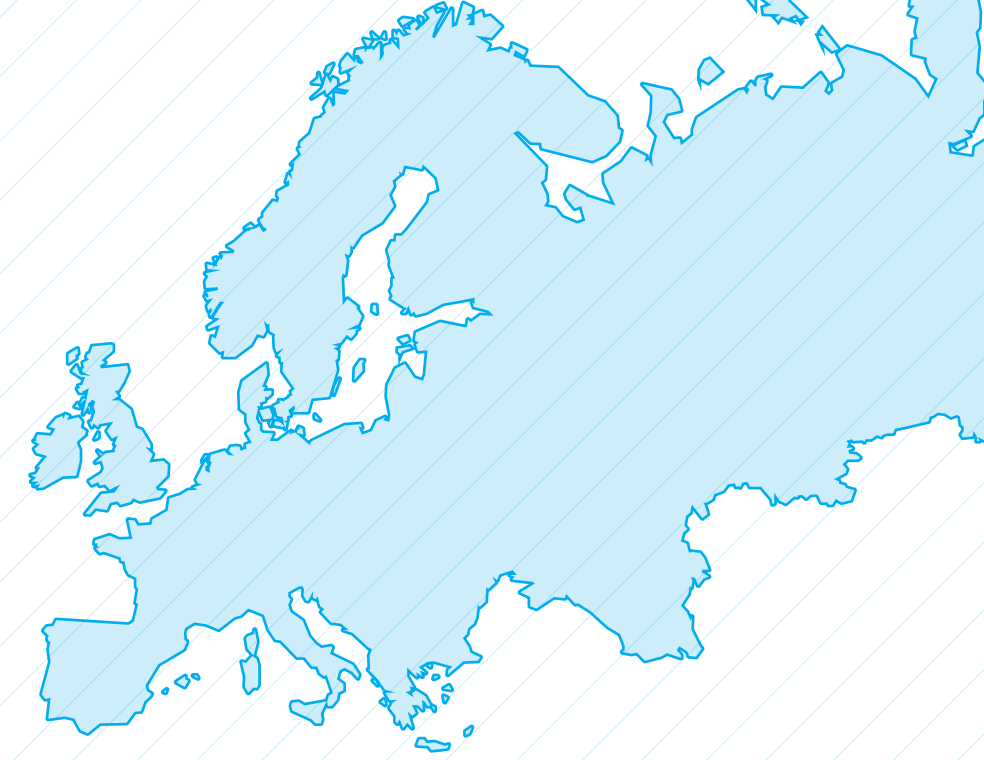


STATE of the INDUSTRY EUROPE



Retargeting, performance, and the rise of the programmatic marketer

EXECUTIVE SUMMARY

A changing industry

European marketers are becoming more like analysts, using technology to understand and react to always-on consumers in real time. “Programmatic technology has emerged as the driving force for a new vision of digital advertising that integrates paid media into real-time marketing,” according to a recent IAB report.¹

Retargeting has been a breakout tactic since marketing made the shift from traditional trial-and-error programs to real-time programmatic campaigns. Marketers have measured and seen impressive response rates to their retargeting campaigns and continue to pour investment into the technology.

Retargeting may have started as a bottom-of-the-funnel solution, but what else can it do? Is it just a conversion tactic, or does it have staying power and growth potential? What drives marketers to invest time and resources in retargeting?

To find out, AdRoll partnered with third-party research company, Qualtrics, to survey a diverse group of 250 professional marketers from across Europe who represented a variety of industries. Additionally, AdRoll examined retargeting campaign data from nearly 4,000 European advertisers serving one million impressions.

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Key findings

Increasing investment and performance

- 39% of European marketers spend 25–50% of their entire online ad budget on retargeting.
- 74% of marketers say they see a lift in search campaigns when adding retargeting to their marketing mix—61% see a lift in display and 68% a lift in email.
- 93% of European marketers report that retargeting performs equal to or better than other display, 95% equal to or better than email, and 88% equal to or better than search.
- 64% of European marketers plan to increase their retargeting budget this year.

Expanding the definition of retargeting

- The number one marketing objective of retargeting is brand awareness (60%), followed by driving sales (57%) and customer retention (51%).
- Total conversions comes in as the number one way European marketers measure success. Insights into customer behaviour is a close second.

Matching modern media consumption

- 56% of European marketers are retargeting on mobile.
- 73% of European marketers track device type in their marketing attribution model.
- European marketers say social media is the single hottest topic in retargeting—1 in 3 claim paid social is a best-performing marketing channel.

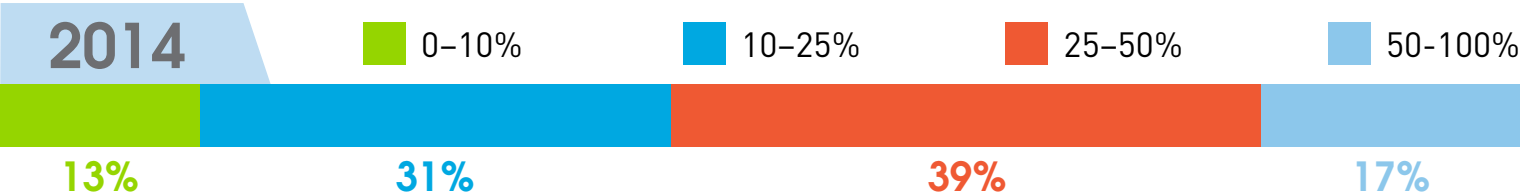
Addressing the attribution gap

- 89% of European marketers consider attribution important or critical to success.
- Understanding the customer is the number one reason European marketers believe attribution matters.
- 46% of European marketers believe viewability tracking is the future of attribution.

