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It's been crazy to see the attempts to implement AI. A lot of people are using it to increase productivity and trying to figure out a way to implement it into whatever they're doing. But the actual things that are working don't seem to have shifted much.

Narrator:
This is AdLab. Performance marketing dissected, decoded, and delivered.

Gavin:
What's happening listeners? Thanks for joining me. I'm your host, Gavin Flynn, and if you've got marketing questions, we've got marketing answers. Before we jump in, head over to adlabpodcast.com for a free marketing review from the team here at LP, plus a special listener discount if you decide that we're the right fit for your project. Today, we're talking about getting more value from every customer who visits your website. Later, I'm going to be joined by Todd Brandley, head of partnerships over at Zipify. He came on to discuss how e-commerce brands can increase average order value and making the most out of tools like upsells, bundles, and subscriptions. But first, I'm joined by Ryan Garrow, director of partnerships and client solutions here at LP, for this week's Hot Headline, where we're discussing how political advertising during the midterm elections is impacting digital ad costs and what brands should be thinking about heading into the holiday shopping season. Ryan, thanks for coming on for this week's hot headline.

Ryan:
Of course. I'm excited, always, to see how hot I can get on these headlines.

Gavin:
Well... And this one actually is very present in everybody's mind. Midterm election ads. And Oh, to nobody's surprise, we're looking at another record breaking spending year. I've seen some numbers thrown around in the 11,000,000,000 range. A lot of those numbers start to become almost too big to comprehend. So I like to take it to a little bit more of the ground level for marketers and brands and how to look at these last few weeks worth of data, maybe what we should have been doing as brands and looking forward maybe if there's some opportunity in the weeks ahead. Now I'm kind of curious when you're looking back on an increased spend push like we see during election cycles, what are the metrics that you like to look at to really tell the story of the success of, let's say, a marketing effort or a PPC account? And anything that you would recommend looking at over another metric? I have some ideas, but...

Ryan:
Well, you know, from a Google standpoint and Microsoft ad standpoint, you're you're capturing demand, generally speaking towards the bottom of the funnel. People are searching for what you have to sell. Political ads are not trying to jump into Google Shopping ads, for example. Like, if you sell raincoats, political ads are not going to impact that shopping or text ad spots. Where you will start to see some differences that discovery, mid- to upper-funnel, like, you're on some PMax campaigns, there's probably limited spend going at your target ROAS to some of the display, YouTube, other areas where political ads can have an impact and are having an impact. Yeah. And so it's likely. And based on what I've seen in the last month, PMax campaigns are heavily spending in search if you look at the channels. There's not a lot going on Discovery and YouTube, whereas maybe August, September and some of that Google change, you did see a little bit more of that coming into your PMax campaigns. But generally, political ads, if you're selling on e-commerce, you don't have to worry too much when it comes to Google and Microsoft. Same thing with lead gen at the end of the day on Microsoft and Google, You're capturing demand as it exists around the country. Now there can be less people searching because they're being distracted, and there's other things that are on top of their mind. We also have economic headwinds coming into play that could be impacting the number of searches and all that fun stuff.

Gavin:
It seems to me at least separating out efficiency metrics and not simply the media metrics because, and you might have seen this in accounts that you're looking at, but CPMs increasing, CPCs increasing, reach decreasing, but still really focusing on ROAS, CPAs, MER, all the metrics that you always talk about, Garrow, are still important and will still tell the story. I also think, hopefully, everybody's been investing in their email channels this time of year and really leaning in to those lower funnel Yeah.

Ryan:
And I think... So we can kind of look at election years over the last, I'll just say, eight years ish. You know, every two years, you've got a midterm cycle, and then every four, you've got a presidential election. So those years, you will see, October is going to be a little bit different. And maybe in the future, it's always going to be different. But in the years outside of election cycles, October's a really valuable month for your data filling, like your remarketing list, people that are coming from, like, Amazon Prime, usually in early October, and then move into, like, holiday shopping periods where they're thinking about what are the gifts I have to buy. And they're maybe not pulling the trigger in October. Some of them do, but it's usually the research phase. Like, I know in my family, for example, my wife, buys most of the gifts for the kids, but we get together and we start brainstorming in October. Alright. What's our budget? You know, what are we going to start getting for the kids? And we have four, so it's like an Excel sheet. We're... Anyway, it's a math it's a math model of our family of, what are we buying for the kids? How much are we spending?

