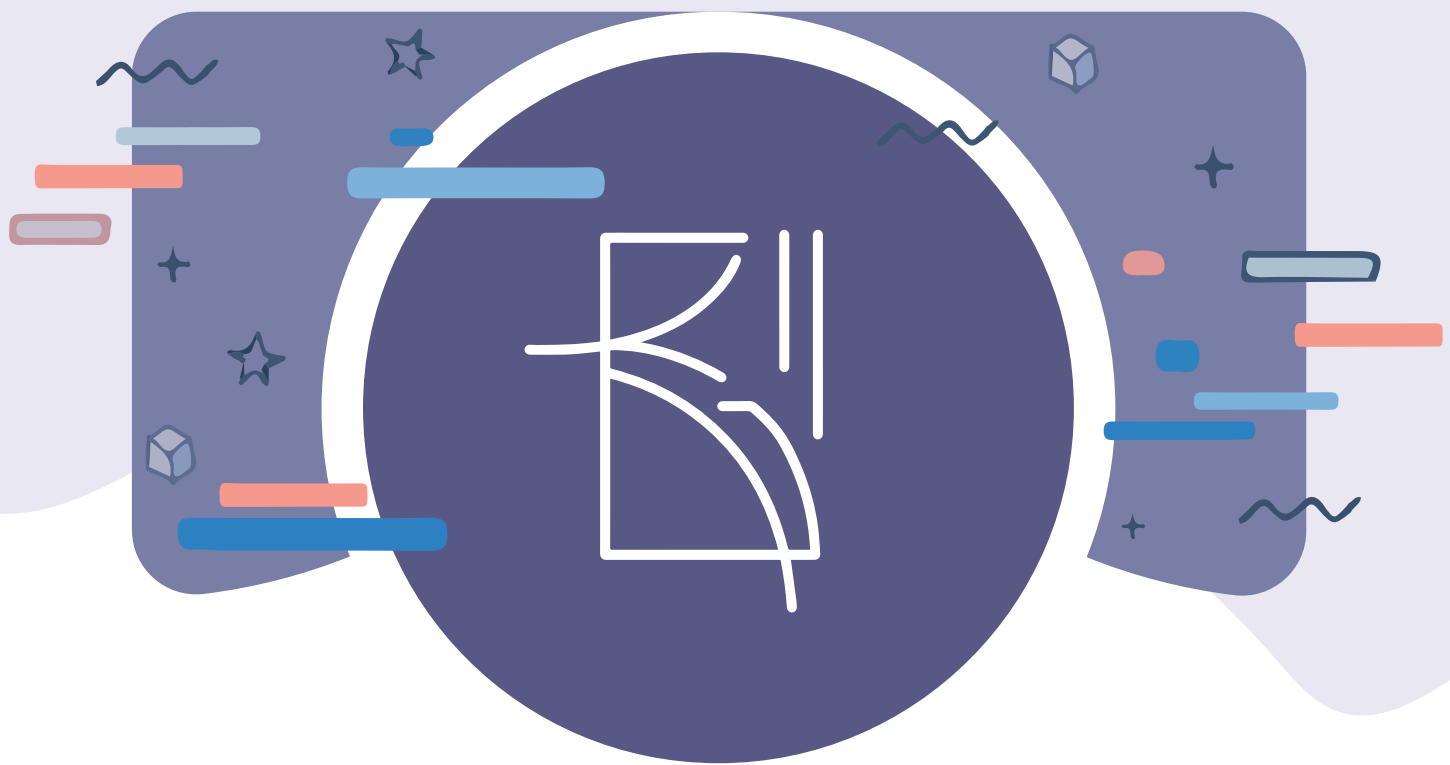




GALLY ONE GUIDELINES

A difficult context with
opportunities to seize

2023



UNLEASH YOUR BRANDS POTENTIAL IN SOCIAL ADS

This report is offered to you free of charge by Gally One agency. You can use it and share it without moderation as long as you mention [Gally-one.com](https://gally-one.com)

Since 2021, we help brands to generate growth. Our unique approach combines the production of powerful creative, advanced media buying methods and an iterative growth methodology.

ENJOY READING.