VITAL STATS RETARGETING IN EUROPE IS THRIVING

Budget allocation reflects strong confidence in retargeting

How much of your online ad budget goes to retargeting?



64% of marketers plan to increase their retargeting budget in 2015



Measurable success goes cross-device

56% of marketers are currently retargeting on mobile

Marketers are using retargeting in new and interesting ways:

Brand awareness

Driving sales

Customer retention

Social engagement

Retargeting boosts overall marketing mix performance

How has retargeting affected your other marketing channels?

74% reported lift in performance of **search**

68% reported a lift in performance of **email**

61% reported a lift in performance of **other display advertising**

Retargeting stands its ground against the titans of performance

95% retargeting performs same as or better than **email**

93% retargeting performs same as or better than **other display**

88% retargeting performs same as or better than **search**

How do you measure campaign success?

Total conversions	57%	
Insights into customer behaviour	51%	
High ROI/ROAS	50%	
CPC	25%	
CTR	25%	
Low CPA	23%	
CTC	11%	

REACH RETARGETING'S GONE FULL FUNNEL

Awareness triumphs over acquisition

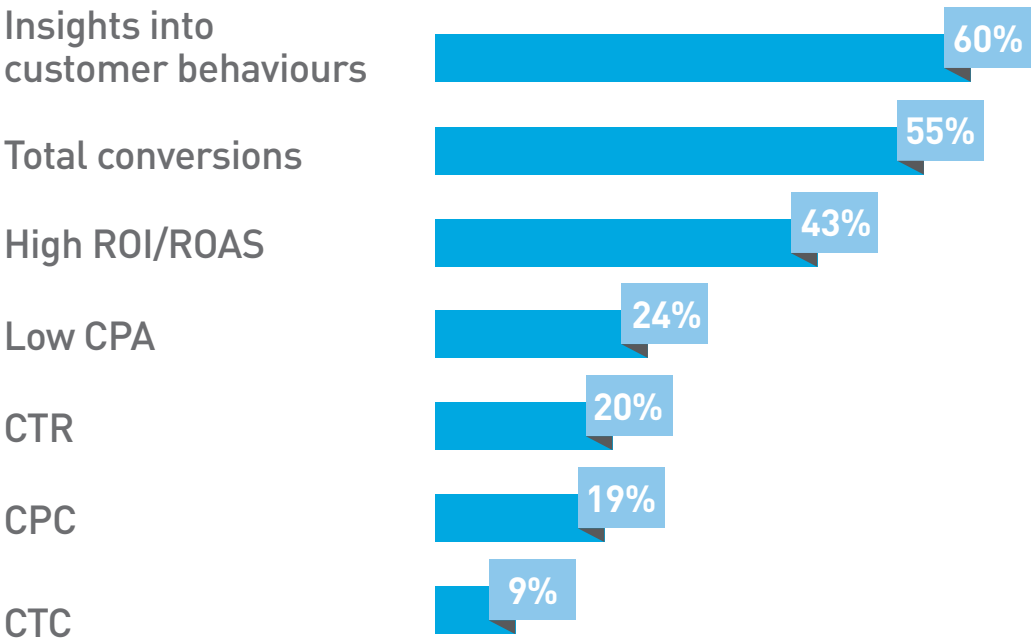
As a user browses the web, the sites they visit and the pages they scroll through provide clues about what products and services they're looking to purchase. Retargeting was one of the first tools that let marketers collect, analyse, and act on the customer intent data collected on their websites. With retargeting, marketers could analyse how a customer interacted with their site, identify that customer's objective or product preferences, and use programmatic ad buying to serve them content accordingly.

RTB technology was originally billed as the best way to win back shopping basket abandoners, but recently retargeting has been drafted into other functions: B2B brands use retargeting to run content marketing campaigns, increase lead generation, and execute lead nurturing programs. Educational organisations use it to build awareness among potential new students. Retail brands use retargeting to increase customer lifetime value with loyalty campaigns and re-engage with registered site visitors.