Gavin:
Need an algorithm to figure out what gift we're getting. Yeah. Yeah. Yeah. Chat, are we still... Are we overspending on some of these? Claude, how can we optimize our spend on this area?

Ryan:
Yeah. That really doesn't exist as much in an election year because all of those available impressions or eyeballs for those potential buyers are being taken by all these political ads. And so if you think about... Like, let's take Meta. They allow political ads, and so Meta did see CPM increases in October as you would expect for most brands trying to capture that mid- to upper-funnel and prospects new buyers or new customers for your services. And so when that goes away, we should see it come back down, but you've already missed a lot of that opportunity. And so you've have to probably focus on it for some of these brands, especially heading into holidays. When that election cycle finishes today, when we hope that it's just done, like, the... If for an e-commerce brand, what you hope today is that done. Everybody agrees with the results, and we're not going to go fight in courts for the next, you know, two weeks and use up all these valuable impressions on social channels with trying to explain why you're challenging things and just keep the flow of money going. Great for Meta probably, bad for e-commerce brands and all these impressions. Yeah.

Gavin:
If it extends out. But if we have a clean finish line, this is the time to push. We might have missed maybe some of those potential weeks leading up, but now in the coming two to three weeks, hey. It's time to really start filling up those funnels.

Ryan:
Yeah. And I would say depending on how your us... We'll keep it on Meta because that's the easiest one that most of the people are spending on that are... Was impacted from election cycles. You would say your pixel and your out... Your conversion system, your Conversions API (CAPI) in Meta probably lost a little bit of data or a little bit of room to run because of all these all these competition. So you've got really from today to the next week, you're trying to get that back in the right position. So you might want to get more aggressive than you're comfortable with right now to make sure that you're getting in front of those. Like, have your creative tests going. Like, b, please creative, and try to figure out which one's going to be the winner leading into Black Friday, Cyber Monday. Some companies may be starting Black Friday, Cyber Monday sales today or tomorrow, right after the election cycle, just to be like

Gavin:
It's earlier and earlier every, you know It is. It's like Black Friday/Cyber Month for the month of November. No. It's... It... This, I think, is all good knowledge for brands and marketers to take away leading into, yeah, the rest of the year.

Ryan:
And I would I would say because of how, I guess, aggressive political ads are getting and how much spend is coming behind them. I mean, I think the number you said was 11,000,000,000. I think that's up 3,000,000,000 from the presidential election. Just... And most of that is coming in a, probably, a six to eight week window with TV and meta ads. So your connected TV ads were also up. Pay attention to TikTok, and don't sleep on TikTok because TikTok doesn't allow political ads as of now. So poll... TikTok has basically said, we don't, you know, essentially care about that, you know, 11,000,000,000. We don't need it. We're going to keep it clean for advertisers and entertainment purposes and not get political, which I actually kind of like. So it's just going to be much simpler to keep your marketing consistent and easy on TikTok in these chaotic times.

Gavin:
No. No. Not another good directional piece to take away. Garrow, that's all the time I have with you. Thanks to you for joining, and I'll catch you again another time. Thanks for coming on.

Ryan:
Thanks, Gavin.

Gavin:
Thank you to Ryan. Now, let's jump into today's deep dive. I'm joined by Todd Brandley, head of partnerships at Zipify, a company helping Shopify brands increase revenue through conversion optimization and upselling tools. Todd has been in and out of the e-commerce world for close to a decade now. We talked about how brands can get more out of their existing site traffic, the value of product bundles and subscriptions, when to use them, and why getting the fundamentals right still matters as AI continues to change the e-commerce landscape. Let's head into the lab. Todd, thanks for joining AdLab today. Thanks for coming on.

Todd:
Yeah. No problem. Thanks for having me.

