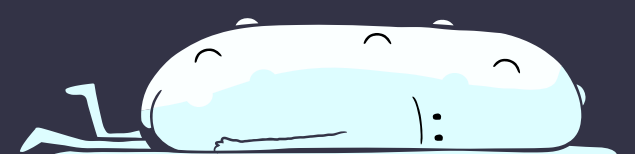


Signifly

How to prove your digital strategy before making a massive investment



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Ah, yes. Digital strategy. What a concept! It sounds so cutting-edge, so colossal, so complex, so expensive.

But here's what they don't tell you: it really doesn't have to be.

Digital strategies have become too “Hollywood” for their own good, and have tanked their reputation in the process. Companies put all of their firepower behind gussied-up presentations and fancy gameplans, and spend little time considering whether their glitter bomb of a strategy will actually achieve what it set out to do. They roll out a new business model, a massive campaign, or a new product or service, then spend a bunch of money and hope people will be drawn in like moths to a flame.

If that sounds financially risky to you, you're already starting to think like a Signifly-er. We're here to brush the confetti and buzzwords aside, and explain how nailing your digital strategy is simply a matter of doing things in the right order. That might sound painfully obvious, but it's high time that we go back to basics.

The approach is all about proving the effectiveness of your digital strategy before you invest significant funds. Thinking big, but starting small. Laying a proper foundation before investing the big bucks. That way, you'll be able to hit your targets smarter, faster, and more effectively than ever before.



Signifly

Chapter 01.

The potential of digital



Digital technology is drenched in promise. The promise of optimizing your business, unearthing golden nuggets of insight, reaching far-flung audiences, paring down your supply chain, and reducing friction throughout the customer journey.

That's all well and good, but the road to a negative ROI is paved with good intentions. Too many digital investments are doomed from the start, sabotaged by sky-high expectations, glitzy PowerPoint slides, and execution strategies with more holes than Swiss cheese.

The fatal flaw with all of these strategies is that businesses assume they've got their target markets all figured out and are able to predict the future. But there's always room to get to know them even better.

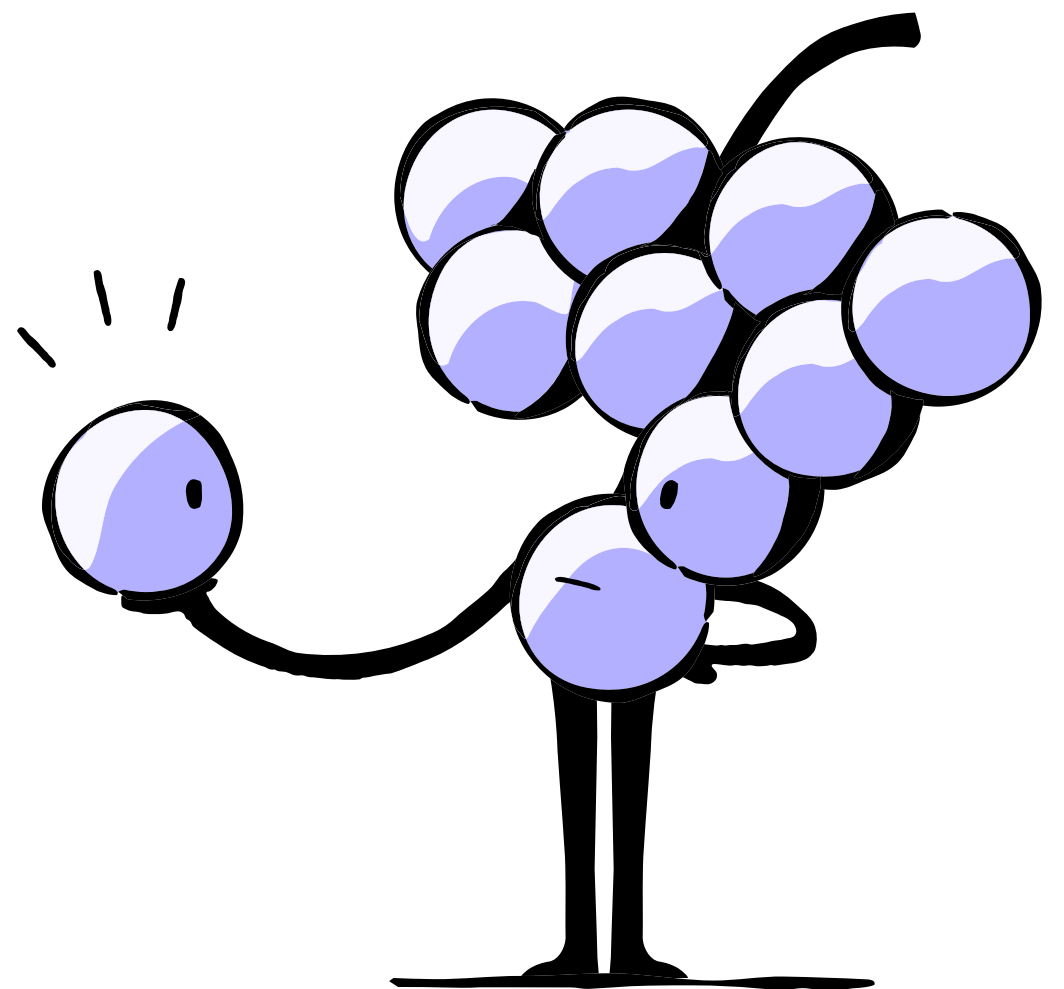
Digital strategies are only expensive because of the risks brands take during rollout: they run different large-scale campaigns over and over again, slicing and dicing different audience segments, to find out which ones will convert more customers.