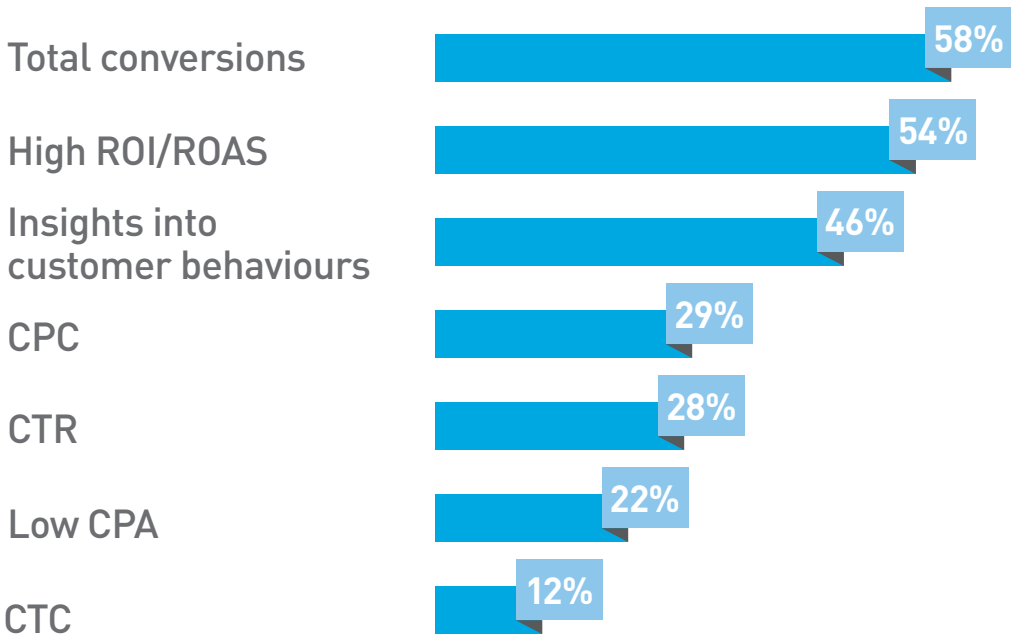
Marketers have spoken: retargeting is indispensable to performance for almost every marketing goal

What measurement do you use to determine a successful campaign?

B2C Marketers



B2B Marketers



What marketing objectives does retargeting fill?

B2C	60% Brand awareness	59% Driving sales	50% Customer retention	39% Social engagement	38% Product cross-sell/upsell	35% Lead nurturing	34% Lead generation	26% Community building
B2B	61% Brand awareness	56% Driving sales	51% Customer retention	38% Lead generation	37% Lead nurturing	36% Social engagement	36% Product cross-sell/upsell	35% Community building

SOCIAL MEDIA TOP-NOTCH ENGAGEMENT

The big benefits of social engagement

Social media marketing is #winning. With 40% of Europeans active on social media—almost 300 million people in total—it's no surprise that, in 2015, social media advertising is projected to hit 9.1% of all ad spend in Western Europe.^{2,3}

So what's got marketers excited about advertising inventory where they have to compete with selfies and cat videos? It's simple: social networks allow brands to have a two-way conversation with extremely engaged consumers.

When brands combine the power of profile data with programmatic ad buying, social gets really valuable for performance marketers. Today, some of the highest-performing ad campaigns are running on social platforms.

30% of marketers list paid social media advertising as a best-performing marketing channel



What's the hottest topic in retargeting?



36%

Social media retargeting

21%

Data-driven marketing

20%

Mobile and cross-device

8%

Search retargeting

7%

Email retargeting

7%

Strategies for online and offline data

1%

Other

Social media retargeting won 41% of B2C and 33% of B2B votes. This low-CPM ad space offers two-way consumer engagement—a highly engaging and effective form of communication for advertisers when combined with retargeting data.

Social media drives performance

On average, AdRoll campaign data shows performance lift when European advertisers add Facebook to their retargeting mix:

1.77x

more impressions

2.03x

more clicks

1.42x

more conversions

MOBILE SMALL DEVICES, BIG POTENTIAL

Small screens prove profitable

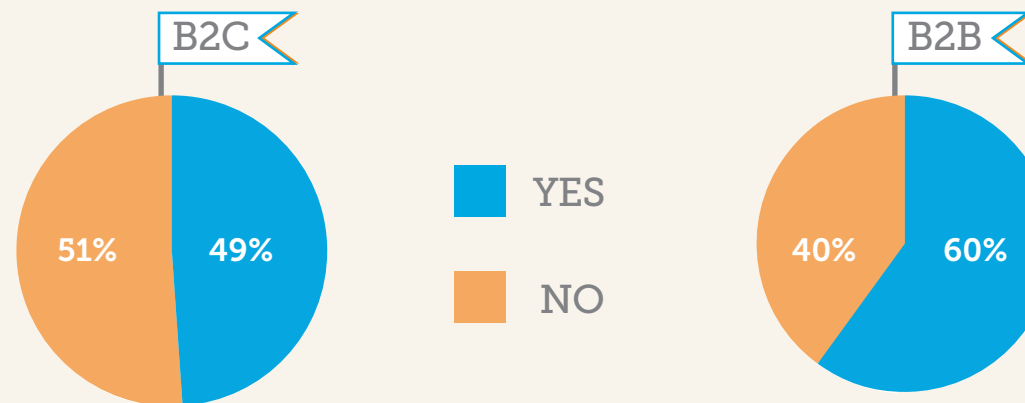
The year of the mobile has finally arrived, at least for consumers. In the UK, users are now spending more time consuming media on mobile phones than on any other type of device, including desktop computers, television, and radio.⁴

Meanwhile, marketers struggle to build analytics to show returns from a still-developing medium. When 67% of consumers start shopping on one device (or in-store) and move to another device or location before they purchase, how do we measure the impact of mobile?⁵ How do we track direct and assisted conversions?

