

Defining Your Target Audience

How to maximize your paid advertisement potential

Cindy Liu, AEF Volunteer

Whether you're new to paid advertisements or have run a few ad campaigns, we can all agree that social media algorithms always seem to be working against us.

I remember purchasing my first paid ad and eagerly waiting for some magical algorithm to bring in an influx of new customers. As the week passed by, I refreshed the page constantly, but was always met with disappointment. Although my post "reached" more and more people, virtually no one bothered to visit the website or even like the post. Facebook told me that hundreds of users saw my ad, yet I had less than 5 likes—including one from my mom.

If this sounds like a problem you've faced (hopefully your experience wasn't quite as disastrous as mine), let me assure you that you're not alone. Too often, money is wasted on ad campaigns that fall short from their maximum potential. The complexity and competitiveness for prime ad space requires advertisers to be strategic and intentional. So how do you optimize your ad?

Who is your target audience?

Even the most compelling ads if shown to the wrong audience will not perform well. A company selling professional hockey equipment will find little traction among football players. A company selling high-end sports cars will find little traction among college students. It's not enough to merely push paid content in front of random social media users. The first step to an effective ad campaign is defining your target audience.

Begin by brainstorming a rough list of characteristics that are generally shared by your target audience. Consider factors such as interests, age, gender, location, occupation, income and purchase behaviour.

★ The more you know about your audience, the more effective your ad will be.

Audience Insights, Google Analytics, Facebook Pixel, Sprout Social

After you've created an initial list, use analytical tools to learn more about your audience. Almost all social media platforms have built-in "Audience Insights" tools, which can help you





gain important insights into the users who frequent your account. Using Audience Insights, note the geography, demographics, interests, and purchase behaviour of your audience.

If you have a website (which you should! Read [I have social media. Why do I need a website?](#)), [Google Analytics](#), [Facebook Pixel](#), and/or [Sprout Social](#) are your best friends. These are incredibly useful analytics tools that allow you to track website engagement, measure the impact of your ads, and build custom audiences to better target your ads. You can also use these tools to retarget people who have already expressed interest (e.g. previous website viewers) or to find new people who are similar to your current users.

These tools take some time to set up, however they are certainly worth the time and will help you make smarter, more informed decisions.

Create Your Audience

There are 3 main audience “types” you will want to use.

1. Custom Audiences

Reach people who have already shown interest in what you have to offer. Custom audiences are automatically created using existing user data from sources such as website analytics (e.g. Facebook pixel), social media engagements, customer lists, etc.

When to use: promoting a membership subscription, seeking partnerships or sponsors, engaging current users, retargeting previous interactors, promoting new features.

2. Lookalike Audiences

Reach new people who have similar interests, purchasing behaviours, and/or demographic factors as your current audience. Lookalike audiences are created using existing custom audiences.

When to use: expanding audience-base, promoting new products or programs.

3. Manually-Defined Audiences

This is the most general type of target audience that is independent of current user data. Marketers must add demographic restrictions (e.g. location, age, income, occupation, education, gender) as well as choose which interests and behaviours to target. This often





requires inputting keywords that align with your audience’s interests such as *environmental protection, sustainable products, podcasts, and small business owners*. When brainstorming this list, you should also include keywords that describe the products or services you offer (e.g. *youth program, grants, newsletter, environmental education, etc.*).

When manually defining your audience, it is important to actively adjust your demographic restrictions as you learn more about your users. For example, a local company chooses to initially target people in Alberta, however they later realize that the vast majority of their active users live in Edmonton and Calgary. For their next ad campaign, they may choose to target these cities specifically to maximize the impact of their ad.

When to use: expanding audience-base, researching market traction (new company/product with limited customer data), seeking wide exposure.

Customize Ads to Micro-Target Audiences

When it comes to social media advertising, one size does NOT fit all. Luckily, micro-targeting allows us to run highly targeted ads that are designed to reach certain audiences. You should create multiple subgroup audiences—each reaching a specific subset of people in your overall target audience.

For example, an ad promoting an annual membership subscription should not be sent to users who have never heard of or interacted with your organization. Rather, target your most engaged users through a Custom Audience. You can further micro-target your audience by restricting it to people with a certain income level or spending behaviour.

On the other hand, if the purpose of your ad is to promote your Facebook page or website, it’s probably most effective to target new users. Make sure to exclude people who already like your page or frequent your website.

Your Target Audience—The Golden Rule

The more you invest into learning about your audience, the more they will invest in you.

—

Cindy Liu is an Alberta Emerald Foundation volunteer and an Old Scona High School graduate. She committed her summer before university to exploring the intersection of public service, environmental stewardship, and entrepreneurship.

