

# The Difference between Prospecting and Retargeting Ads

Advertising is a form of paid media marketing efforts which refers to content and exposure delivered to the customer via an intermediary that the company pays for. Some forms of advertising include search ads, display ads, social media ads, and retargeting ads. Since marketers pay-per-click, they are buying an impression (cost-per-thousand) or click (cost-per-click). Paid media is used to quickly create a marketing push, or to rapidly test messaging strategies, but ends as soon as the marketing budget runs out.

Online display advertisements include banner ads (webpages), social media ads (platform feeds), mobile ads (apps), pop-up ads, video ads, and search ads. Google AdSense, Amazon Advertising, LinkedIn Ads, and Facebook Ads Manager are the most popular digital marketing softwares in the industry. Advertisements can fall under two buckets: targeting and retargeting. Let's review the benefits of each and why your business should invest in retargeting ads.

## What is ad targeting?

The customer audience that you can or should reach depends on the ad platform you are using whether its software or influencers. For example, detailed demographic audiences are broad segments of the user base that share common characteristics such as students, homeowners, new parents, etc. Next, the affinity audiences are groups that the platform identifies as having shared psychographic or behavioral traits. From this information, marketers can create a behavioral profile or buyer persona for their customer. Common targeting tactics are life events based on occasions or milestones such as marriage, graduation, moving, etc. This is because this information is readily available on various social media platforms.

## Where in the marketing funnel should you target users?

The marketing funnel flows from impressions (attract) to clicks (engage) to finally driving conversions (delight). For example, are you trying to raise awareness? Foster

consideration? Making a sale? While it is a good rule of thumb to use advertisements throughout the funnel, it is important to consider where in the funnel you can or should reach users. As customers move through the funnel, marketers should keep track of click-through rates (CTR) and conversion rates.

For example, an in-market audience includes users who are searching for or researching products in your category. Using data, marketers can create custom intent audiences. Another audience is the customer match audience which includes your existing customers who can be found on the ad platform. Similar audiences are groups that the platform believes appear to have the same characteristics as our existing customers based on traits, interests, and behaviors. Lastly, retargeted audiences are users you have history with.

## What is the difference between prospecting and retargeting?

Prospecting is what marketers do to attract people into the top of the funnel. These people are targeted through initial impressions because they have no previous history with the business. Retargeting is what marketers do to engage with customers who already have history with the business. This allows marketers to move these customers further through the funnel which makes it more efficient and cost effective as there are fewer people towards the bottom of the funnel.

## What is retargeting?

Retargeting, also known as remarketing, is advertising to potential customers who have previously seen your ad or engaged with your owned media. Retargeting can be seen as a tool that is purposely withheld until later in the marketing funnel to achieve conversion or repeat business.

The data can get granular. Examples include:

- What page they visit
- What video they like
- What products they have in their carts

This gives marketers a lot of flexibility with creating ads, since there are a lot of different variables to play around with. There is also the opportunity to get pushy in front of

customers. An example of an ad retargeting a customer who previously added items to their cart could have messaging around “Come back and finish your order”. Another example of an ad retargeting a customer who completed an order could have messaging about a similar product that customer bought alongside their recent order.

## How to get useful customer information to apply towards your retargeting ads?

Retargeting requires you to track users across the internet. The most traditional way is through cookies. Cookies are small markets or data-points collected by your browser as you navigate the internet that provide a record of your interest activity. Essentially, cookies track the sites you’ve been on by leaving pieces of information within the browser that other websites recognize. This data then displays appropriate and relevant ads to customers. Cookies are independent of advertising and are more focused on recognizing you on a website within the same browser. Cookies provide important data that marketers should tailor content and marketing strategies to.

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Retargeting ads are a great way for small businesses to refocus their marketing efforts to customers who are more likely to drive sales conversions. There are various platforms that can help with creating personalized retargeting ads such as Facebook Ads Manager and Google AdSense. Don’t know where to start? Contact Katama via email or phone to learn more about our personalized marketing plans today!