There's a method that is about testing a campaign's effectiveness and potential before making a major financial investment. That way, you can minimize your risk – and therefore spending – by running a few trials and implementing the highest-performing initiatives incrementally.

So, let's not overcomplicate things. Let's go back to basics instead. Let's go with our guts and let the data decide if our ideas hold up against reality.

Chapter 02.

How to achieve digital success on a budget?





We at Signifly are big believers in capturing key customer data before pouring money into marketing for a product or service. Grab your hard hats and pickaxes, because we're going **signal mining.**

Don't jump the gun

Whether you're looking to bring a new product (or service) to market or give an existing product a boost, you'll need to answer the same question: are people actually willing to buy it?

In pursuit of the answer, brands will typically begin dumping hundreds – and, in many cases, millions – of dollars into social media advertisements and email campaigns. It's the equivalent of throwing spaghetti at a wall and hoping a few noodles stick. Except this spaghetti is extremely expensive, and most of it is falling on the floor.

Instead of figuring out who our major customers will be after finalizing the campaign assets and structure, we deploy multiple small-scale campaigns to various audiences in order to guide our strategy moving forward.

That way, we end up with granular insights that weed out uninterested buyers from the get-go, while spending significantly less than a full-blown ad blitz. If failure won't burn a hole in your budget, there's absolutely nothing to fear, and you can confidently test for success.

Be ready to challenge your assumptions

We think we've got it all figured out. We know exactly why people should want to buy our products, and we know why our services should be selling like hotcakes. We know our value propositions like the back of our hand, and when it comes to building the ultimate ad campaign, nobody is better equipped to decide what works best.

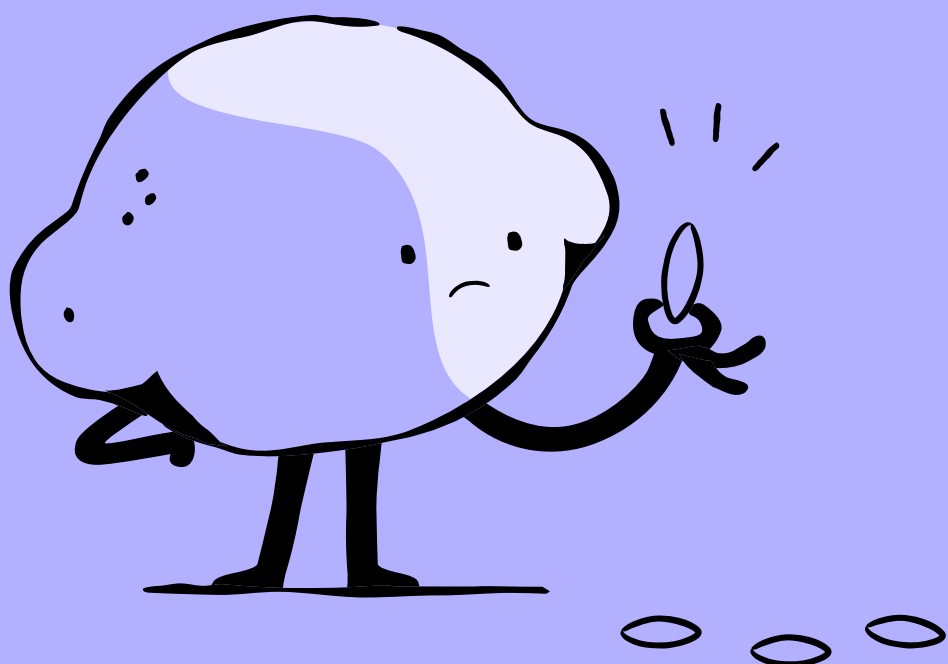
Except for, you know, the customers.

Signal mining is the simplest way to pick your customers' brains without investing huge sums upfront. This information gathering technique is the basis for campaigns that are informed by user behaviour, as opposed to what we assume will work best.

But... What is Signal Mining?

Signal mining is a way for businesses to test the viability of a digital strategy by collecting data through experimentation. These tests can be used to identify the ideal target audience for an ad campaign, the most attractive value proposition for a product or service, and so on.

