



# HOW TO TARGET LOCAL CUSTOMERS WITH FACEBOOK

Understanding Facebook's New Local Awareness Ads

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## Facebook Becomes Location Aware

Facebook is the world's most popular social network, with 1.35 billion active monthly users as of September 2014. The average U.S. adult spends 40 minutes per day on the platform. For advertisers, Facebook is a treasure trove of user data: where we live, where we work, where we went to school, what we like, and most recently where we are.

Since first introducing ads into the network, Facebook has continually evolved its ad platform to allow businesses to more effectively target consumers. In October, Facebook introduced what it's calling Local Awareness ads, which allow businesses to target nearby consumers by placing ads in users' News Feeds.

While all types of businesses can benefit from this feature, those with brick-and-mortar locations have the most to gain. Historically, the majority of Facebook advertisements have driven to e-commerce because online conversion has been easier to track. However, Local Awareness ads open the door for brick-and-mortar locations to target nearby users with relevant, actionable ads to drive foot traffic.

This whitepaper aims to help marketers better understand and leverage Facebook Local Awareness ads to more precisely target offline retail spending, which accounts for 94% of total retail spending according to the U.S. Commerce Department.

## Geotargeting

Like previous Facebook ad products, Local Awareness ads allow businesses to refine their targeting to reach potential customers based on age and gender, with the obvious addition of identifying customers whose home or most recent location is within a geotargeted radius of the business. Facebook gathers users' location data from a number of sources:

- Profiles
- IP addresses
- Data from mobile devices if location services are enabled
- Aggregated information about the location of friends

Using these sources, Facebook is able to build a uniquely detailed understanding of users' personal location data. From the perspective of both the advertiser and the user, location relevance is hugely influential. A recent Gannett G/O Digital study of 1,000 U.S. adults found 27% felt that "ads that are targeted based on [their] current location" were the most likely to influence them to interact with a

**Which of the following criteria is MOST LIKELY to influence you to interact with a Facebook ad from a local/small business?**



Source: Gannett G/O Digital, 2014



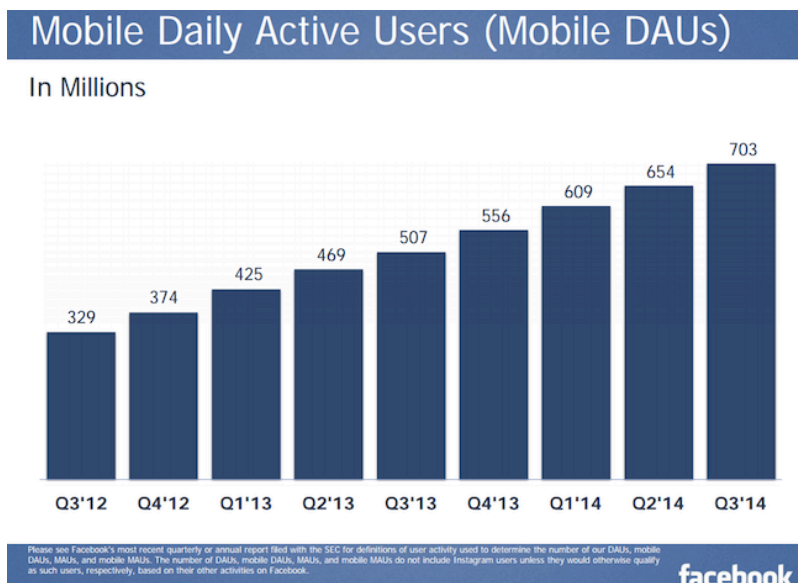
Facebook ad from a business. By combining location relevance AND demographics, Local Awareness ads combine two of the top three most influential ad criteria for Facebook users.

"With local awareness ads, businesses can quickly and easily find new customers by showing ads to groups of people who are near that business," Facebook said in the October announcement. "Local awareness ads are built to be more cost-effective than traditional advertising channels like newspaper while offering more precise targeting and greater reach."

Facebook's entry into geomarketing follows other companies like Google, which offers a location-targeted product on its AdWords platform. Understanding that privacy is a major concern, Facebook will not identify users by name to the advertisers, and Local Awareness ads will only appear to customers who have location services enabled on their mobile devices.

## Mobile Becomes King

Facebook's daily active mobile users hit 703 million in Q3 and that number is projected to climb as more and more people opt for smartphones and tablets over traditional computers. Beyond Facebook, mobile search query volume is on pace to exceed PC volume on a global basis by the end of this year. Focus is shifting to mobile as the largest and most important audience, and geomarketing is the weapon of choice.



