

Digital Marketing

Week 10:

Digital Advertising & Retargeting

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Learning Objectives

- Define digital advertising and retargeting.
- Understand Indonesia's digital advertising landscape.
- Identify different types of digital ads and retargeting methods.
- Recognize benefits and challenges of retargeting.
- Apply retargeting strategies suitable for Indonesian consumers.
- Analyze real Indonesian case studies of retargeting campaigns.

Introduction to Digital Advertising

What is Digital Advertising?

Digital Advertising: Promotional messages delivered to consumers through digital or online media outlets, using interactive technologies that allow for real-time engagement, personalization, and direct response—anytime and anywhere.

(Lee Heejun & Cho Chang Hoan, 2019)



Types of Digital Advertising

- **Search Ads:** Text ads on search engines (Google Ads).
- **Display Ads:** Banner ads on websites.
- **Social Media Ads:** Ads on Facebook, Instagram, TikTok.
- **Video Ads:** YouTube and streaming platforms.
- **Native Ads:** Ads that blend with content.
- **Influencer Marketing:** Paid promotions by social media influencers.

Relevancy of Digital Advertising & Retargeting in Indonesia

- **Rapid Digital Growth**

- Internet penetration ~77% of population.
- 98% access via smartphones → Mobile-first marketing essential.

- **Diverse Digital Platforms**

- Google, YouTube, Facebook, Instagram, TikTok dominate user engagement.
- Video and short-form content highly effective.

- **Power of Retargeting**

- Re-engages users who showed interest but didn't purchase.
- Personalized ads based on behavior increase conversions.
- Maximizes return on ad spend by focusing on high-intent users.

- **Privacy & Compliance**

- Shift to first-party data and consent-based advertising.
- Aligns with Indonesia's Personal Data Protection Law (PDPL).

What is Retargeting?

Definition: Showing ads to **users who have previously visited** your website or interacted with your brand online.

Difference from Remarketing:

Often used interchangeably, but remarketing can also include email campaigns; retargeting is mainly display/social ads.

Goal: Bring back interested users to complete a purchase or action.

How Retargeting Works

- **Pixel tracking:** A small code (pixel) placed on your website tracks visitors.
- **Cookies:** Store user behavior data on their browsers.
- **Data collection:** Enables showing personalized ads when users browse other sites or social media.

Example:

A user visits an online store but leaves without buying; later sees ads for the same products on Facebook.



Types of Retargeting

- **Pixel-based Retargeting:** Tracks website visitors via pixels.
- **List-based Retargeting:** Uses customer email lists to target users.
- **Dynamic Retargeting:** Shows ads with the exact products users viewed.
- **Search Retargeting:** Targets users based on their search queries.
- **Social Media Retargeting:** Ads on platforms like Facebook and Instagram targeting previous visitors.



Retargeting Objectives

- **Increase conversions:** Target warm leads who showed interest.
- **Brand awareness:** Keep your brand top-of-mind.
- **Personalization:** Show relevant ads based on user behavior.
- **Customer journey:** Guide users through the sales funnel.



Benefits of Retargeting

- **Increase conversions:** Target warm leads who showed interest.
- **Brand awareness:** Keep your brand top-of-mind.
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Retargeting Platforms

Google Ads Display Network

Reach users across millions of websites.

Facebook & Instagram Ads:

Leverage social data for precise targeting.

TikTok Ads

Growing platform in Indonesia, effective for younger audiences.

Local platforms:

Tokopedia, Bukalapak also offer advertising options

Consumer Behavior in Indonesia

Cultural nuances:

Preference for local language (Bahasa Indonesia) and culturally relevant content.

Trust factor:

Indonesians often research extensively before buying online.

Social proof:

Reviews and testimonials heavily influence decisions.

Festive seasons:

Ramadan, Lebaran, and other holidays drive spikes in digital shopping.



Creating Effective Retargeting Ads

- **Personalization:** Use dynamic ads to show products users viewed.
- **Clear call-to-action:**

Buy Now!

VS

Limited Offer!

- **Visual appeal:** Use high-quality images and local cultural elements.
- **Incentives:** Discounts, free shipping to encourage conversions.

Frequency and Timing

- **Frequency capping:** Limit how often a user sees the same ad to avoid annoyance.
- **Timing:** Retarget users quickly after their visit for better recall.
- **Ad duration:** Typical retargeting window is 7–30 days depending on product type.



Measuring Campaign Success

**Click-Through
Rate (CTR)**

‰ of users clicking
ads.

**Conversions
Rate**

‰ who complete
desired action
(purchase, signup)

**Return on Ad
Spend (ROAS)**

Revenue generated
per ad dollar spent.

**Cost Per
Acquisition
(CPA)**

Cost to acquire one
customer.

Tools for Retargeting Campaigns

- **Google Ads Manager:** For creating and managing display retargeting.
- **Facebook Ads Manager:** For social media retargeting with detailed audience segmentation.
- **Third-party tools:** AdRoll, Criteo (less common in Indonesia but useful for advanced campaigns).



Case Study 1: Local E-commerce – Tokopedia

Strategy:

- Tokopedia partnered with RevX to implement dynamic retargeting that showed users personalized ads featuring the exact products they viewed but didn't purchase.
- This approach used advanced algorithms analyzing over 50 variables like browsing behavior, cart activity, and purchase propensity to segment users and tailor ads dynamically.



