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Display Retargeting

Buyer's Guide

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This is a complimentary copy of the Econsultancy Display Retargeting Buyer's Guide.

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Display Retargeting



Published March 2014

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Introduction

Econsultancy's buyer's guides are the ideal starting place for anybody researching new suppliers in digital marketing and ecommerce sectors. They contain vendor profiles to help you quickly evaluate suppliers and service providers, as well as market analysis to help you put things into perspective. Vendors are selected for the report based on a combination of factors, not limited to but including:

- **Analysis of capabilities** (services / products)
- **Clients**
- **Experience** (qualifications / trade bodies / case studies / client lists)
- **Expertise** (by sector / topic)
- **UK/US status** (a UK/US office is preferred, occasional exceptions are made)
- **Ability to take on and fulfil new projects**
- **Recommendations from trusted sources** (or anecdotal evidence to the contrary)
- **Google visibility**
- **Business model** (a high % of turnover should be related to these services)
- **Company website**

Econsultancy does not explicitly recommend any of the suppliers featured in these guides, principally because it is impossible for us to work with all of them to form a first-hand opinion. But we do believe - based on an intensive and careful selection process - that the chosen vendors represent quality.

Buyer's Guides are updated on an annual basis, so the information contained within is recent and thus valid. Send any questions or comments to Linus Gregoriadis, Econsultancy's Research Director (linus.gregoriadis@econsultancy.com). We welcome feedback.

Note: The information in *Section 7* is provided by the suppliers featured in this buyer's guide. We do our best to ensure every profile is complete and accurate, although it is not possible for Econsultancy to verify every detail.



About Econsultancy

Econsultancy's mission is to help our customers achieve excellence in digital business, marketing and ecommerce through research, training and events.

Founded in 1999, Econsultancy is used by more than 600,000 professionals every month, and has offices in New York, London and Singapore.

Our subscribers have access to research, market data, best practice guides, case studies and elearning – all focused on helping individuals and enterprises get better at digital.

The subscription offering is supported by digital transformation services which include capability programs, training courses, skills assessments and audits. We train and develop thousands of professionals each year as well as hosting events and networking that bring the Econsultancy community together around the world.

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Executive Summary

This is the first edition of the Econsultancy **Display Retargeting Buyer's Guide**, an invaluable resource for client-side marketers and suppliers who want to understand this market. The guide looks at trends within the sector, with profiles of 15 leading display retargeting vendors as well as advice for buyers looking for a technology and services provider.

The report, which has a global focus, is aimed at marketers who want to understand how retargeting can help their business, and how to choose the right vendor to suit the objectives they want to achieve from display retargeting. With multiple options available across digital channels as well as differences in services and cost models, buyers need to understand the different types of vendors and the questions they should ask them when it comes to shortlisting potential providers of retargeting services.

This report focuses on display retargeting, and to minimise the scope of the possible vendors featured, they are limited to those that predominantly carry out site and search retargeting.

The retargeting industry has seen a boom in recent years as consumers become increasingly immune to generic display campaigns, creating a need for highly targeted and personalised campaigns aimed at the individual rather than the masses. For advertisers, site retargeting has become standard practice, and they are looking at new and innovative ways to retarget their customers.

Retargeting is industry agnostic, and can benefit any company running online marketing campaigns as it can work for both prospecting and retention, and for both long and short sales cycles. Traditionally the staple of the online retail sector, advances in retargeting have resulted in its continuing growth in other verticals.

A number of key trends are currently being discussed within the retargeting industry, focused on developments and potential barriers to progress. Trends covered in detail in this guide include:

- Programmatic marketing accelerates growth of retargeting
- Cookie loss and privacy concerns pose threats
- Developments in cross-device tracking benefit retargeting vendors
- Growth in newer forms of retargeting: mobile, search and CRM

The guide also includes a **Market Data** section with a market share analysis carried out exclusively for Econsultancy by Pikslme, a competitive intelligence company. Pikslme looked for retargeting tracking tags across the comScore top 2,000 websites in the UK and US. *Section 3.2* shows the results, including the market coverage and market share for prominent retargeters in the industry, including the vendors featured in this guide.

The **Supplier Marketplace and Profiles** section (*Section 7*) of this guide includes profiles submitted by the following retargeting providers: **AdRoll, Captify, Chango, cloud.IQ, Criteo, eBay Enterprise, Google, myThings, Perfect Audience, Rakuten MediaForge, ReachLocal, ReTargeter, Rocket Fuel, Simpli.fi** and **Struq**.

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This is a complimentary copy of the Econsultancy Display Retargeting Buyer's Guide. In order to download the full version of the report, which contains profiles of all 15 vendors, please visit the Econsultancy website:

<http://econsultancy.com/reports/display-retargeting-buyers-guide>



The Market

Market definition and introduction

Retargeting is an online advertising tactic which is used to serve ads based on an internet user's prior engagement. Most commonly, this is in the form of site retargeting, but other forms of retargeting include search, email, social and CRM retargeting.

Referred to by most as retargeting, and by some as remarketing or remessaging, the concept of serving ads based on a consumer's browsing and search history has been around for at least the last decade. The majority of vendors featured in this guide were founded in 2008 or later, with newer specialisms such as mobile and video retargeting emerging more recently.

The retargeting industry has developed around tracking and serving ads to those consumers who have shown purchase intent online, and are therefore much more likely to convert. Targeting these customers improves click-through rates and increases conversions. Originally used predominantly in retail, the technology has expanded in its use across multiple sectors. This, in addition to improvements in programmatic buying technologies and diversification in ad formats, has resulted in a boom in the industry.

Though this report features display retargeting vendors providing predominantly site and search retargeting, an explanation of all the main types of retargeting follows, to give the reader a general understanding of the retargeting ecosystem.

Site retargeting

An often-stated statistic is that for most websites, only 2% of web traffic converts on the first visit. The aim of retargeting is to re-capture the 98% who didn't convert, and bring them back to the website in question.

Sites which are using retargeting technology have a JavaScript tag in their footer. When a visitor lands on website, the tag drops a cookie on their browser. As long as the visitor's browser settings allow cookies and they don't clear their cache regularly, the cookie'd visitor can then, in effect, be followed around the web, with targeted display ads delivered on subsequent sites they visit.

When a cookie'd visitor appears on another site, the cookie lets the retargeting vendor know. If there is inventory available on the site, the retargeter will normally bid on the inventory, and if they are the highest bidder, an ad for the original site will be displayed to the visitor, all before the page loads.

Bidding on inventory occurs programmatically, in real-time. Retargeting vendors have direct relationships with publishers and also link to exchanges and demand-side platforms (DSPs) through which they buy inventory space. This is discussed further in *Section 3.4.1*.

Search retargeting

Search retargeting differs from site retargeting in that display ads are displayed to internet users who search for specific keywords via search engines, on the sites on which consumers subsequently land. Rather than targeting existing visitors and customers of a site as in site retargeting, search retargeting is a prospecting tool, targeting customers who have not previously engaged with the site.

Search retargeting works through the collection of search data. Vendors build profiles of customer search behaviours, and can identify users who are likely to be interested in a company's products



or services. These vendors have relationships with data partners, publishers, and third-party search engines, which provide them with search intent data in the following ways:

- **Primary event data**, or ‘referrer’ data; captured when an individual searches through Google, Yahoo or Bing, and lands on a site. This site can see the referral URL and therefore the search term that was used. These sites are financially compensated for helping to capture the data.
- **Toolbar data**; captures searches as they occur through a co-branded toolbar.
- **Lower tier search engines** that partner with vendors, providing them with search queries while monetising their inventory.

The remainder of the process works in the same way as site retargeting; a cookie is dropped when the sites see incoming traffic from search engines, and that data is stored anonymously and used to target display ads related to a user’s search queries.

Email retargeting

Email retargeting is another retention tool, targeting individuals who have opened an email sent by a company, and delivers display ads encouraging them to take action. Email marketing has been a key part of marketing strategy for many years, and despite being seen by some as a ‘tired’ art, it is still a very effective way of reaching existing and engaged potential customers.

Emails are, however, relatively easy for customers to unsubscribe to: an action that is often provoked by ever-increasing email frequencies. Email retargeting plays a part here in supplementing an email strategy, targeting those who have expressed initial interest by opening an email, and avoiding sending multiple follow-up emails.

Again working through cookies, a tag (or ‘pixel’) is placed in the email signature (or in the HTML of an email), and a cookie is dropped onto a user’s browser when the email is opened. That user can then be served display ads from the sender as they continue to browse the web.

