Social media advertising strategy for a bicycle shop:
A hypothetical case study

Situation

Photo: Gengiskanhg. Public domain.

As the owner of a small bicycle shop, I would like to advertise to people who are in the market for a bicycle or bicycle services. Only paid search advertising can get me top-of-page visibility with such customers. However, my competitors are thinking the same thing. There is a lot of competition for the small market for bicycles and most of my competitors outspend me in paid search and elsewhere. The least expensive way for me to get customers would be to cultivate them myself, tapping into a great "untapped market." That would be people without a bicycle. What would motivate such people to buy a bike? I believe it can be the ongoing changes in transportation in the Twin Cities (Minnesota) metropolitan area and its impact on the daily commute.

These changes have come about here and elsewhere because local and state governments have realized road maintenance costs are unsustainable.[1] There is also the impetus to cut carbon emissions. In response, the municipalities in the Twin Cities area have created a network of bike lanes and dedicated bike paths. We are now one of the most bike-friendly metropolitan areas in the United States. In 2021, Minneapolis (the larger city of the Twin Cities) was named the 5th most bike-friendly city in the U.S.[2] In 2017, it had the "second-most bike commuters of all big cities" in the U.S.[3]

Bicycle path intersection near downtown Minneapolis. Photo: Justin Foell. Creative Commons (bottom of page). Image cropped

Every new bicycle lane takes space away from vehicular traffic and parking. Furthermore, Minneapolis is taking measures to "dissuade vehicular traffic" from many of its streets.[4] Alternative means of commuting to work are therefore becoming more attractive. When mass transit is not convenient or is too costly, a bicycle becomes an option.

My opportunity in this situation

I believe I can cultivate an interest in bicycle commuting among current car commuters. When such people show an interest, I can then invite them to stay in contact with me through a newsletter and events. I will then be top-of-mind for those people who eventually decide to buy a bicycle. In this way, I can cultivate my own customers rather than engage in expensive competition with my competitors for shoppers already in the market.

Currently, I am not aware of any bike retailer in the Twin Cities using social media to cultivate interest in bike commuting. If my cultivation strategy works, I will have a tremendous advantage.

Concept for my strategy

As the Twin Cities become more bike-friendly and less car-friendly, people currently without a bike will be forced to consider bicycle commuting if mass transit is not convenient. That decision would involve several concerns:

Photograph: Mikael Colville-Andersen. Creative Commons. Image cropped.

- **Commuting time**: Will it take too long to get to work?

- **Safety**: Can I bike in snow and ice?

- **Cargo capacity**: Can I carry all the stuff I need throughout my day --- and pick up groceries on the way home?

- **Comfort & accommodation:** Back and neck pain? Also, special physical needs.

- **Fatigue**: Will I be too tired when I arrive at work?

- **Acceleration**: Can I get through intersections fast enough to be safe?

I will address these concerns as the basis of my strategy.

Budget considerations

Although I want to engage in search engine advertising, I have a lot of competition there and can be easily outbid by retailers bigger than me. Therefore, I want to spend most of my advertising budget where I can have a greater return on my ad spend. If I had to set a percentage, it would be 70% for my social media strategy and 30% for paid search. Part of my reason for making paid search so small is because I can leverage organic search results by optimizing my website for organic search.

In planning how to execute my strategy, I may need to make concessions based on cost. The best approach may exceed my budget or take away money from a more cost-effective opportunity.

Which social media platforms?

For the purposes of this project, I will limit myself to two social media platforms. Because my small business cannot afford to make quality videos, YouTube is not an option. We will revisit the problem of videos for a small business later in this report.

Looking at the other major platforms (see table below), I see that Facebook is one of the Top 3 for all adult demographics and Instagram is #2 or #3 for most.[5] Besides that reach, the shared Ad Manager interface of Facebook and Instagram would require me to learn only one application to create, manage, and analyze my campaigns.[6] The resulting time savings is a big plus since, as a small business owner, my time is in short supply.