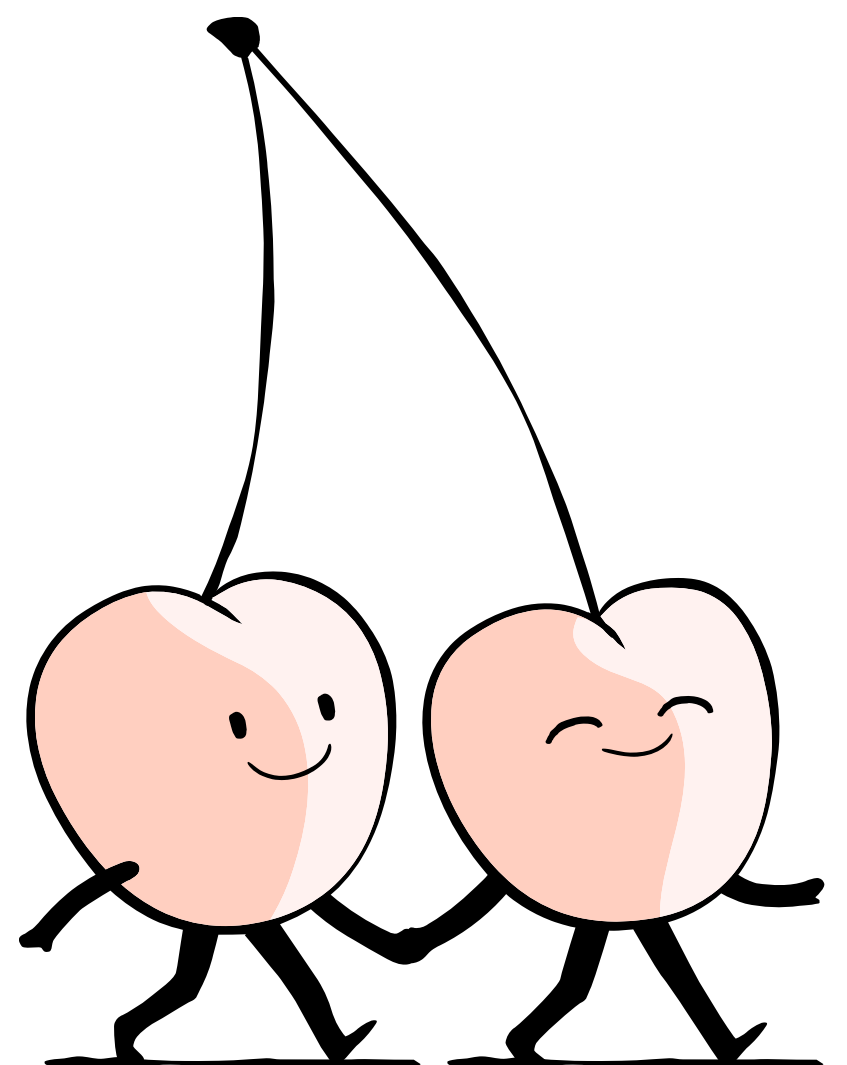
We're going to show you exactly how to collect these pearls of wisdom without punching your wallet in the face. Got it?



Chapter 03.

Signal Mining

step by step





Start small to contain risk. If all of this sounds intimidating to you, think again. Signal mining is really just a sheep in wolf's clothing. The learning curve is incredibly manageable, and after a single exercise, you'll be well on your way to becoming a professional miner.

01



Understand the customer

If you've already launched sales campaigns in the past, or if your website dashboard collects visitor insights, this data is the perfect jump-off point for your investigation.

What kinds of customers visit your website most frequently? Which demographic group has the highest conversion rate? Which ad campaigns grabbed their attention, and which ones fell flat? Using the analytics you have on-hand, you can already begin to refine the target audiences and messaging you would like to test.

For example, if the millennial crowd rarely interacts with your social media ads but you're convinced they should be interested in your brand, you can use signal mining to learn more about which messages and visuals resonate with them. On the other hand, if you know that women account for the bulk of your sales, you might use this experiment to learn more about them, and whether you can modify your messaging to convert even more female customers in different age segments.

Another highly relevant use case is if you're bringing a new product or service to market. These insights can make or break your launch, especially if you've based your strategy on a gut feeling.

Don't assume: Get your products out there, and let the data do the talking!

02

Choose your testing parameters

Join us on a trip down memory lane for a moment – back to high school science class. Remember learning about the scientific method? Formulating a hypothesis, then conducting an experiment to test its validity?

Before you invest in a digital strategy, you'll need to step back into those shoes and test a few hypotheses. Sometimes your assumptions will hit the nail on the head, which is great! And other times, your audience's preferences will downright shock you. From that point forward, you'll be a signal mining believer for life.

First, you'll need to decide what to measure. Are you looking to monitor traffic to your website? Engagement with a social media ad campaign? Total purchases? Ad impressions? The answer will depend on which part of your sales funnel you're trying to optimize.

This is a standard sales funnel for B2C, but not every funnel is the same. At Signifly, we provide B2B services, and we don't do direct sales online: instead, our funnel is focused on things like learning about clients, booking meetings, and signing contracts. Signal mining is just as useful in a situation like ours – you

simply need to understand the structure of your funnel (you can even draw it on a piece of paper right now).

For most businesses, whether they're B2B or B2C, the goal is to effectively guide the customer towards the very end of the funnel: making a purchase. To enjoy the pot of gold at the end of your funnel-shaped rainbow, you'll need to leverage the earlier steps in the customer journey to collect data, then use that data to optimize your strategy.



03

Decide where to conduct your tests

In order to connect with your customers at the most opportune moments along the purchasing journey, you'll need to reach them where they spend significant amounts of time: social media. More specifically, Facebook and Instagram.

Before we dive deeper into the benefits of signal mining using social media, it's important to understand the alternative. There are two standard ways to monitor consumer habits: cookie-based tracking via Google Analytics, and people-based tracking via Facebook Business Manager.

Whenever you visit a webpage, browser cookies store a little "crumb" of data on your computer. As you continue to surf the internet, your browser can read the data contained within each crumb, and it uses that information to personalize your online experience (serving you ads for a product you were

