



Mastering Meta Audience Segmentation for better ROAS

Testing how altering custom audience
types affect the bottom line on
Facebook & Instagram

EBook

gcommerce

Overview

Meta offers powerful audience targeting tools to help advertisers reach the right users across Facebook and Instagram. These options ensure ads are shown to the most relevant audiences, improving engagement and conversions.

This past year the marketing experts at GCommerce discovered the audience segments feature, allowing us to categorize the various custom audience options such as website visitors, customer match lists, and social media users.

Once categorized, the platform allowed us to take a closer look at performance metrics by category, effectively giving us insight into which audiences produced more revenue and allowing us to make more informed targeting decisions. This ebook delves into the capabilities, performance and understanding of these audiences.



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Understanding Meta's audience targeting options

Meta offers powerful audience targeting tools to help advertisers reach the right users across Facebook & Instagram. These options ensure ads are shown to the most relevant audiences, improving engagement and conversions.

Custom Audience

Reach users who have already engaged with your business.

Lookalike Audiences

Expand reach by finding new users similar to your existing customers.

Customer Match

Upload customer data to target existing users.

Social Audiences

Engage users who have interacted with your Facebook/Instagram content.

Ad Behavior Audiences

Target users based on ad interactions, such as video views or lead form opens.



Meta targeting methods & how they work

Custom Audiences

- Created using first-party data (website visitors, customer lists, app activity)
- Best for remarketing and nurturing warm leads.

Lookalike Audiences

- Finds new users similar to an existing audience
- Helps scale campaigns while maintaining relevance

Customer Match

- Uses uploaded customer data (emails, phone numbers)
- Ideal for loyalty campaigns and upselling

Social Audiences

- Targets users who have engaged with your brand's content
- Great for re-engagement and building community trust

Ad Behavior Audiences

- Includes users who watched videos, opened lead forms, or interacted with events
- Ideal for retargeting based on past engagement

How to use Meta audiences effectively



For retargeting & conversions:

- Use Custom Audiences to re-engage past visitors
- Target Ad Behavior Audiences to convert engaged users

For expanding reach:

- Leverage Lookalike Audiences to find new potential customers
- Use Social Audiences to nurture engaged users

For customer loyalty & upselling:

- Apply Customer Match to target past customers with exclusive offers
- Segment audiences based on interaction levels for personalized messaging

Combining different audience types leads to a stronger, more effective campaign strategy.



Navigating Meta's audience segments



Inside Meta's audience segmentation

Engaged audiences

People who are aware of your business or have interacted with your products or services. This includes Social Audiences (Facebook & Instagram engagers) and website visitors, also known as ROS (Run of Site).

Existing customers

People who have purchased your products or signed up for the services. This can be customers lists of past purchasers and people who have converted before.

New audiences

This includes social audiences, even though they are not part of the engaged audiences. Depending on the cost per segment, we will remove them from the engaged audience segment while still being able to evaluate their performance.

Ad set ↓	Frequency ↓	Impressions ↓
ThePerryHotelNaples_Facebook_Social_Ret...	7.69	21,411
New audience ⓘ	7.20	9,442
Existing customers ⓘ	7.88	126
Engaged audience ⓘ	8.15	11,843

Our approach to audience segmentation

Meta allows two content categories for segmenting your lists: engaged users, or those who have never interacted with your product OR purchased, and existing customers, users who have purchased before.

Following this prompt, we included website visitors and any other non-purchasing lists, like leads, into the engaged category. For existing customers, we included past guest database lists from our client's CRMs and created a custom audience based off the Meta pixel for past converters of 180 days.

Audience segments

Define your audience segments using custom audiences to receive additional insights. These settings apply to all sales campaigns in this ad account. [Learn more about audience segments](#)

Engaged audience - Last updated Nov 4, 2024

These are people who are aware of your business or interacted with your products or services, but have not made a purchase. ▾

Existing customers - Last updated Nov 4, 2024

These are people who have purchased your products or signed up for your services. ▾

Build audience URL parameter • Optional

Add audience segments to your website URLs to track them in third-party tracking tools. Building audience URL parameters will automatically add them to your sales campaigns. ▾

Cancel

Confirm

Audience is segmented by people who have visited the company website within the last 90 days.

Audience segments

Define your audience segments using custom audiences to receive additional insights. These settings apply to all sales campaigns in this ad account. [Learn more about audience segments](#)

Engaged audience - Last updated Nov 4, 2024

These are people who are aware of your business or interacted with your products or services, but have not made a purchase.

Website

The Perry Hotel Naples 90 Day ROS

Q Search existing custom audiences

Create a custom audience

Existing customers - Last updated Nov 4, 2024

These are people who have purchased your products or signed up for your services.

Build audience URL parameter • Optional

Add audience segments to your website URLs to track them in third-party tracking tools. Building audience URL parameters will automatically add them to your sales campaigns.

Cancel

Confirm

Audience is segmented by people who are past guests or have converted on the website.

Audience segments

Define your audience segments using custom audiences to receive additional insights. These settings apply to all sales campaigns in this ad account. [Learn more about audience segments](#)

Engaged audience - Last updated Nov 4, 2024

These are people who are aware of your business or interacted with your products or services, but have not made a purchase.

