BREAKING DOWN THE DIGITAL FORTRESSES

How you can maximise your marketing goals beyond Meta and Google

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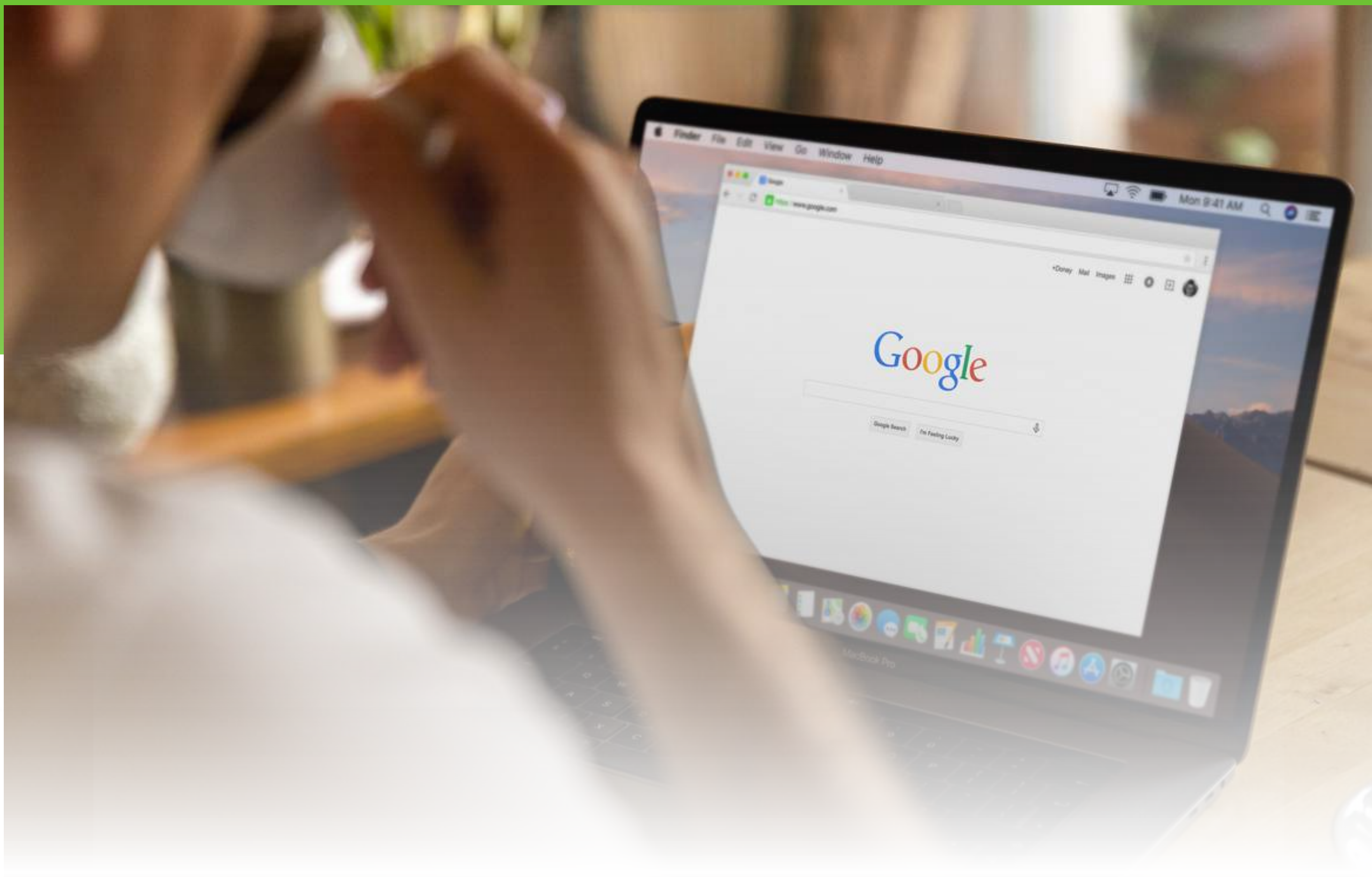

INTRODUCTION

In the digital era, marketing platforms have become dominant forces in the advertising landscape, with Meta and Google standing tall as two giants the marketing ecosystem.To their benefit, these platforms offer a wide range of tools and resources that enable businesses to reach their target audiences effectively.

However, it is crucial for marketers to understand the implications of placing all their marketing eggs in one basket, and why it is important to diversify media spend to other channels.

What is a Walled Garden?

A walled garden refers to an organisation that closely guards its technology, information, and user data, opting not to share them with external entities. Put simply, it is a self-contained and exclusive system where all operations are conducted internally without involving external organisations.

In the ad tech industry, the exchange of user data through cookie syncing is essential for displaying relevant ads and maximizing revenue. However, walled gardens present challenges for this data exchange.

Among the giants in ad tech are Google, Facebook, and Amazon, which collectively dominate over half of all digital ad spending. While Google collaborates with other companies, big or small, Facebook and Amazon prefer to maintain high walls around their platforms, limiting data sharing with others.

