Success Story

Leading travel agency maximizes ROAS on DAT campaigns with retention window optimization

A leading travel agency and tour operator in for over 25 years, the travel company offers a wide array of products and services ranging from flight ticket sales to cultural tours to car rental. With its host of travel and hospitality subsidiaries, it has been a pioneer in the Turkish travel industry. The company was also one of the first Facebook advertisers to successfully adopt Dynamic Ads for Travel, giving it a head start in optimizing and finding the best-performing DAT campaign structure.

Goal

The travel agency partnered with Adphorus at the beginning of their high season to optimize their Dynamic Ads for Travel campaigns and reduce conversion costs.

Challenge

The client had launched DAT at the beginning of the summer season. By the end of the first month, they were quite happy with the results relative to previous retargeting campaigns. However, they were in search of best practices to further the performance of their DAT campaigns. Their Digital Marketing team was focused on increasing ROAS, and was tracking cost per conversion as the key measure of success on their retargeting campaigns.

Solution

After a detailed audit of the client's DAT campaigns, Adphorus' Customer Success Manager proposed testing a Retention Split to more closely understand how conversion rates compare for different retention windows. Adphorus' Customer Success Team had previously observed Retention Splits on DAT campaigns to be effective and recommended starting with a 0-4, 4-15, and 15-60 day retention split. The client determined the optimal retention split structure for their DAT campaigns with the following Test & Learn process. Adphorus' AI-powered Marketing Assistant, Marvin was activated to optimize the bids and budgets across ad sets.

Phase 1: Retention Test
Test the recommended Retention Split against a No Retention structure

Phase 2: Retention Split Breakdown
Test a more granular Retention Split structure based on the learnings from Phase 1

Phase 1. Retention Test

The client started by using Adphorus' A/B Testing Platform to set up a controlled experiment to test their DAT campaign with no retention against the recommended retention split. They were tracking cost per purchase as the success metric for the test. Marvin's optimization measures furthered the impact of the retention split because Marvin sets separate bids and budgets for the 3 retention windows, according to performance. The Retention Split proved to outperform by the end of the second week. The client ended the test and decided to continue the DAT campaign with the 3-window retention split.

Phase 2. Retention Split Breakdown

After running their DAT campaigns with the 3-window retention structure for 2 weeks, the client noticed that the shortest 0-4 day retention window was generating more purchases. A closer look at the campaigns revealed that the 15-60 day window was yielding negligible results (80% fewer) relative to the 0-4 day window. Therefore, they decided to stop targeting the 15-60 day retention window and test an even more granular retention breakdown by splitting the 0-4 day window. The DAT campaigns were updated to reflect the following ad set structure:

Ad Set 1: 0-1 day retention window
Ad Set 2: 1-4 day retention window
Ad Set 3: 4-15 day retention window

Splitting the 0-4 day retention window proved effective in reducing costs. The 0-1 day retention window yielded more purchases at a lower cost. Observing more favorable results with this setup, Adphorus worked with the client to apply this ad set structure to all of their DAT campaigns.
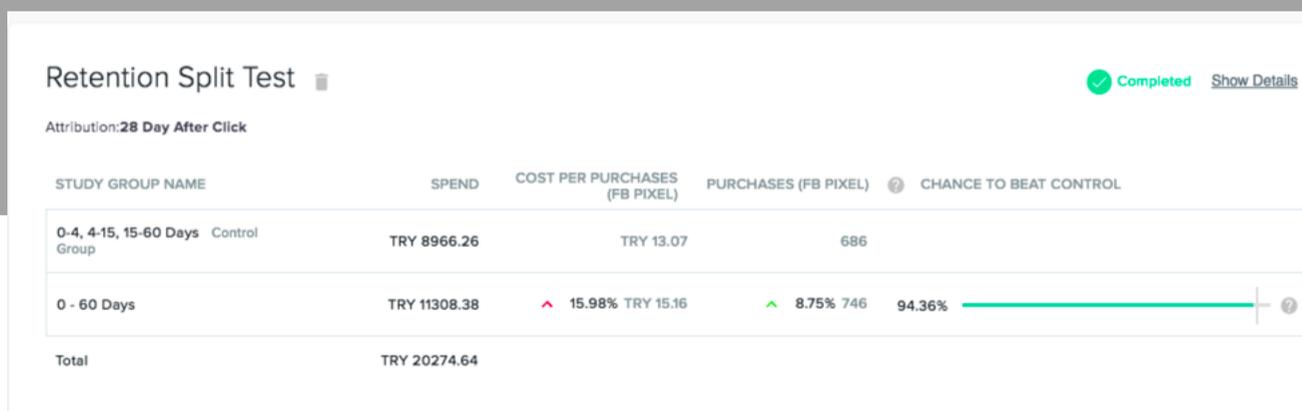
A/B Testing Platform

Create a controlled A/B test:
A separate campaign with 3 ad sets is created for the Retention Split, with 1 ad set per retention window.

Act on statistically significant performance:
Marvin monitors your test based on your success metrics and notifies you when there is a winner

Retention Split Test ☑ Completed Show Details

Attribution: **28 Day After Click**

STUDY GROUP NAME	SPEND	COST PER PURCHASES (FB PIXEL)	PURCHASES (FB PIXEL) ❓	CHANCE TO BEAT CONTROL
0-4, 4-15, 15-60 Days Control Group	TRY 8966.26	TRY 13.07	686	
0 - 60 Days	TRY 11308.38	︿ 15.98% TRY 15.16	︿ 8.75% 746	94.36%
Total	TRY 20274.64			

Optimization by Marvin
Bid Management and Budget Allocation

Bid Management: Marvin determines the optimum bid for each Ad Set.

Budget Allocation: Marvin distributes your campaign's budget among Ad Sets by prioritizing the better performing ones.
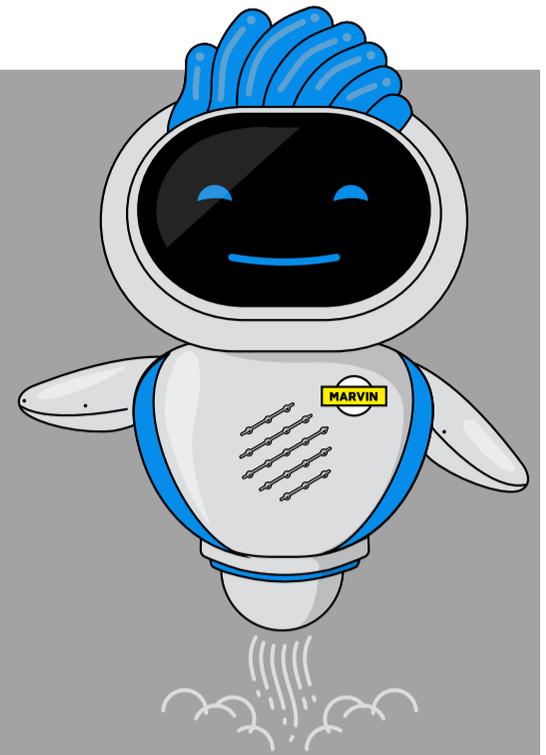
Results

The Retention Split test and Marvin's optimization efforts not only resulted in more purchases at a lower marginal cost but also lended valuable learnings for the client's overall advertising strategy. By testing multiple retention windows, the client gained insight into the purchase behavior of their website visitors. Optimizing for retention has enabled them to invest in higher-value customers that are more likely to convert and stop showing ads to customers that are not likely to convert. Overall, the client was able to reduce cost per purchase by X and increase ROAS by 30%.

+33%
number of purchases

-25%
cost per purchase

+30%
increase in ROAS