CRM retargeting

Those who do not open marketing emails cannot be cookie'd and therefore email retargeting does not work. These prospects can only be reached through CRM retargeting, in which an anonymised email or mailing list is translated into online segments and matched with the online audience via cookies. These cookies can then be tracked, and the previously un-reachable customers targeted with display ads as they browse.

Social retargeting

The Facebook Exchange (FBX) is Facebook’s real-time bidding exchange, which allows marketers to target customers while they are using the social network, using data external to the platform. Facebook inventory bought through FBX is the only inventory which can be used to retarget customers on the site. A select group of retargeting site and search vendors can retarget cookie'd users via Facebook, based on a consumer’s browsing and search history. Ads are shown within a user’s newsfeed, or on the right hand side.

Facebook retargeting has been harnessed by many brands since it became available as a highly effective incremental marketing channel, working alongside web retargeting to increase audience reach. Research by AdRoll found that of 468 advertisers analysed, on average only 8.3% of an advertiser’s total audience was retargeted by both their web and Facebook campaigns.

In October 2013, Facebook also launched a tool that allows retargeting of ads to users who have visited their websites or mobile apps. Named ‘website and mobile app custom audiences’, the tool will work when marketers affix tracking software to their websites and apps. Distinct from FBX in



that it is available across mobile inventory and not just constrained to desktop, custom audiences can be further refined by demographic and geographic information.

Twitter also made a significant announcement at the end of 2013: the introduction of ‘tailored audiences’. Using website and behavioural data, companies can now create audience segments which can then be targeted on Twitter. Customers can be retargeted whether they searched for a company or keyword, visited a site or made a purchase.

Tailored audiences can be used to deliver ‘Promoted Tweets’ or ‘Promoted Accounts’ to segmented audiences, reaching Twitter users who have shown product or brand interest, visited a site, or made a purchase. Using a technique called ‘cookie-mapping’, Twitter retargeting vendors (including AdRoll, Chango and Perfect Audience) can provide Twitter with segmented audiences of a company, based on web browsing behaviour, email addresses and Twitter IDs. Whenever any of these segmented users then visit Twitter, they can be targeted with Promoted Tweets or Promoted Accounts.

Who is this report aimed at?

This report is aimed at all marketers who want to understand how retargeting works, and read about the latest trends in the market. In particular, the report is aimed at those looking for a retargeting services provider.

Retargeting is industry agnostic. All companies that run online marketing campaigns can benefit from retargeting as it can work for both prospecting and retention, and for both long and short sales cycles. Online retailers have historically been the first to adopt different forms of retargeting in their masses. However with the advances in forms of retargeting other than site, vendors have been seeing growth in other verticals.

Voice of the expert – what types of company are spending?

“Retail, travel and classifieds have been successfully using retargeting as an ‘always on’ part of their marketing strategy for some time, but with the advancement of technology, performance display is now appropriate for a wide variety of potential new clients, including companies in the automotive, telecommunications, consumer goods and finance industries.”

Jon Buss, UK Managing Director, Criteo

“Traditionally, retargeting has been a natural fit for online retailers and we expect their ad spend to further grow on a par with overall industry growth. In addition, we expect more travel advertisers to invest in retargeting due to the advances in CRM data integration which play a key role in the travel vertical and its prolonged sales cycles. We also predict other verticals to join the retargeting bandwagon en masse including automotive and services.”

Laurent Gibb, VP Media, myThings

“Expect a lot of big name retailers and Fortune 500 [companies] investing more into digital and building the courage to try out new tactics. CMOs fear being left behind and this year we suspect they won’t want to miss out on any new, programmatic, approaches to retargeting and digital.”

Ben Plomion, VP Marketing, Chango

“Retargeting is always a solid investment for retail brands. But B2B marketers are starting to see the value in retargeting as well. In this vertical, users tend to be high value and hard to find. B2B companies and SaaS web applications are learning the value of leveraging their customers’ behavioural data across all their advertising strategies.”

Adam Berke, President, Founding Team, AdRoll



Market data

To analyse the market share that retargeting vendors have on websites in the UK and US, we used competitive intelligence company [Pikslme](#) to analyse the top 2,000 sites (according to comScore) in the UK and US.

Pikslme methodology

- Using a comScore list of the top 2,000 sites in the UK and US, Pikslme analysed 10 pages of 1,906 sites in the UK and 1,926 sites in the US.
- The comScore data is from Q4 2013, and the scan was carried out in Q1 2014.
- Sitemaps were created in a top-down fashion: each level is a latitudinal scan.
- The data was processed in Visokio's Omniscope.

[Please see appendix for further notes]

For the purposes of the market coverage charts, *Table 1* shows the list of retargeting vendors analysed. An emboldened company denotes a vendor featured in *Supplier Profiles* section of the guide; those not featured either did not meet the criteria for inclusion or were invited, but failed to submit a profile on time.

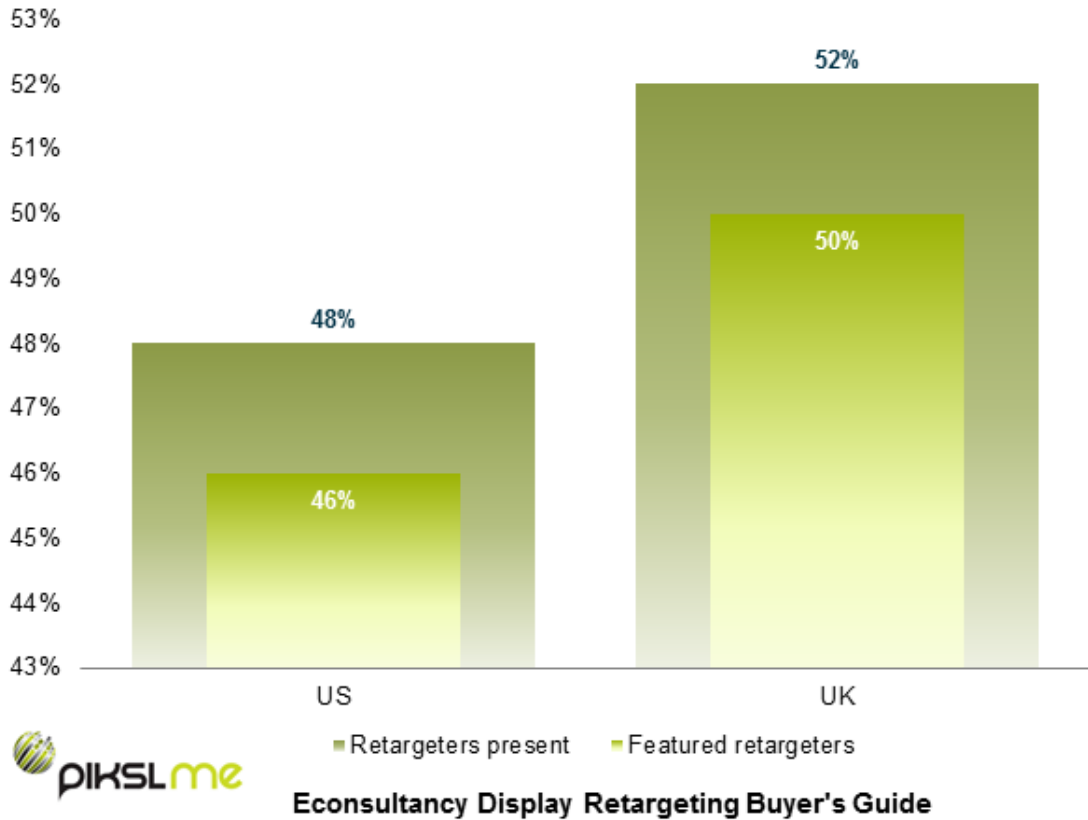
Table 1: List of retargeters used in the market coverage and market share analysis

AdRoll	Dotomi	Perfect Audience	Struq
Avail (Richrelevance)	eBay Enterprise (formally Fetchback)	Reach Local	TellApart
Buysight (Advertising.com)	Magnetic Media Online	ReTargeter	TriggIt
Captify	MainADV	Rocket Fuel	Xplosion Interactive
Chango	Rakuten MediaForge	Simpli.fi	
Criteo	myThings	Sociomantic	

Figure 1 shows the proportion of the top 2,000 sites in the UK and the US that have retargeters (Table 1) present. Also shown is the proportion of those sites where retargeters featured in this buyer's guide are present ('Featured retargeters').

