

# Impact of Social Media Retargeting on Customers with Reference to Coimbatore City

Bavadharini .B

Faculty-Management Studies,

International Institute of Hotel Management, Bangalore, India

[bavadharini2601@gmail.com](mailto:bavadharini2601@gmail.com),

**Abstract** - Social media retargeting works by connecting you with shoppers who have already visited your site on social channels while incorporating shopper behavior from the open web. As shoppers browse elsewhere after they leave your site, social retargeting can reintroduce them to products they're already interested in and offer them a promotion that encourages them to return to your website and purchase. Facebook and Instagram make it easy for marketers to retarget consumers with a variety of ad formats. The study aimed to identify the opinion of online shoppers about social media retargeting and examine the relationship between the frequency of social media use, clicks, and conversion. The data was analyzed using descriptive analysis, ordinal regression, and chi-square. The study's findings provide insight into the effectiveness of using Social media re-targeting. The results showed that Social media ads are effective in making consumers progress through the purchasing process and that highly personalized ads result in a lower click-through-rate but higher conversion rate than medium personalized ads.

**Index Terms** – Social Media Retargeting, Retargeting, Retargeting ads, Behavioral targeting, Personalized ads, Ad frequency, Clickthrough rate (CTR), Remarketing, Cross-platform advertising, Retargeting Campaigns, Dynamic Retargeting

## I. INTRODUCTION

Social media retargeting works by connecting you with shoppers who have already visited your site on social channels while incorporating shopper behaviour from the open web. As shoppers browse elsewhere after they leave your site, social retargeting can reintroduce them to products they're already interested in and offer them a promotion that encourages them to return to your website and purchase. Facebook and Instagram make it easy for marketers to retarget consumers with a variety of ad formats. When someone visits your website and adds something to a cart, views a product, or buys something, your retargeting partner drops a cookie to report this action. The cookie lets your retargeting partner know when one of your bounced visitors appears on another site or social platform, such as Facebook or Instagram. The cookie visitor will then be served an ad based on prior engagement and purchase intent. As more actions are taken on your site, your retargeting partner will improve at displaying ads to the right person at the right time, on the right device. Setting up social media retargeting campaigns requires minimal effort, but maximizing efficiency involves significant analysis and optimization. Despite the investment of time and resources, brands continue to commit to the strategy.

## II. LITERATURE SURVEY

**Keng-Chieh Yang, Chia-Hui Huang and Chen-Wei Tsai** conducted a study on Applying Reinforcement Theory to Implementing a Retargeting Advertising in the Electronic Commerce Website. They reviewed the retargeting technique and explained how it worked. The study was designed the retargeting technique to persuade the potential customers to go back to the ecommerce website to complete the shopping.

**Lambrecht and Tucker** conducted a study on when does retargeting work- Information Specificity in Online Advertising. The study was conducted using secondary data. They used data from a field experiment conducted by an online travel firm. The data suggested that dynamic retargeted ads are, on average, less effective than their generic equivalents. The study revealed that dynamic retargeted ads are on an average less effective than their generic equivalent for conversion.

**Chiara Vassallo** conducted a study on the effectiveness of ad retargeting in social networking sites. The aim of the study was to assess two ad features, the degree of ad personalization and the offer of a discount influence and the effectiveness of social media retargeted ads, focusing on behavioral retargeting in Facebook. They study used descripto-explanatory approach was, analyzing both secondary data from three Facebook promotional campaigns and primary data collected through two experimental retargeting campaigns. Results of the study showed that Facebook retargeted ads are effective in making consumers progress through the purchasing process, and that highly personalized ads result in lower click-through-rate but higher conversion rate compared to medium personalized ads and the offer of a discount increases the effectiveness of Facebook ads for first time visitors, but not for returning ones.

**Kantola** conducted a study on the effectiveness of retargeting in online advertisement. Data was collected from two European e-commerce companies who had similar retargeting campaigns. The performance was analyzed using variables measuring customer engagement, time spent on the website and conversion rates for performing the desire action. The results of the study revealed that mentioning a discount in the advertisement can improve performance, but the effect is industry-specific.

