

# Mobile Retargeting for Retailers:

Recapturing Customers Cross-Platform

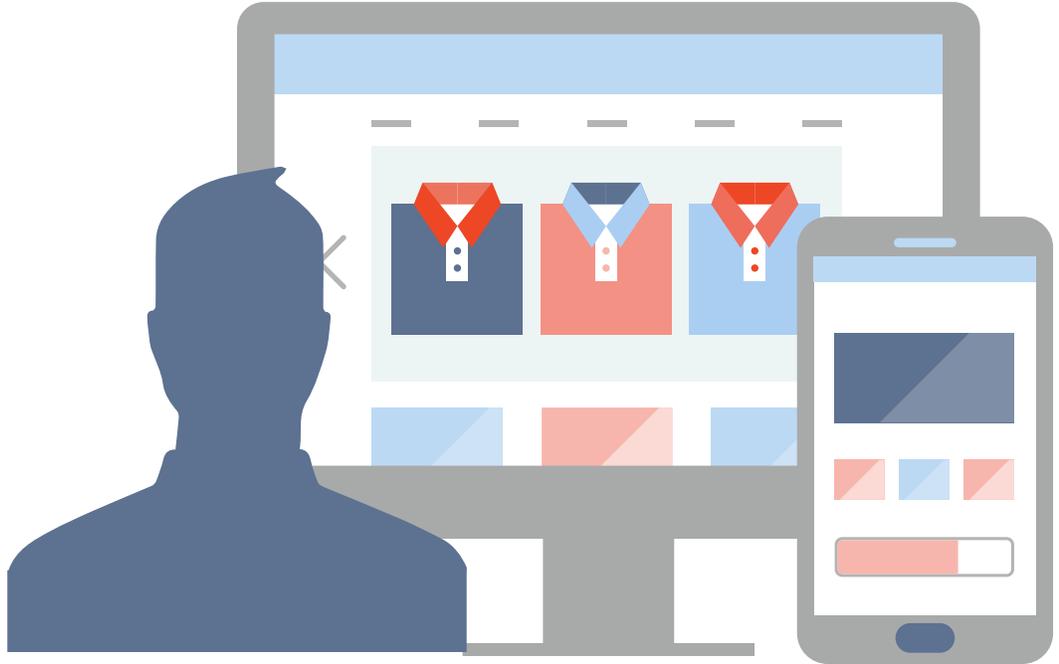
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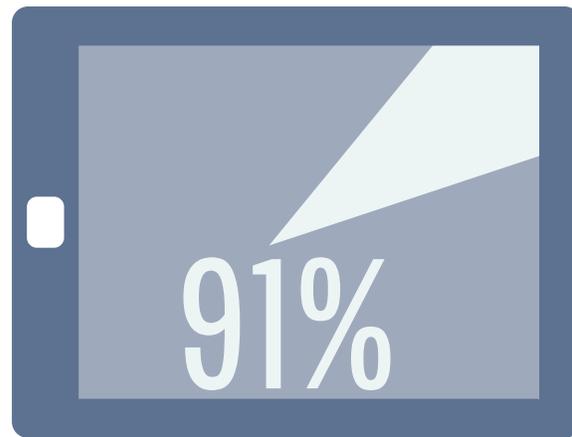
# EXECUTIVE SUMMARY



“Retargeting” is a well-known term in the online advertising world. Retailers are able to recapture high-intent users while they browse other sites, boosting conversions and lowering ad delivery costs. Mobile growth is fast revealing the weaknesses of traditional web-based retargeting, demanding a solution that enables cross-platform reach. Mobile retargeting, made possible by Facebook, opens advertisers, especially those in e-commerce, a scalable opportunity to connect with current and potential customers throughout the multi-platform, multi-site buying process.

# 01

# THE MOBILE ADVERTISING OPPORTUNITY



of the US population owns a mobile device

Mobile retargeting is a natural response to the increasing use of mobile devices among consumers.

As of 2014, more than 91% of the US population owns a mobile device, on which they spend over two hours each day checking email, surfing the web, and using mobile apps<sup>1</sup>. Eyes are moving away from traditional channels, such as television and radio, in favor of mobile. In 2013, digital passed television as the channel where consumers spend the most time – a move almost entirely driven by

consumers' ballooning mobile use<sup>2</sup>. Advertisers must have an answer for mobile if they want to reach consumers.

Not only is mobile use growing, but so is mobile commerce. Mobile now accounts for 59% of time spent on e-commerce and 16% of all online purchases are completed on a mobile device, representing a total of \$41.7 billion in purchases in 2013 alone<sup>3 4</sup>. Native ads, like those that appear on Facebook and Twitter, have been especially effective for companies looking to target customers who are just clicks away from making a purchase.



