

# STATE of the INDUSTRY AUSTRALIA



==== A close look at retargeting and the programmatic marketer =====

# EXECUTIVE SUMMARY

## A changing industry

Today's marketers are becoming more like analysts, using technology to understand and react to always-on consumers in real time. Australian marketers have rapidly embraced digital advertising. Unlike in the US and the UK, digital advertising in Australia now attracts a larger ad spend than TV.<sup>1</sup> It's only natural that local advertisers have begun to demand tools that support their vision for a full-funnel, multi-platform, data-driven marketing strategy.

Retargeting has been a breakout tactic since marketing made the shift from traditional trial-and-error programs to real-time programmatic campaigns. With retargeting, marketers could directly target the most promising individual consumers. It introduced a simple, practical way to put programmatic ambitions and valuable customer intent data into action, and drove clearly measurable ROI.

Today, programmatic buying techniques represent 60–70% of all display-related ad spend in Australia.<sup>2</sup> CPMs increase significantly year over year, which means the cost of buying the wrong impression is going up. Retargeting was one of the first tools to help solve this problem and marketers adopted it at a stunning pace.

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 200 professional marketers in Australia across a variety of industries, and also examined AdRoll retargeting campaign data from 273 Australian advertisers serving over 100 million ad impressions each month.

## Key findings

### Increasing investment and performance

- 93% of Australian marketers report that retargeting performs equal to or better than other display, 90% equal to or better than email, and 88% equal to or better than search.
- 41% of Australian marketers spend 10–25% of their entire online ad budget on retargeting.
- 69% of Australian marketers intend to increase their retargeting budgets over the next 12 months.
- 74% of Australian marketers report retargeting campaigns increase online conversions—55% have seen an increase in mobile conversions.

### Expanding the definition of retargeting

- Total conversions came in as the #1 campaign success metric among Australian marketers. Insights into customer behaviour was a close second.
- Retargeting is now being used for audience targeting throughout the funnel. The #1 marketing objective of retargeting is brand awareness (71%), followed by driving sales (60%) and customer retention (55%).

### Matching modern media consumption

- 53% of marketers are retargeting on mobile.
- 1 in every 2 marketers says social media is the single hottest topic in retargeting. Mobile and cross-device retargeting comes in at #2.

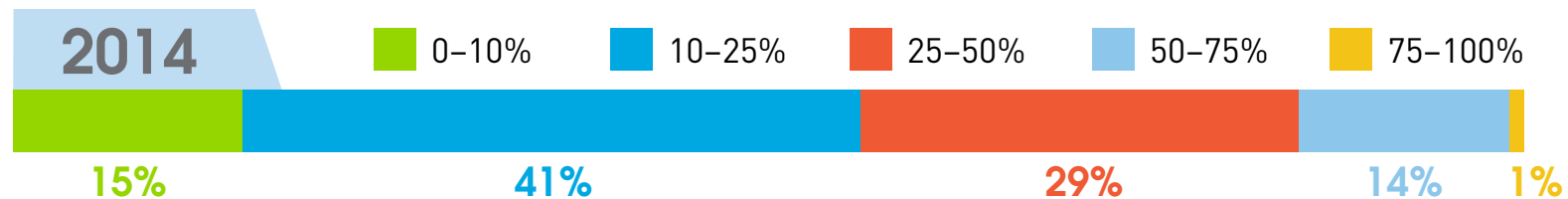
### Addressing the attribution gap

- 90% of marketers consider attribution important or critical to success.
- Understanding the customer is the #1 reason why marketers believe attribution matters.
- 44% of marketers think viewability tracking is the future of attribution.

# VITAL STATS RETARGETING IN AUSTRALIA IS SHAPING UP

## Investments reflect strong confidence in retargeting

How much of your budget goes to retargeting?