TABLE OF CONTENTS

You can read in the following list all the topics we will cover in this document, we are convinced that the information Gally One brings you will help you propel your business to new heights.

- 01 Gally**

An introduction to the report and the future of Social Ads. **P. 01**
- 02 The impact of iOS14**

Two years after the iOS14 tsunami, what are the lasting effects on Social Ads? **P. 02**
- 03 +7.6% INCREASE IN CPM**

The phrase "Broadcast costs are rising" is no longer a myth. **P. 03**
- 04 THE IMPORTANCE OF ADS**

How indispensable has it become to invest in creatives? **P. 04**
- 05 MUST-HAVE SALES**

What are the results on the first 2 weeks of summer sales 2022? **P. 05**
- 06 CHECKLIST**

4 steps and 8 bullet points to generate growth in the current context. **P. 06**

WELCOME TO THE NEW ERA OF PAID GROWTH



Karl Hamilcaro

Responsible Formation chez **Gally One**

E-commerce merchants have struggled to generate growth since iOS14.

Because of the data loss, the immediate performance of Social Ads and revealed flaws in many companies' economic equations.

As this report demonstrates, **these changes are here to stay** and will necessitate rapid adaptation. This, in my opinion, is not necessarily a bad thing. "The democratization of social advertisements".

As an acquisition channel, their ease of access has resulted in some derivations.

Today, entry barriers are increasing, and the advantage of early adopters is fading.

Only ecommerce businesses that adopt a methodical approach to optimizing their media buying, conversion rates, and lifetime value will be able to grow in the future.

Welcome to **THE PAID GROWTH ERA**, the new era of Social Ads.

ON WHICH DATA IS THIS REPORT BASED ON?

Q2

This report details the current state of Social Ads at Gally One in the second quarter of 2022.

24

The number of sectors studied.

280

The number of Ad accounts.

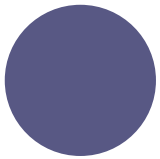
Textile, cosmetics, apps, technology, leads, food, jewelry, real estate, BTP, leisure, decoration,...

4,9M€

This is the amount of public expenditures on which this report is based. It is made up of expenditures made during the period on Gally One's accounts and based on a default attribution model of 7 days click and 1 day view.

META

This report was created to simplify analysis by using data from Meta Ads network expenditures.



THE IMPACT OF iOS14 CONTINUES TO AFFECT PERFORMANCES

The release of iOS 14 in June 2021 changed the rules for Social Ads. After more than a year and numerous attempts to mitigate its impact, [the conclusion remains negative](#) for the majority of advertisers.

-33% decrease in destination page views*

If we assume that the behavior of internet users remains unchanged from the previous year, this means that in the second quarter of 2022, an advertiser will lose one-third of its visitors in comparison to the previous year.



This figure is significant because it represents a double punishment:

- Algorithms have less data and are having difficulty finding new conversions.
- As data becomes less reliable, the risk of making a bad decision rises.

*The destination page view rate is the percentage of traffic that has charged 100% of the landing page after clicking on an advertisement.

Parallel to the data loss caused by iOS14, the second challenge of this quarter has been an unavoidable increase in distribution costs.

A +7.6% INCREASE IN COTS OF DIFFUSION

If we assume that the behavior of internet users remains unchanged from the previous year, this r quarter of 2022, an advertis- € its visitors in comparison to t

Period	
April 2022	
April 2021	
EVO %	
May 2022	
May 2021	
EVO %	
June 2022	
June 2021	
EVO %	



This increase has been especially strong in April and May, and has been noticeably lower in June 2022.

This increase has been offset by a significant increase in the CTR.

However, this increase has not been significant enough to reduce the global CPC, which remains stable.

This also means that if your CTR does not improve over time, you will be one of the losers in the second quarter of 2022.

That is, you paid the same amount as last year to receive less traffic from your ads.

A difference is noticeable in the month of June, which is explained by the start of summer sales, which occurred two weeks earlier in 2022 than in 2021.



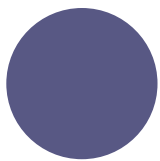


CTR increased by 33% among our clients who used UGC or tournage-derived video content.

