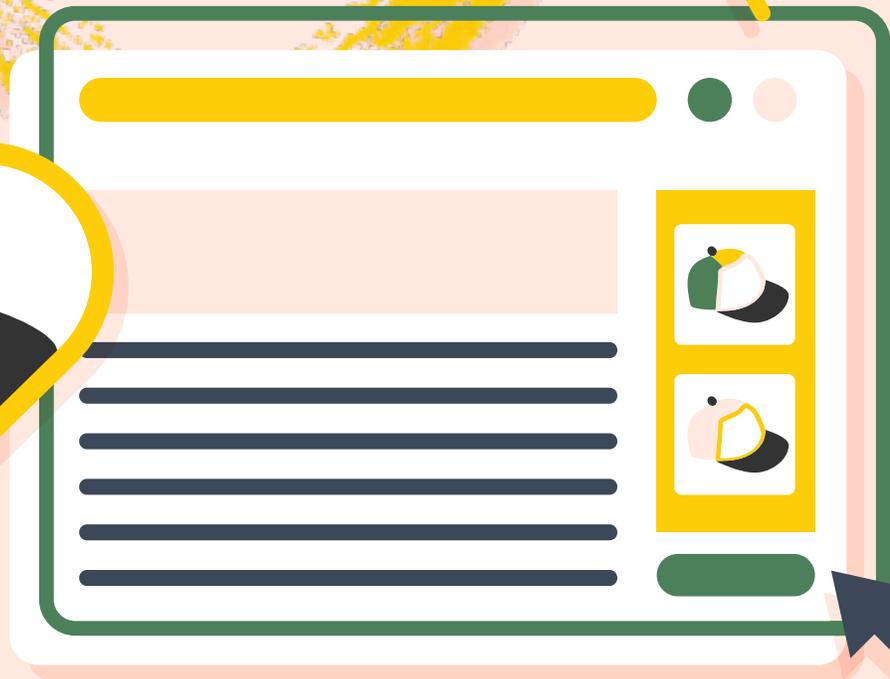# AdRoll

The Beginner's Guide to Retargeting

Retargeting is one of those terms you'll hear over and over in marketing webinars, blogs, and podcasts — but it's for good reason. It's one of the most powerful tactics available to brands right now.

If you're unclear about the benefits and opportunities of retargeting — or if you have no clue how a cookie can transcend beyond a tasty morsel and serve as a key piece of the retargeting pie — this one's for you.

In this ebook, we'll cover everything beginners should know about retargeting, from what it is to why it's important, and most importantly, how to get started.

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What Is Retargeting?

Let's start with the basics: Retargeting is an advertising tool that lets you deliver ads to people who have visited your website or mobile app. By showing them relevant content as they browse other websites, it's the ultimate way to close the loop with those who were not ready to hit the "buy now" button when they first landed on your site.

TL;DR? Retargeting lets you offer shoppers a reminder of your brand and products after they've left your site — a simple "Hey, we're still here!", if you will.
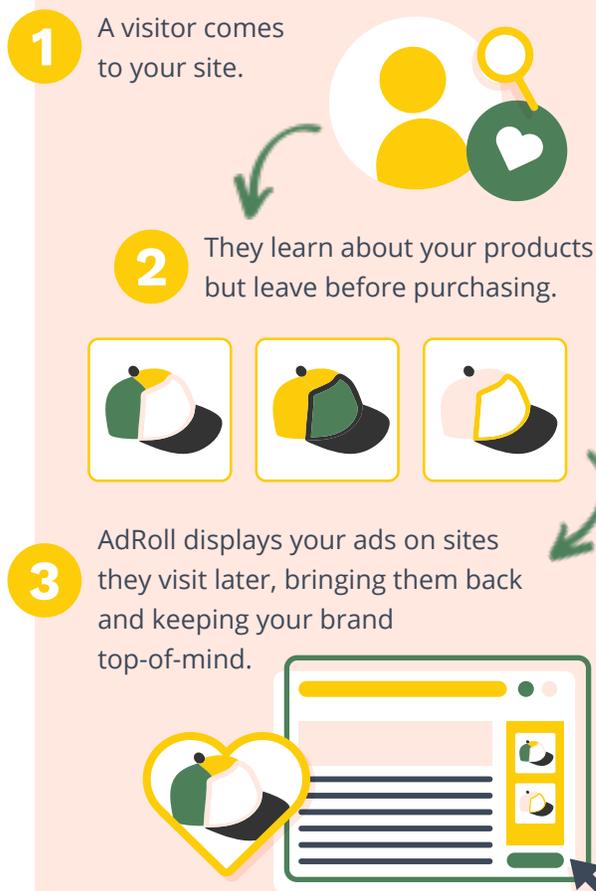
Here's a classic example of retargeting in action:

