

## **COLLABORATIVE ADS (CPAS) FOR FASHION MARKETPLACE ADVERTISING TOOL**

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### **ABSTRACT**

*Many fashion marketplace sellers have started to use Facebook Collaborative Ads as one of their advertising tool, but little is known on how to make it work effectively. This article is written using descriptive analysis method with data derived from Zalora internal data, and other trusted internet resources. To make CPAS works for fashion marketplace sellers, it is important to showcase the right promo, showcase the right ad format, showcase the right product, and target the right people. The purpose of this article is to provide general guideline on how to make Collaborative Ads works effectively for fashion marketplace sellers.*

Keywords: *collaborative, ads, fashion, marketplace, cpas*

### **1. INTRODUCTION**

As of 2020, there are 479 marketplace brands listed on Zalora platform, whereas 97 brands are under consignment system, and 382 brands are under marketplace system (Zalora Indonesia, 2021). There are endless fashion sellers in Tokopedia and Shopee Indonesia. Marketplace system is getting more popular mainly because of lower listing fee compare to consignment system. Consignment system provides advantages for brands, where promotion to customers are prioritized as service for receiving higher listing fee. As of challenge for marketplace brands, it is to push sales and product visibility among tens of thousand SKUs in the same platform, not to even compare with other marketplace platforms. With too many options of product available, customers need 'trigger' to capture their eyes and make a click to the product page, it is hoped to eventually buy. Currently, CPAS (Collaborative Performance Advertising Solution), or better known as Collaborative Ads, is another new solution for marketplace sellers to deal with this issue. This feature is offered by Meta (Facebook) as a solution for retailers (mainly marketplace) to be able to reach potential audience to get inside marketplace pages and to eventually make a purchase. However, there is a difference between Facebook CPAS and Facebook Ads. Facebook Ads is a paid feature to enable sellers to make advertisement using audience target provided inside Facebook platform, and ads will appear within Facebook and Instagram network. While CPAS is also a feature from Facebook with the goal to reach audiences outside marketplace platforms. High potent buyers who are interested with the ads, will do a click, and directed to a marketplace page where conversion can take place. Many sellers have started to use CPAS as one of their advertising tool, but little is known on how to make CPAS works effectively.

### **2. DATA DESCRIPTION**

#### **What Are CPAS: Introducing Facebook Collaborative Ads (CPAS)**

Facebook collaborative ads (CPAS) is a performance marketing campaign. CPAS helps showcase your product (through ads) to the right people who have shown interest in them on the retailer's site, app or elsewhere on the Internet. Facebook

CPAS combine Facebook ecosystem data and seller's selected ecommerce data to help seller reach the right people, and convert them to sales. Product can be automatically generated from seller's official ecommerce store catalog.

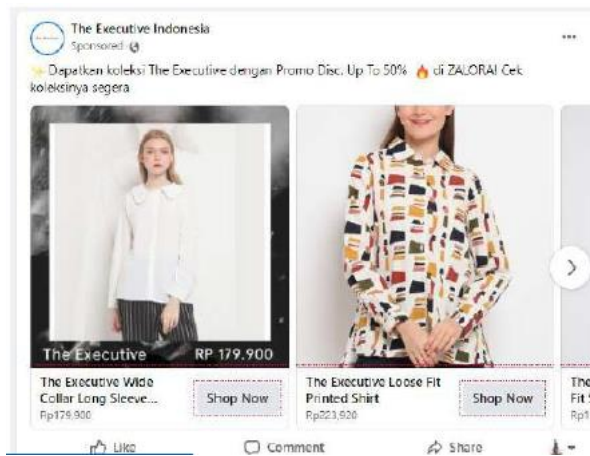


Figure 1. CPAS Ads Sample  
 Source: The Executive Indonesia, 2022

### Why CPAS

Consumers are increasingly looking to 'buy when they want' versus 'waiting for promotion'. Consumer preference to buy from online channels has seen a leap. Consumers are increasingly looking to 'buy when they want' instead of waiting for promotion.

