Using Facebook Ads to Turn New Customers Into Repeat Customers

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Looking for tips on building customer loyalty?

Need innovative ideas to generate more revenue?

To explore how to use Facebook ads to turn your new customers into loyal fans and repeat customers, I interview Maxwell Finn.

More About This Show

The Social Media Marketing podcast is an on-demand talk radio show from Social Media Examiner. It’s designed to help busy marketers, business owners, and creators discover what works with social media marketing.

In this episode, I interview Maxwell Finn, the co-founder of Unicorn Innovations, a Facebook ad agency that specializes in customer acquisition. His clients include Pat Flynn, Kevin Harrington, 3M, and American Express. His online course is called Facebook Ad IQ Academy.

Max explains why treating repeat customers differently from new customers helps reduce Facebook ad spend.

You’ll discover specific ad sequences for targeting new customers versus repeat customers.

Using Facebook Ads to Turn New Customers Into Repeat Customers featuring insights from Maxwell Finn on the Social Media Marketing Podcast.

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Here are some of the things you'll discover in this show:

Using Facebook Ads to Turn Customers Into Loyal Repeat Customers

Max's Story

Max's grandfather and father (both entrepreneurs) built the largest privately owned commercial real estate company in the world, and that led to Max's pursuit of marketing. Back in 2006 and 2007, Max used SEO and Web 2.0 to help their agents build their brands and make more money.

Because Max wasn't passionate about the real estate world, he decided to work with software as a service. Right out of college, he became involved with a startup that raised a good amount of money and eventually had 500,000 users.

After learning about ecommerce through his work with the startup, Max began working with Kevin Harrington after Kevin's time as an investor on *Shark Tank*. Kevin was a huge public figure, incredibly influential, and brilliant, Max says, but didn't have the online presence that fit his persona as a star and successful entrepreneur. Max and his partner, Jeremy Adams, helped Kevin and that work naturally evolved into their agency.

At the agency, people asked Kevin for help with their products and all of those products needed online marketing support.

That’s where Max and Jeremy came in. So Kevin brought in a product, sourced it, and got it on TV. Then Max and Jeremy helped with the funnels, marketing, Facebook ads, Shopify store, and so forth. Their partnership was a perfect match that allowed them to offer clients a full range of services.



Max Finn and partner Jeremy Adams helped Kevin Harrington with his online presence, which led to Quantum Ventures.

Max has been working on the Facebook ads side for about five years and has invested heavily in it since day one. Today, Max and Jeremy are running their own agency, Unicorn Innovations, and in addition to client work, they offer digital courses.

Listen to the show to discover why the 2008 recession was an interesting time for Max to begin his career in marketing.

Benefits of Targeting Current Customers

Many marketers and business owners have a flawed assumption that when someone becomes a customer, that customer will always buy from the business because their product and followup are so incredible. In reality, the business still needs to compete for customers. Other companies will try to get the customer to leave your brand and go to theirs. One transaction isn’t enough to build loyalty.

If, for example, you’ve been drinking Coca-Cola for two decades, your grandparents drank it, and your parents drank it, moving to a different brand is harder. However, after a first-time purchase, your business doesn’t have that kind of brand equity and loyalty. It’s really important not to neglect your customers.

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However, Facebook paid media enables you to take control of the delivery and open rate. You're paying to ensure those 1,000 customers see your special deals, thank-you videos, and contests.

Max says it's at least five times more difficult and costly to acquire a customer than it is to resell to an existing customer. Max works hard and puts money into acquiring a customer. Then reselling to them is five to seven times easier. He's amazed that businesses don't invest much time and cash into this customer life cycle.

Listen to the show to hear my thoughts on repeat customer loyalty.

Examples

For Cyber Monday, Max's company offered a season pass for their courses. With the offer, existing customers could pre-pay for the upcoming year, and the price was $1,000 for $10,000 of value. The company showed Facebook ads for this offer only to customers (not to cool or warm traffic) and had a 37.37x return on ad spend. The ads cost just $300 because they targeted a small list of customers and brought in about $12,000.

Times of year with seasonal impact (the holidays, Cyber Monday, Black Friday) are perfect for special deals or introducing new products. The numbers for cold traffic won't be that great. However, if you balance cold audiences with customer audiences (where you have these 10x, 20x, and 30x returns) and look at the campaign as a whole, the numbers start to work.

Max believes in multi-touchpoint marketing because the customer or prospect engages in different places. In addition

to Facebook and Messenger, his company still does a lot via email. If his company sends an email on Monday that introduces the season pass, they'll know who opened the email but didn't click the offer and then target that group as an audience on Facebook.