69% of marketers plan to increase their retargeting budget in 2015



Measurable success goes cross-device

**53%** 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?

**76%** reported lift in search campaigns

**70%** reported a lift in email campaigns

**55%** reported a lift in other display campaigns

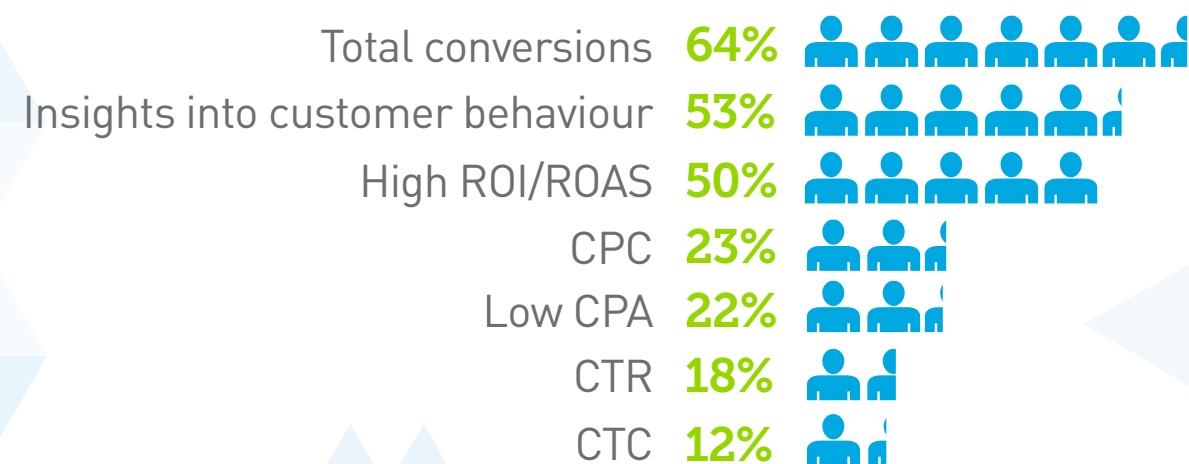
## Retargeting stands its ground against the titans of performance

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

**90%** retargeting performs same as or better than **email**

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

## How do you measure campaign success?



# RETARGETING FLEXIBILITY AND THE FULL FUNNEL

## Meet intent, marketing's MVP

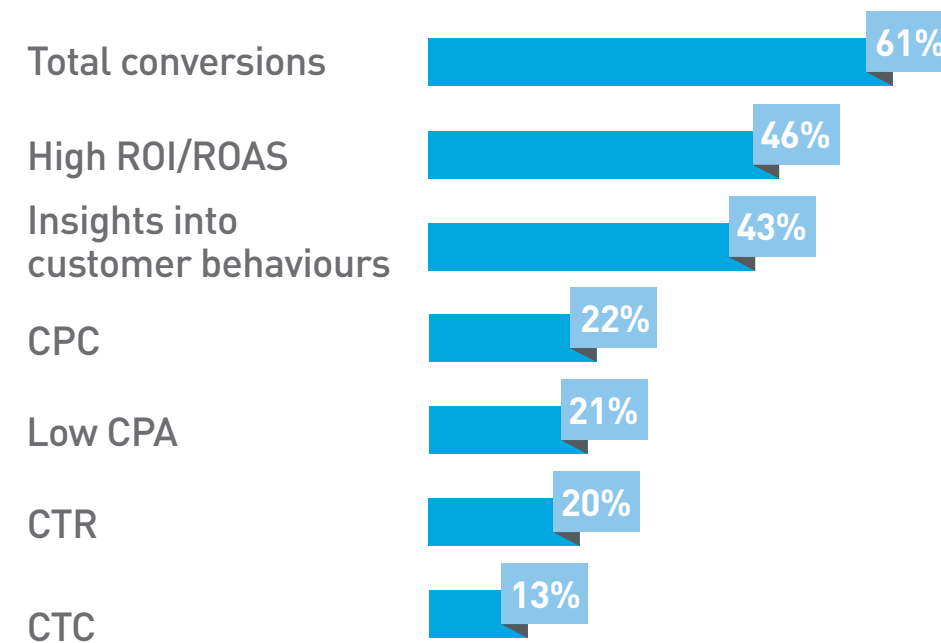
As a user browses the web, the sites they visit and the pages they scroll through provide clues about what products and services they're looking to purchase. Retargeting was one of the first tools that let marketers to collect, analyse, and act on the customer intent data. With retargeting, marketers could analyse how a customer interacted with their site, identify that customer's objectives 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 cart abandoners, but recently retargeting has been drafted into other functions: B2B brands use retargeting to run content marketing, lead generation, and 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.

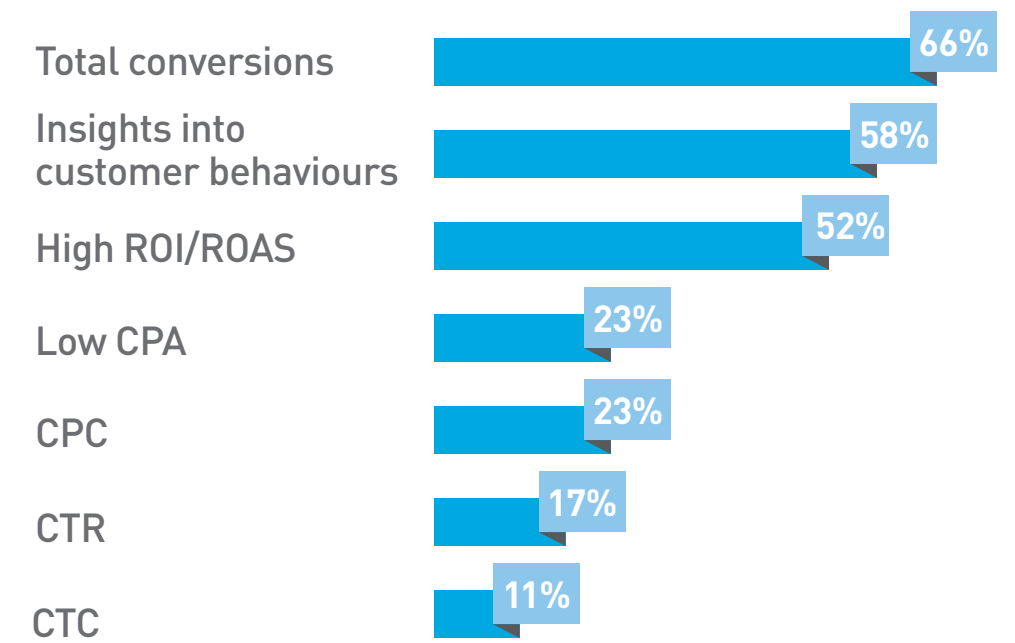
**Marketers have spoken:** retargeting helps meet almost every marketing goal