The chart shows that retargeting tags were found on 48% of the top 2,000 UK websites, and 52% of the top 2,000 US sites. Tags belonging to the vendors featured in this guide were found on 46% and 50% of UK and US sites respectively.

Figure 1: Presence of retargeters on the comScore top websites in the US and UK

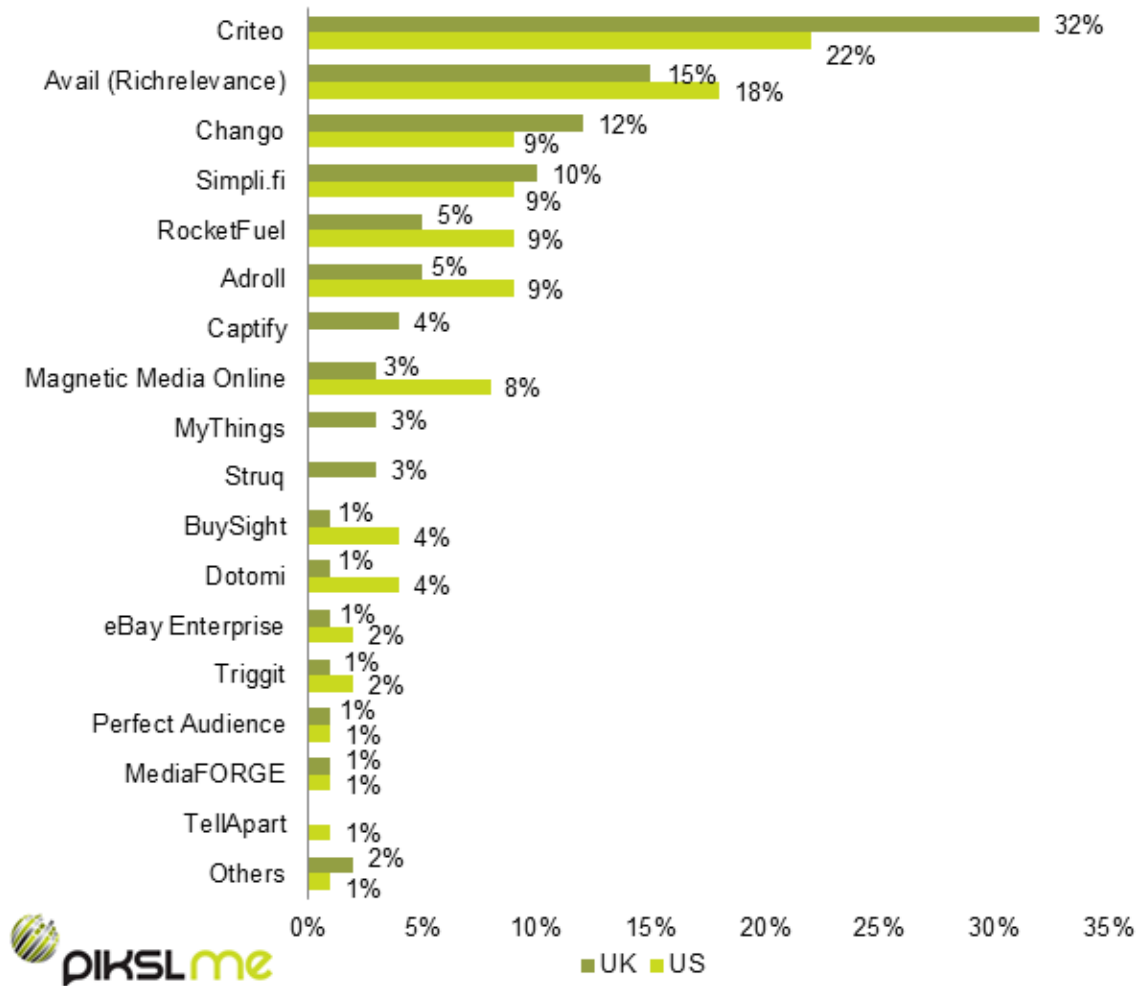


US websites: 1,926
UK websites: 1,906

The market share of the list of retargeters in *Table 1* was calculated by Pikslme for the UK and US (*Figure 2*). Note that this covers *all* of the top 2,000 websites, which will include media owners and advertiser websites.

Criteo dominates in both markets (32% and 22% of the UK and US respectively), with Avail (owned by Richrelevance) holding the second highest share. In the US, a larger group of retargeting companies have a significant share of the market; seven companies have a share of 8% or more, compared to only four in the UK. Criteo holds almost a third of the UK market, illustrating how established it is as a leading retargeter here.

Figure 2: Market share of retargeters across comScore’s top 2,000 websites in the UK and US



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[Google Remarketing is not included in the above chart due to methodology restrictions, however Google have a significant market share in this sector]

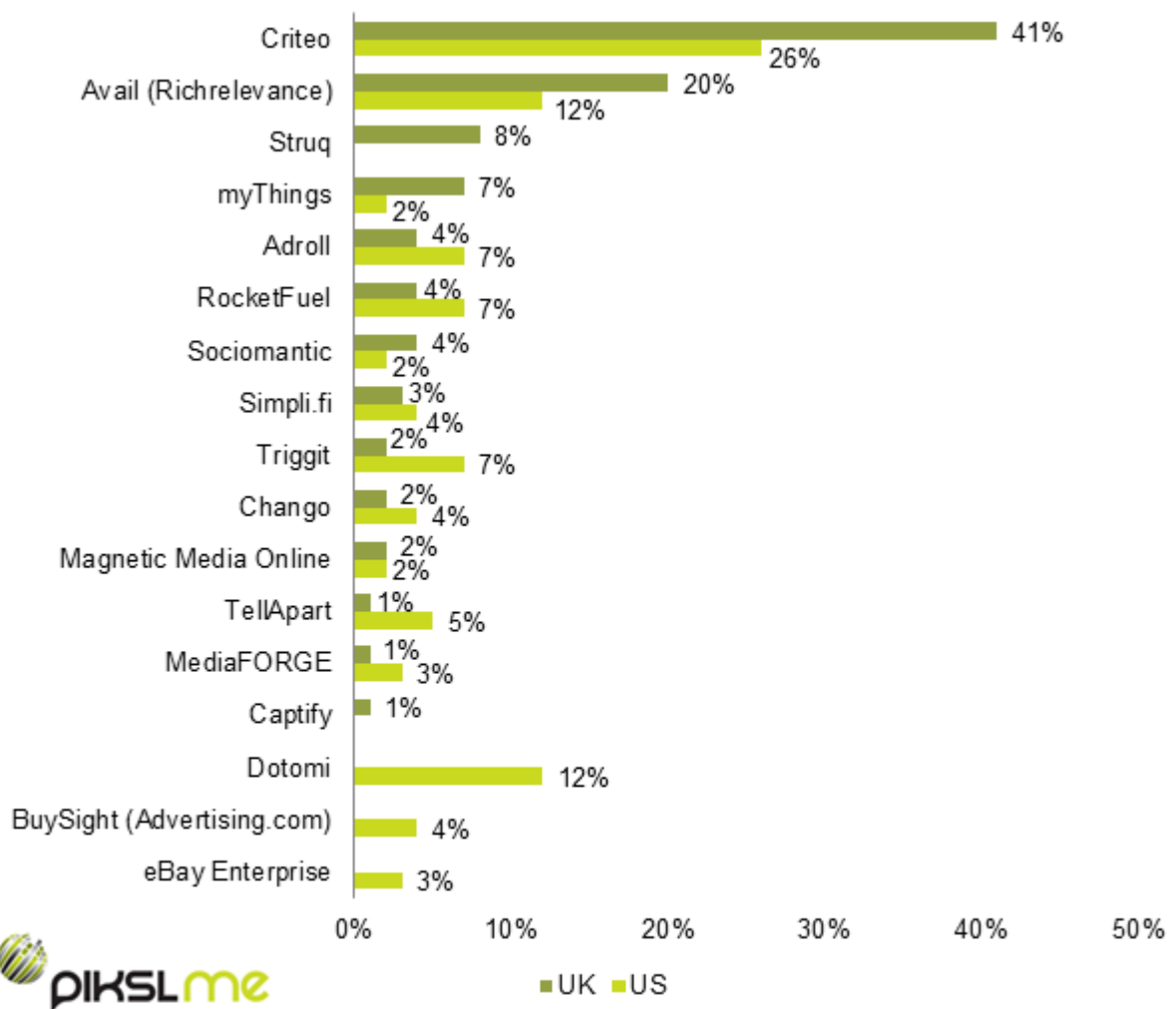
US websites: 1,926
UK websites: 1,906

The above market share chart was also calculated for the retail industry, known to be the most dominant user of display retargeting. Of the top 2,000 comScore websites, those labelled as ‘retail’ by comScore were analysed for the presence of retargeting tags, resulting in *Figure 3*.

