David: Spy on your competitors. The really cool tools out there like Wayback Machine, where you can go and you can look at your competitor websites and what they were doing last year.

Narrator: This is AdLab performance marketing dissected.

Narrator: Decoded and delivered.

Gavin: What's happening listeners, what's going on? Thanks for joining me in the AdLab. I'm your host, Gavin Flynn. And if you've got marketing questions, we've got marketing answers. Today's episode is all about getting ready for what's ahead. Later this year, I'm going to be joined by LP's Chief Product Officer, David Johnson, to talk about how brands should be preparing for the upcoming holiday shopping season.

Gavin: Quick hint start now, not later. We'll also give you a preview of LP Connect, our annual event happening in August in the Great city of Portland, Oregon, and share what marketers can expect from this year's sessions and conversations as they prep for Q4. But first, it's time for this week's Hot headline.

Gavin: Craig, thank you so much for joining for this week's hot headline. What we're going to be talking about today is Amazon rolling out an AI powered sponsored prompt ad format, which is a lot of terminology, but I think it can be boiled down to a pretty simple example. It sounds like you've actually seen a few of these out in the wild, as best you can describe what these ads look like and how potential buyers are interacting with these ad features.

Craig: Yeah, it's, it's pretty wild. We're seeing a complete shift in a complete change in the way product pages are being read, the way that they're being crawled by Amazon, and the way that Amazon is trying to learn about these products. It's very different, right? They're not just piecing together, you know, there's this keyword here. There's this other keyword.

Craig: You know, what kind of you know, what kind of search does this belong to? Right. If somebody's searching for something that's read and maybe, paint some type of specific paint, you know, is this relevant to that search? Well, now they're starting to look more towards prompts, which is kind of taking the next step from keywords and looking at either solving questions, right, solving problems that are happening.

Craig: Maybe just trying to get more detailed information to help them make their purchase right. Help the shopper make a educated decision on, okay, this is what's best for me. And, you know, I think it's the, it's the route that everybody's going, you know, Amazon's making the right moves here. It's a very slow introduction of this.

Craig: So we're not seeing a ton of data show up right now. It's not like we're going into accounts and we're seeing an entire list of just, you know, this is what prompt you showed for. Right? And actually even back it up to. So everybody as far as I know is auto enrolled into this. Right. So you're not really kind of choosing yes or no if you want to be involved in

this kind of, prompt or AI powered search that Amazon basically has on their native app now, and also has to their desktop.

Craig: So really, as you do a search, you know, as you're looking for, you know, some audio speakers or maybe some like car speakers you might be looking for. Well, what kind of hertz do I need? Right. What kind of hertz is important? Maybe. What kind of OEMs do I need for something? So you start looking towards or does this have the right dimensions for the specific car that I'm I'm looking to install this in.

Craig: Right. So, you know, typically you might ask these questions on other channels. You might go to Google for a question. I go to ChatGPT, but a lot of product searches, if you know that you're looking for a product, are starting on Amazon as well. So there are questions being asked. And and Amazon is kind of shifting a lot more AI powered stuff into the top of the search query.

Craig: So they're basically, you know, whenever you search for a product, you might search car audio speakers or car speakers, right? And then below that you're going to see maybe an interesting question of what car speaker is right for me or what kind of hertz do I need. You know, you might see something like that. And then you kind of ask yourself, now you're the shopper just looking at this like, you know, I actually don't even know.

Craig: Maybe I should click this and find out more. And when you click it now, it's starting to show you all different kind of questions on why is this specific brand good for me? Right. And then that's where the sponsored kind of advertisement shows up. Right? So that's a sponsor prompt. Why is XYZ brand good for me? Or maybe why should I choose XYZ brand?

Craig: Right. Other ones too, like, you know, with audio speakers might be like, does this speaker fit shallow factory depths? Like maybe does it speak? Does it actually like, you know, fit within some kind of dimensions that I need here? And again, what we're seeing is it's very limited. It's not happening as much as we might assume because there's a lot of talk around it.

Craig: So we maybe assume that this is happening a lot. And there's a ton of products out there and there's a lot of sponsored, you know, or at least spending that's happening on these prompts. As far as what we're noticing, it's very, very minimal right now. Very small data sets coming in. It's happening. It's out there. It's just very important to now be looking at your product pages.

Craig: Now be looking at your questions or, you know, questions are being posed on your product page and how you're answering them, how you're updating your titles. There's a lot of different ways now that you have to look at the product page, because we kind of ask ourselves, you know, we look at ChatGPT, where is it polling data from?