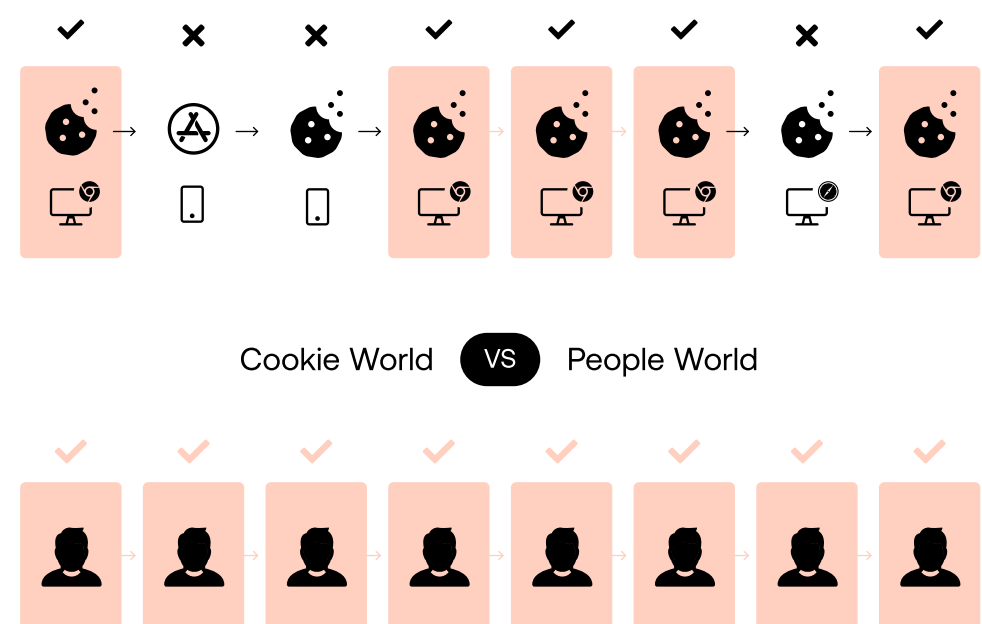
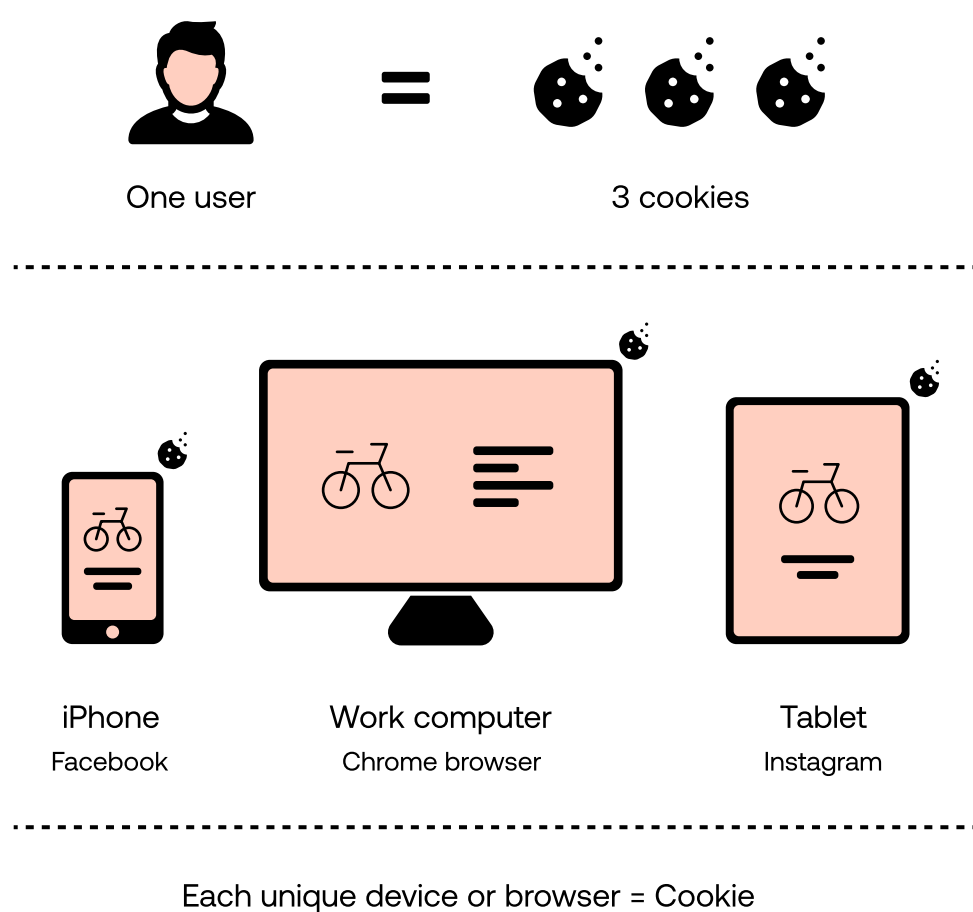
researching earlier, for example). If you visit a given website or webpage on two different devices or browsers, each one will place a new cookie. This makes it impossible for businesses to attribute browsing habits on different devices to the same user.

People-based tracking takes a more holistic approach. In this case, Facebook Analytics attributes a unique ID to a person instead of a device. This gives Facebook a more fluid, seamless snapshot of how customers behave across devices and browsers. The only pitfall is that customers must be logged into their account for people-based tracking to work – but these days, that's pretty much a given.

Let's illustrate the most critical difference between cookie-based and people-based tracking with a quick example.

Meet Sam. Sam is looking to purchase a bicycle online. He spends some time searching for different brands on his smartphone and visits a few different websites. He also visits a few more websites on his work computer and visits one brand's Instagram page on his tablet.

Using a cookie-based approach, Google will give Sam's smartphone 100% of the "credit" for converting him into a consumer, since his phone activity is being tracked by a completely different cookie than his tablet and his work computer. This is inaccurate, of course, since there were many more steps that defined his customer journey.



For two weeks, Sam continues to receive targeted ads on Facebook and Instagram based on his browsing history, interacting with them occasionally. Finally, he decides to make a purchase and completes the transaction on his smartphone.