These ads, which seamlessly blend with the organic content that appears on a site, generate 21 times more clicks at 79% less cost than standard web retargeting ads. Facebook, for one, now sees more than 50% of its income derived from mobile ads<sup>5</sup>.

But consumers aren't just shopping on mobile - or on one mobile device, rather. One study found that 67% of consumers move from one device to another while shopping<sup>6</sup>. A consumer may see an ad for the product on television, research the product on their phone, visit the retailer's

website on their desktop, and finally make the purchase in the retailer's app on their tablet. Each platform attracts a unique audience of shoppers that must be uniquely targeted depending on their demographics, stage in the buying process, and platform preference.

With the buying process crossing multiple websites, apps, and platforms, it is now essential for marketers to be able to track and deliver ads to consumers as they move from location to location. This can be accomplished with mobile retargeting.

# ECOMMERCE DEMANDS A MOBILE RETARGETING SOLUTION



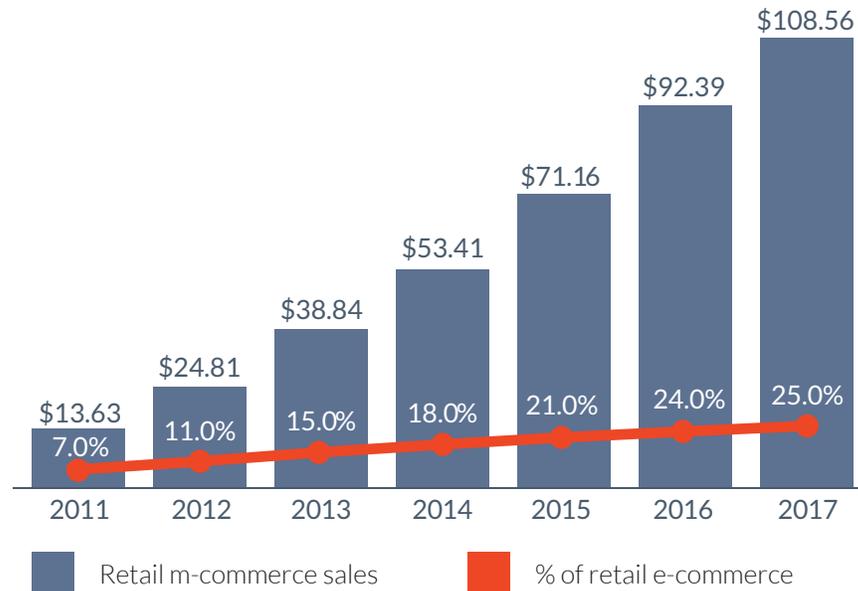
E-commerce companies have struggled with the issue of tracking and targeting customers across multiple locations long before the advent of mobile.

On average, only 2% of customers convert on their first visit to an online store; the other 98% go on to visit other websites and may or may not return at a later date to complete a purchase - a huge missed opportunity for retailers. Retargeting was developed as a means to track these high intent consumers' movement across the web and deliver targeted ads to them in each location.

## How Targeting Works

The tracking element of retargeting is accomplished by placing a line of code or pixel in the footer of a retailer's website. Each time an individual visits the retailer's site, this code drops a retargeting cookie with an anonymous ID in the visitor's browser. This enables the retailer to display retargeted ads to potential customers as they browse other sites. These can range from generic ads for the brand, to dynamic ads that feature an image of the exact product the individual looked at on the site. The combination of ad personalization and increased impressions lowers shopping cart abandonment rates, reactivates purchases, and drives return website visits.

## US Retail M-Commerce Sales 2011-2017



Source: eMarketer, April 2013

### The Opportunity For E-Commerce Advertisers

Mobile commerce continues to carve out a bigger slice of e-commerce market share as mobile devices become more accessible and demand more of users' daily time on digital. eMarketer predicts that retail m-commerce sales will reach \$108.6 billion and occupy 25% of market share by 2017.

Advertising on mobile websites and in apps has evolved to help advertisers reach these audiences. Mobile advertisers have found particular success with native ads, as these appear full screen and are more similar in appearance to website content.