Craig: We kind of have a maybe good understanding of it searches the web. Right. You know, a Google where to pull in the data from. Amazon is pulling the data from Amazon, right. It's basically sitting with it's in its own marketplace. It's calling the data from your

product pages. It's pulling the data from your campaign, like your keyword set that you have that you want to optimize or want to bid for.

Craig: And it's also pulling data from reviews. And when I kind of I went through this myself like personally. Right. You know, I do a lot of searches on my own. And just to kind of test out the AI powered, you know, platform or, I guess, Alexa, for shopping with, Amazon. Just want to understand a little bit more about it.

Craig: Right. And, you know, as I was kind of just going through that process, I'm asking some questions. I was looking for some headphones that I want some lightweight headphones. So I'm trying to understand the weight of the headphones, because I don't want to weigh down a little bit on my head, and I just want something really lightweight and easy to use.

Craig: And I was asking these questions, and maybe it was a couple months ago, I could see that they're already starting to improve a little bit, but if you it heavily uses reviews, right. And so it does rely on the quality of those reviews and what people are saying about that product. And we all know that there might be some experience that somebody has, or maybe they didn't really have a great experience, or maybe they just didn't understand maybe some setup process that was explained in a certain way.

Craig: And there might be something that said that's incorrect about that product. So there also could be some pieces of this that might kind of muddy the quality a little bit. On how those prompts are being answered.

Gavin: One of I think the biggest questions right now with a lot of these advertising placements is what level of data accessibility brands have and what decision making power they have to control where these listings are populating and how they're populating. Craig, how much do you know about the level of data visibility within these new advertising tools?

Craig: It's, it's a great question. I, there's first thing I kind of think about is great. We we have this new area that we're, we're entering into, right, where we're showing for more prompt related, searches instead of just a keyword or just a simple search query. When I look at this, too, I'm thinking, okay, great.

Craig: Well, this data is starting to show up, and you can see it very clearly when you go into your campaign. So you go into a single campaign, you go into the ad group, and at the ad level there, there's going to be options where you can basically choose a certain tab that just shows prompts, right. And it may move, you know, it may be updated here and there, but right now it's with within the campaign set within that ad group.

Craig: And you can see a full list of what you showed for there is unfortunately, right now in this moment, there's really no, option that we have to bid for a specific prompt, or set up our ads so that they are, you know, showing up in an auction and higher up on somebody else that's performing in that prompt.

Craig: Right now, all we have is a list of prompts that we did show for and that we did spend money on. Right. It shows the cost. And you can see, okay, well, I spent $0.54 or spent a dollar on this prompts showing for this specific, you know, question about speakers. It's not relevant. I'm looking at it. It doesn't have any sales to it.

Craig: You can choose to turn it off. Right. So you can actually go in. You can actually technically negate prompts. Right. So you do have that amount of control. Just not the typical amount of control you would have for a keyword set where you can bid you can have very specific placement, modifiers set up for keywords. You can move it up and down and kind of have, a lot of access to, to things there.

Craig: So in the future, I can imagine it would be part of the bid strategy and maybe something that we can really optimize a lot more for. But right now it's basically just a report. Here's what you showed for take it or leave it.

Gavin: Right. Yeah. No, thanks for sharing those insights. And, yeah, we'll make sure to have you back on soon to see where this goes.

Craig: I appreciate everything here. So thank you so much, Gavin.

Gavin: Thank you, Craig, for joining. Now let's jump into today's deep dive with none other than David Johnson. He is LP's chief product officer, leads product strategy here at LP, helped shape the tools, technology and strategies that support thousands of brands across the company. Today, we're discussing how businesses should be preparing for the holiday shopping season, where to prioritize marketing spend before Q4, and also will preview LP Connect and some of the conversations happening at this year's event.

Gavin: Let's head into the lab.

Gavin: David, thanks for joining today. So we've got two topics for our time. First, we're going to be talking about holiday planning. And then near the end of the conversation we're going to be diving into some information on LP Connect. So listeners, stay tuned till the end of the conversation for some event information. For this coming August. But first, Dave, I know that you were very involved in e-commerce, holiday strategy and planning from our side of the equation on the agency side, and I was curious, thinking back to last year, what were some of your major takeaways and findings?

Gavin: After looking at some data, interacting with brands, and what did you learn last year during the E-com holiday season?

