

# When to Use Geofencing vs. Targeted Display

Geofencing and targeted display may appear to be similar on the surface when planning a digital ad campaign, leaving advertisers to wonder which of these products they should turn to in order to connect with customers. What is important to remember is that there are distinct differences between the two strategies.

## Simply put

Targeted display reaches an intended audience based on geography, demographics and past online behavior, while geofencing uses GPS technology to serve advertisements to qualified users based solely on location. Therefore, advertisers that want to reach people who demonstrate specific online behavior and fit certain demographics, in addition to being in a certain location, should use targeted display. Advertisers who know where their customers gather and want to reach people who are near a certain location, or set of locations, should look to geofencing. Additionally, advertisers should consider geofencing if they want their ads to only serve to apps and websites viewed on mobile phones and tablets, or targeted display if they are looking to serve their ads on desktop or laptop computers, as well as phones and apps. Overall, the decision to use one or the other, or both, of these tactics depends on the advertiser's objective and what is known about the target audience.

## When should an advertiser use geofencing?

Geofencing is location-based advertising that is specifically served to audience members while they are using apps and websites on mobile devices and tablets that have location services enabled.

Geofencing reaches an audience that is physically near a specific location or locations. The GPS technology used for targeting geofenced ads is the most precise and up-to-the-minute available for delivering ads. If an advertiser knows where their customer base gathers, a fence or fences can be set up to serve ads to people when they physically enter these zones and are online.

It's important to remember that these ads are only served to mobile devices and tablets, and that people use these devices both at home, and on the go. Ads served to these devices are smaller dimensions than those served to computers, so space needs to be considered when designing the marketing message and creative.

A productive use of geofencing is to present an offer that customers can use immediately, creating an incentive for them to make a purchase while they are inside of the virtual fence.





Here is an example of when geofencing can work for an advertiser:

A local pizza joint is hoping that its online ads will grab the attention of people attending a college that is just a couple of blocks away. Mary, the restaurant's owner, wants her business to be on the minds of students, so she sets up a geofencing campaign with multiple fences; one set around campus and another that includes a large apartment complex known to house students. By doing this, she is showcasing her delicious offerings to a group of people that can easily make their way to her establishment.

With geofencing, Mary's ads will reach people who attend the school and who live within proximity to the restaurant. In doing so, she is reaching an audience that is likely to visit the restaurant because the people within that group are physically located just a short distance away and are often known to enjoy pizza.

However, advertisers do not necessarily need to have foot traffic or a physical location to benefit from a location-based tactic, like geofencing, if they know who their customers are and where they tend to gather. For example, suppose an advertiser's business operates exclusively online and specializes in selling medical equipment. This advertiser should consider creating multiple fences around hospitals and other medical facilities with the intent to serve ads to industry professionals who are working inside of those fenced areas. They should also fence nearby coffee shops, restaurants and other gathering places.

Ultimately, a product like geofencing should be incorporated into a campaign when the goal is to increase visibility and trigger sales among people who are near a specific geographic location, especially those people with a known need for a service or product. For example, an ice cream shop would be wise to use geofencing in the summer to reach an audience at a nearby park that is ready to cool off with a tasty treat. In this scenario, the park acts as a strong geofencing option because there is a qualified audience that is physically near the ice cream shop. What makes geofencing the differentiator here is that while these people may have a variety of interests and cover a spectrum of demographics, they can all easily make their way to the ice cream shop in the moment and are primed to make an immediate purchase.

In short, geofencing can be an effective digital advertising tactic when the advertiser knows who their customers are, and where those people spend their time, while using apps and mobile sites on phones and tablets.



## When should an advertiser use targeted display?

Targeted display advertisements are relevant banner ads that are placed on both desktop and mobile versions of websites and apps. These ads are delivered to people based on geography, demographics and audience interests.

Businesses of all kinds can benefit from targeted display advertising, but the ads are especially impactful for the advertiser if they know who their ideal customer is. When using demographics, advertisers can narrow down who the campaign is delivered to using information such as gender, age, education level, income and family status. When incorporating audience interests, advertisers can serve ads to specific people based on their past online behavior and the types of sites they have visited. In addition, geographic preferences can be used to serve an advertisement to people who reside in specific regions, ZIP codes or certain distances from specific locations.

For example, a man who is an avid runner searches online for a new pair of shoes. After browsing several footwear websites, a display ad featuring a sale on running shoes appears on his device later in the day because of his demonstrated interest in the product. However, the connection with that user doesn't have to end there. Suppose that same person is served an ad, based on his interest in running, for wireless earbuds with the latest technology that is perfect for people on the go. This makes targeted display an effective method for advertisers to reach two sets of users; those who already know what they are looking for, and those who have characteristics of the target customer, but may not even know the product or service exists.

When an advertiser can more narrowly define the audience, they help ensure that their message is delivered to individuals who are likely to be interested in their products or services, avoiding a situation that leads to overspending on unproductive impressions.

## Geofencing and targeted display work great together

Depending on the budget and goals, these products often work well in tandem, allowing an advertiser the luxury of not having to choose between one or the other. When attempting to drive brand awareness or traffic to a purchase point, utilizing both tactics can be highly productive as this creates an opportunity to reach multiple, narrowly targeted audiences.