Using a people-based approach, Facebook will have followed Sam across devices and browsers. They know that he was receiving ads on two different social media platforms and three different devices. They know that he clicked on a couple of the ads, but did not buy a bicycle. They know that his path to purchase included multiple touch points, all of which provided their own value as part of a holistic system.

For this reason, people-based mining is our preferred strategy (though the best course of action can vary based on your business). And if you want to leverage the most powerful tools, algorithms, and analytics on the market, there's no better medium than Facebook and Instagram.

04

Start mining

You brought your hard hat just like we asked, right? Awesome! Now that we've covered the sales funnel and explored why social media ads are particularly effective for signal mining, it's time to create our experiment framework.

You're going to make a chart just like this one, with two different variables that contain three sub-categories each.

| | | Variable 1 | | |
|------------|---|------------|-------|-------|
| | | A | B | C |
| Variable 2 | X | A / X | B / X | C / X |
| | Y | A / Y | B / Y | C / Y |
| | Z | A / Z | B / Z | C / Z |

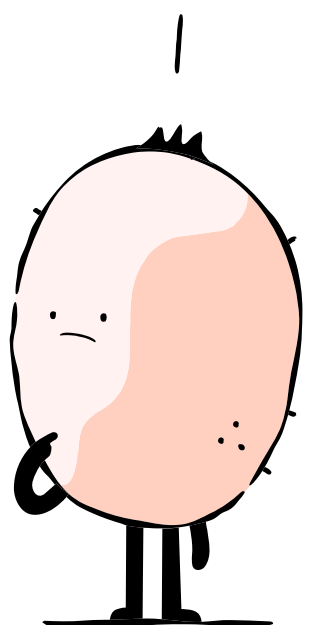
Variable 1 is in this example related to demographics: who are you targeting? Millennials, mothers, young urban creatives? As we mentioned earlier on, if you've already collected some consumer data, you may want to choose subcategories you have not had the chance to explore yet. But if you're looking to conduct a more general experiment, these three sub-categories can be as diverse as you want.

Variable 2 could be your "unique selling proposition," or USP. This is what makes your product or service attractive to consumers. Are you more affordable than your competitors? Does your offering leverage new technology? Is it locally made? Does it have exceptional branding? Choose three USPs that, in your opinion potentially, will resonate with consumers.

Each demographic will be served all three USPs, for a total of nine data sets. By cross-pollinating the two variables in this way, you will be able to understand which messages resonate with which groups and which messages fall flat. The resulting data is incredibly granular, and therefore supremely valuable as a benchmark for future campaign targeting.

Q. Can I use other variables besides demographics and USP?

A. → Of course! This is about exploring whichever variables will get you closer to hitting your targets. Another useful one would be price: how much are people willing to pay for your product? Feel free to tweak your variables as much as you want – the only thing we don't recommend is adding a third variable. Things can get confusing quickly, so it's better to run another mining experiment if you want to test different variables.



Q. How to create a killer campaign – even if your product doesn't exist yet?

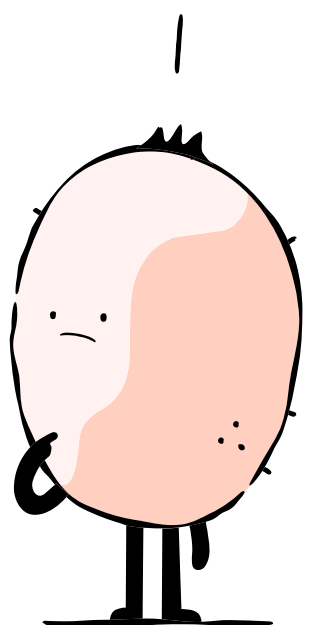
A. →

Signal mining is all about running a lean and mean operation. No fluff necessary. To launch ad campaigns for each of your three USPs, all you need is a minimum viable product (MVP). The full customer journey will come later – for now, it's all about gauging their intent to purchase. You can measure someone's intent to purchase through simple actions like clicking on your ad or signing up for email updates.

With the help of an agency like Signifly or your in-house design team, you will create a social media ad and a website for your future product or service. The site will be a single landing page that

exists to capture emails from visitors – nothing more. In fact, if all you want to measure is ad clicks, you won't even need an email capture field: it can simply be a landing page that says “watch this space!”

So, when someone clicks on your Facebook ad, they'll be routed to your landing page and prompted to enter their email if they want to receive updates about your launch. At the end of your signal mining experiment, you'll be able to see exactly how many clicks (and/or emails) you were able to rack up, and make your next move accordingly.



