



velocidi

CASE STUDY

How Barkyn doubled revenue from retargeting with Velocidi

2019

2.0x

RETURN ON AD SPEND (ROAS)

1.9x

REVENUE GENERATED BY SALES

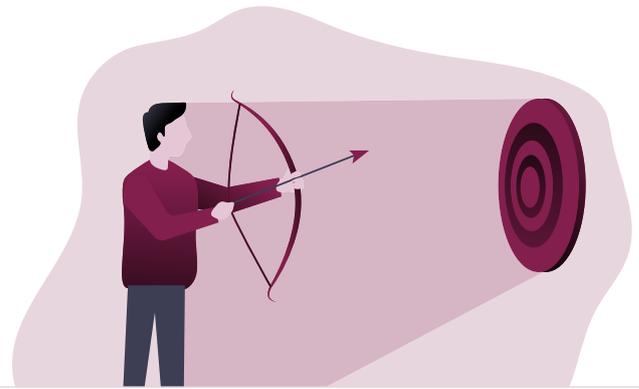
5.0x

SALES PER 1000 PEOPLE REACHED

OVERVIEW



Barkyn is a direct-to-consumer (DTC) pet food brand. They offer a monthly subscription box of dog food, snacks, and toys, personalized for each client. Barkyn's online store is also stocked with healthy dog products for purchase on demand.



THE CHALLENGE

Like many DTC brands, social media is a primary acquisition channel for Barkyn, and they are consequently limited by the data available to them in each respective platform. **Retargeting audiences on social platforms are too opaque** to understand who their best customers are, and what leads them to convert.

Barkyn wanted to understand their customers better. And as a brand that lives and breathes personalization, they wanted their retargeting strategy to go beyond the basic assumption of, "you visited our site, therefore you must be a potential customer."

They needed a more precise way to segment their retargeting campaigns in order to deliver relevant messaging to those customers who are most likely to convert.

THE BUSINESS QUESTION

How can I make retargeting campaigns more meaningful and optimize my return on ad spend?

THE SOLUTION

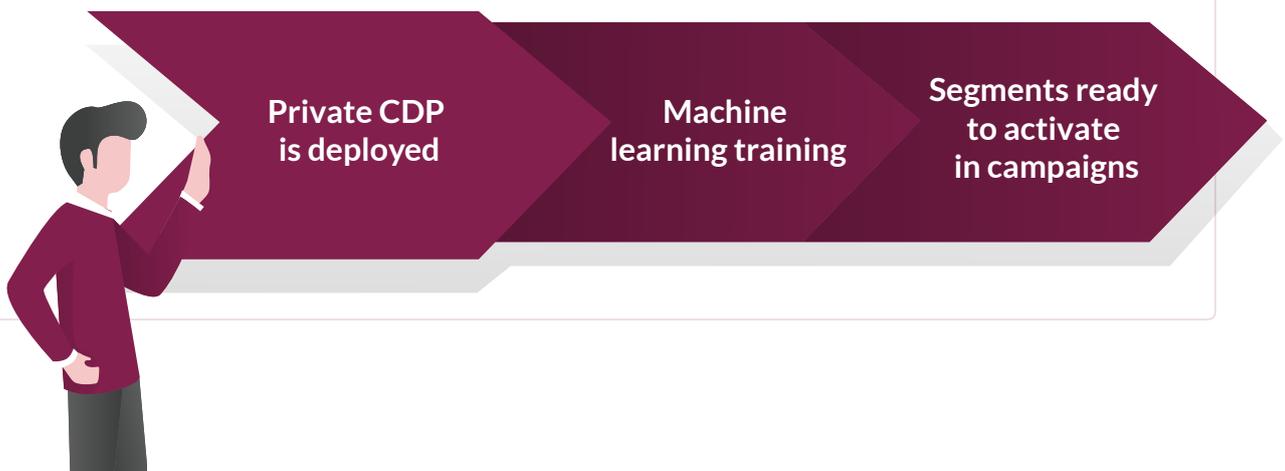
With the implementation of Velocidi's customer data platform, Barkyn gets access to a **unified customer view for each of their visitors** drawn from data collected across multiple touchpoints.

The CDP comes with ready-made machine-learning models to be trained with Barkyn's historical customer data, as well as real-time data flowing into the CDP. This includes multi-channel visitor behavior such as logins, page views, cart activity, email clicks, email opens, ad clicks, and others.

Two weeks after implementation, Barkyn's private CDP

had enough data to generate reliable and actionable predictions. It was then able to **automatically segment visitors whose behavior indicated genuine interest and likelihood to purchase**. This process is documented in the use-case [*"Identifying Your Most Likely Buyers"*](#).

The next step was to activate the "likely buyer" audience segment in an anonymized format to Facebook Ads Manager. Effectively, **Barkyn can pre-segment their audience using their own customer intelligence**, and only pay Facebook to engage those customers who are worth retargeting.



“Our company is built on personalized customer experience. So the ability to bring that into our marketing, to make retargeting relevant to each customer’s intent level, is a big win for us and for our customers.”