A shopper visits your online store and browses for a new pair of boots but ultimately closes the tab because they want to do more research on the trendiest styles of the season. A few days later, that same shopper sees a retargeting ad for your boots while scrolling through Facebook, along with the headline, "Selling out fast! Grab 'em while they last," plus a five-star review from a customer.

Compelled by the evidence that other shoppers love your products (and pressured by the urgency in your copy), the shopper then clicks on your ad to visit your site and buy the boots.

Pretty sweet, right? The opportunities that retargeting offers are massive:

- Continue communicating with shoppers who have shown an interest in your products

- Re-engage with existing customers (e.g., to upsell or cross-sell them, or invite them to join your loyalty program)

- Recover abandoned carts

- Promote a limited-time sale to shoppers who have previously visited your site

How retargeting works.

1 A visitor comes to your site.

2 They learn about your products but leave before purchasing.

3 AdRoll displays your ads on sites they visit later, bringing them back and keeping your brand top-of-mind.

How Does Retargeting Work?

There are two types of retargeting that brands can deploy: pixel-based retargeting vs. list-based retargeting.

Pixel-based Retargeting

In a nutshell, pixel-based retargeting works by leveraging first-party cookies (or browser cookies) to track digital users' browsing behavior across your site, including what pages they visit, how long they spend on a particular product page, and so on.

If a user's behavior matches a particular condition you've established — for example, if a site visitor added items to their cart but didn't check out — your marketing platform will add them to a designated retargeting list.

To get started with pixel-based retargeting, you'll need to add a pixel (a small piece of JavaScript code that is unnoticeable to site visitors and has no effect on your site's performance) to the back end of your online store. Retargeting networks will then read your pixel and use the data to deliver ads to relevant users.

Considering how pixel-based retargeting lets you deliver your marketing messages to anonymous site visitors (who didn't need to, say, fill out a form), it's easily the most popular type of retargeting. Plus, pixel-based retargeting is timely, meaning you can begin retargeting site visitors as soon as they leave your site.

Getting started with pixel-based retargeting doesn't require you to be an expert with the technicalities of how it works — all-in-one platforms like AdRoll offer numerous integrations with ecommerce providers, so there's no need to tinker with code.

List-based Retargeting

List-based retargeting relies on first-party data you've collected in your database and contacts from your connected ecommerce site. Once you upload your contact list with email addresses to your retargeting platform, it will then identify users matching the data on different networks to serve them retargeting ads.

Because list-based retargeting requires you to maintain and upload your list, it's more time intensive and hands-on compared to pixel-based retargeting.

Retargeting is the ultimate way to deliver the right ads to the right people at the right places.

Where Can Retargeting Ads Run?

One of the best parts about retargeting ads is they can be delivered virtually anywhere on the internet, including social media platforms, like Facebook or Instagram, or one of the two million websites belonging to the Google Display Network, meaning you can begin retargeting site visitors as soon as they leave your site.

What Are the Different Types of Retargeting Ads?

Beyond the flexibility of where you can run retargeting ads, the different types of retargeting ads are also vast. Here are a few of our favorites:

• **Dynamic/personalized retargeting ads** are based on site visitors' activity on your site and can feature recommended products, best-selling products, or simply products they previously clicked on.

• **Static image web ads** include a single image file with copy that links to a landing page.

• **Rich media web ads** (or HTML5 ads) use animations and other elements to encourage users to interact with the content.

• **Video ads** grab attention and convey more information compared to your standard image ad.

• **Carousel ads** on social media are for marketers looking to feature several products or convey different value propositions.

What a rich media web banner might look like.