05

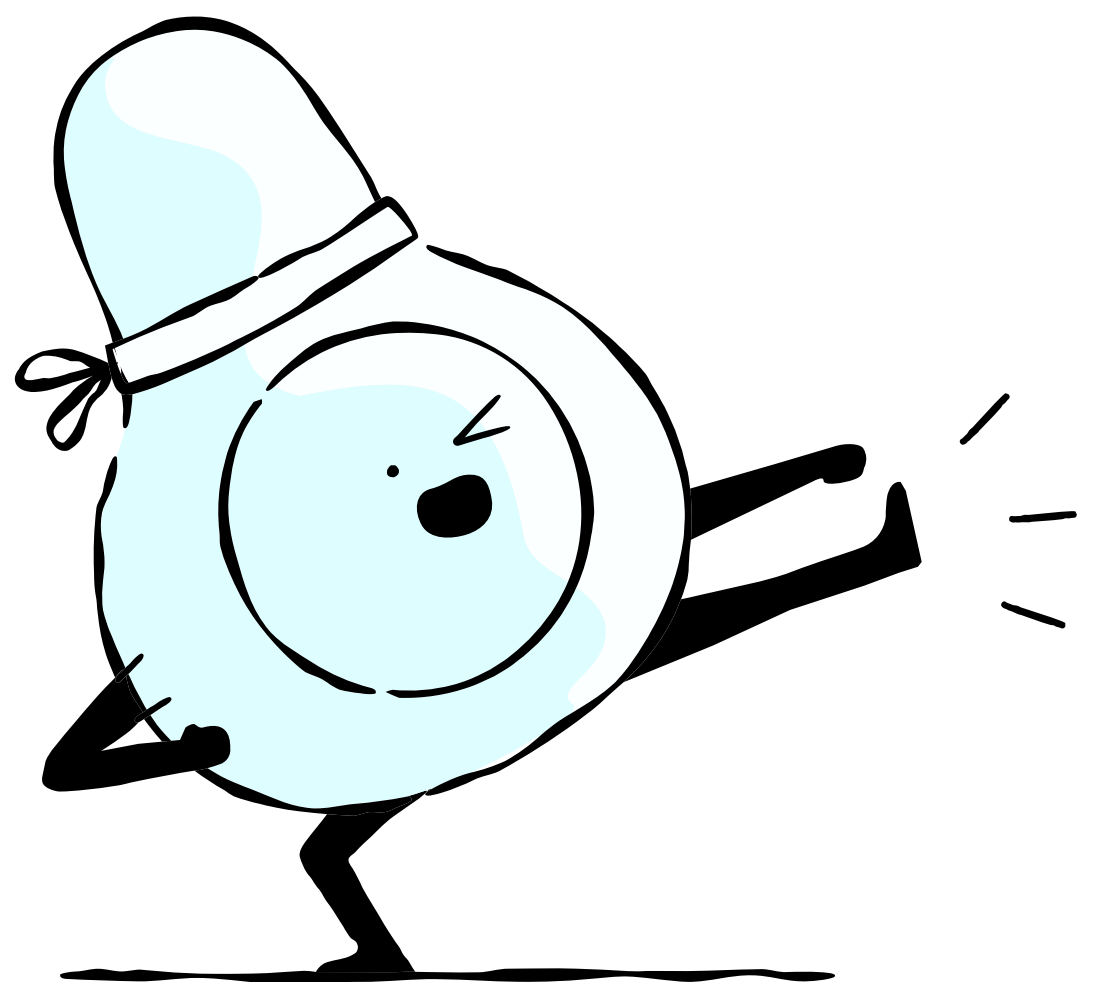
Refine your approach and invest incrementally

If you've made it this far, the toughest part is already over! Time to reap the rewards of all your hard work.

Now that your experiment has returned tangible results, it's time to put your findings into action, whether that means developing a whole new product or refining your marketing approach for an existing one. Invest incrementally, and continue to mine for additional insights as you go: your digital strategy will always be a living, breathing project!

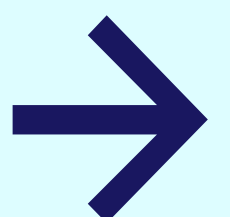
Aside from your key findings (conversions, CPC, etc.), you should also take a peek at the surrounding data. Facebook Ads Manager is a treasure trove of insights, and you can even scroll through the comments on your ad to explore individual users' thoughts and impressions.

Case Study - Kolekto collects valuable data to refine their target market



About Kolekto

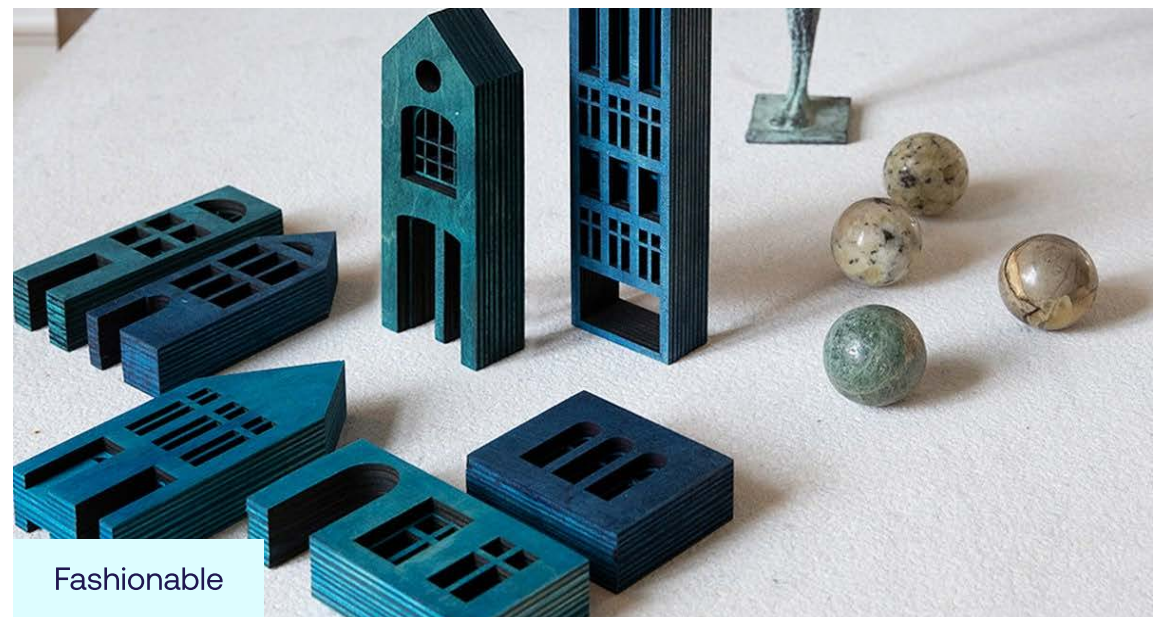
Kolekto, a Copenhagen-based design studio, wanted to expand their target audiences and increase sales, of their sustainable wooden toys, online. As a successful brick-and-mortar company, they wanted to grow their web-based business beyond their current achievements. Signifly joined forces with Kolekto to dream up an incredible online rebranding strategy, and to help them optimize their messaging and demographic targeting.