Case Study 1: Local E-commerce – Tokopedia

Results:

- **Conversion rates** increased by 20% during major sales events such as Tokopedia's monthly "Waktu Indonesia Belanja" (WIB) sale.
- **Click-through rates (CTR)** boosted by 3 times with dynamic ads.
- **Customer acquisition costs (CAC)** decreased by 90%.
- **Revenue and return on ad spend (ROAS)** significantly improved, especially through video ads and personalized offers.

Key Takeaway:

Personalization and precise timing are critical to re-engage users effectively. Using data-driven dynamic ads that reflect individual user preferences can dramatically increase conversions and reduce marketing costs.

Case Study 2:

Indonesian SME – Local Fashion Brand

Example:

A local Indonesian fashion brand used Facebook retargeting to re-engage visitors who browsed their website but didn't make a purchase.

Strategy:

They offered limited-time discounts through retargeted ads, creating urgency and encouraging users to return and complete their purchase.

Result:

Achieved a 35% increase in online sales within just 3 months.

Lesson:

Small and medium enterprises (SMEs) can leverage affordable retargeting tools like Facebook Ads to grow their business effectively, even with limited budgets.

Challenges in Retargeting

- **Privacy concerns:** Users may feel ads are intrusive.
- **Ad fatigue:** Overexposure can reduce effectiveness.
- **Technical issues:** Pixel misplacement or cookie blocking affects tracking accuracy.
- **Ad blockers:** Growing use can limit reach.



Ethical Considerations

- **Transparency:** Inform users about data collection and ad targeting.
- **User consent:** Comply with Indonesia's Personal Data Protection regulations.
- **Avoid intrusive ads:** Respect user experience and avoid excessive frequency.



Privacy-Friendly Retargeting Practices

First-Party Data Retargeting

Use data collected directly from your website or app with user consent to personalize ads without sharing data externally.

Anonymous Cookies & Pixels with Consent

Use tracking tools that don't collect personal info and ensure users are informed and can opt out.

Transparent Privacy Policies

Clearly explain data collection and usage, building trust and complying with Indonesia's PDPL.

AI-Driven Cookie-Free Retargeting

Use advanced tech to retarget based on real-time behavior without relying on cookies.

Contextual Targeting

Show ads based on the content users are currently viewing, avoiding tracking across multiple sites.

User Opt-Out Options

Provide easy ways for users to control or stop personalized ads.

Secure Data Handling

Encrypt and protect user data to prevent breaches and misuse.

Optimizing Retargeting Campaigns

- **A/B testing:** Test different ad creatives, messages, and offers.
- **Audience segmentation:** Separate users by behavior (cart abandoners, product viewers).
- **Adjust bids:** Focus budget on high-value segments.



Retargeting for Brand Awareness

- **Repeated exposure:** Builds familiarity and trust over time.
- **Top-of-mind recall:** Helps users remember your brand when ready to buy.
- **Use storytelling:** Ads that tell a brand story can create emotional connection.



Retargeting for Conversion

- **Clear incentives:** Discounts, free delivery, limited-time offers.
- **Simplify purchase:** Direct links to product pages or checkout.
- **Urgency:** Use countdown timers or stock alerts.



Cross-Selling and Up-Selling

- **Cross-selling:** Suggest complementary products (e.g., phone case with a smartphone).
- **Up-selling:** Promote premium versions or bundles.
- **Retargeting ads:** Dynamically show these offers based on user purchase history.



Integrating Retargeting Strategies Across Multiple Channels

Reach Customers Where They Are

Use multiple platforms—Google Display, Facebook & Instagram, TikTok, YouTube, LinkedIn—to connect with your audience across devices.

Leverage Cross- Device Retargeting

Target users seamlessly across desktop, mobile, tablet, and connected TV for greater reach and frequency.

Use Data-Driven Audience Segmentation

Segment users by behavior and engagement to tailor messages per channel and increase relevance.

Coordinate Timing and Frequency

Manage ad frequency and sequence across channels to avoid ad fatigue and maximize impact.

Create a Consistent Brand Message

Deliver cohesive and complementary ads across channels to build a unified brand story throughout the customer journey.

Employ Dynamic Retargeting

Show personalized ads based on user actions like product views or cart abandonment across all channels.

Measure and Optimize Holistically

Track performance across channels to refine budgets, creatives, and targeting for better ROI.

Future Trends in Digital Advertising

- **AI and Automation**
Smarter ad targeting, creative optimization, and programmatic buying powered by AI.
- **Privacy Changes**
Shift to cookieless tracking, growing importance of first-party data and user consent.
- **Video and Interactive Ads**
Increasing engagement through short-form videos and interactive formats on platforms like TikTok and Instagram.
- **Omnichannel Retargeting**
Integrating online and offline data for seamless, personalized customer experiences across channels.

Summary and Key Takeaways

- Digital advertising is vital in Indonesia's growing online market.
- Retargeting helps convert interested users into customers.
- Personalization, timing, and mobile-first approach are crucial.
- Ethical practices and privacy compliance are mandatory.
- Continuous optimization improves campaign success.



Thank You.

– Digital Advertising & Retargeting –

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