Why Is Retargeting a Marketing Must-Have?

One major reason retargeting is such a mainstay for brands is because of its cost effectiveness — after all, visitors already familiar with your brand or who have recently visited your website are the most likely to convert into customers. Retargeting helps reach those users, stay top of mind, and ultimately increase conversions.

That's why research has shown retargeting ads **perform 10x better** than display ads alone. Using retargeting to reach shoppers who match certain behaviors offers you an advantage over advertisers targeting with just keywords and interests.

Remember: You only have milliseconds to grab the attention of an online shopper before they scroll past your ad — you want your messaging to be as relevant to them as possible.

TL;DR: Retargeting ads maximize your return on investment (ROI) while keeping your brand and products top of mind in front of potential customers.

How Do You Determine the Effectiveness of a Retargeting Campaign?

Similar to other types of marketing campaigns, the key performance indicators (KPIs) for your retargeting efforts will ultimately depend on your goals.

Using Retargeting to Increase Brand Awareness

Retargeting ads are a fantastic way to re-engage site visitors as part of a brand awareness campaign. In your ads, you can consider introducing new products or features or offering general store announcements.

Using Retargeting to Boost Conversions

Whether your conversion goal involves making a sale, filling out a form, or signing potential customers up for an event, retargeting ads can remind users to complete the action.

Using Retargeting to Upsell or Cross-sell Customers

Looking to increase your customer lifetime value (CLTV)? Use retargeting ads to cross-sell and upsell existing customers or simply drop a friendly, "Hey, long time no see!" while encouraging them to make a new purchase. The more they purchase, the higher their CLTV.

Using Retargeting to Recover Abandoned Carts

Retargeting ads are most popular for their ability to recover abandoned carts — and with **70% of all shopping carts abandoned**, this makes retargeting more relevant than ever.

To make sure your retargeting ads are as successful as possible in recovering abandoned carts, make sure to use urgency elements (such as messaging about products selling out fast or an offer for a limited-time discount), as well as social proof (in the form of reviews, testimonials, or even UGC).

You're going to want to create unique abandoned cart recovery ads for different customer segments based on factors like cart value, checkout process, or products.

Choosing the Right KPIs

Once you've identified your campaign goals, here comes the fun part: choosing your KPIs. Here are a few to get you started:

- **Click-through rate (CTR):** The percentage of impressions resulting in a click — if people are clicking, it means your retargeting ads are sufficiently relevant and enticing

- **Cost per click (CPC):** Total spend divided by the number of clicks, which offers a good idea of how much value you're getting per impression (rather than focusing solely on CTR)

- **Conversion rate:** The percentage of visitors who took a desired action (e.g., purchased a product, signed up for a newsletter, etc.) divided by the total number of people who saw your campaign

- **Cost per conversion:** The amount spent on your retargeting campaign divided by the number of conversions from that campaign

- **Return on ad spend (ROAS):** The attributed revenue divided by the spend

Pro Tip: If you set any goals or baselines for your KPIs, make sure to base them on historical data.

What Should the Sequence of Your Retargeting Ads Be?

For your brand to find success with retargeting ads, they should be part of a larger omnichannel marketing strategy — while retargeting is a powerful tactic, it's not a silver bullet that will solve all your marketing headaches.

That said, the best way to use retargeting to achieve a desirable ROI is by building a sequence that moves shoppers from one stage of the funnel (awareness, consideration, conversion) to the next. You want shoppers who are at different stages in the purchase process to see relevant messages that speak to their needs and encourage them to keep going until they convert.

The best way to do this? By mapping out your retargeting efforts so you can make sure you have all your bases — from top to bottom of the funnel — covered.

What Are Some Examples of A+ Retargeting Campaigns?

Think of the last time you saw a retargeting ad. What brand was it for? Did the ad feel intrusive or relevant to what you were clicking on? Did you end up purchasing something based on the ad, or did you move along and ignore it?

A good retargeting campaign should grab a shopper's attention right off the bat — without feeling creepy or annoying — while offering something of value. Steer clear of repeating a message that consumers may have already seen. After all, this is your chance to remind shoppers to give you another chance — don't blow it with something boring, basic, or worse, repetitive.