Gavin:
So to get things kicked off, was thinking of a question that you haven't been asked before, and I wanted to get your opinion on what you think is harder or more difficult. Going up against a state champion wrestler for six minutes, or growing a new Shopify brand from the ground up to six figures? If you had to tackle one, let's say in your prime, what do you think is the bigger challenge?

Todd:
I've gone up against some, but they're they're a lot smaller than me, so does that count? No. It would it would definitely be growing the 6 figure brand. I have endurance, so in my prime, I could hang with my daughter who's a state champion, by the way.

Gavin:
Oh, yeah. I was giving you the opportunity to brag a little bit. A proud parent moment. Yeah. It's... And obviously asking the question as a joke. But in terms of difficulty, I mean, you've been working in the industry now long enough in the e-commerce world, where you've seen those challenges over the years, and you've seen brands grow and develop and how they use tools to help that growth and development. So I figured it would be an interesting... One's a marathon, one's a little bit more of a sprint would be Yeah. One another way to think about it.

Todd:
Prefer the sprint.

Gavin:
Yeah. Yeah. Yeah. But yeah, so I wanted to... Because you've been in the industry as long as you have been, I was curious to get kind of the brain moving on the marketing side. What's changed the most in the e-commerce world over the last few years? I'm kind of curious if there's anything that you view as the biggest mover and shaker in our world. What have you seen in the last few years?

Todd:
So I took two years off from e-commerce, to focus more on service based companies. And coming back, it's been crazy to see the attempts to implement AI. A lot of people are using it to increase productivity, and trying to figure out a way to implement it into whatever they're doing. Right? But I think, like, the basics are the most important still. Like, I don't think any of that has changed. And that's the really cool thing. Like, coming back after two years off, being in the industry for eighteen years, it seems like everything... The conversation shifted, but the actual things that are working don't seem to have shifted much.

Gavin:
Yeah. Yeah. Well, and one of the things that you're... Oh, you're mentioning the foundations, right? The pieces that have been the same and have stayed the same, and will likely be the same in the future. We're thinking about how users interact with websites. And I think specifically conversion rates and how a user interacts with that checkout process is still a key cornerstone of an e-commerce strategy then and now. Absolutely. And I think now, and I'm and I'm curious to get your thoughts on this, conversion rate optimization, there's more tools than ever, but I also think that it matters more than ever in today's world with site traffic maybe potentially pulling back for some brands, the squeezing of the funnel, all the things that you hear about when we think about how users interact with ChatGPT and LLMs. I'm curious, now that you're back in the conversion world, and kind of the add on world and the upsell world, thinking from the brand perspective, what should brands be doing to lean into optimizing their conversion funnel? And any tools that you've seen that you think are extra valuable today? Anything that you would advise a brand to take stock in or maybe do inventory on if they're thinking at increasing that conversion rate? I was kind of curious where you would recommend a brand start in that world.

Todd:
I think with the basics. There are a ton of new software companies out there that can help, like, increase traffic, increase exposure, but having the basics, like, paid ads, Google Ads, those things, on-site conversion, using tools like heat maps to see where the clicks are going. And then, honestly, like, where your traffic's coming from. Like, there's there's so many different ways that people are getting traffic, but some of the things, like, even in my own experience nowadays when I shop, we're getting a ton of different, like, spammy type products on the Instagram and Facebook feeds that people are... At first, people like myself were getting tricked into, like, oh, this looks great. It's a great deal. I'm going to buy it. And then we're returning those products because there... You know, there's no vetting. There's no reviews. There's no anything. And so, like, in my own experience of shopping now, I'm actually... If I see something like that is interesting, I'm now going back to Google out of my LLM, and I'm researching to see if there's actual, like, real reviews. Yeah. If this is a good company and, like... So those... That basic foundation is still really important. Like, having the SEO, having the organic search, those quick wins are going to are going to benefit a company short term. But long term, it's going to destroy the company. And you see this all the time nowadays. Just like those Instagram or, like, TikTok shops that pop up and then they're gone the next day. And then they have a new one with, like, a different name. Like, those things, people are getting smarter to that. And so having the basic foundation is still, like, the most important thing.