Who uses each social media platform

Legend: #1 used | #2 used | #3 used

	Facebook	Instagram	LinkedIn	Twitter	Pinterest	Snapchat	YouTube	WhatsApp	Reddit	TikTok	Nextdoor
Total	69%	40%	28%	23%	31%	25%	81%	23%	18%	21%	13%
Men	61%	36%	31%	25%	16%	22%	82%	26%	23%	17%	10%
Women	77%	44%	26%	22%	46%	28%	80%	21%	12%	24%	16%
Ages 18-29	70%	71%	30%	42%	32%	65%	95%	24%	36%	48%	5%
30-49	77%	48%	36%	27%	34%	24%	91%	30%	22%	22%	17%
50-64	73%	29%	33%	18%	38%	12%	83%	23%	10%	14%	16%
65+	50%	13%	11%	7%	18%	2%	49%	10%	3%	4%	8%

Source: Pew Research Center, "**Who uses each social media platform,**" Social Media Fact Sheet, April 7, 2021. https://www.pewresearch.org/internet/fact-sheet/social-media/?menuItem=4abfc543-4bd1-4b1f-bd4a-e7c67728ab76

In the table above, the legend and all box highlighting are my own.

What should my goal be?

My cultivation strategy has two phases: addressing concerns of people about bicycle commuting and inviting them to learn more and stay in touch through a newsletter and events. "Awareness" is the Facebook (and Instagram) goal that matches closest to my desired outcome for "addressing concerns." In Ad Manager's goal category of Awareness, the two options are Brand Awareness and Reach:

1. In **BRAND AWARENESS**, Facebook would pick an audience for me based on people's demonstrated recall ability. Facebook determines this, they say, by "polling and [tracking] subsequent actions after seeing advertisements."[7]

2. In **REACH**, Facebook would maximize the number of people who see my ads and how often they see them.[8] This is regardless of the recall ability or the demonstrated likelihood of recipients even noticing my ads.[9]

What differentiates the two Facebook goals is the audience's past engagement with ads (i.e., if they tend to ignore ads) and their ability to recall ads. In the absence of expensive market research, I must make a gut determination, which is: people who skip over ads are likely not seeing a lot (or any) ads for

bicycles. Since the thing I will advertise --- getting to work more easily --- will interest most people, I think even the habitual ad-skipper will engage with my ad. Therefore, I would prefer to spend more on greater REACH than likelihood to engage and recall. I will therefore make **REACH the goal** of the "addressing concerns" phase of my strategy.

After my initial ad, I will follow-up with a **leads ad** with the goal of **LEAD GENERATION**. This ad would invite the recipient to sign up for a free monthly bike commuting newsletter and to get invitations to bike-commuting events. For this phase of my strategy, I would be willing to pay more for clicks by those who interacted with the first ad.

Planning my campaign

Message & delivery

Phase 1 of my strategy is to address the concerns about bicycle commuting I identified earlier. I will address each concern as follows:

Photo by WorkCycles. Wikimedia Commons.

- **Commuting time:** A bike commute can be faster and lets you exercise at same time.

- **Safety**: Twin Cities municipalities have made biking safe and continue to do so.

- **Cargo capacity**: I will introduce cargo bikes (left).

- **Comfort & accommodation**: I will introduce Dutch bikes and custom bike-fitting.

- **Fatigue & acceleration**: I will introduce electric-motor-assisted bikes ("e-bikes").

Because more than one thing will likely be stopping a non-bicycle owner from deciding to bicycle to work, I need to deliver all five of these messages at the same time. I will therefore plan on creating a **carousel ad** to do so.

Each image in my carousel ad will illustrate how a particular concern is put to rest. For example, the concern about time to get to work is well illustrated by the photo of the Minneapolis bike path intersection shown earlier in this report. This image would link to a landing page on my website that would discuss commuting time, provide links to YouTube videos (I have not given up on videos entirely), and showcase my relevant offerings, such as e-bikes (which can keep pace with city traffic). The other images would address other concerns with a similarly dedicated page on my website. These landing pages would include calls to action: ask a question, schedule a test ride, and sign-up for my newsletter.

Phase 2 of my strategy, generating leads, will have another carousel ad depicting the benefits of staying engaged with my bicycle shop: news about commuting and recreational biking, special offers, events, and more. The links of all images will go to a leads form to sign-up for the newsletter and email list.

Decision: static images or videos?

In a carousel ad on Facebook and Instagram, I have a choice of using static images or videos.[10] Earlier, I rejected YouTube because I could not afford to make quality videos. However, I will revisit videos now that I am faced with that choice. Specifically, I will consider: (1) would I get better engagement with video ads than with static images and (2) would the increased engagement be worth the investment?