Looking for more inspiration? Here are three A+ retargeting campaigns we love:

Cariloha

Cariloha, a brand specializing in island-leisure products (watches, purses, sunglasses) has experienced tremendous growth since its launch in 2007. Yet, despite the brand's global expansion into 16 countries, its marketing team had limited resources and needed a lean strategy with tactics that could drive strong results.

Enter retargeting ads. They used AdRoll to deliver personalized ads related to what shoppers had already viewed or abandoned in their shopping carts. Through their efforts, they achieved significant results without increasing their budget — and retargeting meant they could recoup their spend on other channels.

The result? A whopping 8:1 return on ad spend!

Leonisa

Founded in Colombia in 1956, Leonisa has been a formidable player in the lingerie, shapewear, swimwear, and activewear spaces in more than nine countries.

But that didn't mean it could take a break from marketing. The Leonisa team wanted to re-engage high-intent visitors who had already visited their site and encourage them to purchase. With the goal of boosting brand awareness, they turned to display retargeting ads.

It was the right move: In four months, Leonisa increased CTRs by 424% while decreasing CPCs by 66%. Its website engagement rates also skyrocketed, which led to higher conversion rates across the board.

Turnback Pony

Turnback Pony — a jewelry brand with proud Western roots founded in 2014 — faced some unexpected challenges when they forayed into social ads: As they targeted the Western industry, their lifestyle images with livestock in the background confused Facebook algorithms. Because their ads didn't reach the right target audiences, their ROIs were far from desirable.

Needing help, the Turnback Pony team downloaded the plug-and-play **AdRoll app for Shopify merchants** to generate dynamic ads (which the platform automatically populated using the brand's product feed).

Turnback Pony also began using pixel-based retargeting ads to recover revenue from abandoned carts; whereas, previously, they had relied on an email-only cart recovery solution that limited their reach to shoppers who had entered their emails at checkout. (Not to mention the emails were often lost in shoppers' junk inboxes.)

The results were huge: In the first week alone, Turnback Pony recovered 13 carts with a 7.5x ROAS. In one month, they had recouped more than $3,000 in revenue. In three months, the company's revenue grew by 15%, with ROAS increasing to a consistent 9x.

The Ultimate Retargeting Metrics Worksheet

Feeling inspired and ready to get started with your first retargeting campaign? To help keep track of your results (and demonstrate the value of retargeting to the rest of your company), we created this handy worksheet. Fill it out with the following:

• Your baseline or current metrics

• Your metrics one week after launching your retargeting campaign

• Your metrics one month after launching your retargeting campaign

• Your metrics three months after launching your retargeting campaign

You can easily find these numbers on your retargeting platform's analytics dashboard.

Metric (average for month or week)	Baseline metrics	1 week after campaign	1 month after campaign	3 months after campaign
Time on site				
Bounce rate				
Cost per acquisition (CPA)				
Cost per click (CPC)				
Click-through rate (CTR)				
Conversion rate				
Average cart value (AOV)				
Repeat customer rate				
Return on ad spend (ROAS)				

Get Started With AdRoll

Retargeting can be complex when you're new to the marketing world, but we hope you feel more confident with this guide.

If you're pumped about starting, we've got one more tip for you: With AdRoll, you have all the tools you need to create A+ retargeting campaigns under one roof. Our comprehensive retargeting marketing recipes — plus step-by-step guides on how to use our solutions to reach your goals — will ensure none of your shoppers fall through the cracks. Instead, they'll be back on your site (and buying!) in no time.

Set up your first retargeting campaign with AdRoll **here**.

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AdRoll

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About AdRoll: AdRoll is an ecommerce marketing platform that gives growing direct-to-consumer brands the power to connect with people everywhere they go online. Today's shopping journey includes up to 56 touchpoints—across ads, email, and your online store. Make them all work together with AdRoll to keep customers coming back and buying more. The AdRoll platform is fueled by our pioneering use of machine learning to analyze real-time performance advertising data. That early work is why more than 120,000 brands have relied on us since 2006. Start for free today at **www.adroll.com**. AdRoll is a division of NextRoll, Inc., and is headquartered in San Francisco, with offices in Dublin, New York City, Salt Lake City, and Sydney.