Signifly

About the campaign

Based on the kinds of customers they had served in the past, Kolekto narrowed Variable 1 down to three target audiences: families, grandparents, and younger individuals. Next, they chose their three USPs: “authentic craftsmanship”, “fashionable” and “the perfect gift”.



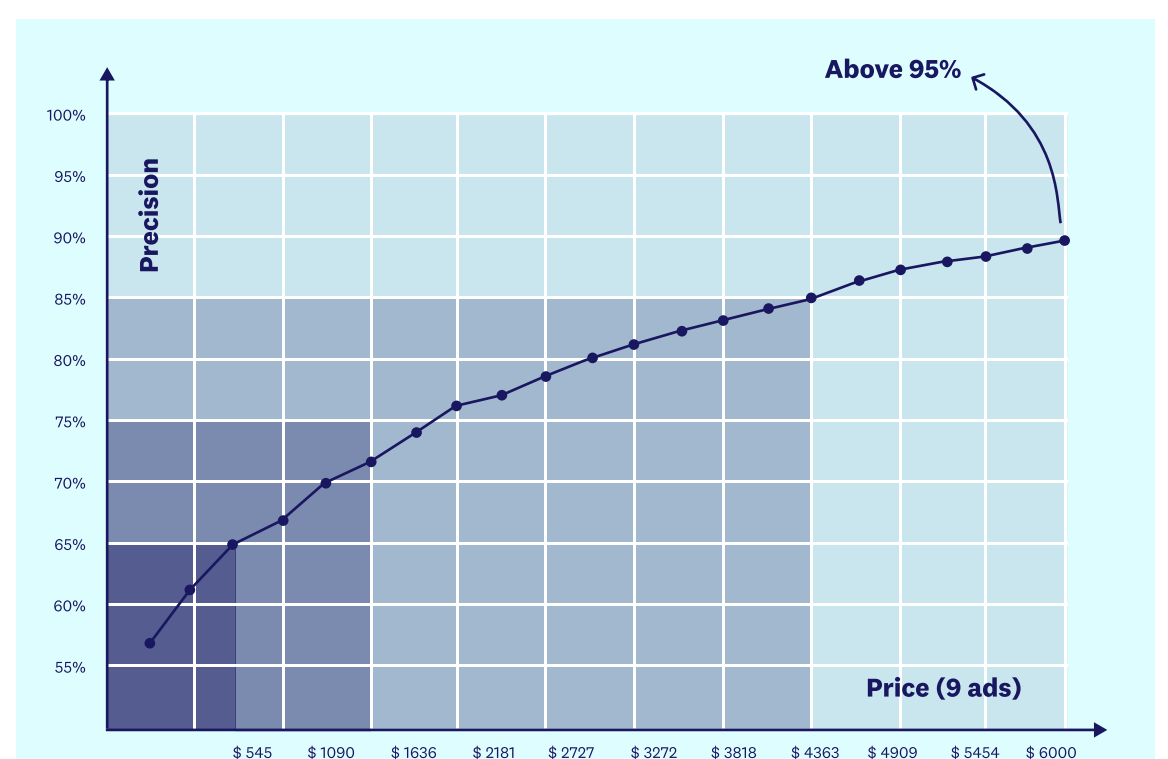


With this information in-hand, it was campaign creation time. The “authentic craftsmanship” campaign included videos from inside Kolekto’s workshop, the “fashionable” campaign highlighted the product’s aesthetic nature, and the “perfect gift” campaign was largely targeted at men looking for a great last-minute gift that’s both personal and unique.

Kolekto decided to measure two key conversion points:

1. Cost per click (CPC), which monitors how many people interact with the campaign and have therefore shown interest in the product.
2. The number of people who added a product to their online cart. This action occurs during the second phase of the customer journey and signals purchase intent.

To get valid data we looked to Facebook and committed to \$1000 and a 70 to 75 % precision for the 9 ads (3 target audiences x 3 USPs).



To give Facebook time to approve, learn and promote the time-frame is set to 2 weeks.

| | |
|------------|----------------------|
| Ad budget | \$ 1.000 |
| Time frame | 2 weeks |
| Channels | Facebook & Instagram |

The results

“Fashionable” was the most convincing value proposition by a landslide. Families and older individuals responded very positively to the fashion-centric campaign (green squares), while the other 7 combinations did not create a significant number of conversions.

The orange squares represent combinations that gained some traction, but not much, while the red squares indicate a flop. For starters, this exercise made it clear that Kolekto shouldn’t bother marketing to younger demographics at all, since none of their messaging resonated with this group.

An ad campaign’s cost per click (CPC) illustrates how much a brand has to spend for each customer that clicks on their advertisement. For example, if you spend \$100 on a social media campaign and 1000 people click on the ad, your CPC will be \$0.10.

Compared to the “fashionable” campaign’s CPC, Kolekto had to pay more than twice as much on advertising before someone clicked on their “craftsmanship” campaign. Discovering these nuances is the true beauty of signal mining: if a company ends up spending tens of thousands of dollars on ads in a given year, spending twice as much for the same result would be a financial disaster!