David: Every year we have the opportunity to learn something new, and a lot of that comes from there's new strategies, there's new platforms, there's changes to consumer behavior. So there's always something great to take away. But one of the things that we really did learn last year that was really solidified was the reality that every year consumers are continuing to spend more, and every year there's going to be somebody out there predicting that the holiday season might be soft.

David: There's always external factors geopolitical changes, economic changes or a lot of that didn't end up mattering. And last year, again, records were were set during the holiday period. You know, Adobe reported 257 billion was spent in during holiday last year from consumers online, which is which was the highest ever. It was a 7% increase year over year.

David: And that's something that we anticipate to continue. A lot of the other things, you know, we already knew, like advertising costs, we're going to increase, mobile spend was going to increase. And it did. But what we found was that sales really matter right now. And there is a lot of competition on the sales side. So we saw advertisers who were able to get more aggressive with their sales, saw more success.

David: There was temptation last year for advertisers to maybe pull back on their sales, offer less of a discount, or offer a shorter sale period due to margin constraints. Because Cogs are getting more expensive. We learned quickly that wasn't the greatest idea. And the advertisers that saw the most success either replicated their sales from the previous year, or they even got more aggressive and they increased them, or they extended the length of their sales.

David: And that is likely going to be a similar factor this year. But, you know, to sum it up, one thing that we learned is that it's just continuing to get bigger and bigger and bigger. And with that comes advertisers getting more and more aggressive with their spend. And we anticipate that exact same thing happening in 2026.

Gavin: What sort of checklists should brands be going through now to prepare for Q4?

David: We could teach a four credit, you know, college course on this question. There's so much to be done. We could we can talk forever about it. But, you know, really it comes down to, you know, the basics are, you know, the following things. So the first thing that I would recommend is review. Last year, you know, that's something that oftentimes gets forgotten about.

David: There might have been, you know, a holiday postmortem that was done in January or February. That's all been forgotten about. One thing that is so important is to analyze exactly how things went last year. Which days were the strongest? Which days were the weakest? When did your shipping drop off start and how did that impact your sales? If you advertise too heavily post ship date, maybe you wasted some money.

David: Maybe you screwed things back. Maybe you had some challenges. You know, with inventory, review everything from the previous year that's super important. And that's kind of a, you know, an underutilized tactic that I think that not enough brands do where they really take the time pre holiday to examine exactly what happened last year. In every capacity, the good, the bad, the ugly, everything.

David: And that way that you can just be better prepared or you know, like, hey, this is when things started ramping up. This is when things start slowing down. This is when we

ran into inventory issues. This is when our shipping costs went through the roof. Review everything. Take your time to do it. And that way you can be more prepared this year.

David: The second thing, which is another one that I don't think it's done often enough, on the checklist would be spy on your competitors. You know, in the moment this gets really challenging. You've got all your sales already set, you have your calendar set, and so you're not really thinking about what's going on outside of your brand.

David: But there's really cool tools out there, like Wayback Machine where you can go and you can look at your competitor websites and what they were doing last year. They're probably replicating it, right. Look at what kind of sales they were offering, whether it's from a percentage standpoint, maybe it was a promotion or maybe it was a free gift.

David: Just look at what they did and analyze what you're doing. Compared to that, you can also try and figure out when they started their sales, when they ended their sales. That way you have a good idea of what's going to happen, because once they start, you're not going to be able to go back and look at that, right?

David: It's gonna be really hard to mirror or beat what others are doing. Take the time now, over the next few months, to analyze what your competitors were doing. Next thing is pretty obvious, and I think most companies do a pretty good job of this, but that would be analyzing your tech stack, making sure that it's sound, making sure that everything's working properly, that comes, you know, make sure your attributions right within all your platforms, if you're using some sort of third party tool or analytics tool, make sure you're tracking right on that.

David: Any bugs you need to get worked out now, make sure that you have, you know, the basics, which is make sure you have digital wallets, Apple Pay, Google Pay, Amazon Pay. If you don't have a Bnpl, which is a buy now, pay later, that is an absolute must to get going. Now get that set up. Last year there was $20 billion spent through Bnpl by consumers during the holiday stretch.

David: So if you don't have them, that's the afterpay's the is get them. It is going to increase your conversions. You know, make sure that, you know, whatever percent they take that you're comfortable with. But that is becoming a larger and larger trend during the holiday. And that could make or break whether you get conversion or someone else does if you have that or not.