It's not hard to understand how the rise of mobile has enabled geomarketing strategies like local awareness ads: it allows business to know where consumers are and deliver them relevant, targeted content. Consumers can receive offers for discounts or deals from a store while they are in that store. They can be invited to a local event while they're standing on the street outside. And the same consumers can



then share and amplify that information with their nearby friends and other local users.

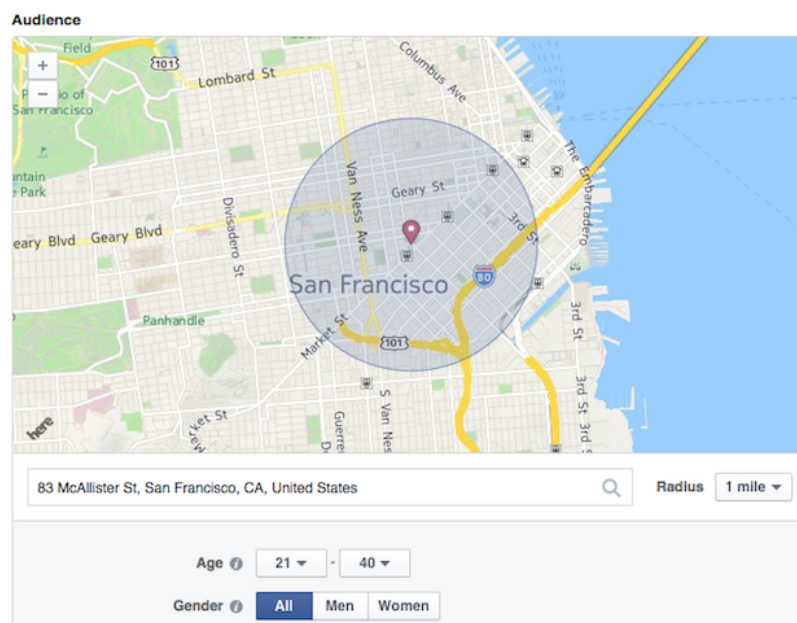
Location-based advertising products like Local Awareness ads are destined to become an increasingly important part of the marketing mix. With a better understanding of the full context around a customer's location, advertisers can deliver an optimized ad experience that drives value and makes customers more likely to interact.

## Creating Local Awareness Ads

The process for creating a local awareness ad within Facebook will be familiar for businesses that have used the network's other ad formats. Within the Ads Create tool advertisers can choose "Local Awareness" as their objective and select the business page they want to promote.



If the business page already has a location it will be populated automatically, or it can be entered manually. The geotargeted radius can then be adjusted according to the advertiser's preference down to within one mile of the location.



# yext

The total reach of the Local Awareness ad is determined by budget. Facebook provides an “estimated daily reach” to help businesses get a sense for what they can expect for a given cost. This is intended only as an estimate and will vary given the ad’s parameters. Once the campaign has started, real-time results are monitored using Facebook Ads Manager.

**Budget** Help: Campaign

**Lifetime Budget** ⓘ

**Schedule** ⓘ

Start

End

(America/Los Angeles)

Your ad will run until **Tuesday, October 7, 2014.**

You'll spend up to **\$50.00** total.

**Ad Set Name** ⓘ

**Estimated Daily Reach**

**3,400 - 8,000 people**

0 of 2,400,000

Ad set duration: 7 days

This is only an estimate. Numbers shown are based on the average performance of ads targeted to your selected audience.

The final step in creating the Local Awareness ad is to choose a message, image, and call-to-action (CTA). A clickable “Get Directions” CTA included at the bottom of local awareness ads provides users on mobile devices with directions to the business location.

The entire purpose of Local Awareness ads is to be as relevant as possible to nearby users, so it is critical that the ad be compelling and actionable, ideally including information such as special offers, events, or upcoming sales. The previously cited Gannett G/O Digital study found that the number one Facebook marketing tactic that would influence a user to make an in-store purchase is an offer that is redeemable in-store.

**Text and Links** Help: Editing Ads

**Text** ⓘ 29

Come to Jasper's for great organic food at unbeatable prices.

**Headline** ⓘ 10

Jasper's Market

**Optional Call to Action** ⓘ

When people click Get Directions, they'll see a map to the business address listed on your Page.


Show Advanced Options ▾

**AD PREVIEW AND PLACEMENTS**

✓ Desktop News Feed Remove

**Jasper's Market** Sponsored · ⓘ

Come to Jasper's for great organic food at unbeatable prices.



**Jasper's Market**

Like · Comment · Share

✓ Mobile News Feed Remove