Gavin:
Yeah. No, the authority of the site. Like the... A common theme on the show, I feel like especially in the last handful of months has been third party verification. Like social proof reviews, third party review sites linking back to a website, the volume of reviews, all of that seems to be more important than ever in that world, you know. Absolutely. But even further in, you know, because on the LP side, we're very much in that traffic world in generating that visibility of a brand, PLA search ads, YouTube display, etcetera. Where I think where I think things get very interesting is once a user's on the site in that in that checkout process. Because there's now I feel that I see more often that there's a lot of different ways that brands are leveraging tools to help not only the conversion rate, but also increase the average order size. Which, dependent on the brand you're talking with, might have more potential than others for add on products, etcetera. What are some of those ways that you've seen to be very valuable in terms of, yeah, additional products, kind of making additional offers. What... What's what's top of mind for you in that world?

Todd:
So the ex... Lately, the exposure seems to be, like, capitalizing on those first time, visitors. And so if we can get them into a Subscribe & Save, if we can get them into upsells where we're we're increasing the AOV using tools like what Zipify offers, OneClickUpsell, where we're adding products and there's no friction points. And so, like, we've we've been doing some cool stuff with partnerships with, like, heat maps where we're actually seeing... Like, people are actually looking to get different things so that they can get free shipping and gamifying those things so that we're driving more clicks and more upsells. Those are some of the tools that really help that I've seen lately and, like, working with different subscription apps. If you have something that you can do a Subscribe & Save with, like, getting those people in, and then you're getting more long term residual clients rather than just one time increasing that average order value, you know, one time. Now you're getting repeat customers. And a lot of brands are trying to figure out a way how to do that.

Gavin:
Yeah. One other interesting one that I've seen in the last, again, maybe like six months, they might have been around longer, but I feel like I'm noticing the more quizzes. Yeah. And the product matching, which I feel like is a development of the technology, our ability to take responses, run them through tools to match a product catalog is easier than ever. I'm kind of curious, obviously for any listener, we're not talking about quizzes where somebody gets a grade. This isn't a pop quiz at school. Tell me a little bit about the quiz format and what quizzes are used for in terms of that shopping cart interaction.

Todd:
Really trying to help the buyer get a quick way to find the product that they're looking for. So, like, running them through, are you male or female? What is your age? Like, different things, and those are just things that popped off the top of my head, but then, like, pointing them in the right direction. So you're not selling, like, a age defying beauty product to a 18 year old. You know? Yeah. Yeah. Yeah. And those are important because people nowadays, like, their interest level is just dropping so quickly, and so you have to get them engaged. Engagement is a quick way to keep them on-site because they're like, oh, I want to do this and see what the outcome is going to be. So I think those are huge and we're and we're seeing a lot of impact with when people engage with that with them actually engaging with upsells and stuff like that.

Gavin:
Yeah. No. The engagement side, it's the new way of shopping. Yes. I've even noticed it within my own recent example, go on a trail run with my brother last weekend and he's got this really nice kind of windbreaker trail running jacket and I go, oh, that's pretty sweet. Then I asked my brother about it, but when I go to Google, I'm not giving it the short search term keyword, I kind of give it a whole list of kind of what I need almost, and it's a long-tail term, and I'm expecting there to be a little bit of back and forth before I even hit a product page, or before I hit the merchant page, you know. And I end up on REI's website after doing a little bit of that conversational, kind of long-tail search term, but quiz is as an extension of that, where it's a back and forth and an engagement with that potential customer rather than having a more static interaction with an e-commerce site. And that obviously leads into bundling, where once you've identified, hey, this is what you need, this is maybe the use case of the product, hey, we also have another product that can meet that need. Now, to me at least, and I want to hear your thoughts on this, bundling's not for every brand, just based on the product set. What industries do you find it's most valuable in? Or maybe if you can think of a few examples of when bundling really works for a brand. The type of merchant, the type of product, anything that comes to mind for like when bundling works great.