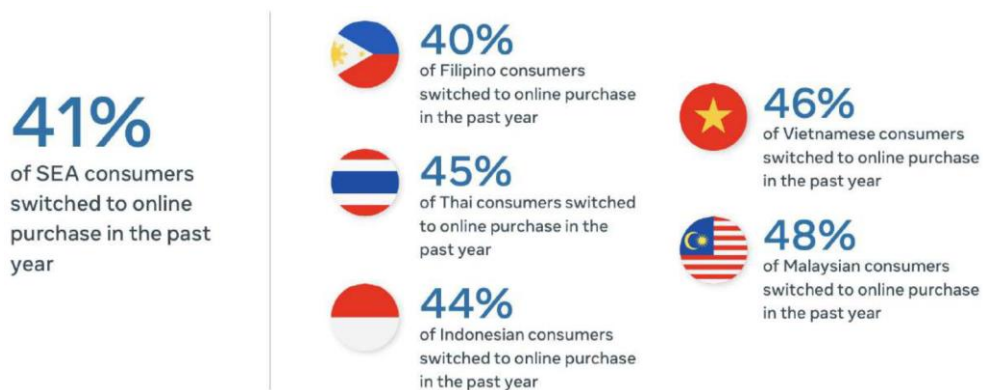


Figure 2. South East Asian Consumer Preference to Buy from Online Channels  
 Source: Bain & Facebook, 2022

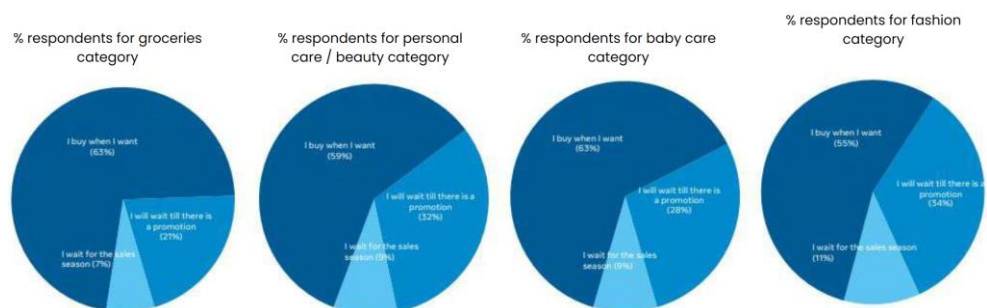


Figure 3. South East Asian Consumer Preference to Buy 'When They Want'  
 Source: Bain & Facebook, 2022

Facebook Pixel and SDK capture signals of a consumer's purchase intent in real time. Sizing daily signals with and always-on presence can ensure ongoing

learning for Facebook algorithm with and expanded buyer pool for the brand. The goal is to reach high intent shoppers at the right time to drive sales.



Figure 4. Simple Illustration on How CPAS Works  
Source: Hartanto, 2022

### How CPAS Works

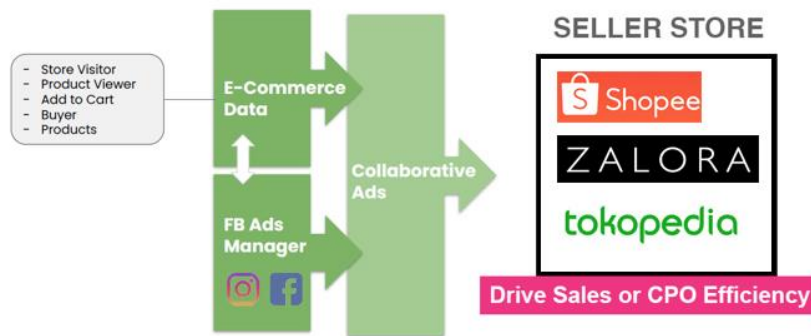


Figure 5. How CPAS Works Illustration  
Source: Hartanto, 2022

### Advantages

With Facebook Collaborative Ads (CPAS), sellers can showcase relevant products to people who are more likely to purchase, directly drive traffic with their products to the retailer's store, optimize their ads for online sales of their products, and measure the impact of their campaigns on conversions.