Max's company ran targeted ads promoting their Cyber Monday deal only to customers.

Max and his team make sure they have a cohesive approach to targeting prospects or customers in these different places, rather than shooting blind on each platform. A lot of people do email, Facebook, Twitter, and Messenger in their own bubbles. They don't have an overall plan that flows from one platform to another and uses each platform in the most valuable way.

Another example is the 7-day cart open for Pat Flynn's Power-Up Podcasting course. Pat runs Smart Passive Income and has a very loyal tribe. This loyalty makes for a lot of repeat lifetime customers.

Max and his team broke this campaign into cold and warm traffic. One campaign targeted lookalikes, interests, behaviors, and demographics. The other campaign targeted people on Pat's waiting and email lists, as well as people who bought previous courses and trip wires.

A trip wire, Max elaborates, is a lower-priced product, usually a piece of the full product. For instance, it could be a module or a video from a course. So instead of pitching a $700 product to a new subscriber, you offer a $20 or $30 product and say, "If you like this, we have an entire course with 100 more videos just like this." The trip wire eases people into the buying process and shortens the jump from free to big-ticket.

ThPeople who buy a sample or lower-cost product tend to e convert at a higher rate.

podcasting course campaign covered every step of the funnel. Those campaign

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When I ask if people who buy a sample or lower-cost product tend to convert at a higher rate, Max says yes, as long as your product is good. If your course or product is bad, you won't have good results. But, if you're like Pat and have high-quality content, the trip wire audience converts significantly higher than cold traffic.

Another example Max gives is the founder thank-you video. It's one of the best ways to transition new customers. Max has created these videos for all of his own clients and their businesses.

Film a 30-second thank-you video and run it as an ad for 2 days after someone makes a purchase. You get incredible feedback because people feel like you care about them. It's all about building a relationship, loyalty, and goodwill. The video is a transition point in the sequence that takes customers from the non-buyer bucket to the buyer bucket.

You can also create videos (or post copy) to sell a product, instead of sending only goodwill. Tie in some level of recognition for this special discount or bonus, such as "You're receiving this offer because you're already part of my tribe, you've already bought X, Y, Z course." That definitely amplifies the ROI of the ad.

The founder thank-you video will be low budget because it's only for your customers. When you create audiences on Facebook, you can set how long the ad runs (2 or 3 days after a purchase).

Target these customers using an objective, like video views or

reach, which are cheaper objectives from Facebook's perspective. Typically you're not pitching anything. The video is purely a "Thank you! We appreciate your business. If there's anything that we can do to make your experience better, feel free to reach out."

Thank-you ads always get a lot of organic engagement. People share, comment, and tag their friends. They can become profitable ads. Customers go back to the site and might re-buy something, even without a link in the ad. When you're not pitching and just focusing on the relationship, the effect is interesting.

You can still track conversions, even though the objective is views or reach, because Facebook tracks both clicks and views for 28 days. You typically see 7-day clicks and 1-day views by default, but you can change that setting in Facebook. For example, you can see if somebody viewed the ad and then bought within a 28-day window.



Listen to the show to discover how Max manages the challenges of running a 1-day offer.

Sequences of First-Time Versus Repeat Customers

For first-time customers, Max has three goals. First, develop goodwill and brand loyalty. Second, develop user-generated content (UGC) such as photos with the product, video testimonials, and reviews to use on cold traffic ads. And third, get a repeat purchase through an upsell, a cross-sell, or a subscription model.

For second-time repeat buyers, the goal is to connect them more deeply with your tribe. For instance, mention an ambassador or affiliate program to which you invite only loyal customers, invite them to a special meetup, or offer an early release of a product. Make sure your customers understand how important they are to the brand. Max still pitches things to

second-time repeat buyers, but he treats them differently than first-time customers.

With Facebook ads that use custom audiences, one advanced option is the number of purchases. This option allows you to target people who bought more than two times or more than once. Then you have the repeat customer audience. For this sequence to work, you need to have the Facebook pixel code on your website. That way, Facebook can track all of the activity and you can build the audiences.



Place the Facebook pixel code on your thank-you page and Facebook can track purchase behavior.

If you place the purchase event on the thank-you page for your Shopify (or another) store, Facebook pixel tracks the purchase, whether it comes from Facebook, email, or word of mouth, and then tags it back to the user account on Facebook.

I steer the conversation back to focusing on UGC for first-time users. How do you get testimonials using ads?

First of all, when you run an ad after a person buys a product, make sure your targeting matches their product-delivery window. It might take 7 days for somebody to receive a product. Don’t run an ad asking for a review right after they purchase. Make sure you’re in sync.