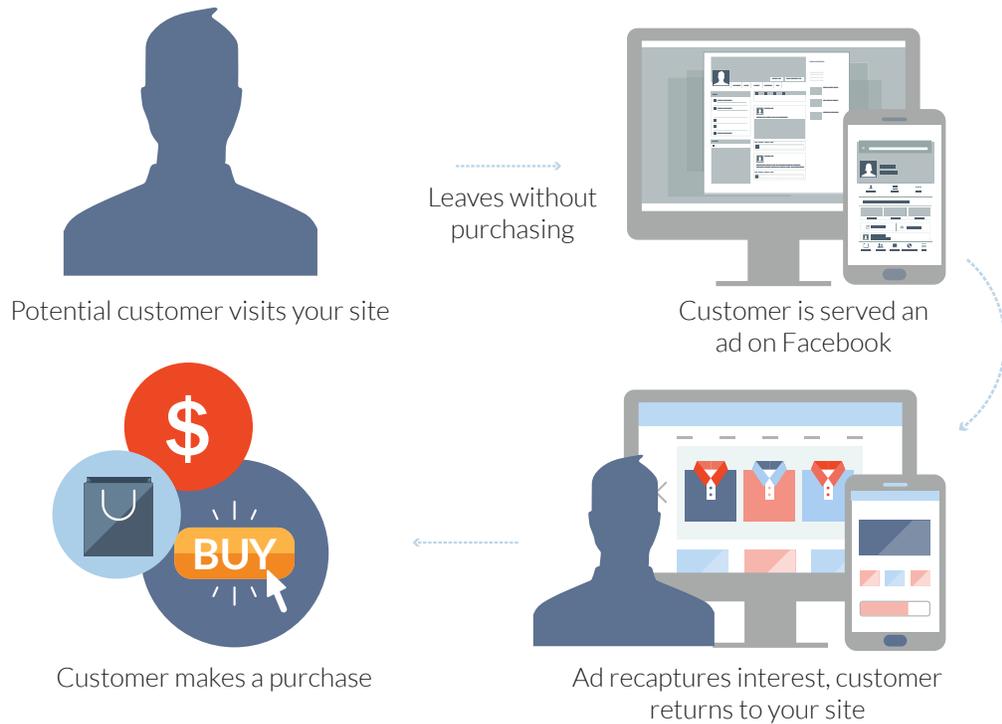
Facebook and Twitter spearheaded the popularization of this ad format.

But there is still more to be desired when it comes to the effective targeting of qualified users on mobile devices. Mobile retargeting would add an additional level of accuracy, reducing inefficiencies and maximizing profit.

So what has stopped advertisers from retargeting on mobile? The ad ecosystem has yet to find a good way to connect desktop to mobile usage. Mobile retargeting has only recently been made possible through Facebook advertising.

# 03

# MOBILE RETARGETING EXPLAINED



Facebook is opening the door to mobile and cross platform retargeting with the introduction of custom audiences from websites and mobile apps – setting the stage for even greater e-commerce success on mobile.

## Mobile Retargeting: The Basics

Widely released in late January 2014, but in testing since October of the previous year, Facebook’s new retargeting capability makes it easy for advertisers to deliver targeted messages to custom audiences of previous website and mobile app visitors.

Similar to traditional retargeting, retailers place a pixel (in this case the Facebook remarketing pixel) on one or more pages of their website. The pixel tracks website visitors, then matches this information to unique users on Facebook, creating a Custom Audience. To retarget mobile app users who have taken specific actions or “events,” such as “added item to cart,” in your app, register your app and set up app events. These audiences can then be directly targeted with ads on the Facebook mobile app or desktop site.



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## Key Benefits for E-Commerce Advertisers

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Retargeting custom audiences from websites and mobile apps offers e-commerce advertisers five key benefits:

**Higher quality audience.** Retargeting selectively delivers ads to individuals that have already demonstrated intent. Return visitors dramatically outperform new visitors. Research has found that return visitors, in comparison to new visitors, spend twice as much time on the site, view 5.5 pages per visit (versus 3.9 for new visitors), and are more likely to make purchases and become evangelists of a brand<sup>7</sup>.

**Mobile Inventory.** Previously restricted to retargeting on desktop only, retailers can now deliver ads to previous users on mobile via Facebook. This allows retailers to capitalize on the 16% of sales that happen on mobile devices and also influences buyers as they go through the buying process. This may also help advertisers expand their retargeting reach in demographics that are heavily reliant on mobile.

**Retargeting from Mobile to Desktop.**

Even though m-commerce is on the rise, the majority of online purchases

are completed on desktop. Being able to capture and retarget these high-intent customers on their shopping platform of choice will prove highly lucrative for retailers.

**Greater personalization.** Each platform represents a specific audience of buyers at a different stage in the buying process. For example, smartphones tend to be used in the middle of the shopping process, while tablets are used both at the beginning for high-level research and at the end to finalize purchases. With mobile retargeting, retailers can customize campaigns to audiences based on their stage in the buying cycle. Targeting ads to individuals based on their stage in the sales funnel can push them down the funnel faster and accelerate the buying process.

**Layered Targeting.** Facebook's native targeting tools, like Demographics, Location, Behavior, and Interests, can be layered on top of custom audiences to reach more precise audiences.

Custom audiences are easy to set up through Facebook Power Editor and can work alongside a company's existing Facebook advertising campaigns. We take a deeper dive into setting up a mobile retargeting campaign on Facebook in Section 5.