David: So now is the time to do that. And lastly, any, any website issues, if you have website speed problems, if you have any bugs for four pages, now's the time to start getting all that cleaned up, because you don't want to have any of that come up during holiday. You want to be focused on getting the revenue you don't want to be.

David: Focus on making changes or fixes that should have been done months ago. So the next, the next item, the checklist would just be make sure your tech stack is ready and good

to go. The next thing that out of the checklist is you have about a three month stretch, maybe for between now and holiday starts to test anything new, right?

David: If you are interested in adding a platform you didn't run last year, now's the time to test it. So that could be like a Pinterest or TikTok. Maybe you're interested in CTV or mountain. Maybe you want to hop into the open AI ads, right? Get that set up now. Start testing it. Start getting familiar with it. Because if you get closer to the holiday, you don't really want to launch a new ad strategy or a new platform just because there's gonna be so many unknowns.

David: There's still plenty of time to do that. So if there's anything that you're going to maybe have a potential regret of not running, now's the time to start it and test it. That way you can just become more familiar and figure out how your brand interacts with it. Figure out how you can be successful with it. And that way, once holiday comes, you're ready to go.

David: That would definitely be. That's something that I think everyone should do in the summer. Just start testing things, because you're going to learn some things that you can really use come holiday.

Gavin: I totally agree, because one of the themes that's been recurring in my conversations has been how consumer behavior has changed so much, even since I would say the last Q4, since Q4 of 25, and collecting that data around the multi touchpoint conversions and multichannel touchpoints is so important. So you're you're feeling pretty good about the Pinterest and TikTok space, which I imagine is going to be new for a lot of maybe like the mid-market s, you know, smaller brands out there.

Gavin: Give me first your thoughts on Pinterest as a marketing channel and how that could potentially be leveraged, and what types of businesses would be a good fit to test out a Pinterest.

David: So with Pinterest, Pinterest is very visual, right? So it serves very well brands that have visual products that can fit into the categories that are often browsed on Pinterest. So we recommend any brand or reseller that sells either clothing or furniture or anything that has a really strong visual presence. Oftentimes there can be a lot of success on TikTok or sorry on sorry a lot of success on Pinterest.

David: We'll get to TikTok, we'll get to TikTok next, which is also very different. Pinterest is also, frankly, very female dominated. So you can look at your demographics of who your typical purchasers are. That doesn't mean if you sell things for men that you can't live there because women do shop for men, but that is something to know going into it.

David: And but Pinterest is really easy to test, and it's not something that is overly challenging to get into. It is a really great example of, you know, multi-touch point. You know, one thing that we recommend with Pinterest, if you are very, very committed to last non direct revenue, Pinterest might not be the best place for you.

David: Right? So that's kind of the first price of admission is that you need to have a comfortability with the halo effect. And ideally you need to have some sort of attribution capability where you can see the whole funnel. Because Pinterest is going to be more of a demand generation tool than a demand capture tool. But if you're confident in what you sell in your product and that you can have, you know, by just seeing it, and if you have great content and great creative, it can be a really good place to live to introduce people to your brand in a way that Pinterest does a great job of.

David: It doesn't necessarily feel like advertising because it is. It's it's more of an organic placement, and it's not organic in nature, but it feels more organic to the user because they're going to see it alongside things that they're interested in. And so it's not a fit for everyone. It's worth testing to see if you are fit. But again, clothing, furniture, jewelry, things like that can be can do really well on Pinterest.

Gavin: How does Pinterest compare to TikTok from a strategic placement angle for brands?

David: One challenge that we do see with TikTok, that you don't see as much on Pinterest, is, TikTok has a few inner challenges of that. You know, the users are more adverse to being advertised to on TikTok. They really don't want to leave the app. There's currently no in-app browser on TikTok, and so advertising, if it's not done through video or it's not, you know, if it doesn't feel like it's part of the immersive experience and it's just an ad, it's not going to be received as well and likely not going to be as effective on TikTok.

David: TikTok is a very young demographic. So if you sell to people 40 or 50, you're not going to see the volume on TikTok. There's just not going to be a lot of customer overlap between TikTok users and your ideal customer profile. However, that being said, if you do sell a lot to the younger generations and your product is a fit for that, you may see phenomenal volume on TikTok.

David: So you really have to understand who for both of these platforms, who your customer is and who's been your customer historically to see if that's going to be a match. Right. So we definitely we educate our clients on like you need you need to know these things. It's really easy information to get via Google Analytics or triple.

David: Well, you can find that information. But it's that you need to know before going into it. Just to decide the viability of it.