Benefits of the Behemoths

Meta and Google have established themselves as the behemoths of digital advertising, wielding immense power and influence. These platforms offer comprehensive ecosystems that encompass social media, search engines, video platforms, and more, providing advertisers with access to vast user bases and robust targeting capabilities.

The allure of reaching billions of users on a single platform is undoubtedly tempting, leading many businesses to concentrate their marketing efforts within these walled gardens.

Where the Walled Gardens Falter

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Transparency in Activation and Reporting

One of the main drawbacks of walled gardens is the limited transparency they offer. Advertisers often face challenges in understanding how their campaigns are performing, as the platforms control the data and reporting. This lack of transparency makes it difficult to assess the true impact of marketing efforts and hampers effective optimisation.

Google's Performance Max, which allows performance advertisers to access all of their Google Ads inventory from a single campaign, has its drawbacks. It operates in a blackbox, and advertisers have low control over their targeting and performance data. The campaign manager's ad server doesn't let advertisers access keywords, audience data, use negative keywords or use smart bidding strategies. For the performance it garners, its lack of transparency is a weakness as to how to optimise a campaign based on proper data analysis.

Dependency and Risk

Relying solely on a few dominant platforms puts marketing activity at risk when a platform changes. Any changes to algorithms, policies, or pricing models can significantly impact advertisers' reach and costs. Sudden policy updates or shifts in user behaviour can lead to immediate drops in visibility and conversions.

Think, for example, Meta's frequent changes to audience targeting that it deems 'sensitive', meaning reduced targeting options around race, religion, and sexual preference, among others. Such dependency on a single platform can be detrimental to long-term marketing success.

Ad Saturation and Blindness

The abundance of advertisements within walled gardens like Meta can result in ad saturation and user fatigue. Where audience targeting is niche, users can be bombarded with countless ads, their attention spans decrease, leading to ad blindness. Consequently, the effectiveness of marketing messages diminishes, and the return on investment may decline. When this happens, marketers can see a gradual increase in cost per click over time, a decrease in the CTR, and an increasing frequency. None of this is helped by the 'deathscroll' on a platform like Meta, where people scroll past ads and contributes to ad blindness.

Diversifying your frequency cross channel and platforms allows audiences to be seen throughout the day, wherever they spend time online.

Benefits of Diversifying Media Spend

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Reach New Audiences

Diversifying media spend beyond Meta and Google allows businesses to tap into new and diverse audiences. Exploring alternative platforms can help reach niche markets that may be underserved or overlooked within the dominant walled gardens. This broader reach can lead to increased brand exposure and potential conversions.

Outside of Google's own audience segments are other providers who have strong data signals. Eyeota, for example, is built from 4.5 billion unique user profiles and fuse demographics, behavioural and psychographic attributes from qualified data providers - much of which is formed outside the Google ecosystem and can be utilised cross-platform, controlling for frequency between channels. This includes data like Mastercard transactional data, or frequent buyers of certain brands. Other ecosystems, like Amazon and Criteo, give you access to a large array of retail and ecommerce data not seen on other walled gardens. Using a mix of audiences from a range of sources makes on target audience strategy easier.

Reduced Dependency and Risk

By distributing media spend across multiple platforms, businesses mitigate the risks associated with overreliance on a single provider. Adapting to changing market dynamics becomes easier, as one platform's performance fluctuations are less likely to significantly impact overall marketing efforts.

Improved Performance and Cost Efficiency

Diversification enables marketers to compare the performance of different platforms objectively. By testing and analysing various channels, businesses can identify the most effective ones for their specific target audience, maximising their return on investment. Moreover, increased competition among platforms can lead to improved pricing models and better cost efficiency.

Take Meta's CPMs, for example. During key holiday periods such as Black Friday sales and Christmas, CPM has been known to double, triple, or even quadruple. If you are reliant on Meta only to execute a campaign - and you can't improve your conversion rate to the same increase, you can expect your cost per conversion to double, triple, or even quadruple. As the supply across channels beyond Meta (like display and social) is much larger than Meta, non-walled gardens don't have as an extreme increase in CPMs as Meta.

Enhanced Data and Insights

Alternative platforms often provide more accessible and granular data, empowering marketers to gain deeper insights into their campaigns. These insights can be leveraged to optimise marketing strategies, refine targeting, and drive more personalised and effective campaigns. Trading platform The Trade Desk, for example, can show deeper audience insights about highly correlated high intender audiences to target, allowing brands to expand their audience strategy.

While Meta and Google offer unparalleled reach and targeting capabilities, businesses should approach these platforms critically. By diversifying media spend and exploring alternative channels, marketers can reduce dependency, mitigate risks, and tap into new and more refined audiences. This diversification not only provides a safety net but also fosters innovation, improved performance, and better cost efficiency. Ultimately, a well-rounded marketing strategy should encompass a healthy mix of platforms and technologies.

WANT TO CHAT?

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