

MOBILE

Facebook moves into mobile retargeting to capture brands' holiday spend

October 4, 2013



By LAUREN JOHNSON

Facebook is making a bigger push to be the king of mobile and social advertising this holiday season with a new mobile advertising product that will likely appeal to marketers looking to retarget consumers who have already downloaded a brand's mobile application.

[Sign up now](#)

Luxury Daily

Facebook's new mobile app install ads are aimed at solving one of mobile marketers' biggest frustrations in getting consumers to use an app more than once. Brands such as HotelTonight are testing the new ads to drive consumers to specific parts of an app.

"As app penetration increases, app marketing is quickly changing from direct response install campaigns, where usage was trivial, to re-engaging current consumers post-install," said Jeremy Sigel, client director of mobile at [Essence](#), New York.

"It is rumored that Apple may be shifting its algorithms to prioritize app engagements over initial install," he said. "Facebook's announcement is a response to this natural evolution in app marketing."

Unused apps

Facebook's new ads let marketers sponsor posts to drive awareness of a new app feature that is targeted to consumers who have already downloaded the app.

Advertisers using the new ad unit can pick from seven different calls-to-action that marketers can use to trigger consumers to open up an app. These include "watch video" and "play game."

For example, HotelTonight is testing the ad format to drive last-minute hotel bookings.

Consumers that click on the ads will direct users straight to the specific part of the app advertised.



HotelTonight's ads

"Facebook's new move to add a call-to-action to their mobile ads is very smart," said Howie Schwartz, CEO/founder of [Human Demand](#).

"This will increase the ROI for advertisers, which helps the overall ecosystem as advertisers will invest more into mobile when they see a return," he said.

Facebook will not know which consumers have an app downloaded. Instead, advertisers that track how many consumers have downloaded an app will be able to target those specific consumers with the advertising tool.

As more social media activity takes place through smartphones and tablets, Facebook is under increasing pressure to prove that the company can make money off of mobile.

Facebook claims that its mobile app install ads have driven 145 million iOS and Android app downloads this year for more than 8,000 advertisers, showing that there is a market and interest for these kinds of ads from brands.

As marketers gear up for holiday spend, Facebook's new ads could rake in substantial spend from marketers looking to push out holiday offers and deals via a mobile app.

Mobile is expected to play a greater role for brands pushing time-sensitive and tailored offers during the holidays, and it is likely that Facebook's new ads will help marketers

reach consumers through their news feeds.

Facebook's new ad format is also another example of the bets that marketers are taking with native ad placements, which likely hints at a move from mobile ad network buys to publisher-specific mobile media buying this holiday season.

"The potential for retail and travel is particularly rich here because unlike the initial app download which features more general branding, you can use the ad units to promote specific items," said Lisa Cucinotta, associate director of social at Resolution Media, Chicago. "Gaming will also likely find this a terrific opportunity to upsell features.

"With Facebook having reported that in 2013 more than 40 percent of their revenue is already coming from mobile advertising, this will likely help them to significantly grow revenue and attract more advertisers," she said.

Facebook's new ad format could also benefit marketers as an alternative to push notifications to keep consumers aware of new updates and content within an app.

Although push notifications have their benefits, if done incorrectly they still feel overwhelming to consumers and can be more invasive than seeing an ad.

By deep-linking the ads to a function within an app, Facebook's new ads also dig further into creating mobile ads that are action-driven.

Acquisition versus retention

As mobile becomes more mainstream for brands, marketers across verticals such as travel and retail are moving beyond simply driving downloads of a mobile app and are increasingly more focused on engaging with existent app users to build loyalty.

In fact, data from Flurry Analytics finds that re-engaged consumers use apps up to seven times more and make 2.6 times more purchases than app users that are not engaged.

Marketers are also becoming more proactive with mining some of the data from their apps to influence other areas of marketing, and Facebook's new mobile app ad could give marketers an extra tool in understanding app users.

"The app industry has been overly focused on downloads and confusing that with a long-lasting relationship with the customer – they are two very different things with customer engagement being much more important," said Simon Khalaf, president/CEO of Flurry Analytics, San Francisco.