## How do you measure campaign success?

### B2C Marketers



### B2B Marketers



## What marketing objectives does retargeting fill?



# SOCIAL ENGAGEMENT IS THE NEW BLACK

## The big benefits of social engagement

Social media advertising is growing faster than any other digital (or traditional) ad format—so fast that Australia's social media ad spend is projected to reach \$706.3 million by 2019.<sup>3</sup>

So what's got marketers psyched about advertising on 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. And Australian consumers are very engaged.

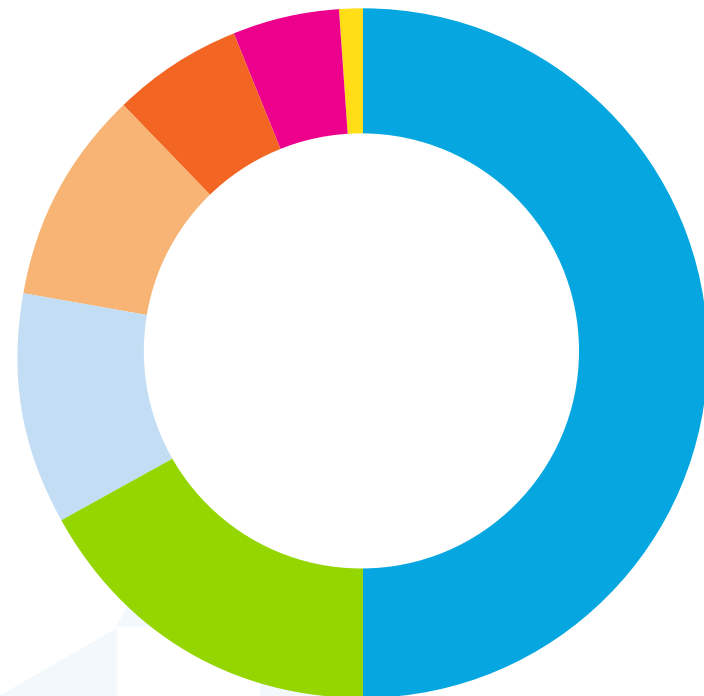
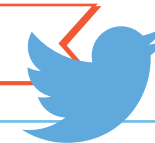
A recent study shows that almost a quarter of every hour Australians spend on the internet is dedicated to social networking sites, demonstrating a massive shift in media consumption.<sup>4</sup> When brands were able to combine the power of profile data with programmatic ad buying, social got really valuable for performance marketers.

Today, some of the highest-performing ad campaigns are running on social platforms.

**1 in 3 marketers list paid social media as one of their best-performing advertising channels**



What's the hottest topic in retargeting?



50%

Social media retargeting

17%

Mobile and cross-device

11%

Search retargeting

10%

Data-driven marketing

6%

Email retargeting

5%

Strategies for online and offline data

1%

Attribution

This low-CPM ad space offers two-way consumer engagement—an effective form of communication for advertisers when combined with retargeting data.

### Social media drives performance

AdRoll campaign data shows an average performance lift when Australian advertisers add Facebook to their retargeting mix:

**2.13x**  
more impressions

**2.0x**  
more clicks

**1.38x**  
more conversions

# MOBILE SMALL SCREEN, BIG POTENTIAL

## Small screens prove profitable

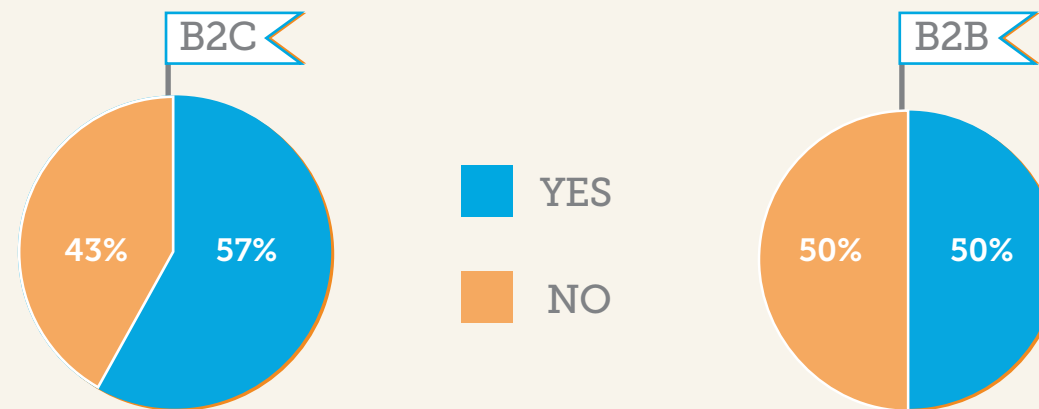
Smartphones, tablets, and phablets are an everyday part of our lives. In 2014, Australians spent 52% of their digital screen time on mobile—a number likely to increase in 2015.<sup>5</sup>

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 a store) and move to another device or location before they purchase, how do we measure the impact of mobile?<sup>6</sup> How do we track direct and assisted conversions?

While comprehensive cross-device consumer matching is still a work in progress, mobile retargeting delivered some early—and promising—successes. 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.

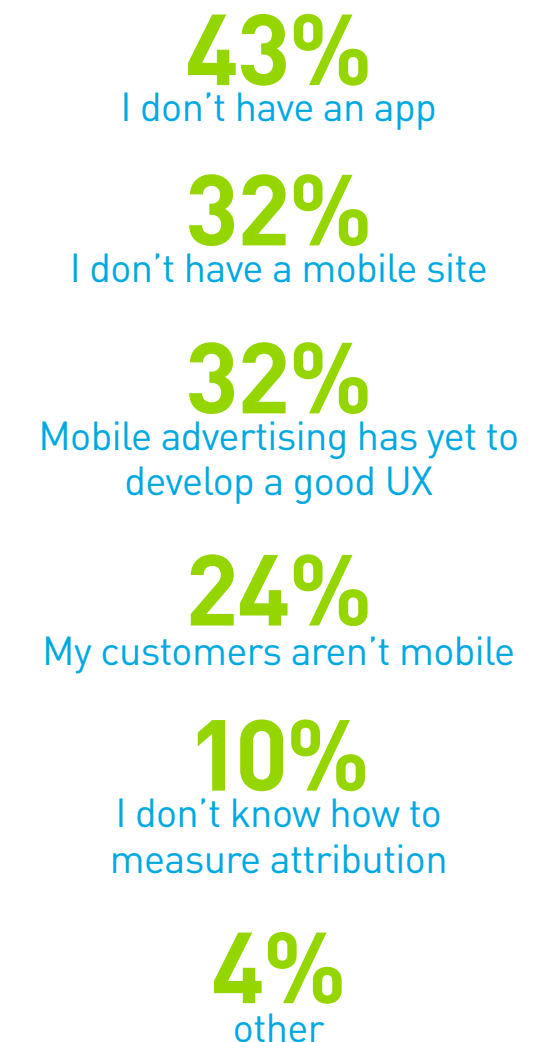
## Mobile retargeting is popular for brands of all sizes, across all industries

Are you currently retargeting on mobile?



## Why aren't you retargeting on mobile?

Of the 47% of marketers who aren't retargeting on mobile, most report that they don't yet have a supporting mobile presence.



## Facebook mobile performance

A recent AdRoll study found that when marketers add mobile ad sizes to their Facebook News Feed campaigns, average performance increased:<sup>7</sup>

