

Performance IN ADVERTISER'S GUIDE

DISPLAY MARKETING

The comprehensive guide to the display landscape

IN ASSOCIATION WITH

 **Rakuten Marketing**

Be part of the Advertiser's Guide to Performance Marketing



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Display continues to grow at an unprecedented rate

The [2016 full-year ad spend report](#) from the IAB (Internet Advertising Bureau) and PwC shows that digital advertising in the UK grew by 17.3%, past the £10 billion mark. Despite brand safety concerns fuelled by controversial ad-placement stories, display continues to be the channel growing at the fastest rate, constituting 37% of all digital spend (£3.76 billion). This sustained investment in display advertising is indicative of the incredible opportunities it offers advertisers to reach their target audience, at the right time, on the appropriate device, with a fitting message.

Data-driven engagement and influence

The journey to purchase is no longer linear as consumers are exposed to brands in a variety of ways through multiple touchpoints before converting. Yet, they expect a consistent, personalised and relevant buying experience. To ensure consumers stay engaged, performance marketers must deliver a consistent message and image through innovative multi-device display advertising campaigns across every stage of the funnel.

In the recent past, an emphasis was placed on reaching as many people as marketing budgets would allow. However, with the advent and evolution of programmatic advertising, the focus has shifted to ensuring resources are spent on accurately identifying the right type of customer – and where they choose to spend their time. This shift helps engage and influence customers with data-driven, hyper-personalised ads reflective of their preferences.

Strategies along the funnel

With strategic planning, you can deliver connected experiences through data-driven strategies along the funnel. This allows you to attract new prospects, convert them into customers and nurture them over time to secure repeat purchases. Below are the four strategies to target consumers along the funnel with display advertising.

STRATEGY 1: BRANDING

Goal: Target new consumers or existing brand advocates creating the most 'buzz' to generate impact

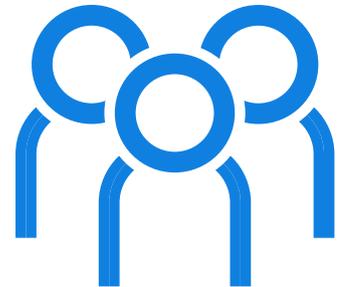
- **How:** reach large-scale, targeted audiences rapidly with messages that spark conversations
- **Creative:** deliver dynamic and interactive ads, optimised for awareness – e.g. ads employing the storytelling technique, particularly in video format
- **Do:** focus on brand security – with highly valuable, premium inventory – and pay attention to measures of success beyond conversions – such as reach, engagement, views, etc.



STRATEGY 2: PROSPECTING

Goal: Acquire new customers by directing targeted custom audiences to your site

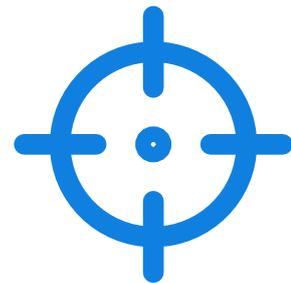
- **How:** create custom audiences that align with acquisition goals
- **Creative:** provide the shopping experience directly to the customer within the ad itself
- **Do:** channel the might of your CRM (Customer Relationship Management) data and combine it with psychometric data to build lookalike audiences; and remember to be tactical with your premium site buys too!



STRATEGY 3: RETARGETING

Goal: Drive conversions with consumers who have engaged with your brand

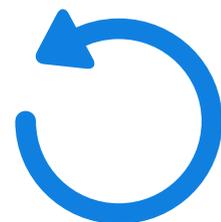
- **How:** push for transparency into campaign performance across channels, measuring incremental lift and investing in moments that deliver
- **Creative:** serve personalised ads optimised for engagement and carrying the appropriate message – indicative of the interactions customers have already had with the brand
- **Do:** place emphasis on segmenting your customers based on abandoning touchpoints across your site – e.g. homepage, product, cart, etc. – and tailor your messaging accordingly



STRATEGY 4: RETENTION

Goal: Influence existing customers to re-engage with your brand and increase customer loyalty

- **How:** secure incremental purchases through improved return and purchase rates
- **Creative:** retain faithful customers, keeping your brand top of mind through discount- and product-driven ads
- **Do:** run campaigns to specifically re-engage consumers who have not recently converted



There are multiple tactics involved in delivering the strategy goals listed above, including CRM targeting, lookalike audiences, contextual targeting, postcode geofencing, demographic targeting, hyperlocal targeting and more.