## 3. RESEARCH METHOD

During this decade, the advertising field has been subjected to big changes due to the rapid development of social media (Dahl, 2018). There is an escalating use of Facebook among marketers. Businesses need to understand Facebook and its benefits in achieving effective advertising campaigns. Facebook is seen as an effective medium for advertising and it has a strong association with the described benefits of customer relationship management and promoting new products (Ertugan, 2017). Facebook advertising significantly affected brand image and brand equity, both of which factors contributed to a significant change in purchasing intention (Dehghani & Tumer, 2015). Use of Facebook is huge in developed and developing economies, yet the immense marketing potential of Facebook's full range of advertising tools (paid and free/organic) has been under-researched (Wiese, et al., 2020), including CPAS. There has not been researches or articles found in CPAS area when this article was written. The research was conducted using descriptive analysis method with data derived from Zalora internal data, and reliable internet resources.

## 4. RESULTS AND DISCUSSION

### How To Grow Seller's Business With Zalora Via CPAS

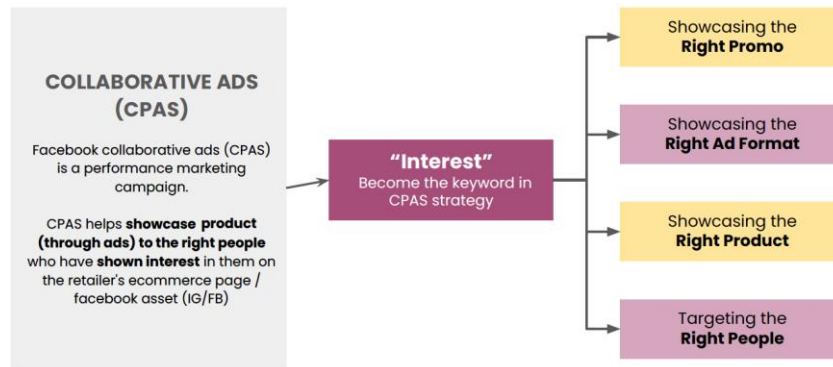


Figure 6. Zalora CPAS Strategy  
 Source: Hartanto, 2022

### Breaking Down Interest: The Right Promotions

To optimize campaign results, sellers have to reach high intent shoppers at the right time to drive sales. There are 2 campaign approaches suggested based on Facebook recommendation that sellers can use to reach the audience in the right time. The first one, Always On Campaign. With Always on campaign, seller's products can be bought at any of the 365 days in a year. According to Facebook, with Always On campaign, sellers can get more volume with lower CPA (Cost per Acquisition) rather than other approach. Also, with Always on Campaign, Facebook can capture signals of consumer's purchase intent in real time. The second one, Mega Days Campaign, which is creating the right promotions, focusing on events or mega days as the highlight. Sellers can showcase this from the creative and captions. From the past experience, Zalora sees a pattern that campaigns with number of promotions (in %) are performing well rather than with no promotion or no CTA (Call to Action) on the captions. For this campaign, sellers can also add captions with "Ramadhan Special Promo" (for example) in the captions to drive more traffic and conversions. Definitely, budget is an important aspect sellers need to consider when running these campaigns.

### Breaking Down Interest: Ads Format

There are 3 different ad formats; Single Image, Collection, and Carousel (dynamic and non-dynamic). Based on experience from Zalora previous clients, Collection ads and Carousel ads perform better on campaign. It is assumed that because these 2 formats able to showcase seller's products, the audience will have better experience because they are able to browse through the selection of product.