While comprehensive cross-device consumer matching is still a work in progress, mobile retargeting has been one of the early methods for tracking success. Today, mobile retargeting continues to drive conversions, boost brand awareness, and show incremental lift by serving mobile impressions to users who already demonstrated interest in a brand on their website.

Mobile retargeting is popular for brands of all sizes, across all industries

Are you currently retargeting on mobile?



Why aren't you retargeting on mobile?

Of the 44% of marketers who aren't retargeting on mobile, the number one reason for not retargeting on mobile is the lack of a good user experience for mobile ads.

36%

Mobile advertising has yet to develop a good user experience

27%

I don't have an app

23%

I don't have a mobile site

14%

My customers aren't mobile

2%

I don't know how to measure attribution

9%

other

Facebook mobile performance

A recent AdRoll study found that when marketers add mobile ad sizes to their Facebook News Feed campaigns, average performance increased:⁶

4%
more
impressions

29%
more
clicks

15%
more
conversions

ATTRIBUTION THE QUANTIFIED SELF

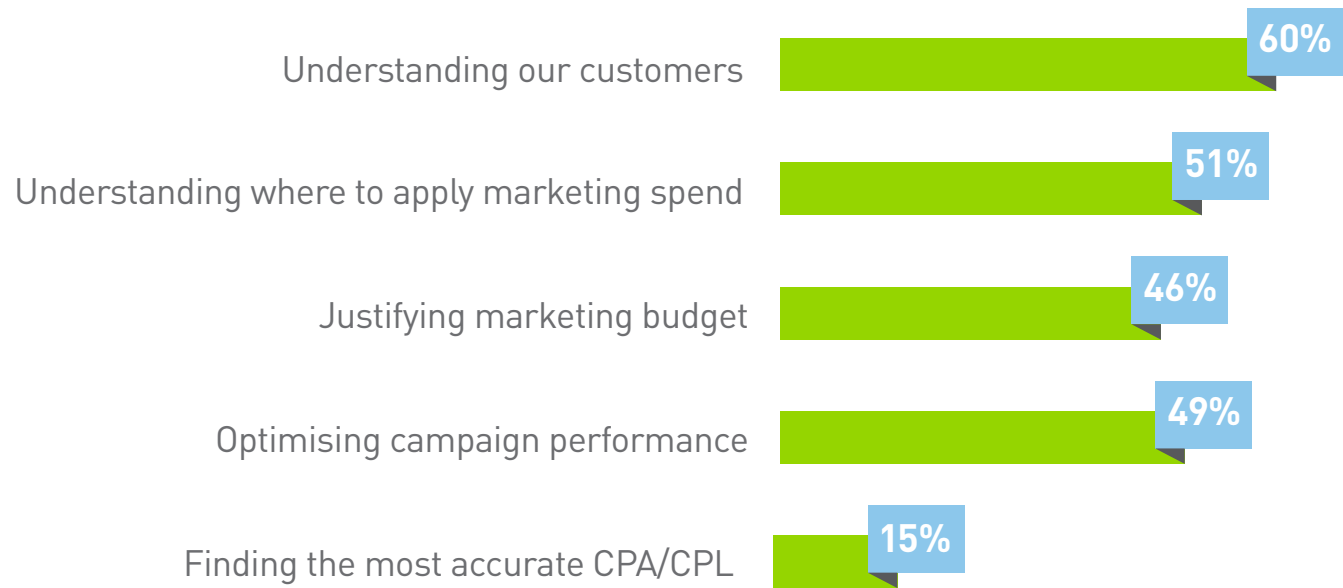
Point of view challenges point of sale

Either a customer bought something or they didn't. Early attribution models relied on this binary certainty to measure how successful a campaign had been and, for a long time, counting last-touch conversions was the only way to measure success.

But the path the customer takes to a purchase isn't binary. People are exposed to ads and marketing messages from three, four, ten sources every day—phones, tablets, computers, television, and on and on.

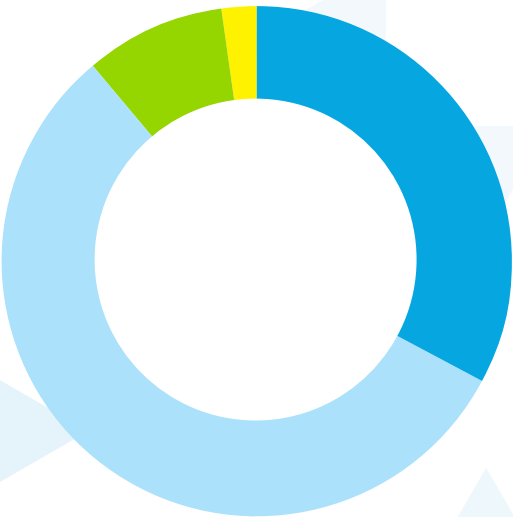
It's still early days for multi-faceted, cross-platform/cross-device attribution, but retargeting is one of the few technologies that works across platforms and follows the customer throughout their journey.

Why does attribution matter?



How important is attribution?