The “fashionable” USP continued to shine in the conversion category. Twenty-two people who were exposed to this campaign added Kolekto’s product to their cart, compared to less than half as many people in both of the other categories.

If 22 doesn’t sound like a smashing success, remember: signal mining isn’t built to deliver volume. Its sole purpose is to gain insight into customer behaviour to build future campaigns that will rack up large numbers. And in Kolekto’s case, the data spoke volumes.

| | | Segment | | |
|------------------|------------------------|---------------|-----------------|----------------|
| | | Older segment | Younger Segment | Family Segment |
| Creative message | Authentic Craftmanship | A / a | B / a | C / a |
| | Fashionable | A / b | B / b | C / b |
| | The Perfect Gift | A / c | B / c | C / c |

| Interest and traffic to website | Cost pr. click |
|---------------------------------|----------------|
| Authentic craftsmanship | \$ 0,89 |
| Fashionable design | \$ 0,41 |
| The perfect gift | \$ 0,52 |

| Conversions | Add to cart. |
|-------------------------|--------------|
| Authentic craftsmanship | 7 |
| Fashionable design | 22 |
| The perfect gift | 10 |

Authentic Craftmanship

Cost pr. click: \$ 0,89 / Conversions: 7

Morten Poul and Trine Dybkjær like Kolekto

Kolekto
Sponsored

Did you know that all our product are handmade in Copenhagen?
At Kolekto we believe that sustainability and aesthetics shopuld go hand in hand. That's why all our products are handmade using sustainable materials in our workshop in Copenhagen.



KOLEKTO.DK
[See our collection here](#) [Shop Now](#)

1,418 55 Comments 11 Shares

Like Comment Share


Fashionable Design

Cost pr. click: \$ 0,41 / Conversions: 22

Morten Poul and Trine Dybkjær like Kolekto

Kolekto
Sponsored

We craft authentic and handmade design objects for kids and adults
All our products are drawn by architects, handcrafted from scratch in the heart of Copenhagen. And every product, from toys to home decor, can be customized with a personal name and greeting.



KOLEKTO.DK
[See our collection here](#) [Shop Now](#)

1,418 55 Comments 11 Shares

Like Comment Share


The Perfect Gift

Cost pr. click: \$ 0,52 / Conversions: 10

Morten Poul and Trine Dybkjær like Kolekto

Kolekto
Sponsored

Who do you think deserves a unique present filled with personality? ■
We at Kolekto want to give you the opportunity to share a unique story, by customizing our products by engraving a name and your very own personal message for the recipient.



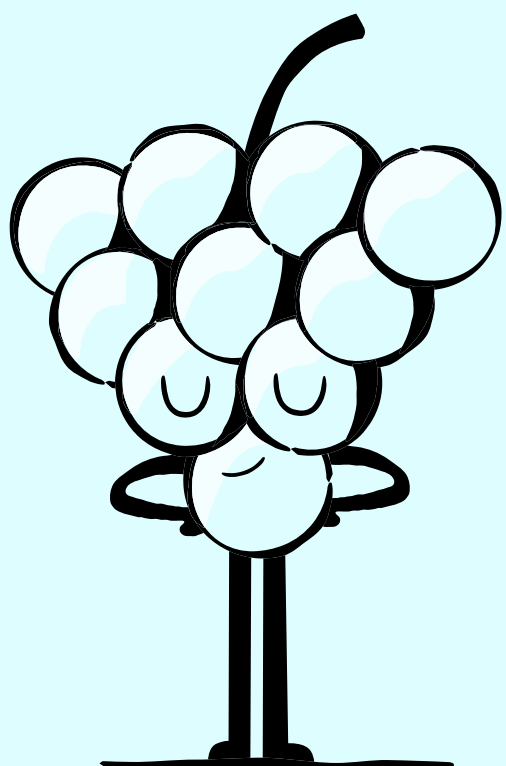
KOLEKTO.DK
[See our collection here](#) [Shop Now](#)

1,418 55 Comments 11 Shares

Like Comment Share

The Aftermath

Armed with a wellspring of data, we brought our findings back to the lab and began crafting Kolekto's digital strategy.



Our data mining experiment informed our approach for their sales strategy, their Shopify solution, their email drip campaign, and a newly-minted “personal gift” concept. We’ve come a long way, but our work isn’t over yet: we will also be helping the brand tap into the influencer marketing space.

Every step of the ideation process has been smooth sailing thanks to our collaborative findings. From crafting a visual identity for their campaigns to selecting the best-aligned influencers for their aesthetic, signal mining has proven to be an investment well worth every penny (and honestly, compared to what you could be spending on your digital strategy, it is pennies indeed).

About Signifly

Beyond strategic slideshows, buzz-word bingo and bullshit. We are Signifly, an international digital agency based in Copenhagen, Montréal, and Oslo.

At Signifly, we try to avoid as many buzzwords as possible, simply because we believe they add unnecessary complexity to digital strategy. Being a team composed of young consultants, geeky developers, hip designers and self-declared creatives this is no easy task. And as the buzzword-swear-jar is filled up with lightning speed, we had to apply a different approach.

The solution became that whenever we'd run into an unavoidable buzzword we'd have to identify its underlying assumptions, translate it for each other and agree on a definition (sometimes we succeed).

So, in an era dominated by design thinking, scrum and agile sprints, we saw ourselves forced to dig a bit deeper and challenge the underlying assumptions to develop our own take on how to work in a world of digital and prioritize our efforts.