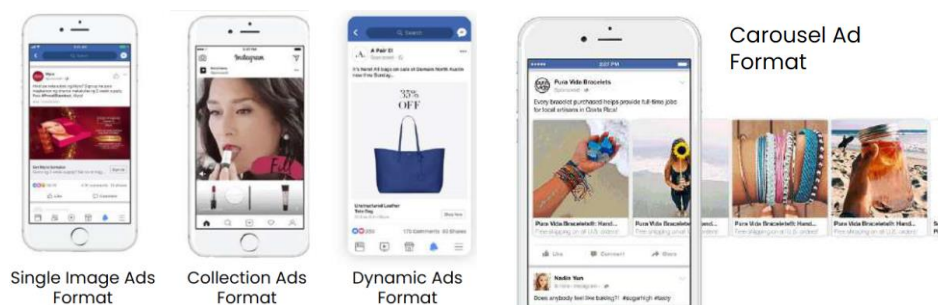
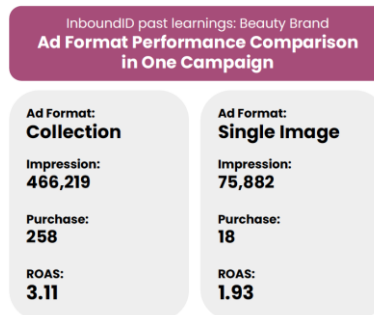


Figure 6. CPAS Ads Format  
 Source: Zalora, 2022

### Ads Format: Collection Performance

Based on Zalora past experience running for CPAS with beauty brand, it is found that in terms of impression, purchase, and ROAS (Return on Ad Spend), Collection

Ads perform better, hence why sellers need to have product highlight to drive potential audience conversion.



\*Campaign period, December 2020

Figure 7. Ad Format Performance Comparison in One Campaign  
Source: Zalora, 2022

### Breaking Down Interest: The Right Product

To help drive traffic and conversions from collection and carousel ad format, sellers need to gain the audience interest by highlighting the right product. Based on Zalora experience, the best way to drive traffic are creating one tactical campaign, highlighting the top best selling product (at least 5).

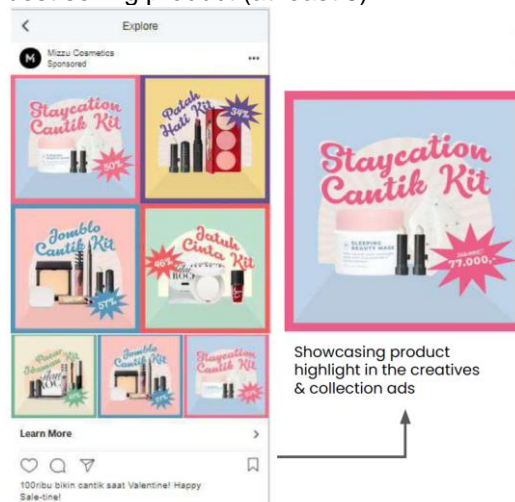


Figure 9. Sample: Showcasing The Right Products  
Source: Mizzu Cosmetics Official Instagram, 2022

### Breaking Down Interest: The Right Targeting

Based on Zalora learning, getting bigger pool of audience will help drive purchase. CPAS can get data from bigger pool of audience, and their behavior towards certain marketplace, and then retarget them. CPAS convert people based on their past actions. There are 2 types of choosing the right targeting. The first one, Prospecting Campaign, is a campaign that look people who never visits the store in order to increase the size of people who visit the official store as well as purchase the product. The second one, Retargeting Campaign, is a campaign where seller can target or use audience that have already visited their marketplace. Seller can combine different activity that occurs inside the shop and use that data as a base for retargeting.

## 5. CONCLUSION

To make CPAS works for fashion marketplace sellers, it is important to showcase the right promo, showcase the right ad format, showcase the right product, and

target the right people. In terms of the right promo, choosing between all-year-long or mega day campaign or both depends on seller's goal and budget. In terms of showcasing the right product, the best way to drive traffic is by creating one tactical campaign, highlighting the top 5 best selling products. For ad format, Collection ads and Carousel ads perform better on campaign. For targeting, sellers can always combine patron and new customers.

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