90% of marketers recognise the importance of attribution

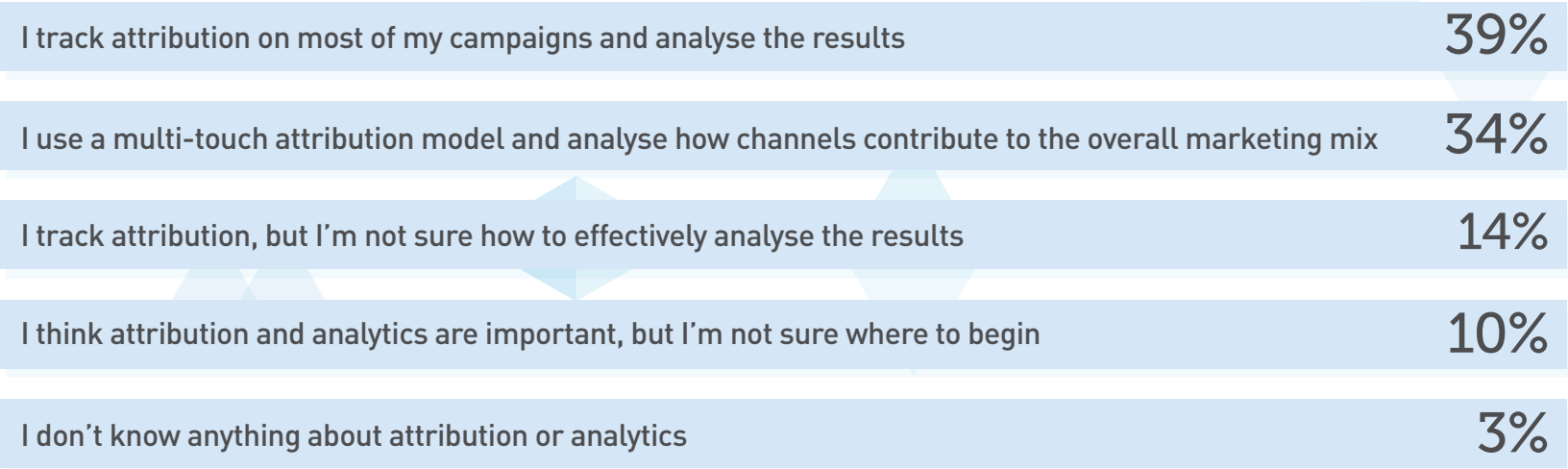


Marketers are under even more scrutiny these days to justify spend, show results, and design more insightful campaigns. Attribution plays a key role in all those goals.

ATTRIBUTION MIND THE GAP

Majority of European marketers are tracking attribution

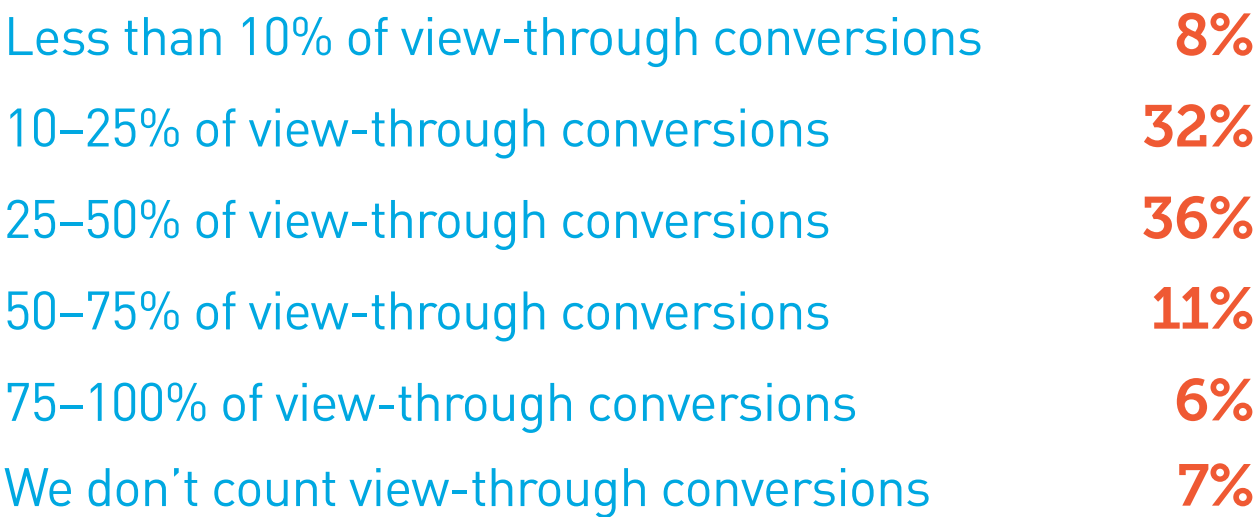
How knowledgeable do you feel about marketing attribution and analytics?



Retargeting has become a tool for content marketing, lead generation, and lead nurturing. These new use cases make it more important than ever to have an attribution model that accounts for every brand interaction. Even the best model needs constant monitoring so it can be refined over time.

93% of marketers track view-through conversions—but how do they count them?

When it comes to online display advertising, what weight do you attribute to view-through conversions?



Whether they act now or later, every ad customers see moves them that much closer to purchase. View-through conversion tracking is the first step to a 360-degree view of the customer journey.