4%  
more  
impressions

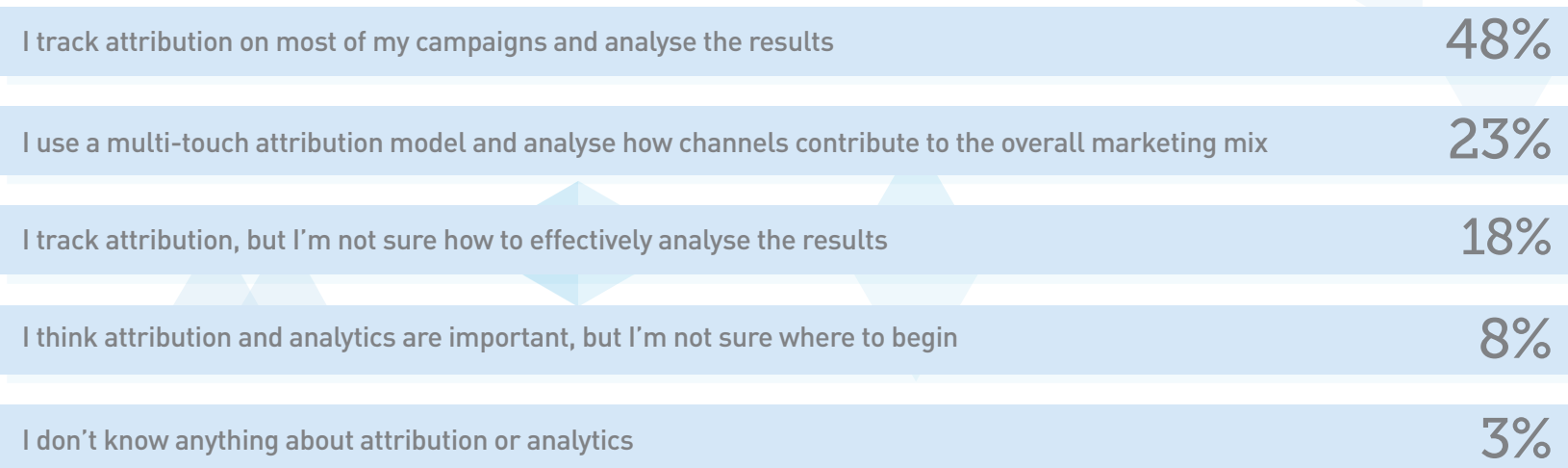
29%  
more  
clicks

15%  
more  
conversions

# ATTRIBUTION THE QUANTIFIED SELF

## 1 in 3 marketers are still rookies at tracking attribution

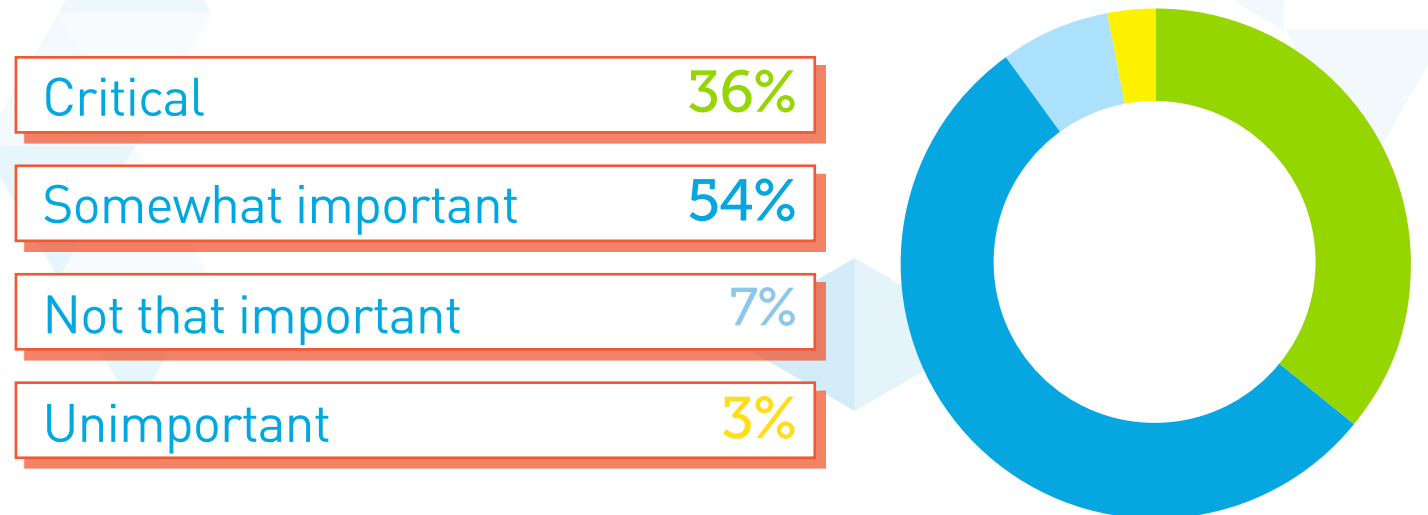
How knowledgeable do you feel about marketing attribution and analytics?



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.

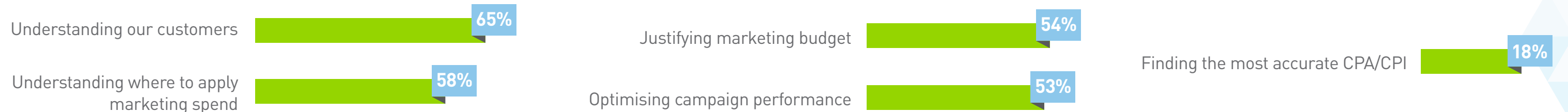
## How important is attribution?