Todd:
We're seeing really good success in like health and wellness. Any kind of passion things, so, like, pets, supplements, beauty. Beauty is a really big one where Yeah. Like, bundling, they can get more or they can get a package and save money. And so that's really kind of the focus lately. It seems like people are looking for ways... They're more engaged in spending money, but they want to be more thoughtful and get more for what they're spending, obviously, because Yeah. Just like with the way the economy is right now, people are tightening it up, tightening up on their budget, but they also are still spending. Yeah. But they want to at least get a deal. Right? And so, like, you can see that it's a little a little harder in fashion to bundle or something like that just because things are changing so often. But if I can get three t shirts instead of one for a better deal and I wear a white t shirt every day, that... That's going to be really helpful. Yeah. If I don't, then I'm upselling them to another product. So, like, we can do bundling or upsells and capture the same the same product, it just in a different way.

Gavin:
Yeah. And actually speaking of continuing that thought around product bundles, natural fits between products, I... From my conversations, I think that there still might be a little bit of a blind spot in terms of brands being able to recognize the impact of these tools and kind of the impact on the metrics being tracked. I'm I'm... I want to hear your thoughts on, say there's a Shopify merchant who's just starting to implement these tools on their DTC site, where should they go to look to see that impact? For us, it might seem obvious, but I'm curious if there's any particular metrics that you think brands should go to.

Todd:
We actually show all of those metrics through, yeah, through OneClickUpsell. We can track exact... And that's really how our pricing is based. Like, we only price based on revenue generated from the upsells or the bundles. And so... But we all show that metric. So... And the conversion, like, how many times people are actually clicking on that, how much the upsell is happening, and what the conversion rates are. So they can do it through us. There's different tools, analytics tools. Obviously, you guys probably have better understanding and insight into all of that just because you see that data. So I always recommend people to get as much data as they can get. And so from as many different places as they can get it just because then they know exactly how to target the customer because that's that's super important these days too. Just making sure you're targeting the right customer with the right information.

Gavin:
Yeah. And to add on to that point in terms of tools to use to identify, like obviously Zipify has solutions for that. I would recommend brands lean into the available tools of their current tech stack. Because oftentimes the total picture isn't going to be shown simply in a GA4 account, or simply on the books at the end of the month in your Shopify store app. Yeah. It is important to look at these third party metrics. One partner that actually comes to mind that can be great for identifying friction points in a checkout process is our friends over at CartConvert. A great way to look at identifying messages between merchant and brand to see maybe why they didn't purchase. But I bring that up to say having those additional tools that feed into the final view of the overall picture I think is really important for brands to remember. Yeah, absolutely. Speaking of, I think gaps in that world, kind of not taking advantage of all the given tools, that's one mistake that an e-commerce brand can make. And I'm kind of curious because, again, I know that you've been moving in and out of the e-commerce world and then obviously more local reviews for the past few years. But I'm curious, and this can be across the board, e-commerce or any business in the digital marketing world that you've worked with, common mistakes that you still see? Maybe with newer brands, maybe with more mature brands, what are still some common mistakes that are obvious when you go to a website? Any missing pieces that you notice?

Todd:
My biggest pet peeve, and it has been for a long time, it hasn't really changed, is people get cheap, expert. And it's very clearly visible that if they just paid the expert to do the thing that they're trying to do, the results would be crazy. We just actually... I had a call today. We were discussing an account, and they had managed funnels, which is something that we offer where we'll actually build out all the upsells, the funnels, the landing pages, all of that stuff for them. Well, they were seeing an additional $20,000 a month in revenue. They were a relatively smaller Shopify store. So to cut costs, they cut that $500 a month, funnel building, and their total additional revenue went down to, like, $1,600. Yeah. The impact is wide. Yeah. Yeah. That's crazy. And so you see that all the time with people trying to manage their own ad accounts, like, trying to manage their own design, trying to do things, like, pay an expert and you will make more money.

Gavin:
Yeah. No. It... We work... The marketing world and the relationship between brands and agencies and service providers, it is a mutually beneficial relationship if all parties are on the same page. Yes. Right? Where agencies and service providers exist because of the brands. Yes. And their need, and that trade off exists for a reason, you know. There and I totally understand there's a lot of people out there that believe the skill set that they have is enough to match up with the professionals, but it's tough, it's a PPC account can be tough, managing, you know, email flows and follow-up on cart abandonments can be tough. Set Yes. Setting up that stuff, there's a lot of chances to drop the ball along those steps, you know. So, yeah. And it... And that's going to continue to happen, you know. That's Yeah. That you've identified.