Furthermore, having the right data mix is essential. Leverage your own data pools (first-party data) and combine these with data from trusted and reputable partners (third-party data) to reach consumers with relevant and compelling advertising experiences. Only then will you begin to deliver meaningful consumer experiences to combat banner blindness and the most serious threat to e-commerce today: ad blocking.

Cross-device campaigns

Whichever strategies and tactics you choose to employ, creating a unified brand experience across screens – by running cross-device display campaigns – is essential to engage the modern consumer.

Mobile continues to drive the growth of display advertising, making up [38% of all ad spend](#). But, despite a sustained investment in mobile advertising, marketers still find it hard to justify mobile budgets because conversion rates on mobile are a lot lower than those on desktop. To solve this you can use cross-device tracking to see how mobile and tablet spend is influencing desktop conversions. This provides better insight into the cross-device impact of campaigns by enabling you to tie impressions, ad actions and conversions to a given user as they respond to your campaigns across their various devices.

Transparency in display marketing

Transparency in display marketing, *the* hot topic in the industry at present, goes beyond uncovering the attributed value of cross-device campaigns and – [as explained](#) by our SVP/Managing Director, Global, Attribution, James Collins – it can be divided into three categories:

- **Transparency of ad placement.** Following controversy around ad placement on radical websites (highlighted in [a report published by The Times](#)), brand safety is a major concern for advertisers.
- **Transparency of ad cost.** When it comes to programmatic media buying, [marketers are calling for more clarity](#) about real advertising costs and where this spend is actually going.
- **Transparency of measurement and performance.** Advertisers know that in order to grasp the true value of display campaigns they need to look past last-click measurement and consider the entire consumer journey.

Backed by the right tech and expert analysis, performance marketers gain an honest understanding of campaign planning, implementation and performance. This reassures them that their adverts are being served to the appropriate people, at the ideal time and in brand-safe environments. Additionally, a transparent display marketing service empowers marketers to make business decisions informed by data.

Display performance measurement

Below are some of the most important considerations when trying to get the best understanding of the value of your display marketing activity:

- **Go beyond the last-click.** On average, when a consumer does not convert straight away, the number of touchpoints per transaction is 9.2^[1]. In other words, these consumers are exposed to a brand almost 10 times across a mix of channels before making a purchase. Often, display is not the final touchpoint in the journey through to purchase. Therefore, to fully grasp the role played by display in a conversion, you can use attributed reporting that takes the entire user journey into consideration. Only then can unbiased, data-driven and therefore more effective strategic decisions be made.
- **Understand how display influences other channels.** A multichannel analysis of marketing activity reveals that other channels convert at a higher rate when display campaigns are run alongside^[2]. While other channels may appear to perform better when analysed in isolation, we know that having a display touchpoint in the journey improves the conversion rates of other channels.
- **Analyse new customers and LTV (Lifetime Value).** Marketers have very different desired outcomes in mind for their prospecting and retargeting campaigns. As such, measures of success for each should rely on different KPIs. For example, the success of your prospecting efforts is best gauged when new users are identified accurately, so you can see how many new users and customers your activity is driving. Similarly, correctly establishing the LTV of a given customer empowers performance marketers to recognise and invest in the marketing moments and mediums that are likely to deliver brand loyalists.

Without understanding the part display plays in the consumer journey, you could risk losing revenue by deciding to pause, terminate or reallocate display budgets based on only half the picture – i.e. incomplete data leads to bad business decisions.