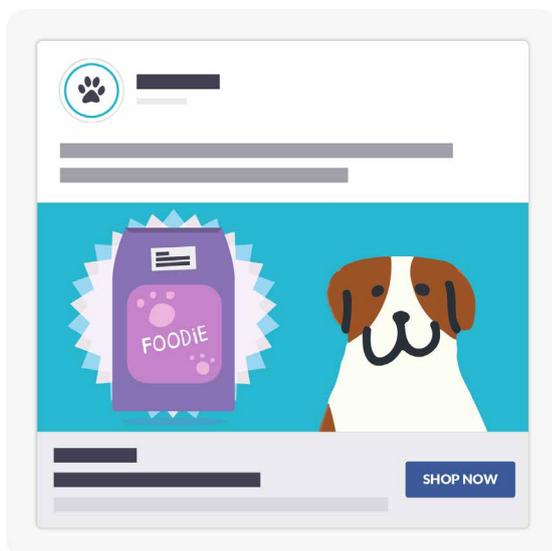


André Jordão, CEO at Barkyn



THE CAMPAIGN

To test the effectiveness of Velocidi’s machine-learning segment, Barkyn conducted an A/B test on a live Facebook campaign advertising their dog food products.

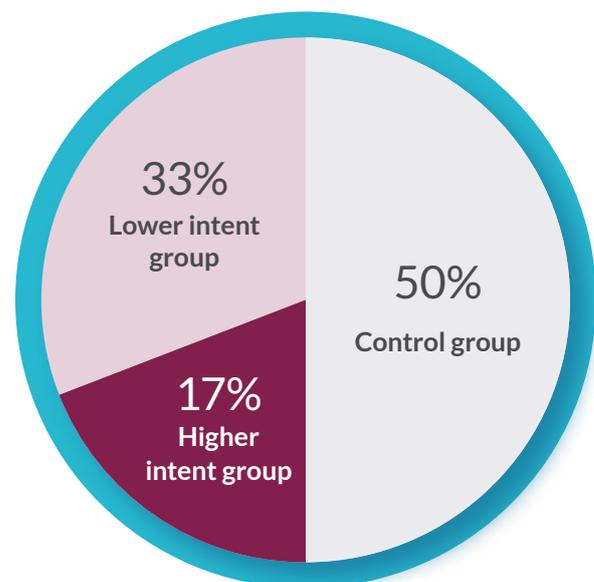


THE AUDIENCE

The campaign was divided into two audiences. The control group was a sample of website visitors with **no machine-learning or segmentation applied**. The test group was the machine-learning audience generated within Barkyn’s private CDP, **optimized to reach most likely buyers**.

The two audiences had equal budget, and ran simultaneously for 3 weeks.

To begin with, each retargeting audience was equal in size. However, **the test group only delivered ads to about one-third of the test group audience**. The remaining visitors were not delivered ads.



Same budget for control and higher intent group

THE RESULTS

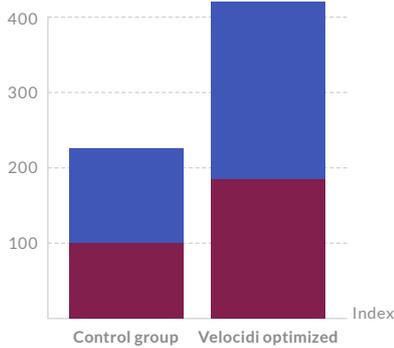
The A/B test was evaluated using three metrics:

- Return on ad spend (ROAS)
- Total revenue generated by sales
- Number of purchases per 1000 people reached.

All three metrics showed that the test group, using Velocidi's optimized segment, greatly outperformed the control group. Velocidi's machine-learning audience segment yielded:

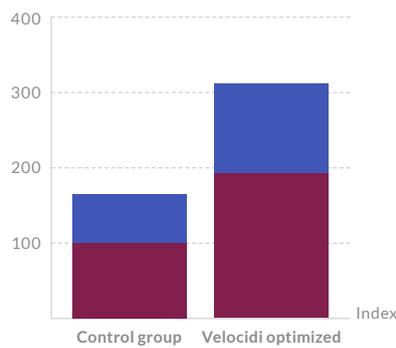
2.0x

RETURN ON AD SPEND (ROAS)



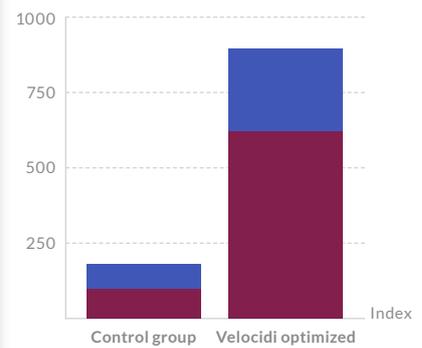
1.9x

REVENUE GENERATED BY SALES



5.0x

SALES PER 1000 PEOPLE REACHED



● First run ● Second run

With the help of their private CDP, Barkyn was able to create a segment that concentrates their most likely buyers in an audience that's only one third the size of the control group.

Engaging only a select portion of the audience on an equal budget meant the likely buyers were exposed to a higher frequency of ads.

Essentially, the results of this test demonstrate that focusing retargeting messages on **only the most receptive audience**, rather than engaging everyone equally, leads to **higher conversion rates and a higher total sales volume**.



WHAT NEXT?

TAILOR CAMPAIGNS TO REACH CUSTOMERS WITH DIFFERENT INTENT LEVELS. The retargeting campaign in this case study only targeted people who demonstrated high buyer intent. Using the same machine-learning model, Barkyn can also create a campaign designed to nurture visitors with low intent, and create tailored messaging to be delivered as each visitor's intent level changes.

REPURPOSE SAVED BUDGET FOR OTHER MARKETING STRATEGIES. Increasing efficiency of ad spend in retargeting is also an opportunity for Barkyn to reallocate their budget for other acquisition strategies.

About Velocidi

Velocidi is a customer data software company headquartered in New York and with an office in Porto. We are a team of experts and enthusiasts in data analytics, machine learning and marketing. Our mission is to develop advanced methods of drawing value from data accessible to DTC brands, without compromising on data privacy.

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