In a 2018 experiment, a maker of online graphic design products, Crello, conducted an A/B test. They ran an animated ad and a static-image ad for the same thing: a free download of the infographic "100 Free Tools to Do Your Own Marketing." At the end of the two-day campaign, the animated ad was seen by about 18,000 users and the static ad by 25,000. The results were:

- The animated ad had **150% more clicks** than the static ad despite going to 28% fewer users.
- The high click-rate of the animated ad made its cost per click **50% less expensive**.[11]

Five years earlier, urban bike gear retailer Chrome did an A/B test of video versus static photos. In this experiment, the goal was to **increase sales**. A three-month test showed videos produced more sales, but not enough to justify the significantly greater cost of producing them. Chrome realized the margin of success had to be high enough to offset the cost. They decided to use static ads instead.[12]

Despite videos producing better results than static ads, my small bike shop is forced to reach the same conclusion as Chrome: videos may be better, but I cannot afford them. It is easier for me take many photos of a scene and choose the best for my ads than to make many videos, choose the best segments, and splice them together. Also, I would need to create a soundtrack for my videos since a silent video would seem lifeless. All that requires software which, as a small business owner, I do not have money to buy or time to learn. I will therefore use static images in my carousel ads.

Decision: Placement as a News Feed or as a Story?

For my strategy, **Facebook News Feed** is a much better placement than Facebook Story for the ads in both phases of my strategy (REACH and LEADS GENERATION). This is because news feeds persist until deleted while a story lasts only 24 hours. On the downside:

- News Feeds cannot track who viewed them, only that someone liked or commented.
- News feeds have fewer creative options than stories (which have effects, stickers, and filters).[13]

These downsides are minor. I am more interested in website visits and sign-ups than who viewed my post. Also, I want my ads to look like _news_, so I have no need for Stories' graphic editing tools.[14]

Targeting

Not being able to afford proper market research, I need to depend on impressions and thought experiments to identify my target audience. In the Twin Cities, almost all bicycle commuters appear to be 18- to 25-years-old. Targeting this already-converted demographic would therefore be wasted ad spend since I am looking for the large, untapped market. In addition, most of them are not yet at the income level where they can afford the high-end bicycles and equipment I sell. At the other end of the age spectrum, those more than 54-years-old are unlikely to want to bike to work.

This leaves me with those **between 26- and 54-years-old**. Gender does not matter nor income. If a person in this age group had modest income, they might realize that $1,440 spent each year on bus fare could buy a nice bike they could use at other times.[15]

Since I am a single-shop business, a geographic radius filter is essential to prevent wasted ad spend. I would apply a 10-mile-radius geofencing filter around my business' address.[16] I would also limit my ad to English speakers since I and my employees speak no other language than English.

I do not want to select an audience based on an interest in bikes. This is because my desired audience are those who do not own a bike. If some of my recipients are recreational bikers, that is fine. If I can convince such people to bike to work, they may buy my snow tires, cargo accessories, and more.

Because of the almost 30-year span of my target audience, I need to account for generational culture and stage-of-life considerations. I will therefore divide my audience into campaigns for age groups 26-35, 36-45, and 46-54. In each campaign I will have an ad group with two ads going in an A/B test. As one ad surpasses another, I will pause the "losing" ad and replace it with a new one as time permits.

Measuring & Assessing

"**Cost per engagement**" (CPE) is the key metric for my strategy. My benchmark for success is to compare CPE to the cost of a postcard mailing to the same number of people. This includes the costs of design, printing in three colors, and postage.

By inserting the **Facebook pixel** on my landing pages, I will be able to measure the effectiveness of my ads. Since I will have segmented my audience by age across several campaigns, I will be able to **identify what most interests each age group**. I will also be able to measure the volume of emailed questions, appointments made, and new email list subscriptions. The last is especially true of the second phase of my strategy, leads generation, when I invite people to stay in touch with me through my newsletter.

I will also be able to track sign-ups for my email list, especially in my Phase 2 lead-generation ad dedicated to that objective. The volume of these sign-ups would let me assess **conversion rate**.

Conclusions

Photo: Heb. Creative Commons. Cropped for size.

- Twin Cities governments' push for alternative commuting is making bicycle commuting more attractive.

- Social media advertising lets my bicycle shop address the concerns of non-bike riders about bicycling to work. By addressing these concerns, I can cultivate future customers.

- A two-phased campaign with the goals of REACH, then LEAD GENERATION, offers the best potential return on ad spend for what I want to accomplish.

- The Facebook pixel and other tools will enable me to measure and assess my strategy and spending.

ENDNOTES

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