Existing customers - Last updated Nov 4, 2024

These are people who have purchased your products or signed up for your services.

Customer List

ContactList_Export__Perry_Hotel_Naples__Emails__2024-11-02_01-18-33.csv

ContactList_Export__Perry_Hotel_Naples__Website_Opt-In__2024-11-02_01-18-37.csv

Website

The Perry Hotel Naples 90 Conversions

Q Search existing custom audiences

Create a custom audience

Build audience URL parameter • Optional

Add audience segments to your website URLs to track them in third-party tracking tools. Building audience URL parameters will automatically add them to your sales campaigns.

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Confirm

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Goals + objectives

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Objectives

Our overall goal was to improve client performance by adjusting audience targeting to maximize ROAS and reduce wasted budget. Our objectives were to:

Optimize ad spend

Eliminate low-performing audiences to focus on high-converting segments.

Enhance relevance

Adjust audience timeframes to improve engagement and cost-efficiency.

Maximize ROAS

Tailor strategies for clients by adjusting audience targeting for better overall results.



Test Approach



1. **Complete removal of low-performing audiences:**

Remove audiences that haven't shown results (e.g., no purchases from new audiences since September).

2. **30-Day or 60-Day engagement window**

Edit current custom audiences based on user engagement within the last 30 days or 60 days.

Previous approach on social engagement windows

We used to target anyone who engaged with us over the past year on Facebook or Instagram, which included users who may have interacted with a post months ago but haven't thought about the property since.

New approach

We're now focusing on users who have engaged more recently, ensuring we're targeting people with fresher, more relevant interest in the property.

Findings + results

Initial findings & results

POP changes

- Revenue showed strong growth (+42.18%)
- ROAS improved significantly (+34.68%)
- CTR saw a slight decrease (-7.53%)

Impressions & audience targeting

- Many clients saw a decrease in impressions POP, and some YOY
- This aligns with narrowing down the audience pool to focus on highly engaged users

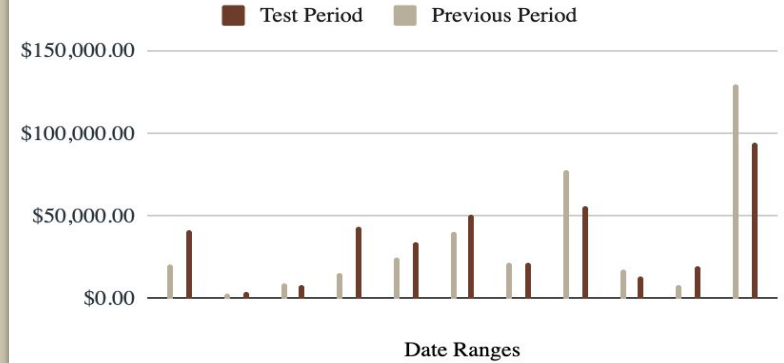
ROAS trends

- 50% of clients saw an increase in ROAS POP
- The removal of social audiences had a positive impact for most clients

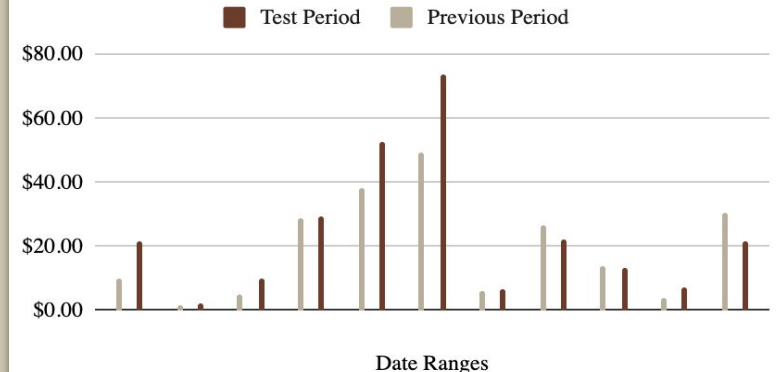
Notable trends & insights

- **54.55%** of clients experienced positive revenue growth
- Despite lower CTR, **conversion rates were higher**, indicating that better audience targeting led to improved efficiency
- On average, even clients that did not perform well had only a **26% decline**, while top performers saw an **average increase of 145%**

Revenue Before & During Test



ROAS Before & During Test



Conclusion

Upon completion of the test period and review of data, we came to the conclusion that our approach for utilizing retargeting audiences needed to be split into two categories based on the clients' unique data, as outlined below. Any newly launching clients will utilize the second approach to include social audiences for a test period before making any final decisions.

- 1. Complete removal of low-performing social audiences:**

Remove Facebook and Instagram engagement & follower audiences that haven't shown results (e.g., no purchases from new audiences within a 90-day period).

- 2. 30-Day or 60-Day engagement window**

Edit current custom social audiences based on user engagement to a 30-day window if we have seen results.

With this new approach in mind we are able to maximize our clients' budget by spending marketing dollars on the users most likely to convert. Thanks to Meta's audience segments tool we finally have more visibility into user performance than ever before.

If you're looking for a customized approach to your paid social retargeting strategy, explore your options with the marketing experts at GCommerce.

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Thank you for
reading

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