### 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.

## Why does attribution matter?



# 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 this kind of multi-faceted, cross-platform/cross-device attribution, but retargeting is one of the few technologies that works across platforms and follows the customer through their journey.

### 92% of marketers track view-through conversions, but how do they count them?

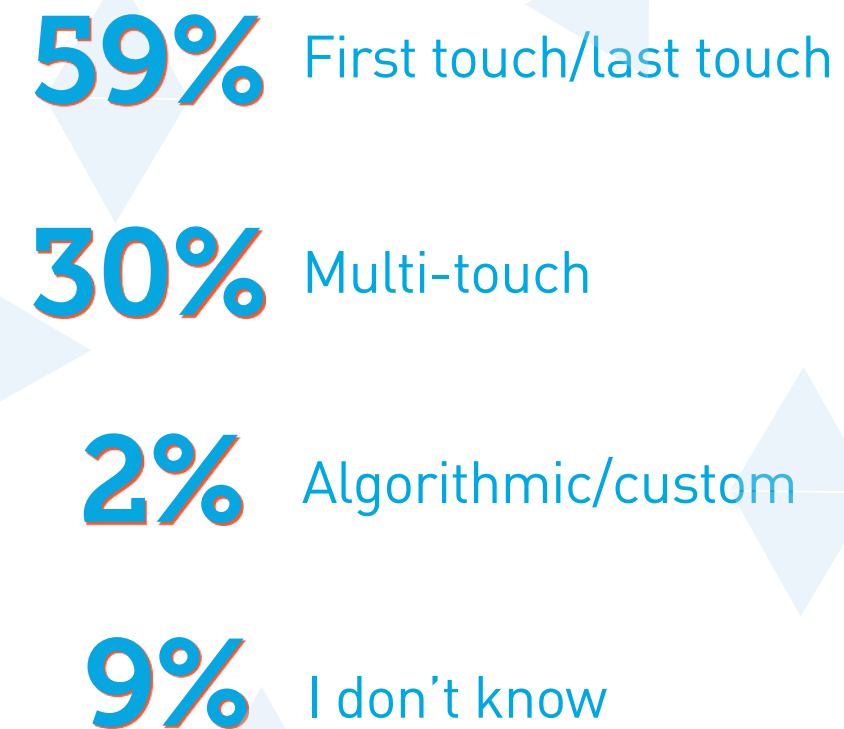
When it comes to online display advertising, what weight do you attribute to view-through conversions?

Less than 10% of view-through conversions	6%
10–25% of view-through conversions	42%
25–50% of view-through conversions	33%
50–75% of view-through conversions	8%
75–100% of view-through conversions	3%
We don't count view-through conversions	8%

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.

## 59% of marketers still turn to single-touch attribution

What is your primary attribution model for digital marketing?



Do you track audiences by device?