Criteo and Avail again dominate in the UK and US. Vendors such as Struq and myThings are also shown to have a strong presence on retail sites in the UK, while Dotomi emerges as a major retargeter in the retail sector in the US.



Figure 3: Market share of retargeters across sites categorised as *retail* in comScore's list of top 2,000 websites in the UK and US



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[Google Remarketing is not included in the above chart due to methodology restrictions, however Google have a significant market share in this sector]

UK retail websites: 248
US retail websites: 212

One key player missing from the above chart is Google Remarketing, who are a leading provider of remarketing services across the Google Display Network (GDN) and using Google Analytics. For legal and privacy reasons, Google did not provide tagging or market share data to Pikslme, therefore they were not included in the market share charts.



Market trends

Programmatic marketing accelerates growth of retargeting

The world of online advertising is full of bursting with acronyms: RTB, DSP, DMP, SSP – the list goes on. As a result, it has become quite a confusing place to be for marketers who are not solely focused on ad trading. RTB and programmatic RTB (and programmatic premium, programmatic direct and a myriad of other programmatic nuances) are at the centre of this picture, and are changing the face of media buying and selling.

Real-time bidding (RTB) – the trading of online media in an auction-based environment – is part of a bigger picture that is ‘programmatic media buying’. Definitions of this vary wildly across the web. However, it is the addition of multiple datasets, and technological advances allowing automation of segmentation and personalisation based on complex algorithms, that makes the process ‘programmatic’. The buying process is automated, but guided by humans, and doesn’t necessarily have to involve RTB.

While programmatic marketing is a subject deserving of a report all to itself (see also Econsultancy’s *Programmatic Marketing: Beyond RTB* report), the focus of this guide is display retargeting, and therefore the ways in which programmatic affects retargeting needs to be discussed.

When applied to retargeting, ‘programmatic’ means that companies can show display ads to their most valuable visitors and lead them towards a conversion. Programmatic retargeting takes into account multiple datasets and makes that data actionable by working through complex algorithms, calculating how much to bid to serve an impression for that user via RTB, all before a page has loaded.

Programmatic marketing platforms (PMPs), which have been developed to enable programmatic processes to be automated and managed from one place, have meant progress in areas other than site retargeting. Search retargeting has to rely on data from retargeting clients, partner websites, and third-party search data, and is enabled through PMPs which combine the datasets and output advertising relevant to the user.

Programmatic is also introducing opportunities for mobile, video and social, aided by developments being made by industry giants such as Google and Facebook. The latter’s FBX platform and its late 2013 launch of ‘custom audiences’, in addition to Twitter’s similarly-timed announcement of ‘tailored audiences’, are clear examples of the programmatic era’s effect on retargeting.

A big trend of last year, and set to continue in 2014, is that of native advertising. Native is becoming a big part of many progressive marketing strategies due to the social boom and the decreasing impact of display ads on consumers. Native ads can now be traded programmatically as a result of exchanges such as FBX, and this has allowed retargeting across channels which would previously have been inaccessible.

Programmatic retargeting is aiding the development of display retargeting by improving the efficiency in which inventory can be traded, leading to ads of higher quality and relevance to be served to customers in real time.



Voice of the expert – current trends

“Beyond the desktop banner [is an important trend]: more channels entering programmatic era including mobile, video and social (FBX and the Twitter exchange).

“Programmatic premium momentum: big brands will fuel buy-side growth thanks to stronger brand safety mechanisms and unrivalled efficiencies, while more publishers will embrace programmatic due to greater control of prices (via preferred deals and private auctions) and demand from buy-side.”

Laurent Gibb, VP Media, myThings

“A big trend is native ads going programmatic. We’ve already seen this with Facebook Exchange (FBX) — particularly the News Feed — where ads are integrated into the native environment and share all the elements of organic content (comment, like, share, etc.). And we’re starting to see the same thing evolve on Twitter.”

Adam Berke, President, Founding Team, AdRoll

“Real-time bidding enabled people to buy the right impression at the right price. The natural evolution of real-time bidding is into Real Time Advertising, buying the right impression at the right price with the right personalised ad creative.

RTB delivered on the promise that marketers craved: transparency. Transparency of media, transparency of performance and transparency of price.”

Sam Barnett, Founder and CEO, Struq

Cookie loss and privacy concerns pose threats

Cookies have emerged from obscurity to being recognised, at some level, by most online consumers. The EU Cookie Law Directive was introduced in 2012, and required website owners to declare to their visitors that cookies are being used on the site. This was cause for some concern within the retargeting industry, as it was expected that consumers would have more knowledge about the data that is collected about their browsing habits, and therefore the number of people managing their browsing history, and deleting cookies, would increase.

However, research since has indicated that the greater the understanding about how people are being tracked on websites, and the more control they’re given, the more comfortable they are with tracking. Since then, digital heavyweights Microsoft, Google and Facebook have thrown another barrier in the way of retargeting vendors by announcing plans to drop cookies in favour of cross-device tracking.

Advocating the importance of internet privacy, these big players claim to be trying to improve their users’ security while browsing the web. However, many have voiced concerns that companies such as Google and Facebook already have huge amounts of user data and multiplatform and device sign-ins, so can monetise this without the need of cookies, potentially at the expense of smaller independent businesses. By making themselves the only owners of large data-stores of user information they can, in effect, ensure that other businesses have to work with them.

The amount of control held by Google in the industry has been illustrated concisely by John Koetsier at Venturebeat.com, who highlighted how often they appear in each potential replacement tracking solution:

“There are at least four layers of the entire industry that could make some kind of tracking solution:

- *the operating system layer for both desktop and mobile (**Google**, Apple, Microsoft).*
- *the browser layer (**Google**, Microsoft, Safari, Firefox, Opera).*
- *the ISP layer, where identifiers can be inserted into traffic headers.*
- *The social layer (Facebook, Twitter, **Google**), the search layer (**Google**, Microsoft, Yahoo), and the ad exchange layer (DoubleClick, **Google**, Facebook, Microsoft, Right Media, Quantcast, and many, many more...”*



As relying on cookies has become more risky, and retargeting has expanded from just desktop sites, technologies have begun to be developed which are based on device recognition and behavioural and relevancy algorithms. These technologies could enable the survival of retargeting, although for businesses without the budgets required to buy into these fledgling technologies, cookies remain the go-to method for tracking and retargeting.

Voice of the expert

“Data privacy is a constant focus of improvement for many targeting providers as developments regarding internet privacy could impact the way we use data as a commodity for business.”

Jon Buss, UK Managing Director, Criteo

“Cookie alternatives: demand for cookie-less solutions is growing to support mobile targeting and cross-device optimisation. Having said that, we believe the reports about the cookie's demise have been greatly exaggerated.”

Laurent Gibb, VP Media, myThings

“We're keeping careful watch of the move from third-party cookies to proprietary IDs controlled by Google, Facebook, Apple, Amazon, etc. It remains to be seen how open these companies will be with the data. If they are more siloed, it creates a challenge for advertisers who need a comprehensive view — and an opportunity for third-party companies to jump in with tools that can execute campaigns across platforms and unify the campaign management experience.”

Adam Berke, President, Founding Team, AdRoll

Developments in cross-device tracking benefit retargeting vendors

In recent years, marketing has been focused on becoming omnichannel in approach and advertising strategies have aimed to bridge all departments and channels. As a result, the drive for cross-device tracking has intensified. With the possibility of the loss of cookies, retargeters are looking to the technologies being used to bridge devices, to attempt to provide retargeting solutions that can follow and retarget customers regardless of device.

Technology companies such as Drawbridge and Tapad are working on anonymous device signals, correlating location, time and behavioural data to create statistically probable links between devices used by the same consumer. This data can then be used by retargeters to serve ads across all owned devices, and also by advertisers for attribution purposes.

Google can already show users of Google Analytics paid search conversions that begin on one device and end on another. Microsoft is also developing its own tracking system across devices.

The consequences of device tracking are widespread. Attribution has long been a complex and debated science, with marketers continually returning to the problem that if a consumer changes device, the path to purchase is broken. Attribution, therefore, could be a great beneficiary of cross-device tracking with vendors including the tracking into their cross-channel attribution algorithms, resulting in more effective and efficient attribution.