Max runs contests to get customer photos with products. His company will create a video ad with a founder or team member explaining that the contest is just for customers. The video explains what the company wants to see, such as a photo of a customer in their favorite tee or with a product. Then the video explains the prizes, how to enter, and how to win.

These contest videos aren’t fancy. You just want to deliver the message to the right person at the right time.

You can find lots of tools for running contests and collecting UGC. Yotpo is one of the more popular platforms for collecting reviews. It was initially intended for Shopify, but it also works with WooCommerce and other major ecommerce platforms. Yotpo makes it really easy to collect UGC from customers in the follow-up sequence.



Yotpo helps you run contests and gather UGC.

For digital products, the freebie might be their next course or consulting hours. For a physical product, the prizes might be tiered. For instance, first place gets the most expensive, a $200 canvas. Then the next 10 people get t-shirts and hoodies.

You don’t want to run a contest where only one person can win because people who don’t enter on day one may see the leaderboard, feel defeated, and probably not enter. Make sure to have different levels of rewards for different rankings in the contest and maybe do some random giveaways as well.

Listen to the show to hear my thoughts on how marketers treat first-time and repeat customers the same.

Common Mistakes

Max emphasizes the importance of timing. Be careful to run the right message to your customer at the right time. For example, if you’re asking for a review or UGC, don’t ask someone who hasn’t yet received your product. Look at the average delivery time, buffer that time with a few extra days, and then start the ad. For instance, run the ad from day 14 to 21.

You don’t need special tools for targeting. At the audience level, Facebook has inclusions and exclusions. For example, you might have one buyer audience that bought in the last 21 days and another that bought in the last 14 days. Include buyer group 21 and exclude buyer group 14 to get the

difference. Now you have only those people who fall between days 15 and 21.



Use Facebook’s inclusions and exclusions to fine-tune your audiences.

Marketers should also avoid reselling. You don’t want to exhaust the customer. When people think about retargeting after a purchase or customer followup, their mind automatically goes to upselling and cross-selling. However, your customer doesn’t have an unlimited well of cash. Everybody has different amounts of discretionary income, excitement, and enjoyment of your product.

Don’t constantly pitch products. That’s why Max likes the idea of having a thank-you ad (ads without the objective of selling) mixed in. Business owners, entrepreneurs, and especially marketers have trouble wrapping their head around spending money on a paid ad without getting money back.

However, when you invest that little bit of extra budget into thank you-type ads, your conversion rates increase and your cost per acquisition goes down. Plus, when you do pitch products, those people will spend more money. Look at the long-term, the whole campaign. The individual elements can be misleading.

You don’t need to spend a lot of money on post-purchase ads. In Max’s Cyber Monday deal example, the ad cost only $300 because the buyer audience is comparatively small. However, that ad brought in about $12,000. That cost doesn’t carry a lot of risk and has a massive upside.

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For most businesses, the customer’s first-time average order value will be much lower than their lifetime value. So although an ad might not lead to a large number of purchases, the revenue the ad brings in and how profitable that revenue is can be a factor.

You should be willing to pay more to Facebook to get in front of your customer audience. However, the reality is you end up paying less on a cost-per-purchase basis by selling to your existing customers who are more like to say yes than you pay to reach cold prospects.

Listen to the show to hear my thoughts on reaching repeat customers.

Discovery of the Week

intoLive is a cool iOS app for creating interactive social media videos.

In the app, you can edit an iOS live photo or any video so it plays like a live photo when someone presses and holds the thumbnail image. Although the app takes advantage of the iOS Live Photo feature, when you post the resulting photo on social media, the effect works on any mobile device.

You can use the intoLive effect to reveal a cool little surprise when someone interacts with your social media post. For example, The Modern Tog created a Facebook post with a

thumbnail image that says, “Press and hold.” When people press and hold the image, they see a short video that explains how to create the effect themselves. (The Modern Tog has an audience of photographers learning how to grow their businesses.)

Putting text on the thumbnail that says, “Press and hold” is a good idea because part of the surprise is that the interactivity works differently from what people expect on social platforms. The text ensures people know what to do. Add text to the image you want to use as a thumbnail and save it to Photos on your iOS device. Then in the intoLive app, add the thumbnail as the first video frame.

To understand how the intoLive app works, check out the YouTube videos that walk you through the creation process.

[embedded content]

intoLive is a free app and you can unlock different themes, fonts, and so on for $1.99 and $2.99.

Listen to the show to learn more and let us know how intoLive works for you.

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Key takeaways mentioned in this episode:

What do you think? What are your thoughts on using Facebook ads to turn customers into loyal repeat customers? Please leave your comments below.

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