62% Yes  
38% No



# THE FUTURE BIGGER, FASTER, STRONGER

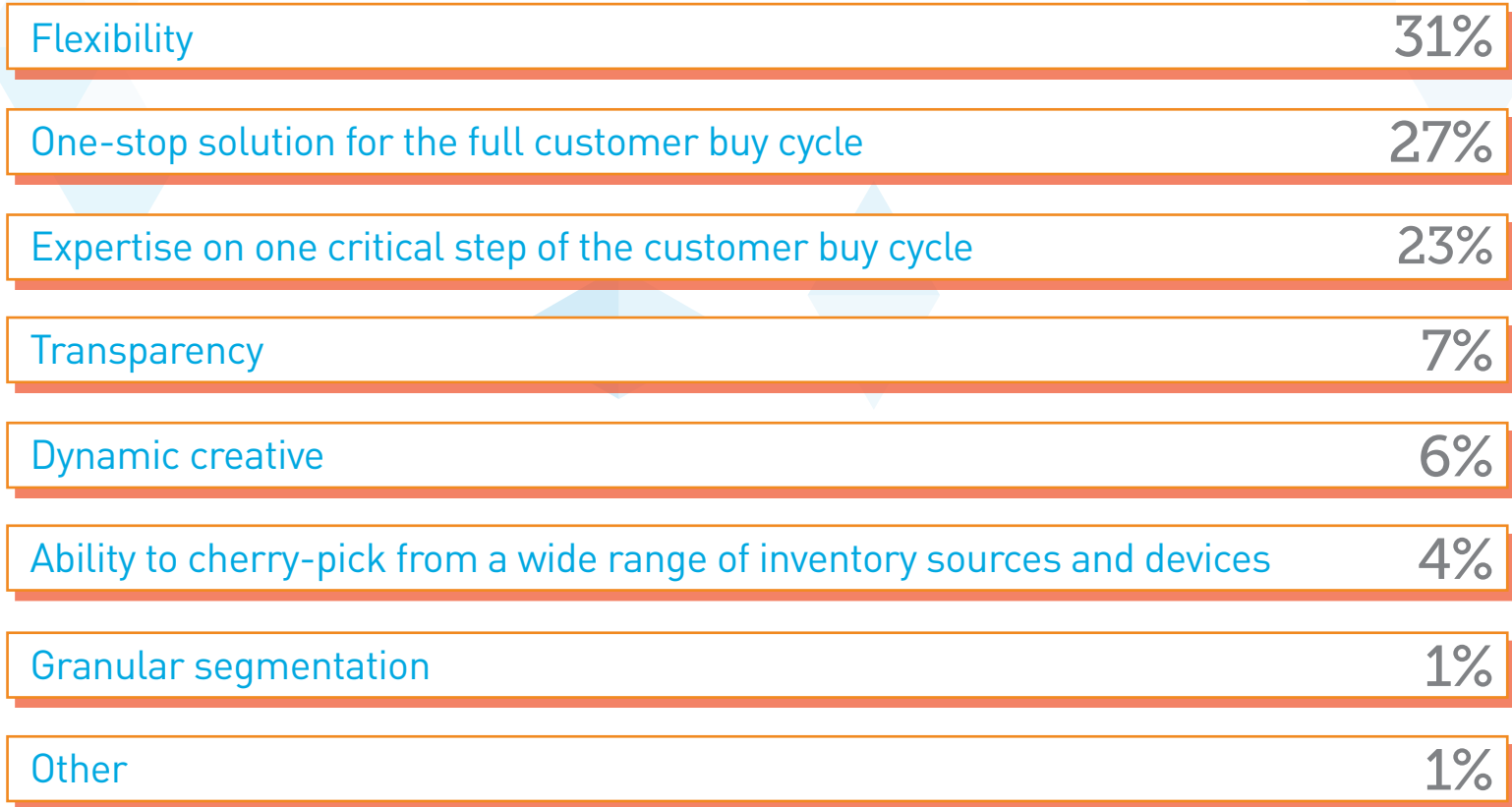
## The coming age of bionic marketers

The best marketers are supplementing their human insight and industry expertise with real-time machine learning and programmatic bidding. But what's next?

Australian marketers' visions for the future run to a common theme: intent and the ability to use it. When marketers dream, 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.

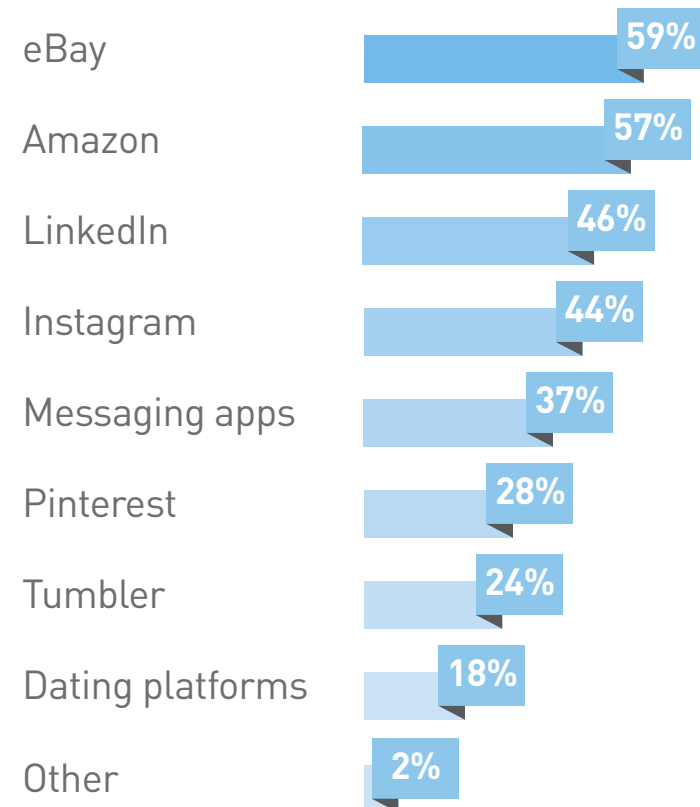
Marketers are tired of too many tools. They want solutions that encompass the entire buyer journey

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?



B2B brands look primarily to Amazon (58%) while B2C brands voted for eBay (66%). In 2014, Amazon, Instagram, Pinterest, eBay, and LinkedIn all made announcements hinting at advertising features that complement programmatic buying.<sup>8,9,10,11,12</sup>

## Marketers want to know which ads are working—and how

What is the future of attribution?

44%  
viewability tracking

27%  
better multi-touch attribution tracking

16%  
tracking engagement with native ad units

13%  
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?

In Australia, marketers are rapidly outpacing the rest of the world in terms of digital programmatic growth and mobile adoption. Retargeting was one of the first tools that brought the power of programmatic buying to the Australian market and introduced a new form of data-driven personalisation that converted browsers into buyers.

