The Power of Storytelling: Taking a Sequenced Approach to Digital Marketing
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EXECUTIVE SUMMARY

Everyone loves a good story. Yet when it comes to digital marketing, advertisers tend to lead with a “buy now” message, linking to a product page or mobile-app download right away. Is this the most effective strategy for direct-marketing campaigns? Or, in some cases, would a blend of storytelling and call to action encourage consumers to act in greater numbers?

To address this question, the Facebook Marketing Science team tested campaigns from 6 advertisers representing a cross-section of verticals, marketing objectives and creative formats.

During this analysis, we studied 2 types of storytelling approaches:

- **Funnel-based storytelling**, when an advertiser uses a series of messages to “walk” a potential consumer down the purchase funnel
- **Priming-and-reminding storytelling**, when an advertiser uses multiple Facebook ad formats to both “prime” people with the brand’s story via video ads and “remind” people of the video narrative with display ads

While results varied according to each advertiser and their objectives, most brands within the study experienced a positive lift from using 1 of the 2 types of storytelling approaches. For example:

- Refinery29 had 49% greater conversion rates for email registrations when using a funnel-based marketing approach
- For a recent Quaker brand campaign, across the priming-and-reminding storytelling executions, we observed incremental positive lift for all implementations with the incremental lift ranging from 0.7% to 3.3% on message association

Measurement of this kind can play a key role in helping marketers identify optimal campaign strategies for meeting their objective(s).

Read on for more details on the study, its design and our conclusions.
INTRODUCTION

Think about the last time you heard about a great product from a friend. The recommendation probably didn’t start with “buy this now” but instead was contextualized with an anecdote about your friend’s experience with that product.

Now think about digital advertising. While digital enables advertisers to directly connect people to their brands and products for immediate purchase, that may only make sense in the remarketing/retargeting context. Fortunately, call-to-action messaging is not the only way for digital advertisers to drive sales. These types of solicitations can be blended with higher-level messaging and information to present a full story that represents the brand and product.

To help marketers understand the incremental value and impact that a storytelling approach creates compared to a traditional direct-response approach in a digital environment, the Facebook Marketing Science team tested a cross-section of campaigns from 6 advertisers, representing a mix of verticals, such as Consumer Packaged Goods (CPG), Retail and Nonprofit, with varying marketing objectives and creative formats.
DEFINING STORYTELLING

Stories can be told using words, images or a mixture of both. The manner in which a story is delivered is dependent on what the storyteller is trying to communicate to the audience. We formulated 2 types of storytelling approaches to test funnel-based and priming-and-reminding storytelling.

Funnel-based storytelling campaigns

Rather than repeatedly urging consumers to act in each execution, as traditionally found in direct-response techniques, funnel-based storytelling “walks” potential consumers down the purchase funnel through a series of messages.

**PHASE 1: MEET THE BRAND:** Whether an advertiser is new to the market or reintroducing consumers to their brand, a funnel-based marketing approach begins with a basic introduction and may be a good strategy for less-well-known brands. The hypothesis is that by educating the consumer about the values and substance of the brand prior to presenting the call to action, the brand earns the opportunity to present specific products for consideration.

Sample ad for Phase 1 of funnel-based approach
**PHASE 2: THE TEASER:** After introducing the brand, the advertiser’s next ad showcases an example of what the brand has to offer. In enticing consumers with an article or a collection from a seasonal line, this ad builds on the brand’s value to the consumer by providing a peek into what the advertiser has to offer.

Sample ad for Phase 2 of funnel-based approach
PHASE 3: THE HOOK: The final step in the funnel-based marketing approach is to clearly communicate a call to action. In this messaging, the advertiser is tying the brand’s story together and encouraging consumers to act, which could include calls to action such as asking people to sign up for a newsletter, shop or learn more about the advertiser and its products.

“By telling the Refinery29 story during the acquisition process, and building awareness and consideration before driving to conversion, we were able to increase our return-on-investment and ultimately acquire a more informed and qualified subscriber.”
— Melissa Goidel, Chief Revenue Officer, Refinery29
Priming-and-reminding storytelling campaigns

The priming-and-reminding storytelling approach tells the brand story dynamically, priming people with the brand’s story and what the brand has to offer followed by a lightweight reminder that re-emphasizes the value the advertiser can provide consumers.

**PHASE 1: SET THE STAGE:** An advertiser using the priming-and-reminding storytelling approach would begin with a message that touts the brand’s value proposition. The goal of this phase is to prime potential consumers with an ad that showcases how a brand can be relevant to their lives. Video format can be a good vehicle for this phase, as it gives the opportunity to quickly convey a brand’s story.

Sample ad for Phase 1 of priming-and-reminding approach
PHASE 2: THE SYNOPSIS: After priming a person with a strong message, an advertiser reinforces the story with a reminder ad that provides a clear directive as to how a person should continue their journey with the advertiser. This follow-up ad should capture the essence of the first ad by acting as a reminder of the key takeaway communicated in the priming message. This phase is often most easily implemented as a display ad, as it gives the opportunity for a quick reminder and direct call to action.