As the central need for cross-device tracking has come from the proliferation of smartphones globally, it is mobile that will be the other main beneficiary of tracking across devices. The potential of advertising on mobiles has been discussed for a number of years now, but the explosion in mobile advertising and consequentially mobile ad budgets, is only starting to be properly realised. With the ability to track cross-device conversions, advertising spend on mobile devices may finally show the increases predicted.



Voice of the expert – current trends

“Overall, we’re seeing retargeting companies starting to solve mobile reach and fractured user problems — at least with certain use cases. For example, we can already track a user’s behaviour as they use a mobile web browser, or within a mobile app. And Twitter is starting to emerge as a true cross-device retargeting platform.”

Adam Berke, President, Founding Team, AdRoll

“Offline is a massive source of powerful consumer intent data. The ability to use this data online is another area in which there is great potential. Beyond that, we can look even further to an ad mix in which all marketing channels – online and offline – are fully synched. Cross-device will also continue to play a key role as the number of screens in various sizes (from smartphone, through tablet, laptop PC and even smart TV) will increase dramatically.”

Laurent Gibb, VP Media, myThings

“The use of first- and-third party data to ‘super’ target the customer base will grow in the coming year so that brands can change the way they engage with customers as individuals. As consumers are targeted in new environments, such as on their smartphones and tablets, we’re likely to see a reinvention of the standard ad units and better integration with new platforms to deliver a great branded experience.”

Rakhee Joglekar, Director of Display, Rakuten Marketing

“Users don’t think in channels and as a result retargeting must move beyond the desktop and across all the channels the user interacts with. Bringing a truly personalised experience to customers across desktop, tablets, mobile and social will be critical to persuade users to purchase at scale. Omnichannel retargeting will become an operational principle for any marketer who wants to remain relevant in today’s market.”

Sam Barnett, Founder and CEO, Struq



Growth in newer forms of retargeting: mobile, search and CRM

3.4.4.1 Mobile retargeting

One of the most discussed trends in retargeting at the moment is the increasing availability of inventory across new channels; in particular, mobile. For the last few years, mobile's ever-improving capabilities and penetration has meant it has become difficult to ignore, and its presence on 'digital top trends' lists has been almost guaranteed.

Though advertising across mobile has seen slower adoption than some might have predicted, changes being made by pivotal companies such as Google and Facebook are enabling marketers to experiment with new media, giving them the tools to engage with consumers however they are accessing the web. According to Chango's Retargeting Barometer Q4 2013, 36% of brands and agencies are retargeting within the mobile channel.

Specialist retargeting vendors have a strong foothold in the desktop retargeting arena, but mobile is still dominated by big mobile apps. Twitter, for example, can retarget across the Twitter network and beyond due to its purchase of MoPub. It is predicted that this year, as Google, Facebook and Twitter widen their reach and improve cross-device tracking, site retargeting across mobile will see huge growth.

Mobile retargeting comes with a raft of technical difficulties distinct from retargeting desktop ads, and although it is possible, and being utilised by some big brands with budgets to match, it is far from being a staple offering of retargeting vendors. The technical problems behind tracking the user journey on mobile and across devices are the limiting factor for retargeters in the current market. While cookies work for desktop retargeting, older iOS devices don't accept cookies as default, and cookie identification does not work for apps. A number of methodologies exist, but all are limited by scale, accuracy or privacy issues. The range of devices, operating systems and settings means that there is no consistent method of tracking users while using their mobile, let alone across devices.

Technologies are beginning to be developed that aim to solve this problem for other publishers by trying to find patterns in data from mobile and desktop browsing, and matching them to identify users (sometimes called probabilistic device recognition). Drawbridge is a prominent player in this market, which has been used successfully by Expedia to make the link between desktop and mobile. Other ways that advertisers are getting around this problem is by using location data to identify shopping habits, behavioural data and, commonly, in-app retargeting.

For Facebook, Google and Twitter, the process is much simpler because their users have to sign in, and tend to do so across multiple devices, meaning that they can retarget their users through the publishing platforms on mobile based on their desktop browsing.

Facebook's 'website and mobile app custom audiences' was announced in October 2013, and allows retargeting across their mobile inventory. Though the use of FBX has historically been the domain of retargeting specialists, the custom audiences update was said to be a more simplified version of retargeting, limiting the need for specialist help.

However, these are the initial stages of retargeting via mobile, and as it becomes more of a focus and presents fewer technical issues, it will become a much more widespread retargeting technique. With larger mobile campaigns comes the need for specialist knowledge and management. Many of the vendors featured in this guide have included mobile retargeting in their offering, and 2014 is likely to see more of the main site and search players also extend their offering to cover mobile.

Voice of the expert – current trends

“Alongside the growth of mobile commerce there will be an increasing need for mobile analytics and attribution modelling, as advertisers seek to understand the channel’s value and its place within their marketing mix.”

Jon Buss, UK Managing Director, Criteo

“Everyone knows that we’re living in a mobile world, but what’s less obvious is whether marketers can figure out how to make the most of that world by finding new ways to engage consumers. Facebook is already making great strides in mobile, and in 2014 the rest of the marketing world will begin to catch up. Look for more rich media ads, more RTB units and, following Facebook’s lead, an emphasis on app discovery.”

Ben Plomion, VP Marketing, Chango

“The key growth area is in mobile. Proving the numerous market research papers that project the dominance of this hot new channel, we are seeing this unfold as virtually every single advertiser is eager to invest in our mobile retargeting solution.

“Social (FBX and Twitter) is where highly engaged users spend most of their time online. Naturally, it’s a key channel for marketers. Beyond the obvious benefits of Facebook’s massive reach (our data shows up to 32% exclusive reach) and lower costs, we have found that the social environment also has a positive effect on shopping with a sales cycle three times faster compared to other exchanges (impression to click to conversion).”

Laurent Gibb, VP Media, myThings

“Mobile has become an integral part of the shopping experience. Although mobile accounts on average for 34% of a retailer’s traffic, less than 10% of conversions come from a mobile device. Mobile offers retailers a huge opportunity for growth in 2014. In order to take advantage of this opportunity:

- Marketers need to adapt marketing spend to this shifting consumer behaviour, and
- Ads need to be personalised and tailored differently to match the different user behaviour that occurs across the different devices.”

Sam Barnett, Founder and CEO, Struq

“Big brands have budgets that enable them to experiment with new media such as video and mobile RTB. And then, there’s RTB for the rest of us. Mid-sized companies’ budgets must be used wisely and with calculated risk – because every dollar counts. With this in mind, are video and mobile RTB ready for mid-market prime time to create competitive advantage? Or is the technology, targeting, engagement, and ROI still too nascent and unproven to be ready for mid-market exploitation?”

Arjun Arora, Founder and Chairman, ReTargeter

3.4.4.2 Search retargeting

According to a survey carried out by Chango in the US in October 2013, search retargeting is carried out by 63% of brands and 79% of agencies, and 88% plan on increasing or maintaining search retargeting budgets over the next six months.

Based on consumer intent, rather than relying on visits to a site, search retargeting’s central selling point is that it can bring new visitors to a site, expanding its customer base. Crucially, these new customers are already in the purchasing cycle; advertisers know that they have expressed an interest in a product.

Another positive of search retargeting, contributing to its growth, is the fact that by retargeting based on keyword searches, advertisers can avoid paying the premium CPCs on particularly competitive keywords. Increased conversion rates at a lower cost result from targeting customers at a later stage of the buying process, which is a huge benefit for brands spending big on paid search.



“Search retargeting is growing fast in the UK. It is changing the traditional association of retargeting with site retargeting. Site retargeting is a bottom of the funnel technique aiming at converting visitors of a brand’s website. Search retargeting, on the other hand, works at all levels of the funnel, as it looks for users which have shown intent and targets them with banner ads in real-time. Therefore, it is a great prospecting tool which is also very efficient at successfully converting searches into sales.”

Vincent Potier, Chief Operating Officer, Captify

3.4.4.3 CRM retargeting

In contrast to the pure prospecting tool of search retargeting, CRM retargeting is often used as a re-engagement and retention tool; aimed at those who are on a brand’s email list for example, but haven’t opened an email in a long period of time.

Many retargeting vendors have added CRM retargeting to their offering in the last year. Laurent Gibb, VP of Media at myThings, said of CRM retargeting:

“First party (CRM) data is the most comprehensive and valuable source of data that can be used in a programmatic campaign. It is a key factor in the ability to drive results in line with an advertiser’s business objectives, and we’re seeing more and more advertisers who now understand this.”

