

# Reducing Audience Overlap to Improve Multi-Channel Conversion Rates

As digital marketers, we're well-aware that developing a strong media strategy can be a challenging puzzle. Without the right team or technology, serving the right message at the right time to the right people can feel nearly impossible.

We strongly believe in the power of a data-driven, audience-first approach to digital media. Your target audience and their propensity to buy is core knowledge for meeting business KPIs and driving explosive growth. As a fundamental practice, avoiding audience overlap will be crucial to making this strategy successful.

## What does audience overlap look like?

As you're building out a media strategy, you're likely segmenting users by their unique behavior or demographics and designing messaging to speak to those differences. To a cart abandoner, you probably have more aggressive messaging in your ads than, say, an ad to your 7-day lapsed remarketing pool.

But in this example, have you considered the users that abandoned their cart more than 7 days ago? They have a higher propensity to convert than the others in your remarketing list because they made it to the final page in your customer journey, but they're not as warm as your cart abandoners from yesterday.

These instances—users belonging to multiple granular segments based on their behavior or demographics—are called audience overlap.



### User 1 is part of these audience segments:

- > Cart Abandoners
- > 7-Day Lapsed Remarketing
- > March 2020 Prospecting Audience

### User 2 is part of these audience segments:

- > Purchasers from the last 7 days
- > Purchasers from the last 30 days
- > Q1 Purchasers



### User 3 is part of these audience segments:

- > Summer Promotion Purchasers
- > BTS 2019 Look-alike Purchasers
- > Back to School Prospecting 2020



## Why is audience overlap a problem?

In short: not all audience segments are created equal.

Take the example of User 1 from the above chart. They entered your funnel in a prospecting campaign from this past March, and last week they visited your site. While browsing, they added items to a cart and abandoned the page before confirming their order. Now, they (and others with similar behavior) belong to 3 audience segments with a wide range of placements in your marketing funnel.

If you're running any kind of creative variations or testing per stages in the funnel (if not, oh no!), this audience overlap means User 1 is simultaneously in top- and bottom-of-funnel campaigns and precious media dollars will be spent serving them top-of-funnel, brand awareness creative. That spend could be better allocated towards bottom-of-funnel messaging, such as a special offer or discount code to push conversions.



### Which creative will you show User 1?

#### ✓ Cart Abandoners



This audience has a very high intent and propensity to convert. Drive them toward purchase with a **discount code/special offer**.

#### ✓ 7-Day Lapsed Remarketing



This audience has a medium-high intent and propensity to convert. Drive them further down the funnel with **more product details**.

#### ✓ March 2020 Prospecting Audience



This audience has a low intent and propensity to convert. Familiarize them in your funnel with **brand awareness messaging**.

This is granular, but essential, and it's happening on a large scale every day with your audiences. Without the granular insights to see these varied audience segments and paired creative, you'll waste hard-won budget in careless ways. If you're not meeting your audience where they are in the funnel with your messaging and creative, you aren't stretching your media budget as far as it can go.

To be successful, the targeting in your audience-first strategy should include what we at Rise call "waterfall exclusions."

## What is a waterfall audience strategy?

In a waterfall audience strategy, strategic audience mapping is leveraged to accomplish multiple, simultaneous goals:

- Minimize audience overlap across an account to reduce wasted spend
- Increase engagement by delivering funnel-specific creative
- Improve the customer experience and drive more conversions with relevant messaging

This strategy requires marketers to segment audiences and retain users in their lowest-funnel grouping. Intelligent exclusions keep high-intent audiences, such as your remarketing pool, exposed to creative proven to drive the highest conversion rate. Borrowing from the example above, a waterfall exclusion strategy would keep User 1 in the Cart Abandoners segment and exclude them from all other audience segments. With this approach, we can guarantee that brand messaging served to this user (and related users) will indubitably speak to their highest propensity to convert.

## Mapping out your strategy: what it looks like

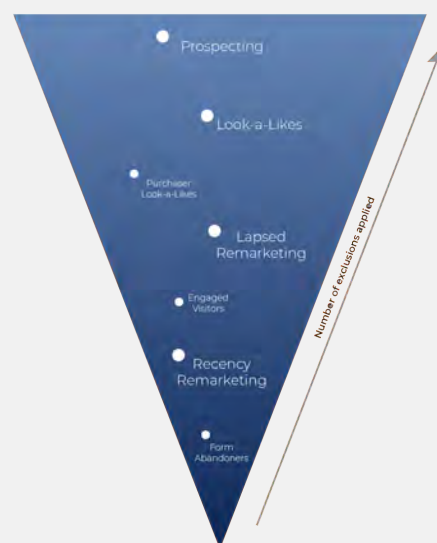
In your funnel, the audience with highest propensity to convert should have the fewest amount of exclusions. As you work your way up the funnel, all audiences should be excluded from your widest, most top-of-funnel prospecting audience.

## The effect on your bottom line

When run strategically, a waterfall exclusion strategy can be an evergreen initiative built for supporting peak seasonality. During high-demand times, more consumers than ever are searching for your products. Taking advantage of this by pushing spend into strong prospecting campaigns will widen your upper-funnel and grow your waterfall even further.

Driving incremental revenue with a data-driven waterfall strategy starts with taking a granular look at which prospecting tactics throughout the year are bringing the most new users to your site per impressions (e.g., CTR, Visit Rate, etc.). Most digital marketers will jump to programmatic for this purpose—an incredibly strong channel for prospecting—but a truly savvy digital marketer will look deeper than that.

A cross-channel understanding of the specific tactics and subtactics that capture high-intent prospecting audiences will be a gold-mine for a massively profitable audience strategy. Use that data to get in front of your audiences at peak seasonality to bring them into the funnel, and deploy an evergreen waterfall strategy to nurture them toward conversion with creative that meets them where they are.



## We'll prove it.

When ColourPop deployed a waterfall audience strategy, the improvement in efficiency and relevancy boosted their prospecting return on ad spend by 74% and in turn increased revenue by 124%. In addition to these quick wins, the strategy aided out-of-stock and product management by designing agile audience transitions where remarketing pools could be cross leveraged for related new product launches, while fueling further lower-funnel growth.

**Let's get your brand these results.** If your audience strategy isn't as savvy as your team, reach out to Rise. Our proprietary technology is designed to empower marketers just like yourself to make smarter business decisions with granular insights across audiences, ad units, messaging, and more.

COLOURPOP

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