Sample ad for Phase 2 of priming-and-reminding approach

“Traditionally we’ve thought of each piece of social content as needing to tell a complete story for the brand regardless of format (video, image, text, etc.). Through this analysis, we’ve learned that multiple pieces of content can work together to tell a complete story, ultimately allowing us to maximize the precious time we have with consumers”

— Elena Parlatore, Senior Manager, Quaker Digital & Social
METHODOLOGY

Within randomized, controlled trials, it is important to isolate the variable of interest to maintain the ability to causally infer the effects of that variable. In the series of tests run by the Facebook Marketing Science team, budgets, bidding strategies, creative rotation, frequency and audience sizes were kept consistent across test groups. Additionally, to keep the audience composition consistent for each test group, each storytelling strategy was told in phases that were flighted across date ranges. The phases of each story-based marketing strategy were kept parallel to the phases of each traditional direct-response marketing strategy.

EXPERIMENTAL DESIGN: In each trial, the advertiser identified relevant target audiences, which were based on 3 elements: 1) broad demographics, 2) lookalike audiences seeded from high-value customers and/or 3) interest-based targets available through Facebook. Then, people in those audiences were randomly assigned into treatment and control groups.

People’s assignment to a test group did not guarantee exposure to the ads. We were able to estimate the “intent-to-treat” effect by including those individuals who were “ads active” during the duration of the campaign. That is, if the individual accessed Facebook and was eligible to see ads, they were included in the respective universe for test. Depending on several factors, including the bidding strategy, the Facebook ads auction uses an algorithm to deliver ad impressions to people with higher likelihoods of clicking or purchasing. The ads auction tries to algorithmically deliver ads to the most valuable set of potential customers for that specific advertiser. Therefore the only way to identify unbiased treatment and control groups necessitates the “intent-to-treat” approach.

By comparing the advertiser business outcomes of interest to those people who were randomly assigned to the control groups and the test groups, we were able to measure both the average treatment effects of Facebook ads generally and the average treatment effects between story-based marketing approaches and direct-response marketing approaches.

<table>
<thead>
<tr>
<th>Measured up to 7 days after the end of the campaign:</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Email registrations</td>
</tr>
<tr>
<td>2. Online donations</td>
</tr>
<tr>
<td>3. Online sales</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Measured up to 30 days after the end of the campaign:</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. In-store sales</td>
</tr>
</tbody>
</table>

1. Media was not served using retargeting, as that would have resulted in a control group that could not be compared to other groups. Storytelling retargeting would have occurred if the ad of Phase 1 was only targeted to those who were exposed to the ad from Phase 1. Flighting, unlike retargeting, does not limit reach thereby enabling maximum impact.

2. Each advertiser determined the measurement period based on their business outcome and product purchase cycle.
FLIGHTING CAMPAIGNS: Because not everyone uses Facebook every day, we controlled for Facebook activity when testing storytelling marketing and direct-response marketing techniques. If a storytelling marketing approach consisted of 3 phases, then its traditional direct-response marketing approach also consisted of 3 phases. Each phase covered a distinct range of dates, which mirrored the respective phase in each test group.

For example, if Phase 1 of the storytelling approach ran from Monday to Wednesday, Phase 1 of the direct-response marketing approach would also run in parallel from Monday to Wednesday. By scheduling ads within distinct phases that were mirrored across test groups, we were able to compare otherwise similar sets of people across test groups.

EXECUTING THE CAMPAIGN ON FACEBOOK: For each of the campaigns, the creative used display ads, video ads and carousel ads. These ads were deployed on people’s desktop and mobile News Feeds. In this manner, each campaign was positioned to achieve the highest reach because the messages were delivered to people in the individual ways they access Facebook. In fact, each campaign delivered the majority of its impressions on mobile News Feed.

The Facebook ad types aligned with each phase and test cell as follows:

**Funnel-based storytelling**
- **Test groups**
  - Meet the brand: display ad with a brand message offering context for the brand
  - The teaser: display ad or carousel ad featuring products/services
  - The hook: display ad with call-to-action messages
- **Control groups**
  - A series of display ads with call-to-action messages

**Priming-and-reminding storytelling**
- **Test groups**
  - Set the stage: video ad that primes a target audience with a short-form story
  - Synopsis: display ad with call-to-action messages or video ad featuring a product
- **Control groups**
  - Exclusively display ads with call-to-action messages
  - Exclusively video ads with brand message
KEY FINDINGS

Understanding the value of storytelling

We ran 6 studies to test the 2 storytelling strategies against the traditional digital-marketing direct response strategies. The campaigns represented advertisers from a range of verticals: CPG, Retail, Nonprofit and Publishing. For each advertiser, we specified metrics to assess the success of each campaign:

1. Brand resonance
2. Email registrations
3. Online purchases
4. In-store purchases

For a few advertisers, we took a holistic approach to measuring success in that we considered the impact of omni-channel marketing through both online and in-store purchases.

MEASURING FUNNEL-BASED MARKETING APPROACH: We worked with 2 advertisers representing the Retail and Publishing verticals to observe the added value of a funnel-based marketing strategy against traditional direct-response marketing techniques.