Todd:
Just about education. People think that they can come in and do all those things because of AI now. Like, I'll just build something that's going to go do that for me. I use AI every day to do a lot of my job, just in partnerships overall. It's not the personal things that I have to be doing. Like, it's all the all the little things that I suck at, like building content, building, like, a PowerPoint presentation, things like that. I'm using AI to help me leverage that and make my job quick... Make me better at my job rather than trying to get it to do my job. Yep. And I think people kind of get lost in that. Like, oh, I can build a bot that's going to go check my Google Ads or whatever. It's going to manage my ad account, and it's going to be way better. And they see all these things and people saying this, like influencers saying, go do this on your own. You're going to you're going to win. You're not going to win.

Gavin:
Yeah. Yeah. But what you're bringing up there, I think, really speaks to... I mean, the future of online shopping Yeah. And kind of the future of the Internet. Like, when we're talking about this at the a small scale, at the brand level, at the marketing level, it's in our world, but the way that these tools are going to develop is obviously massive for society at large. But if we're bringing it to the future of the shopping experience, I am curious if you have any predictions on major shifts that you foresee happening in the digital marketing, in the e-commerce brand world? Anything that you're predicting that's going to be a massive shakeup related to AI, unrelated to AI. I'm curious if you have any predictions for the next few years.

Todd:
I don't see... I get asked this a lot, and I don't I don't see, like, huge changes. I mean, there's different avenues and things that get quicker. Like, I was on a call with a partner that does shoppable video. So right from Instagram, I can just buy directly there. Things are going to get easier, but I don't think... I don't see a huge shift in e-commerce. Like, people are kind of getting tired of buying from Amazon. They're just because it's quick and it's easy, but they still want to go directly to the brand because they know they're getting a good product. And so, like, I don't see, like, a major shift. Like, I see ease of use. Like, we can buy on our TV now. That's already happening. Maybe brands are doing that specifically. It's not focused, like, on Amazon only, and I'm already seeing apps that are saying they can do that. I haven't seen any results presented to me personally, but, like, things are getting easier so that if I see something, I can buy it faster and just capitalizing on that. But I don't see, like, brands changing in the future, really. Like, doing the basics is still really important.

Gavin:
Yeah. Yeah. And the leaning into the brand equity, and like we mentioned earlier in the conversation, the connecting the branDTCommunity, to connecting the brand to usage, social proof, all of those things. As there's more agentic content on the internet, it's going to be tougher and tougher to really identify, hey, what's a brand that speaks to me, that meets my needs, that's speaking my language, you know? Consumers, I think, still desire that connection the brands they purchase from, while a lot of these tools are great, you still have to have that core foundation of the brand to have that growth and see that connection. So a good note to close on here, If you could give every Shopify store owner one piece of advice that could hopefully meaning meaningfully impact their business over the next twelve months, what would that advice be?

Todd:
Hire the right people for the job. That's like my biggest pet peeve overall. Hire the right people. You will scale faster. Yes. It's going to cost you upfront, but you will make way more money and stay relevant longer. That's, like, my biggest piece of advice. Trying to do it on your own, just from my own experience, I tried that with local reviews for two years. Yeah. And then as soon as I started getting the right people in place, things started moving. We're not all experts at everything, and so that would be my biggest thing. And just on every aspect of it too. Like, there's great people out there that can help you win if you just are willing to look.

Gavin:
Love that. Love that as a closing as a closing remark. Yeah. Todd, we'll probably have you back on the pod in the future to get more updates on the Zipify side, but it was great having you in today. Yeah. Thanks for thanks for joining.

Todd:
Yeah. Thanks for having me.

Gavin:
Thanks to Todd for joining us and sharing some of his insights on how e-commerce brands can improve conversions and, yeah, get more value out of each customer interaction. Don't forget to visit us at adlabpodcast.com for your free marketing review, special listener discount. Subscribe, leave us a review, and we'll see you next week in the lab.