**Thomas W .Frick and Ting Li**, conducted a study on Personalization in Social Retargeting .The study was a comparison between effectiveness of product- specific and category specific advertising personalization in Social Retargeting. The study was conducted using secondary data.They conducted a large-scale randomized field experiment in collaboration with a major e-retailer. The study revealed that product- specific ads outperform less personalized category-specific ads

**Lisa Farman, Maria Leonora (Nori) Comello and Jeffrey R.Edwards** conducted a study on Are Consumers Off by Retargeted Ads on Social Media? Evidence for Perceptions of Marketing Surveillance and Decreased Ad Effectiveness. The data was collected from 280 respondents. The study revealed that consumers consider the retargeted ad as creepy and behavioural targeting had a positive direct effect on purchase intent, but it also had a negative indirect effect.

**Navdeep S. Sahni, Sridhar Narayanan and Kirthi Kalyanam** conducted a study on An Experimental Investigation of the Effects of Retargeted Advertising – the Role of Frequency and Timing. They conducted a large-scale randomized field experiment to study the effects of retargeted advertising – a form of internet advertising in which banner ads are displayed to users after their visit to the advertiser’s web site in collaboration with an online seller of home-improvement products. They found that retargeting increases consumer engagement with the website and also turning the advertising on causes 14.6% more users to return to the website in four weeks. We the effectiveness of advertising decreases as the time since the consumer first visits the website increases. 33% of the effect of first week’s advertising occurs on the very first day.

**Ting Li, Dimitrios Tsekouras and Jing Gong** conducted a study on Onsite retargeting. They used data from a randomized field experiment with an online retailer to compare the effectiveness of two types of onsite retargeting, retargeting based on viewed items (view-based retargeting), and retargeting based on items in consumer’s Wishlist (Wishlist-based retargeting). The study revealed that Wishlist-based retargeting is more effective in attracting clicks and conversions for the retargeted product; however, its incremental effectiveness declines for the recommended products.

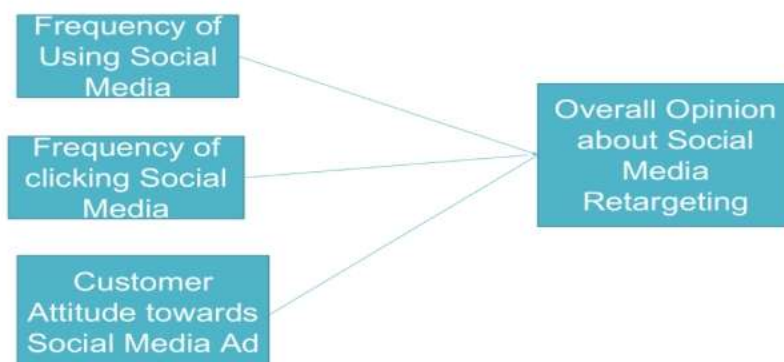
**Takeshi Moriguchi, Guiyang Xiong and Xueming Luo** conducted a study on Retargeting Ads for Shopping Cart Recovery: Evidence from Online Field Experiments. The study used several randomized field experiments to test how the effects of retargeting ads vary depending on the ad copy content and purchase funnel stages. The study suggested that

compared to the hold out without retargeting, the retargeting ads in lower funnel based on shopping cart abandonment history can engender significant incremental purchase responses.

The review of research clearly indicates that very few studies are available on Social media retargeting in India and many studies are done on focusing on social media marketing and retargeting. So the study proposes to analyze the “Impact of social media retargeting on customer”.

## Research Methodology

The study examined how social media retargeting has created an impact on consumers. SPSS Software was used for data analysis. The research design used for the study is Descriptive Research Design. The descriptive research design is used for fact finding and describes the state of affairs as it exists at present. The sampling techniques used for the study is convenience sampling. Convenience sampling is a type of non-probability which involves the sampling being drawn from the part of population which is closed to hand. The primary data was collected directly from respondents by issuing questionnaire to the respondent. The study covers the people from urban, semi-urban and rural of Coimbatore district. The sample size of 160 respondents is selected using convenience sampling techniques. For the present research work, different statistical tools were used to analyze the data. The statistical tools used in the study are selected based on the suitability to inspect the research objectives by using Statistical Package for the Social Science (SPSS). The statistical tools used in the research are Simple Percentage Analysis, Mean Score Value, ANOVA and Crosstabulation.