<table>
<thead>
<tr>
<th>Objective: Driving email registrations ³</th>
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<tbody>
<tr>
<td>Brand</td>
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<tr>
<td>Refinery29</td>
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When we compared Refinery29’s conversion rates for email registrations that used only direct-response messages to storytelling, there was a 49% greater conversion rate using a funnel-based marketing approach.

<table>
<thead>
<tr>
<th>Objective: Driving incremental customers ⁴</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand</td>
</tr>
<tr>
<td>Retailer A</td>
</tr>
<tr>
<td>In-store</td>
</tr>
<tr>
<td>Online</td>
</tr>
</tbody>
</table>

³ All results reported as statistically significant in this paper have at least 90% confidence interval unless noted with an asterisk.

⁴ All results reported as statistically significant in this paper have at least 90% confidence interval unless noted with an asterisk. Some advertisers walk to remain unnamed in this analysis to protect proprietary information. These advertiser results, which are identified by vertical, were excluded in our analysis to provide industry-level insight into the impact of storytelling for digital marketing.
When we measured the omni-channel results from Retailer A’s campaign, we observed 7% and 11% higher purchase rates in-store and online respectively for storytelling relative to exclusively direct-response messages.

We found more pronounced effect sizes when we considered men and women separately. The rate of online purchases among men was 16% higher through funnel-based storytelling as compared with exclusively direct-response messaging. And the rate of in-store purchases among women was 10% higher through using storytelling as compared with exclusively direct-response messaging.

MEASURING PRIMING-AND-REMINDING STORYTELLING EFFECTIVENESS: We ran studies with a nonprofit, an omni-channel retailer and 2 CPG brands to test a priming-and-reminding approach against the conventional approach to digital-marketing campaigns.

<table>
<thead>
<tr>
<th>Objective: Driving brand resonance6</th>
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<tbody>
<tr>
<td>Brand</td>
</tr>
<tr>
<td>-------</td>
</tr>
<tr>
<td>Quaker</td>
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<td>CPG</td>
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For a recent Quaker brand campaign, we tested 2 hypotheses including impact of priming-and-reminding storytelling and a marketing strategy outside of the framework of this paper. Across the priming-and-reminding storytelling executions, we observed incremental positive lift for all implementations and the incremental lift ranged from 0.7% to 3.3% on message association. And for a recent brand campaign for a different CPG advertiser, the combination of storytelling with brand and product videos drove a 3% increase in lift of brand resonance compared to brand videos alone.

<table>
<thead>
<tr>
<th>Objective: Driving online conversions7</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand</td>
</tr>
<tr>
<td>-------</td>
</tr>
<tr>
<td>Nonprofit</td>
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<tr>
<td>Retailer B</td>
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A nonprofit advertiser was able to use a video ad with a display ad to return a 5.97% better rate of donations. When we ran a similar test with Retailer B, who is an omni-channel retailer, we didn’t find that the priming-and-reminding strategy was better at driving people to shop online or in the store than the direct-response approach. While storytelling strategies do not always drive better results than existing marketing techniques, we want to encourage advertisers to test these approaches for their brands and respective performance metrics.

6 All results reported as statistically significant in this paper have at least 95% confidence intervals unless noted as otherwise. Some advertisers have requested to remain unnamed in the analysis to protect proprietary information. These advertisers’ results, which are identified in the table above, were excluded in our analysis to provide industry-level insight into the impact of storytelling for digital marketing.

7 All results reported as statistically significant in this paper have at least 90% confidence interval unless noted as otherwise. Some advertisers have requested to remain unnamed in the analysis to protect proprietary information. These advertisers’ results, which are identified by vertical, were included in our analysis to provide industry-level insight into the impact of storytelling for digital marketing.
CONCLUSION

As advertisers look to evolve their digital marketing strategies, understanding the value returned from a storytelling approach versus using a traditional direct-response approach on a Facebook advertising campaign provides insight to advertisers on how they can use digital differently to reach their campaign goals.

**STORYTELLING SELLS:** In most cases studied, we found there is value in integrating brand messaging with call-to-action messaging rather than solely using a sustained series of call-to-action messages. Marketers should evaluate for themselves what is the “right” combination for their brands based on their business objectives.

**IDENTIFYING THE RIGHT STORYTELLING APPROACH:** When implementing a storytelling test for a campaign, advertisers need to keep focused on their key business objectives, aligning their target audience, images and measurement strategies to those objectives. In addition, advertisers should evaluate their target audience; understanding the audience’s existing knowledge of the brand, demographic composition and Facebook behaviors should heavily influence the type of storytelling and the format of the storytelling phases.

**MEASURING FOR CAMPAIGN SUCCESS:** This research underscores the importance of learning from your campaign to inform future campaign strategies. By examining different marketing techniques within funnel-based storytelling, priming-and-reminding storytelling and traditional direct-response approaches, it is clear that the most effective strategy is different depending on the advertisers. Measurement can play a role in helping marketers identify the most optimal campaign execution that meets their objective(s).

Source: Unless otherwise noted, Facebook internal data, results based on 6 US advertiser case studies conducted during Q2 2014, Q4 2014, Q1 2015 and Q2 2015.