Using CRM data allows advertisers to extend their direct marketing activities online, using an email list to create matching segments, and then using cookies to target this segment online. CRM is a very useful re-engagement tool, reaching consumers who showed initial intent by subscribing to emails, and encouraging them to complete an action.

CRM retargeting has become even more important in recent months due to a change Google made to emails delivered to users of Gmail; a change which has a big impact on email retargeting. Instead of users needing to click “Display Images” to view any imagery in an email, images now display by default, and users are served a cached version from a secure proxy server, rather than the image’s host server.

This is a positive for marketers who send image-rich emails, though it means that users of Gmail can no longer be retargeted after opening an email because cookies never make it to the user’s browser. When Google caches an image, it takes the body of the pixel, and not the header – where the cookie is stored. This is where CRM retargeting steps in, solving this otherwise huge problem for retargeters by allowing advertisers to find their customers online through their email list, cookie them, and subsequently target them with display ads.

Although some analytics power is needed to translate email lists into online segments, once this is done, other datasets can be added and used to further segment and target consumers, ensuring that ads served are even more relevant and personalised to individual consumers, increasing the likelihood of conversions.

Return on investment

Retargeting can help an organisation to:

Drive revenue

- Retargeting expands the audience for ads and conversion rates are significantly higher for brands that retarget their customers.
- Some statistics:



- 72% of those who buy will do so in the first 12 hours after first leaving the site, found by a SeeWhy survey¹ in 2013. A retargeting campaign can keep the brand and product front of mind during those 12 hours, increasing the likelihood that the consumer will return and convert.
- According to research from Criteo, website visitors who subsequently see retargeted display ads are 70% more likely to convert. They found that the average click-through rate online for display ads is 0.07% and the average click-through for retargeted ads is around 0.7%.
- A comScore study² comparing the different placement strategies of display advertising found that *retargeting* generated the highest lift in search queries, at 1,046% (compared to the next highest strategy, *audience*, at 514%). Site visitation within four weeks of ad exposure was up 726%.
- The audience for retargeted ads are highly responsive and further down the purchase funnel. By identifying these audiences and personalising the advertising message to individuals means a higher response and a lower investment.
- Retargeting also presents the ability for cross-selling and up-selling, based on products that consumers have already purchased and those products for which intent to purchase has been shown.

Brand awareness

- Brands have seen elevated brand recall by consumers who have been served with retargeted ads. Though generic display ads may be becoming less effective at driving conversions, retargeted ads are having more of an impact due to their heightened relevance to those who have already shown purchase intent.
- Greater engagement with a brand's website has also been seen from those who have been served retargeted ads, with customers likely to spend longer on the site than the average.
- Search retargeting can create awareness of a brand that a consumer had not previously encountered, selling a product type for which they have shown purchase intent. This increases the potential of the brand to reach and capture more new customers.

Cost savings

- The high cost of competitive keywords is pushing up CPCs for paid search. Search retargeting is less competitive than AdWords and the CTR is higher than typical display, resulting in lower CPCs. Reaching customers further down the funnel through retargeting reduces the need for a huge PPC spend, likely reducing costs.
- Retargeting is likely to replace less effective ad placement strategies, therefore display budgets are likely to result in a higher return.
- Content creation can also be made simpler, through standard ads that can be automatically personalised to individuals, rather than costly and time-consuming acquisition campaigns.

Voice of the expert – current trends

“Advertisers are becoming more aware of the value of measuring incrementality and starting to put less emphasis on chasing cheap clicks. For example, advertisers can show public service announcements — instead of ads — to a randomly selected group, and analyse the results compared to the group that sees retargeted ads. This reveals a much clearer picture of how much of the lift is attributable to the retargeting campaign.”

Adam Berke, President, Founding Team, AdRoll

¹ <http://seewhy.com/understanding-online-buying-behavior-part-ii-time-to-purchase-patterns/>

² http://www.comscore.com/Insights/Presentations_and_Whitepapers/2010/When_Money_Moves_to_Digital_Where_Should_It_Go

Strengths, Weaknesses, Opportunities and Threats (SWOT)

This section contains a SWOT analysis of the Display Retargeting market from the perspective of vendors. It also serves as a summary of some of the points made above.

Strengths

- Performance is the central strength of display retargeting; click-through rates, conversion rates, and ROI have all been seen by marketers to be significantly higher than from non-retargeted ads.
- The fact that retargeting is industry agnostic is a strength that is becoming increasingly evident as sectors other than retail see its benefits. With more companies across diverse sectors adding retargeting to their advertising strategies, expect to see a boom in industry growth over the next year.
- The growth in adoption is leading to rapid innovation by ad technology companies and retargeting vendors to provide, for example, cookie-less tracking and cross-device targeting.
- Vendors are competing to differentiate themselves among the numerous players in the industry at the moment. Over the next year, consolidation is likely to occur and those with the most robust technologies will prosper, benefiting advertisers.

Voice of the expert – industry strengths

“Having direct relationships with advertisers and publishers is undoubtedly a strength in this sector as it limits the number of middle-men and places the focus on efficiency and achieving the best return on investment. Direct relationships with publishers help to increase reach and give access to a quality supply of advertising inventory, as well as driving the ability to quickly match an ad to a user before purchase intent has diminished, wherever that user may be online.”

Jon Buss, UK Managing Director, Criteo

“The key benefit of personalised retargeting is performance: with unrivalled efficiencies and real-time media buying, advertisers can expect significant ROI. Beyond performance, retargeting can and should provide advertisers with true business insights and a solution that can match their unique goals and preferences.”

Laurent Gibb, VP Media, myThings

Weaknesses

- In the short-term, a weakness of the retargeting industry is that there is still a reliance on cookies for tracking customers for most types of retargeting. As one of the only large web data-holders, Google has a great deal of power in the industry, so any decision to stop or limit their use of cookies could have a large and potentially negative impact on the retargeting industry.
- Bad practices in the past have led to the retargeting industry being branded by some consumers as stalker-ish and ‘creepy’. Though the leading vendors have best practices in place, some consumers are still ‘put off’ by retargeting ads. In a survey by Marketing Land in December 2013, 38% of consumers said as much, and a further 46% said they ‘ignore them’.
- Companies are still learning how to exploit new retargeting technologies, especially within cross-device tracking, so experience among marketers can be lacking.



Voice of the expert – industry weaknesses

“The black box approach reigns supreme as most vendors are keeping advertisers in the dark even though they are the true owners of the data. With very limited visibility, they are unable to understand what's working well for their business and what's not. As one advertiser told us, ‘I've been doing retargeting for years but I have learned nothing’.”

Laurent Gibb, VP Media, myThings

“The competitive landscape is quite crowded; buyers are going to have to sift through all the players and complete some rigorous due diligence processes to find the right technology that serves their specific needs.”

Arjun Arora, Founder and Chairman, ReTargeter

Opportunities

- Mobile retargeting has been identified as the biggest opportunity in the retargeting industry by many of the biggest players. As the average spend on mobile increases, and the user experience on mobile devices improves, the opportunity presented by mobile retargeting will only get bigger.
- Video is another emerging opportunity for retargeting; developments in RTB for video ads mean that advertisers with the budgets to support it are exploring the medium for retargeting.
- An opportunity identified by featured vendor Chango is that of ‘flow advertising’; the targeting of customers in sequences, based on their reaction to the previous ad that was delivered. Ben Plomion, Chango's VP of Marketing, gave the following example, and predicted its growth in the next year. *“You might show a pre-roll on YouTube and then only retarget the consumer who watched the entire ad.”*
- Data silos within Google and Facebook present a challenge but also an opportunity for vendors of retargeting. Developing cookie-less technologies, or partnering with ad technology companies doing as such, is leading towards vendors being able to provide open, comprehensive and connected experiences for advertisers.

Voice of the expert – industry opportunities

“Mobile devices are responsible for a rapidly growing percentage of retailers' sales accounting for as much as 30% for more advanced retailers. The ability to provide highly relevant and individually personalised ads across all mobile devices, and optimise these in real-time to maximise sales is now the biggest opportunity for retargeting providers.”

Jon Buss, UK Managing Director, Criteo

“Advances in digital video technology and video RTB now enable brands to leverage the highly engaging video format to efficiently retarget users – through static retargeting or dynamic and personalised retargeting (which could be supported in an actual personalised video or in the form of a mini-site overlay on top of a brand video).”