**Fig 1. Conceptual framework for Impact of Social Media Retargeting**

## IV. Analysis and Interpretation

**Demographic Profile Based on Percentage Analysis:** The demographic profile of the respondents shows the basic information of the selected respondents under the study. In the study, age, gender, location, educational qualification, occupation, marital status, income, no ;of earning members in the family was included as demographic factors for research. It is an essential part of the study for interpretation of the basic information’s of the selected respondents. The data analysis of the demographic profile is explained in following:

**Age:**

S.no	Age	Frequency	Percentage
1	18-25	115	71.9
2	25-35	35	21.9
3	35-40	10	6.3
Total	160	160	100.0

The above table interprets that 71.9% of the respondents belong to age category 18-25, 21.9% belong to 25-35 and 6.3% of the respondents belong to 35- 40 age category.

**Gender:**

S.no	Gender	Frequency	Percentage
1	Male	77	48.1
2	Female	83	51.9
Total	160	160	100.0

The above table interprets that 71.9% of the respondents belong to age category 18-25, 21.9% belong to 25-35 and 6.3% of the respondents belong to 35- 40 age category.

**Location:**

S.no	Location	Frequency	Percentage
1	Urban	111	69.4
2	Semi-Urban	29	18.1
3	Rural	20	12.5
Total	160	160	100.0

The above table interprets that 69.4% of the Respondents belong to Urban.18.1% of the belong to semi-urban and 12.5% of the respondents belong to Rural.

**Educational Qualification:**

S.no	Educational Qualification	Frequency	Percentage
1	Undergraduates	93	58.1
2	Postgraduates	56	35.0
3	Others	11	6.9
Total	160	160	100.0

The above table interprets that 58.1% of the respondents are Undergraduates, 35% of the respondents are Postgraduates and 6.9% of the respondents belong to Others.

**Occupation**

S.no	Occupation	Frequency	Percentage
1	Student	94	58.8
2	Employed	39	24.4
3	Self- employed	27	16.9
Total	160	160	100.0

The above table interprets that 94% of the respondents are Students,24.4% are employed and 16.9% of the respondents are Self-employed.

**Marital Status**

S.no	Marital Status	Frequency	Percentage
1	Single	122	76.3
2	Married	38	23.8
Total	160	160	100.0

The above table interprets that 76.3% of the respondents are Single and 23.8% of the respondents are Married

**Income:**

S.no	Occupation	Frequency	Percentage
1	10,000-20,000	19	11.9
2	20,000-30,000	25	15.6
3	30,000-40,000	3	1.9
4	40,000-50,000	10	6.3
5	Above 50,000	21	13.1
6	Family Income	82	51.2
Total	160	160	100.0

The above table interprets that 11.9% of the respondents belong to income of 10,000-20,000 ,15.6% to 20,000-30,000, 1.9% to 30,000-40,000, 6.3% to 40,000-50,000 ,13.1% to above 50,000 and 51.2% to Family Income

**No: of Earning members in the Family**

S.no	No: of earning members in the family	Frequency	Percentage
1	One	60	37.5
2	Two	64	40.0
3	Three	26	16.3
4	More than three	10	6.3
Total	160	160	100.0

The above table interprets that 37.5% of the respondents have only one earning member in their family,40.0% have two earning members, 16.3% have three earning members and 6.3% have more than three earning members.

**Online shopping based on Percentage Analysis:** Online shopping is the outcome of the social media retargeting. In the study, whether they do online shopping or not, how frequently they do was included. The data analysis is explained in the following

**Online Shopping**

S.no	Online shopping	Frequency	Percentage
1	Yes	157	98.1
2	No	3	1.9
Total	160	160	100.0

The above table interprets that 98.1% of the respondents do online shopping and 1.9% of the respondents does not do online shopping

**Frequency of Online shopping:**

S.no	Frequency of Online shopping	Frequency	Percentage
1	Rarely	50	31.3
2	Sometimes	94	58.8
3	Often	13	8.1
4	Very Often	3	1.9
Total	160	160	100.0

The above table interprets that 31.3% of the respondents do online shopping rarely, 58.8% do online shopping sometimes, 8.1% often and 1.9% very often.