By simply placing a piece of code, marketers could turn the valuable customer data they were collecting into actionable advertising strategies—all in real time. Marketers quickly adopted retargeting as a bottom-of-the-funnel tool that drove conversions, especially in traditionally low-performing channels like social media and mobile.

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

Retargeting has moved beyond a niche direct-response tactic to becoming 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 a money-making machine.

- **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.

# WHERE WE GET OUR DATA

## Survey of marketers like you

What do hands-on marketers think about retargeting and performance marketing? We surveyed 200 Australian 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

For this report, we looked at high-level data from active AdRoll retargeting campaigns run by over 273 Australian advertisers serving over 655 million ad impressions between January 1, 2014 and June 30, 2014.

## Survey respondent breakdown:

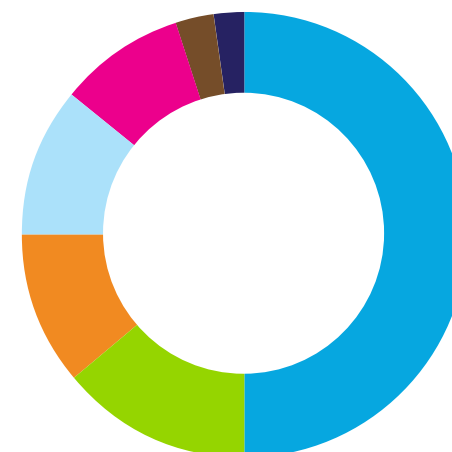
Polling a diverse group of marketers

### Industries



- 25% Retail/e-commerce
- 19% Media and entertainment
- 11% Financial services
- 11% SaaS/software/tech
- 8% Healthcare
- 7% Education/Gov.
- 6% Agency
- 4% Travel
- 9% Other

### Roles



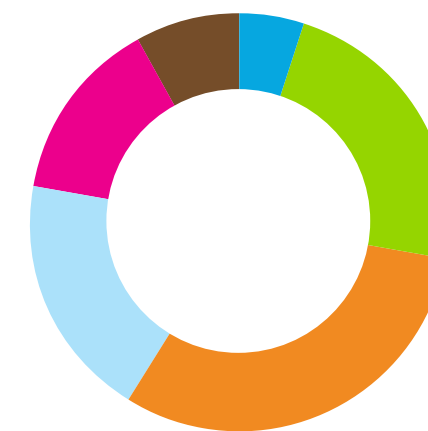
- 50% Manager/Sr. Mgr.
- 14% Consultant
- 11% Specialist
- 11% Associate/Analyst
- 9% Director/Sr. Director
- 3% C-Level
- 2% VP/SVP

### B2B vs. B2C



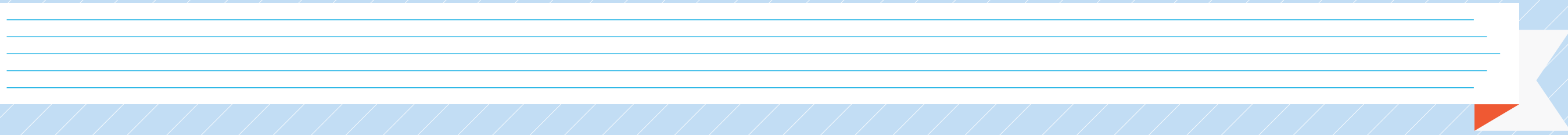
- 62% B2B
- 38% B2C

### Company size



- 5% less than 50
- 23% 50-100
- 31% 100-500
- 19% 500-1,000
- 14% 1,000-5,000
- 8% 5,000+

# SOURCES



1. Commercial Economic Advisory Service of Australia (CEASA), [Advertising Expenditure In Main Media, 6-months Edition](#)
2. Magna Global, [New Programmatic Forecasts](#)
3. Forrester, [Asia Pacific Social Media Advertising Spending Forecast, 2014 to 2019](#)
4. DCODE, [Australians Spend Almost 25% of Every Hour Online On Social Networks ... Can They See Your Business?](#)
5. Nielsen, [IAB/Nielsen Mobile Panel Pilot Data Reveals 52% of Digital Screen Time Now Spent on Mobile Devices](#)
6. comScore, [The Multi-screen Path to Purchasing](#)
7. AdRoll, [Retargeting on Facebook by the Numbers 2014](#)
8. Wall Street Journal, [Amazon Prepares Online Advertising Program](#)
9. AdWeek, [Instagram Brings Ads to U.K., Canada and Australia](#)
10. TechCrunch, [Pinterest Launches Paid Ads With Select Brands In Form Of Promoted Pins](#)
11. Position, [eBay Set to Offer New In-app Mobile Advertising](#)
12. LinkedIn, [LinkedIn to Acquire Bizo](#)