# A COMPARISON OF FACEBOOK MOBILE RETARGETING AND FBX



- ✓ Dynamic Creative
- ✓ Impression-Level Bidding

- ✓ Mobile Inventory
- ✓ Layered Targeting
- ✓ Retarget Mobile App Users



**CUSTOM  
AUDIENCES**

*Recommended*

Since its launch in September 2012, Facebook Exchange (FBX) has been the go-to for retargeting on Facebook. Rather than rely on the Facebook pixel to gather customer data, advertisers collect their own customer data through a pixel, then identify and retarget ads to these

individuals by purchasing ads through FBX. FBX has been proven to increase conversion rates and click-through rates<sup>8</sup>.

FBX and mobile retargeting using custom audiences provide related but different benefits. Here's how the two retargeting options differ:

*“ Advertisers can reach even more precise audiences by layering custom audiences with Facebook’s native targeting tools, such as Demographics, Location, Behavior, and Interests.”*

### **FBX Lacks Mobile Inventory**

FBX works like a traditional retargeting exchange in that individuals can only be retargeted on desktop. In other words, if a customer visits a retailer’s site on desktop, the retailer cannot retarget an ad to this person on their mobile phone. With the Facebook marketing pixel, advertisers can retarget users across platforms.

### **Custom Audiences Get Twice The Targeting**

Facebook advertisers using custom audiences can layer their retargeting efforts with Facebook’s native targeting tools, like Demographics, Location, Behavior, and Interests, to reach even more precise audiences. Advertisers do not have this option with FBX.

### **Custom Audiences Can Retarget /App Users**

FBX can only retarget to website users; custom audiences from mobile apps widens this audience to include app

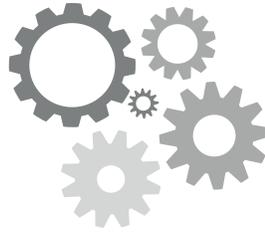
users. Mobile app users are a unique audience with specific characteristics that a retailer may want to target. Retailers with mobile apps can also use this option to engage and re-engage dormant app users cross-platform.

### **FBX Is Dynamic**

FBX is the choice solution for advertisers who have a large catalog of products and advertise to multiple audiences. Dynamic ads featuring exact images of the product previously viewed by the customer are only available on FBX.

### **Impression-Level Bidding on FBX**

Advertisers using FBX can engage in Real Time Bidding, also known as impression-level bidding, where each individual impression is bid for in real time. Advertisers can use the data from these impressions, such as length of website visit and number of return visits, to improve targeting for future campaigns. This is not possible on Facebook as impressions are packaged and sold by the thousand.



Setting up a mobile retargeting campaign with Facebook is simple and very similar to standard campaign set-up. Smaller campaigns can be run through Facebook Power Editor; however, more complex campaigns with thousands of ads can benefit from working with a Facebook Strategic Preferred Marketing Developer (sPMD). Both small and large campaigns are similarly structured:

### Step 1: Determine Campaign Goals & Strategies

Set clear campaign objectives and determine if retargeting is the best strategy for achieving these goals. Customer acquisition and direct response goals benefit most from retargeting. Also use this stage to determine pixel strategy. Place pixels on product pages to retarget visitors to exact products, or on the homepage if the goal is to simply get the customer back on the website.

### Step 2: General Campaign Set-Up

This stage encompasses the five pillars of a Facebook campaign: ad creative and copy, ad type, placement, targeting, and bid type. Some best practices we recommend:

- Test variations of creative and copy to determine the most effective pairing
- Page post link ads and page post image ads that appear in the News Feed are most effective for driving engagement
- Place ads on desktop where consumers are most likely to convert
- Start with cost per click (CPC) bidding, then switch to optimized cost per mille (oCPM) once audience is better understood

### Step 3: Implementation

The last step before starting the campaign is to place the Facebook remarketing pixel on your site. Once completed, you are ready to start the campaign. Keep a close eye on results and continue to optimize throughout the course of the campaign.



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## Picking a Partner

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Leading Brands & Direct Response Advertisers Trust Ampush with Their Advertising Goals



**DOLLAR SHAVE CLUB**  
SHAVE TIME. SHAVE MONEY.



Ampush combines powerful advertising technology with white glove service to help brands and direct response advertisers achieve measurable marketing goals on native platforms such as Facebook and Twitter. The AMP Marketing Platform integrates with custom audiences from websites and mobile apps to enable all the benefits of

mobile retargeting. Brands work closely with our in-house media experts to develop a campaign strategy that achieves objectives while driving return on ad spend (ROAS). Ampush then executes the creation, targeting, testing, delivery, and optimization of ads via the AMP platform.



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## About Ampush

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Ampush helps performance marketers acquire new users, generate sales, and re-engage customers. By powering full-service ad buying, management and insights, the AMP platform makes it easy for advertisers to reach people with smarter in-feed ads on Facebook and Twitter. Ampush is based in San Francisco with offices in Chicago and New York.

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