66% of marketers still turn to single-touch attribution

What is your primary attribution model for digital marketing?

66%
First touch/
last touch

31%
Multi-
touch

3%
Algorithmic/
custom

Do you track audiences by device?



73% Yes
27% No

THE FUTURE BIGGER, FASTER, STRONGER

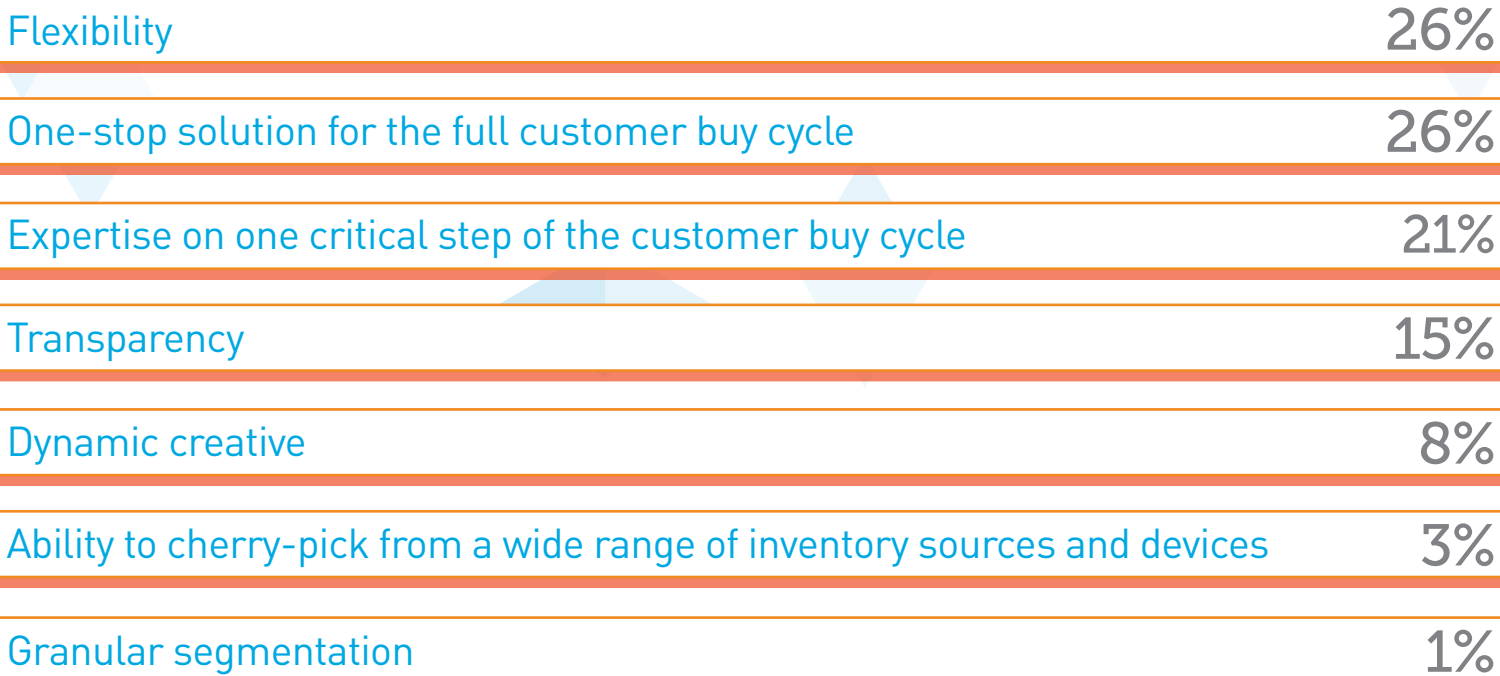
The coming age of bionic marketers

A recent IAB report found that 89% of European marketers are convinced that programmatic is the future of digital advertising.¹ Top marketers supplement their human insight and industry expertise with real-time machine learning and programmatic bidding. But what's next?

European marketers' visions for the future run to a common theme: intent and the ability to use it. When marketers think about the future, they see a well-documented customer journey, with a clear understanding of the digital footprints users leave along the way and tools and technologies to help marketers follow that path.