**Online Buying Behavior based on Percentage Analysis :** As online shopping is the outcome of the social media retargeting, it is essential for the marketers to know about which website the consumers prefer and which product they prefer to buy the most, so these factors were included in the study. The data analysis is explained as follows.

#### Preference of Website for Online Shopping:

S.no	Preference of website	Frequency	Percentage
1	Amazon	113	70.6
2	Flipkart	37	23.1
3	Myntra	8	5.0
4	Others	2	1.3
Total	160	160	100.0

The above table interprets that 70.6% of the respondents prefer Amazon for Online shopping, 23.1% prefer Flipkart, 5% prefer Myntra and 1.3% prefer others.

**Social Media Behavior based on Percentage Analysis :** Before doing Social media retargeting, it is essential for the marketers to analyze the social media behavior of the consumers. In the study, how frequently people use social media, which social media they prefer and how frequently they click social media advertisements were analyzed. The data analysis is explained as follows:

#### Frequency of using Social Media:

S.no	Frequency of using Social Media	Frequency	Percentage
1	10-times a day	99	61.9
2	10-20 times a day	39	24.4
3	More than 20 times a day	22	13.8
Total	160	160	100.0

The above table interprets that 61.9% use Social media 10 times a day, 24.4% use 10-20 times a day and 13.8% use more than 20 times a day.

#### Preference of Social Media:

S.no	Preference of Social Media	Frequency	Percentage
1	Facebook	19	11.9
2	Instagram	137	85.6
3	Twitter	4	2.5
Total	160	160	100.0

The above table interprets that 11.9% of the respondents prefer Facebook,85.6% prefer Instagram and 2.5% prefer Twitter.

#### Frequency of Clicking Social media Advertisement:

S.no	Frequency of Clicking social media Advertisement	Frequency	Percentage
1	Always	3	1.9
2	Sometimes	121	75.6
3	Never	36	22.5
Total	160	160	100.0

The above table interprets that 1.9% of respondents clicks social media advertisement always,75.6% of respondents clicks sometimes and 22.5% never.

**Social Media Retargeting based on Percentage Analysis:**The aim of the study was to find out the impact of social media retargeting on consumers. In this study whether they are aware of social media retargeting and how they feel about this strategy are analyzed. The data analysis is explained as follows

#### Awareness of Social Media Retargeting:

S.no	Awareness	Frequency	Percentage
1	Yes	111	69.4
2	No	20	12.5
3	May be	29	18.1
Total	160	160	100.0

The above table interprets that 69.4% of respondents are aware of Social media retargeting,18.1% are little bit aware and 12.5% does not know about social media retargeting.

#### Opinion on Social Media Retargeting:

S.no	Opinion	Frequency	Percentage
1	Acceptable	33	20.6
2	Annoying	9	5.6
3	Disturbing	7	4.4
4	Irritating	14	8.8
5	Relevant	54	33.8
6	Useful	43	26.9
Total	160	160	100.0



The above table interprets that 20.6% of respondents feel social media retargeting as acceptable, 5.6% feel it is annoying, 4.4% feel it is disturbing, 8.8% feel it is irritating, 33.8% feel it is relevant and 26.9% feel it is useful

## Crosstabulation

### Crosstabulation for Frequency of using Social media and Frequency of clicking Social media advertisement:

One of the objectives of the study was to evaluate the frequency of clicking social media advertisement. Cross tabulation gives a clear picture about the scenario.

Cross Tabulation		Frequency of clicking Social Media Advertisement			Total
		Always	Never	Sometimes	
Frequency of using Social Media	10 times a day	1	18	80	99
	10-20 times a day	0	11	28	39
	More than 20 times a day	2	7	13	22
Total		3	36	121	160

The above table interprets that 99 respondents use social media 10-times a day out of which, 1 clicks social media advertisement always, 18 respondents do not click and 80 respondents click social media advertisement sometimes. 39 respondents use social media 10-20 times a day, out of which no one clicks social media advertisement always, 11 do not click and 28 sometimes click social media advertisement. 22 respondents use social media more than 20 times a day, out of which 2 clicks social media advertisement always, 7 does not click and 13 clicks social media advertisement sometimes. So, we can infer that the chances of clicking a social media advertisement are 50-50, people sometimes click the social media advertisement and sometimes they do not click a social media advertisement