Next steps

PROGRAMMATIC TV AND RADIO ADVERTISING

Almost [75% of all display advertising](#) was purchased programmatically in 2016. The rise of inventory traded programmatically will continue to grow and expand into other traditional channels – such as TV and radio advertising. With programmatic infrastructures and media buying methods well and truly adopted by the industry and personalisation tech for broadcast media improving rapidly, programmatic TV and radio is likely to appear in your marketing mix in the very near future.

AI-DRIVEN ADVERTISING

Artificial intelligence (AI) may conjure up visions of a dystopian future. But, AI-powered technology is a game changer in the industry. AI-driven display campaigns will save you time and money. Machine learning can benefit the effectiveness of your campaigns and in turn improve your ROAS (Return on Ad Spend). For instance, ever-evolving conversion predicting algorithms mean consumers who are more likely to convert can be served the right type of advert. Additionally, advert creatives can be optimised based on multivariate testing, on the fly, thanks to DCO (Dynamic Creative Optimization) ad technologies. However, the future of display advertising will involve the successful and harmonious integration of machine and human intelligence.

Case study: retargeting and prospecting cross-device campaigns

CHALLENGE

Great Little Trading Company (GLTC) is an award-winning online children's retailer. The brand partnered with Rakuten Marketing to launch its first ever retargeting strategy, which quickly expanded from desktop-only to include Facebook retargeting solutions and cross-device retargeting and prospecting.



Great
Little
Trading Co.

SOLUTION

- Deliver a consistent brand experience across all channels and devices
- Reach and engage customers across platforms through prospecting solutions
- Showcase key products and categories via retargeting campaigns
- Convert GLTC's high-value customers

PROCESS

By tracking in-ad interactions across GLTC's campaigns, Rakuten Marketing was able to interpret customer intent and optimise conversion by providing personalised content, product segmentation, bespoke creatives and programmatic media buying. Two of the key findings were:

- Tablet to mobile was the most popular cross-device journey
- Mobile audiences were a key driver in converting sales

RESULTS

- Display campaigns reached just under 400,000 customers, delivering 17,399 sales through desktop, Facebook and cross-device retargeting and prospecting activities
- Data insights across GLTC's display strategy helped drive scale and incremental revenue

How we do it

Rakuten Marketing works with brands to deliver new customers and incremental revenue. We employ data-driven audience acquisition and conversion optimisation solutions built on cross-device prospecting and retargeting technologies. Our complete set of fully-managed solutions delivers a connected and measurable experience across channels and screens.

THE RAKUTEN MARKETING DIFFERENCE

- **Transparency.** Unlike the vast majority of display companies, we share all of our data about your campaigns' performance with you.
- **Brand safety.** We provide site lists of where ads are shown, invest in technology and human monitoring to protect the quality of campaigns and maintain blacklists of sites and keywords.
- **Client service.** Dedicated account managers and experienced media buyers and insight analysts continually refine campaigns to deliver your goals.
- **Data insights.** Our unique and innovative data insights and attribution platform reveals channel impact on user journeys, exposing the true value of marketing spend.

WANT TO KNOW MORE?

Please visit our website and get in touch to learn more about our services:

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- [1] Rakuten Marketing's Cadence* data for Q1 of 2017 indicates that, on average, the number of touchpoints per transaction is 9.2, including display impressions and excluding single-touchpoint journeys.
- [2] Rakuten Marketing's Cadence* data demonstrates that running display alongside other channels improves the conversion rates of the other channels. For example, Hand Picked Hotels – a collection of country houses located throughout the UK and Channel Islands – showed a 167% uplift in conversion rates for journeys containing a display retargeting touchpoint compared to those that didn't. If you took display away, it is likely the performance of the other marketing channels would suffer. Without this multichannel view of performance, this essential insight would be missed and poor spending decisions could be made.

* Cadence is Rakuten Marketing's proprietary data insights and attribution platform.