Since our inception in 2020, we have emphasized the importance of creativity in relation to the success of your campaigns.

This principle appears to be becoming increasingly important as public-sector costs continue to rise.

During the second quarter of 2022, 18% of our clients placed their trust in us to carry out UGC or filming. These clients had a CTR of 1% on average during the second quarter of 2022, far exceeding the average of our other accounts.



INVESTING IN THE QUALITY OF THE ADS IS ESSENTIAL.

CONSUMERS WORRIED ABOUT THEIR PURCHASING POWER

The global economic situation is deteriorating as follows:

- The armed conflict in Ukraine continues
- The price of primary commodities rises globally
- The French household confidence index falls.

In this situation, consumers prefer to take an alert stance and seize good opportunities rather than improve their comfort.

In such circumstances, sales play a significant role in the purchase process.

This year, there has not been a significant increase in the number of people participating in the purchases.

Those who took part, on the other hand, spent more than the previous year, resulting in a 70% increase in the value of purchases.

According to the **INSEE**



Between the second and third weeks of sales in 2022, the volume of purchases increased by +10%, while the value of purchases increased by +70%.



THE GAP WIDENS AT THE TIME OF THE SALES

The gap is widening between those who participate in auctions and those who do not:

- During the selling season, the cost of distribution rises globally due to massive budget increases by some advertisers (+23% increase in the first two weeks of sales compared to N-1).
- Only the participating advertisers see their CTR increase when they use ads that promote promotions.
- They recover large amounts of data and can make better use of the algorithm in the weeks and months that follow the operation.

If you do not participate in sales, remember that it is critical to plan your own events and marketing meetings for your company in order to recover a large number of conversions in a short period of time.

And seriously consider participating in the next strong times. All indications point to Black Friday setting a new high this year.





THE GAP WIDENS AT THE TIME OF THE SALES

The era of the e-commerce pioneers has come to an end, and it is now time for the builders, or those who are willing to build their success by tackling each aspect of their growth equation one by one.

$$(\text{Visitors} * \text{CR} * \text{LTV} = \text{Revenue}) - \text{CV} = \text{Profit}$$

1 Visitors

Increase your traffic by improving your ads, diversifying your channels, and tailoring your spending to the seasons.

2 Lifetime value

Analyze orders from customers who purchased more than twice in the previous 90 days and test offers to achieve 130% LTV at 90 days and 200% at 12 months.

3 Conversion rate

Analyze your visitors' behavior and continue to improve your store's design and user experience to gain valuable conversion points.

4 Variable costs

Pilot your costs on a continuous basis and launch projects to optimize them where they have the most impact. Marketing is not the only key to your success.



Contact us for a discovery meeting

ON SCALE E-COMMERCE VIA SOCIAL ADVERTISING, CREATIONS, AND GROWTH

Do you agree with the report's conclusions and want to implement our recommendations in your company?

Gally One will assist you in accelerating your growth.

Gally-one.com

SCALE CHECKLIST BY GALLY ONE

Download and read to stay on top of what will truly change your outcomes.

01 GLOBAL PERFORMANCE ANALYSER

Avoid driving your business based on ROAS and instead compare your Social Ads spend to back office results (number of visitors, conversion rate, new conversion rate, new customers, sales) Since key data is missing, the risk of survivorship bias is high when you try to micro-optimize the performance of your campaigns, adsets and ads.

02 MAXIMIZE THE NUMBER OF VISITORS

Launch new channels to reduce the risk of dependency and iterate to find the best budget to spend on each channel to get the newest customers each week, Invest in the quality of video creatives by spending time analyzing what works and what doesn't, as well as organizing shoots and camerawork.

03 TAKE ADVANTAGE OF HIGHLIGHTS

Participate in your sector's highlights or create new highlights where a very strong incentive over a few days will allow you to recover all conversions. Conversely, do not be afraid to reduce your budget during times when you are unable to acquire new customers.

04 THINK LONG-TERM

Define 3-month strategic objectives that are likely to generate margin growth (increase your average shopping cart by 10€, increase your CTR by 10%, multiply its conversion rate x2, and obtain 130% customer value 60 days after the first purchase). And make every effort to achieve your goals.