Laurent Gibb, VP Media, myThings

“The biggest opportunities in the retargeting industry right now are quite simply, results. All marketers hear is big data this and big data that, they see and understand the opportunity and the opportunity for the vendors is to actually deliver results and make this data actionable.”

Ben Plomion, VP Marketing, Chango

“Challenges also create opportunities. Increased silo-ification of data by Google, Facebook, and others creates an opportunity for ad tech vendors to provide a neutral, unified experience for advertisers.”

Adam Berke, President, Founding Team, AdRoll



Threats

- Consumer privacy concerns and the threat that poses to the use of cookies is one of the biggest threats to the retargeting industry, especially for companies without the budget to invest in fledgling cross-device tracking technologies.
- With companies such as Google and Facebook in possession of a great deal of data, it remains to be seen how open they will be to sharing it with advertisers. If the tendency is towards a black box, a threat is posed towards progress in the retargeting industry.

Voice of the expert - industry

“The major challenges and threats to retargeting and generally speaking, the entire ad tech industry is consumer privacy. However, organisations like the IAB and others have been hard at work on creating the right regulations and restrictions to ensure that consumers won’t be at risk.”

Ben Plomion, VP Marketing, Chango

“Uncertainty with respect to legislation on data collection and ad targeting leaves us without a clear, long-term blueprint for balancing consumer privacy and the application of intent data. We’re also keeping careful watch of the move from third-party cookies to proprietary IDs controlled by Google, Facebook, Apple, Amazon, etc. It remains to be seen how open these companies will be with the data.”

Adam Berke, President, Founding Team, AdRoll

Costs and Pricing Models

Vendors of retargeting technologies charge on a number of different plans, which generally fit into the four options below:

- CPM: Cost per thousand impressions served
- CPC: Cost per single click
- CPA: Cost per action performed on a marketer's site
- Monthly fixed fee

The majority of vendors work on a CPM or dynamic CPM (dCPM) basis, the latter being where the vendor will bid on the highest quality inventory in an auction-based environment, at the lowest possible price. Some offer a choice of models. A CPM model can be best for brand awareness campaigns, because the point is not always to trigger an action, but rather to keep the brand front of mind. CPA, however, is more measurable so for short engagement, spur of the moment purchases, CPA can be a more useful cost model as performance can be immediately proved.

Most retargeting vendors also charge an upfront fee to begin a retargeting campaign, and some also have a minimum spend required. Exceptions include Google, who have no upfront fee and daily display budgets are set by the advertiser, though it must be noted that using Google will only reach users on the Google network, whereas others will reach up to 95% of the web's inventory.

Prices also vary depending on what level of account management is required. Packages range from no account management, through a team of dedicated managers, to provision of creative and product development services.

Voice of the expert

“It's dangerous to put disproportionate focus on pricing models, or to use a pricing model to address risk instead of minimising exposure through contractual minimums. Performance pricing doesn't eliminate risk: it only discourages transparency and limits advertiser control.”

Adam Berke, President, Founding Team, AdRoll

Tips and Pitfalls: finding the right supplier

Introduction

In order to identify the right retargeting solution for your advertising needs, it is important to know exactly what you want to achieve from your retargeting campaign:

- What are your retargeting objectives? For example brand awareness, reaching lapsed customers, upsell, cross sell etc.
- What type of product are you selling? Is it a quick-decision purchase or is the customer journey much longer?
- What kind of customers are you trying to reach? Lapsed customers, existing customers, those who have abandoned a basket, or new customers who have shown purchase intent?
- How much support do you need with retargeting your customers? Would you benefit from creative, testing and optimisation expertise and advice?
- How important to your brand is the reach and quality of the inventory in which your retargeted ads will appear, or do you simply want to appear where your customers go?

Voice of the expert

“With so much dependent on machine learning, the failure of a provider to accurately predict engagement by a user could result in lost revenue and poor user experience. It’s therefore vitally important to ensure advertisers are assured that their provider not only has a robust, tried and tested system but can provide assurances for a rapid response plan for any unforeseen issues.”

Jon Buss, UK Managing Director, Criteo

Account management

- The big decision here is whether you want a managed service or if you’re happy to do the work yourself. Some vendors can work on both levels of service, whereas others only offer one level.
 - Self-service: your own marketing team runs the campaigns using the product, with all testing, creative optimisation, customisation and reporting done yourself.
 - Full-service: the retargeting vendor runs the campaign for you, and depending on the level of service paid for, will test, optimise and report on the campaign for you.
- The level of account management will affect the price you pay for retargeting services. From completely self-service up to a team of creative, product development and optimisation experts, prices can rise steeply. Ensure you are aware of exactly how many people and how much time is dedicated to your individual campaign, and that there will someone available to you 24/7 in case something goes wrong.
- It is important to decide how much control you want to have over the reporting and metrics you are receiving from the vendor. Some give you access to all the data, and others, particularly full service vendors, do the analysis for you and just provide the reporting with further data only accessed on request.
- The account management team at some vendors are commissioned when you increase your spend as a result of cross-sell or up-sell, or adding products and services to your package. Make sure you are aware if this is the case.

Voice of the expert

“While technology is extremely important and there is great variation in who has the best technology out there,



don't forget about the humans. A lot of people get caught up on the technology and terms, jargon, etc. but what they forget is that there are actually real people behind all this programmatic technology as well. Chango prides itself as a company that has great people that our clients love to work with. That sometimes gets overlooked in a technology-driven world."

Ben Plomion, VP Marketing, Chango

"Does the vendor offer ecommerce companies an integrated technology platform that enables comprehensive campaign management? An easy-to-use dashboard and software and services that automate campaign processes can also be highly useful in reducing unnecessary complexity and cost associated with manual processes and multiple vendors and delivering efficiencies even as campaigns grow in size and complexity."

"The key to any relationship is trust. Trust is built through transparency. The retargeting industry is no different. Going forward, there needs to be greater levels of transparency between retargeters and marketers, showing exactly what retargeters are doing at every stage. Knowing exactly where your ad is being shown or what frequency caps are being used can help marketers improve both their campaigns and relationship with the user."

Sam Barnett, Founder and CEO, Struq

Technology capabilities and flexibility

- How suitable is the technology for your vertical and market? Look at the clients that vendors have and use this to assess how suitable the vendor is for your business. Particularly in terms of the inventory they can access across geographies, the vendor needs to have the expertise and knowledge to be able to fulfil your campaign goals.
- When choosing a vendor you need to ask questions around what their targeting is based on (products viewed, audience demographics, behaviour, site activity etc.), whether products can be shown dynamically, in real-time, and whether they can change and adapt the ad or messaging depending on a consumer's reaction to the previous.

Voice of the expert

"Does the provider allow for expansion into new markets and verticals? Does their technology effectively scale across new industry verticals and into emerging markets such as China and Asia? Targeting has traditionally been used in the retail, travel and classifieds sectors, so any businesses outside of these should identify how appropriate the technology is for a broad spectrum of businesses in other industries, including automotive, telecommunications, consumer goods and finance."

Jon Buss, UK Managing Director, Criteo

"The impact of retargeting on performance is crystal clear and should serve as the first step to separate the lions from the cubs. With strong performance a given, we suggest choosing a vendor that rather than offering a black box off-the-shelf solution, is capable of providing 1) in-depth transparency that will provide the advertiser with valuable business learnings that can be applied across his marketing activities, and 2) a solution that's customised to meet an advertiser's unique business and branding goals."

Laurent Gibb, VP Media, myThings



Ad quality and performance

- Dynamic personalisation is provided by the majority of vendors in some form or other. The more tightly targeted an ad is to the product viewed or search made (the *intent*), the better it converts, so if you have a high number of products, e.g. a clothes retailer, dynamic ads can give far better conversion rates than something generic which is not personalised.
- The look and feel of the ad unit is also important. The ability to personalise an ad can have the additional impact of making it look like a template, and not very slick. Some vendors have technologies which can help to resolve this problem and optimise the ad units, blending products into the ad space and improving their appearance.
- Ask vendors for case studies that prove performance in the way you'd like for your campaign. Depending on whether you're after conversion lifts, brand awareness or decreasing cart abandonment, certain vendors will be more suitable than others.

What the experts say

“Retargeting 1.0 showed that if you displayed a relevant product to a consumer they were more likely to click and buy a product through an ad. In the last six years, consumers have become far more aware of personalised ads and expect personalisation as part of their online experience.

“As such, technology vendors need to ensure that they are providing a truly personalised experience to each consumer, where every part of the ad is tailored to meet that individual consumer's needs. The biggest challenge for retailers is to ensure they are giving users a relevant and compelling brand experience as consumers' expectations increase.”