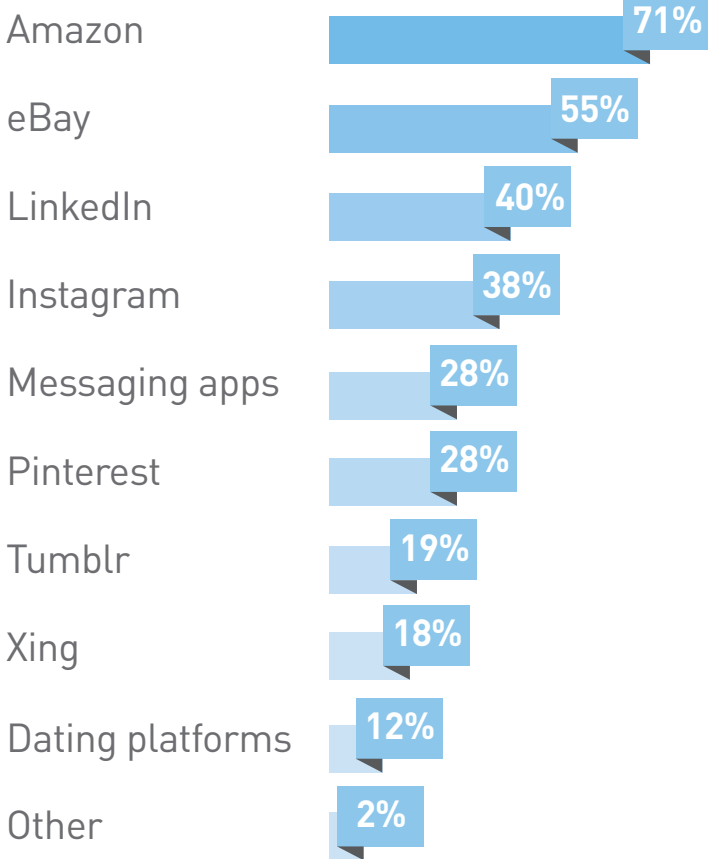
Marketers are tired of having to use many different tools.
They want solutions that encompass the entire buyer journey.

What is your top priority in choosing an acquisition marketing vendor?



Marketers are drawn to properties that offer massive audiences with a clear intent to shop or share

Over the next **three** years, where would you like to see retargeting?



In 2014, Amazon, Instagram, Pinterest, eBay, and LinkedIn all made announcements hinting at advertising features that complement programmatic buying.^{7,8,9,10,11}

Marketers want to know which ads are working—and how

What is the future of attribution?

46%

viewability tracking

28%

better multi-touch attribution tracking

17%

tracking engagement with native ad units

9%

solving the “fractured user” problem across devices

Every ad impression represents time and money, and marketers need to know what works. We are slowly seeing marketers move from last-click to more sophisticated approaches for the multi-touch, -platform, and -device customer lifecycle.

CONCLUSION

So is retargeting a fad or does it have staying power?

Retargeting was one of the first tools that brought the power of programmatic buying to the European market and introduced a new form of data-driven personalisation to convert browsers into buyers.

By simply placing a pixel of code, marketers can turn their valuable customer data into actionable advertising strategies. Marketers quickly adopted retargeting as a bottom-of-the-funnel tool that drives conversions, especially in traditionally low-performing channels like social media platforms and mobile.

But retargeting didn't stop at reinvigorating abandoned shopping baskets. It's become an integral part of the entire customer journey. In our survey, we found that European marketers have expanded the way they think about retargeting, showing that the technology has staying power.

Retargeting has moved beyond a niche direct-response tactic and become an intuitive toolset for turning customer intent data into successful ad strategies. It

has proved that it can scale by serving the right ad to the right person at the right time throughout the funnel. Retargeting helps marketers meet non-conversion goals and turns mobile and social media into cash cows.

- **European marketers are heavily increasing investment in retargeting based on its high performance.**
- **The definition of retargeting has expanded to include all kinds of personalised marketing strategies.**
- **Use cases have widened to include brand awareness, content marketing, demand generation, lead nurture, and loyalty and retention campaigns.**
- **Retargeting drives measurable ROI across social media channels and mobile devices.**
- **The attribution tools that retargeting provides allow marketers to take the first steps in developing a 360-degree view of the customer journey.**

Today, retargeting isn't just keeping pace. It's leading the charge in programmatic advertising and paving the way for a deeper understanding of customer intent.

About AdRoll

AdRoll is the global leader in retargeting, with over 15,000 active advertisers worldwide. The company's innovative and easy-to-use marketing platform enables brands of all sizes to create personalised ad campaigns based on their own website and mobile data, ensuring maximum return on online advertising spend. The company has offices in San Francisco, New York City, Dublin, London, and Sydney. The company is backed by leading investors such as Foundation Capital, Institutional Venture Partners, Northgate Capital, GlenMede, Accel Partners, Merus Capital, and Peter Thiel. Learn more at www.adroll.com.