Gavin: Which is a perfect loop, because I think the first thing you mentioned in the checklist is analyzing last year's data. Whatever you find in last year's data is likely going to give you a roadmap, or at least some directional sense in a new channel to test. So that's that start of the planning analysis loop. So you actually sum that up pretty nicely.

Gavin: Which also dovetails into Partner connect LP Connect LP Connect. So as we're talking through holiday planning, thinking about different marketing channels, there are places and spaces people can go to do that deep dive. So August 20th Logical Position is

going to be hosting our annual event. And you were there last year, David, you made the trip out west.

Gavin: You were there in person. I was actually curious. What was your favorite part of LP Connect last year?

David: Honestly, I love the event in general. LP Connect is one of my favorite events of the year. I go to so many events throughout the year and you know, they all have the pros and cons. So it's really nice about LP Connect is it's really the only event that I've ever been to that provides a really intimate experience for both the tech partners that we bring.

David: They're us as an agency and the advertiser where they can talk one on one. No pressure with just about every type of either marketing platform or tech partner to see if it's a good fit for what they're doing. One of my favorite things that happened last year was, there was a panel on stage, and there were two people on stage that had never met before, and one of them was, you know, they were just talking about what they do.

David: And we had an advertiser basically sign up for the partner on stage being like, oh my goodness, your solution? Absolutely is what I need to fix this problem that I have right now. And it was a perfect example of that happened so much. We had booths set up around the LP HQ where advertisers can just walk around and get one on one conversations about solutions that are being offered to them, and just about every single one fits any business.

David: But certain businesses might have certain challenges, but they had maybe last year or currently that they need to find a solution for and with how intimate it is. Every advertiser there is going to get the opportunity to learn. There. You get the opportunity to talk to platforms or tech partners that they never even considered before, to see if there's a good fit for the business.

David: And on top of that, some of the feedback that we've received is that the advertisers like talking to each other, right, because a lot of them are experiencing some of the same challenges, and they can kind of learn how other people have dealt with those challenges, how other advertisers have handled those challenges in an environment that, again, is more intimate and one on one and personable than a lot of the major events that have 5 or 10,000 people there.

David: So that to me is huge because it's not very often that you're going to be able to sit down with someone from a TikTok and Pinterest or a meta or Microsoft and just talk like, here's what I'm doing. Tell me what you think. What can I do better? What can I do differently? And that's all available at LP Connect.

Gavin: The breadth of topics also is such an asset, because you can have a conversation over here about CRO and optimizing your website to convert, and then moments later you might be talking to Triple Whale about analyzing data, and then you might be talking about feed optimization. You know, later that day there's such a variety of vendors, and if you have a question, you're likely going to be able to get it answered.

Gavin: And some great brands. I know we have Portland gear coming this year, which is a flagship brand here in the Pacific Northwest.

David: You can actually talk to someone from Portland here about what's made them successful and hear from them and what's really cool about this event is that both the advertisers and the partners that are there are very open and transparent about their strategies. Right? There's no gatekeeping. There's no secret, like everyone there wants to share the knowledge. They want to help each other out.

David: They want to make everybody better. And so the feedback that we get from people that come is that they're able to learn something that they never knew before, whether or not they use it, you know, it's on them, but they're going to learn something. They're gonna learn something about email strategy. They're going to learn something about CTV.

David: Right. But that all can be done. And it really in a day long event, I don't know if there's anything else out there that you're gonna learn as much as you would at LP Connect.

Gavin: Yeah. No, I'm super excited for this year's event. Great list of partners and speakers and brands. Yeah, it's going to be it's going to be great. Looking forward to seeing you out there David.

David: That can be the checklist item I have is go to LP Connect right. If you're if you're going through everything that you need to do to prepare for holiday, come to LP Connect. That alone is going to be a catalyst to new ideas and new strategies that are going to make you more money during holiday. Then, or any other event between now and Turkey.

David: 500%.

Gavin: No great way to tie up today's conversation. David, thanks so much for coming on. We'll see you again soon.

Gavin: Thank you, David, for joining. Lots of exciting things coming up in Q3. LP Connect is a you can't miss it. That's all I can say. If you enjoyed today's episode, be sure to subscribe and leave a review. This will help marketers discover the show and spread the word on the conversations that are being had. You can find clips, highlights, and full video episodes on the LP, YouTube channel and across our social channels at AD Lib Pod.

Gavin: Thanks for joining and I'll see you guys next week in the lab.