## Descriptive Analysis

Descriptive Statistics					
Customer Attitude	N	Minimum	Maximum	Mean	Std. Deviation
I have noticed Product Ads after leaving a Website in Social Media	160	1	5	4.41	.954
I have received personalized targeted advertisement after leaving a website in Social Media to my interests	160	1	5	4.36	.907
I have purchased immediately after receiving those advertisements from Social Media	160	1	5	2.68	1.353
I have received targeted advertisement after leaving a Website in Social Media	160	2	5	4.31	.848



I have purchased products from after receiving those advertisements from Social Media	160	1	5	3.33	1.430
I have used offers from that advertisement	160	1	5	3.38	1.529
I would forward those targeted advertisements to my friends and family	160	1	5	3.50	1.501
I trust Social Media Ads	160	1	5	3.44	1.553
Social Media Ads increases my loyalty towards the brand	160	1	5	3.49	1.454

The above table interprets that, the respondents strongly agree that they have noticed a social media ad after leaving a website(mean=4.41), they strongly agree that they have received targeted advertisements after leaving a website in a Social media (mean=4.31) and strongly agree that they have received personalized targeted advertisement to their interests in social media (mean=4.36). Respondents slightly disagree that they have purchased products after receiving retargeted advertisements from social media(mean=3.33) and strongly disagree that they have purchased immediately after receiving those advertisements mean(2.68). Respondents slightly disagree that they have used offers from those retargeted advertisements (mean=3.38) and also they slightly disagree that they forward those advertisements to their family and friends. Respondents slightly disagree that they trust social media ads (mean=3.44) and it increases their loyalty towards brand(mean=3.49).

## Rank Analysis

### Preferred product for Online Shopping:

Product	Rank
Clothes	1
Gift Articles	9
Beauty Products	5
Accessories	3
Household Products	4
Gadgets	2
Travel Accessories	7
Books	6
Stationery	8

The above table interprets that respondents first prefer clothes for online shopping, and least preferred is gift articles. They also give preference to other products such as gadgets, beauty products, accessories, household products, travel accessories, books and stationery.

## ANOVA

### Demographic Profile and Frequency of Clicking Social Media Advertisement:

N-way ANOVA was used for this analysis

Frequency of clicking Social Media Advertisement

Source	Type III Sum of Squares	df	Mean Square	F	Sig.
Age	1.143	2	0.571	2.889	0.59
Gender	1.555	1	1.555	8.019	0.005
Location	0.385	2	0.192	0.99	0.389
Educational Qualification	0.265	2	0.132	0.51	0.523
Occupation	0.191	2	0.095	0.468	0.627
Marital status	0.808	1	0.808	4.066	0.045
Income	1.553	5	0.311	1.561	0.174
No.of earning members in the family	0.711	3	0.237	1.174	0.322

The above table interprets that as the significance value is less than 0.05, there is significant relationship between gender and frequency of clicking social media advertisement and between marital status and frequency of clicking social media advertisement. As the significance value is greater than 0.05, there is no significant relationship between age and frequency of clicking social media advertisement, location and frequency of clicking social media, educational qualification and frequency of clicking social media advertisement, occupation and frequency of clicking social media advertisement, income and frequency of clicking social media advertisement, no. of earning members in the family and frequency of clicking social media advertisement.

## V. Findings and Conclusion

We can infer that people are aware and relevant about Social media retargeting and the chances of clicking a social media advertisement are 50-50, people sometimes click the social media advertisement and sometimes they do not click a social media advertisement. Respondents first prefer clothes for online shopping, and least preferred is gift articles. There is significant relationship between gender and frequency of clicking social media advertisement and between marital status and frequency of clicking social media advertisement and there is no significant relationship between age and frequency of clicking social media advertisement, location and frequency of clicking social media, educational qualification and frequency of clicking social media advertisement, occupation and frequency of clicking social media advertisement, income and frequency of clicking social media advertisement, no. of earning members in the family and frequency of clicking social media advertisement. Social media retargeting is a tool converting customer interest into sales by showing the product of their interest on different social media platforms like media sharing network, discussion forums, social gaming, social networking, etc., it has numerous benefits. It is an easy way to gain customers for a product and service. It is the responsible for the marketers to use it effectively and efficiently.

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