WHERE WE GET OUR DATA

Survey of marketers like you

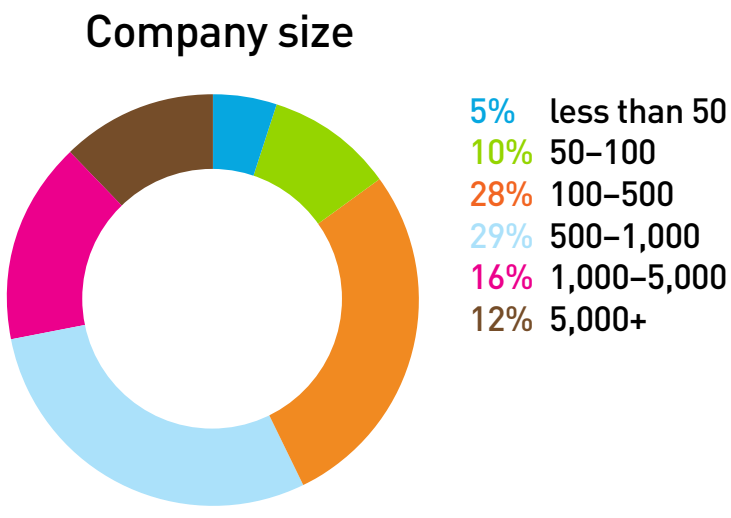
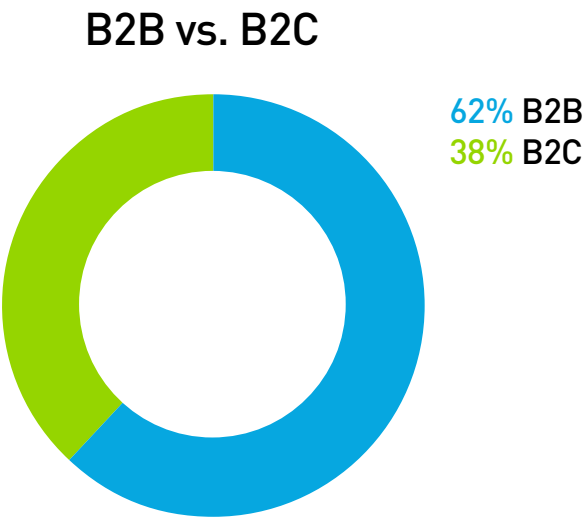
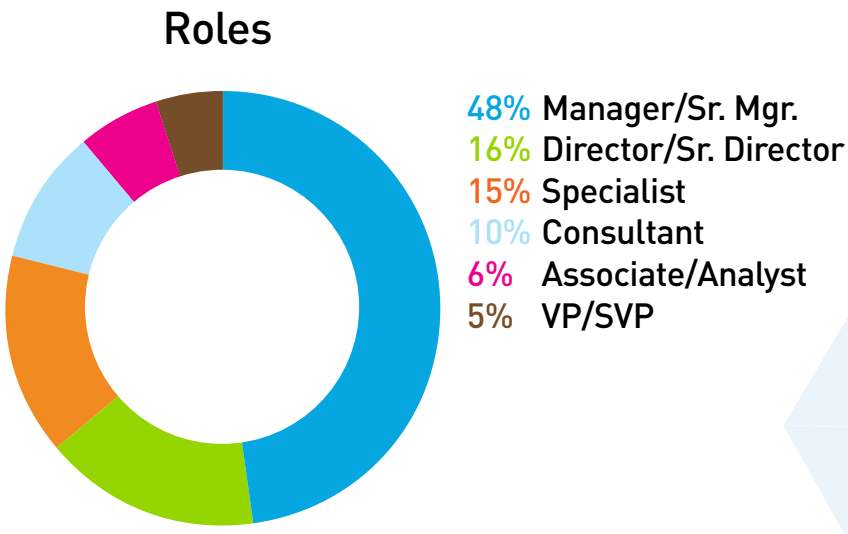
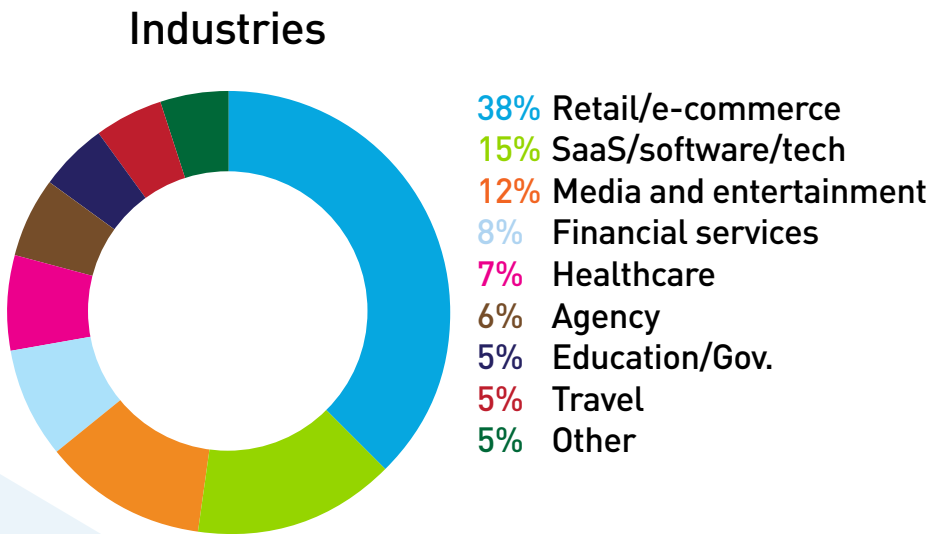
What do hands-on marketers think about retargeting and performance marketing? We surveyed 250 European marketers in a range of roles from companies of all sizes in all sorts of industries to find out. The people who took the survey were day-to-day marketers who regularly plan and run campaigns. We excluded respondents who were in non-marketing roles or who identified as being “not at all familiar” with display and paid social advertising.

This survey was conducted by [Qualtrics](#), a private research software company that specialises in online data collection.

Stats from live AdRoll retargeting campaigns

AdRoll processes over 130TB of data every day, which means we run more data in three days than the US stock Exchange generates in a year. That much data gives us a lot of insight on current advertising trends.

Survey respondent breakdown: Polling a diverse group of marketers



SOURCES



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10. Position, [eBay Set to Offer New In-app Mobile Advertising](#)
11. LinkedIn, [LinkedIn to Acquire Bizo](#)