Sam Barnett, Founder and CEO, Struq

Inventory and data

- The size of the retargeter's network is important for all types of retargeting. The reach of some vendors is as big as 98% of the web, whereas others, such as Google Remarketing, cover only parts. For search retargeting, the size of the retargeter's data network and the number of sites with which it partners to receive search information is important, as that will affect how many consumers you can identify and target.
- The relationship the retargeter has with publishers is also important. Some access inventory exclusively through exchanges and DSPs, and others also have direct relationships with publishers, allowing them to access premium inventory directly.
- Talk to vendors about how they would target under different scenarios with the segmentation you provide them with. Those with audience targeting capabilities may be more suitable if factors such as demographics and geography are important.
- The level of transparency on campaign data and performance can vary among vendors. Transparency is good if you want to be hands-on with your campaigns, but that's not to say those vendors who do not provide all the data upfront are any lower in quality; some of the best-known vendors provide fully-managed solutions but with less data access. For some marketers this will be the simplest option; the vendor does the hard work making sense of the data, and you receive clear reports which you can use to inform strategy.

Voice of the expert

“Do they have access to display advertising inventory across a broad array of publishers via direct relationships and not just via exchanges? Direct publisher partner relationships are important as they allow for preferred access to portions of inventory that may not be available via exchanges.”

Jon Buss, UK Managing Director, Criteo

“Make sure the company you choose has access to as much inventory as possible, regardless of your company's spend.”

Arjun Arora, Founder and Chairman, ReTargeter

“Do they have access to high quality data? For algorithms to work best they need access to high quality data assets. These data assets include an advertiser's sensitive and proprietary data, such as transaction activity on their websites; publisher-specific data, such as the performance of advertisements previously delivered on a particular publisher's website; third-party data, such as customer demographic and behavioural data derived from third-party cookies; as well as internally developed data that includes vast and proprietary knowledge we have extracted from having delivered and measured responses to over 500 billion advertising impressions.”

Jon Buss, UK Managing Director, Criteo

“The impact of retargeting on performance is crystal clear and should serve as the first step to separate the lions from the cubs. With strong performance a given, we suggest choosing a vendor that rather than offering a black box off-the-shelf solution, is capable of providing 1) in-depth transparency that will provide the advertiser with valuable business learnings that can be applied across his marketing activities, and 2) a solution that's customised to meet an advertiser's unique business and branding goals.”

Laurent Gibb, VP Media, myThings



Supplier Marketplace and Profiles

Criteo

www.criteo.com

Product Name(s)

Performance Display Advertising

Company Proposition

Criteo is a leading global technology company that specialises in performance display advertising, working with over 4,000 advertisers around the world. Criteo enables companies to engage and convert their customers online whether they are on a desktop, laptop, tablet or smartphone. At the heart of what we do is our highly scalable, data-driven technology. Criteo offers marketers a performance display advertising solution that optimizes for customer sales. Based on a machine-learning algorithm engine that combines vast consumer data with the ability to make real-time decisions, Criteo is able to deliver highly relevant and personalised display advertisements across more than 40 countries.

Brief Company History

In 2005 ex-Microsoft employees Franc Le Ouay (current CSO) and Romain Niccoli (current CTO) began work on a unique algorithm for ecommerce businesses. Catching the interest of JB Rudelle (who became the third co-founder and the current CEO), the trio went on to launch a product recommendation website which continued to evolve and raise funding from private investors.

The first Criteo ad was served in 2008. Criteo's unique technology brought the performance of search to display advertising and the company went from strength to strength, turning profitable in 2009.

Criteo has achieved significant growth since its inception. Criteo partners with over 4,000 clients and has direct relationships with over 6,000 publishers worldwide. On October 30th, 2013 Criteo reached another exciting milestone and became publicly-listed on the Nasdaq stock exchange. Criteo has a global footprint with a significant presence in Europe, the United States and Asia through operations in over 40 markets with 16 offices and over 700 employees worldwide. In Japan, Criteo benefits from a joint venture with Yahoo! Japan which provides privileged access to its advertising inventory for delivering personalised display ads. In support of its growth, Criteo has been expanding its executive, sales and engineering teams, recruiting high profile talent from the technology and online advertising industries.

USP – What sets you apart from competitors?

Criteo has combined its ability to harness online data with its unique algorithms, allowing for real-time and consumer relevant segmentation.

Scale matched with Performance - Our solution is the result of over eight years of focused research, development and investment, and is supported by a flexible and scalable infrastructure.

Deep Data-Driven Understanding of Consumer Intent and Behaviour - We have access to two types of differentiating data: (1) valuable consumer purchase behaviour data, including products that a consumer has recently looked at or purchased; and (2) our own operating data and insights, which we have accumulated through our experience in delivering over 500 billion internet display advertisements.

Deep Liquidity of Demand and Supply - We have an extensive network of direct relationships with our clients and publishers, creating a deep and highly liquid marketplace



CLIENTS

La Redoute, Orange, Rakuten, Zalando, BMW, Dell, Espirit, Mango, Skoda, Expedia, Opodo

SECTOR SPECIALISATION

1. Retail
2. Travel
3. Classified
4. Other verticals: finance, auto...

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OTHER OFFICE LOCATIONS

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for internet display advertising inventory. This has enabled us to increase our reach and access to a quality supply of advertising inventory, driving our ability to quickly match an advertisement to a user before purchase intent has diminished, wherever that user may be online.

Mobile ready - Criteo's proprietary solution is available across leading mobile devices, allowing marketers to deliver online campaigns to the mobile web browser, where they can engage and convert customers who are increasingly using mobile devices for everyday purchase decisions.

Extensive Global Presence - We operate globally in over 40 countries and are well positioned to serve clients in nearly every market in which they seek to drive sales.



Appendix

Notes on the Pikslme methodology

- Pikslme uses a comScore list of the top 2,000 websites, and of these, 1,906 could be analysed in the UK and 1,926 in the US.
- As Pikslme's website scans start at the top of each domain. It is therefore possible that the scan of one or more websites didn't reach pages containing retargeters' tags; in those cases, the websites will appear as not having a retargeter deployed.
- If any vendor uses a tag/signature that Pikslme does not have a record of, their presence on a website would not be counted.
- Pikslme does not distinguish between websites containing retargeter tags which are delivering advertisements versus retargeters' tags that are collecting data, product details and measuring campaign performance.
- cloud.IQ was not included in the analysis as Pikslme were not able to find a suitable tag to track.
- Google evidently also provides remarketing services, both through Google Analytics and through Google Display Network (GDN). Pikslme works by crawling websites for a specific retargeting tag deployed by the vendors. Through Google Analytics, this tag is not specific to remarketing and it is therefore not valid to include it due to GA being such a widely used tool. Remarketing through GDN does have specific tags, however we were not able to identify a suitable tag to track for the purposes of the Pikslme analysis, so to maintain accuracy, Google was not included in the analysis.
- In *Figure 3*, ReTargeter and ReachLocal are not included in the chart as they do not have a UK presence.

Retargeter tag domains tracked

The following table shows the list of the retargeter tag signatures that Pikslme used to track, resulting in the charts in the *Market Data* section (*Section 3.2*). [Disclaimer: these tags were tracked when the data was collected in January 2014. Tags are subject to change.]

Company	Tag Domain	SId
AdRoll	adroll.com	adroll
Avail (Richrelevance)	avail.net	avail
Buysight (Advertising.com)	pulSEMgr.com	pulSEMgr
Captify	captifymedia.com	captifymedia
Chango	chango.com	chango
Criteo	criteo.com criteo.net	criteo
Dotomi		dotomi
eBay Enterprise	fetchback.com	fetchback
Magnetic Media Online	domdex.com magnetic.is	domdex magnetic
Main ADV	mainadv.com	mainADV
myThings	myThings.com myThingsmedia.net	myThings myThingsmedia
Perfect Audience	perfectaudience.com	perfectaudience
Rakuten MediaFORGE		mediaforge
ReachLocal	reachlocal.com	reachlocal
ReTargeter	retargeter.com	retargeter
RocketFuel	rfihub.com rocketfuelinc.com	frihub rocketfuelinc
Simpli.fi	simpli.fi	simpli
Sociomantic	sociomantic.com	sociomantic
Struq	struq.com	struq
TellApart	tellapart.com	tellapart
Triggit	triggit.com	triggit
Xplosion Interactive	xplosion.de	xplosion