

Building a growth-centred digital marketing budget for 2022

Twenty months of pandemic uncertainty and a complete shift in consumer behaviour has left many CMOs scratching their heads as they prepare their 2022 digital marketing budgets.



Source: www.pexels.com

Performance marketing specialist, Incubeta, shares some insight into how local brands can use their budgets to help shift up a gear and prepare for longer-term growth, including seven tips on how to apportion their 2022 spend.

Covid has exacerbated tensions between creative-led and media-led strategies

“Over the last five years some omnichannel companies have shifted their attitude and their budgets, moving spend from above the line, especially TV, to the digital platforms such as Youtube and other digital video outlets. This has, in part, been driven by the tracking and measurability offered by digital channels,” explains Julien Fievez, operational team lead at Incubeta.

Fievez says Covid then added a new complexity, with media spend taking a big knock in the first wave. This was especially

the case with the big retailers which he says moved towards profitability as a key focus, initially stripping budget allocation from upper funnel activities, before adjusting again to meet the higher online demand.

“Local marketing leaders are not adequately investing in appropriate content. When we ask for 40 copy variations we will sometimes get just five. If you think about a user's journey it can be complicated and some local brands seem hesitant to invest in good, attention grabbing content. This is particularly the case in upper funnel content creation and this impacts how we build audiences. Companies will shoot a TV commercial and we will be left trying to shoehorn that content into a Youtube ad. Storytelling in these two mediums is completely different and we are often forced to do a hack job to fit budgets that may not have been properly thought through,” adds Brandon Janse van Vuuren, Conversion Rate Optimization Lead & Data Scientist at Incubeta.

Investment in tech is driving global performance

By way of comparison, while many local CMOs have been cautious when it comes to investing in martech, the two experts say global companies have pumped money into products such as Google Analytics 360.



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“The challenge has been twofold. The weak Rand has given many leaders pause for thought when it comes to investing in martech. Added to this, some leaders can't immediately see a clear return on investment for the tech. However these tools allow you to look at the lifetime value of the customer over the longer-term and it is this insight that will set you up for planning success. Local companies need to take the plunge if they want to better understand how users are interacting with their channels. Investing money today will only deliver results down the line, but they will be significant,” Fievez advises.

An uncertain, cookieless future

The need for good martech has been made all the more urgent as we approach the end of the third party cookie and Janse van Vuuren says in a world without cookies, premium analytics tools will be what helps futureproof a brand's marketing performance.



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“We are facing a very uncertain future and we don't fully understand what a cookieless world will look like. What we do know is that dirty data is useless and we know that first-party data will become crucial to marketing. We know that data will need to be activated and that audiences will become crucial to future marketing success. When we look at it holistically, it's clear that this is why investment in marketing tech will quickly become critical,” he says.

Ditch the short-termism and obsession with ROI

Both experts advise that budgets need to include more investment in upper funnel strategies, saying that these help build first-party audiences and set brands up for longer-term gains.

In addition, a big bugbear for both experts is when brands commit budget to get users to their website, but that's where it stops.

“There needs to be a shift in mindset when it comes to this obsession on return on investment especially when it comes to upper-funnel marketing. Getting users to a site is one part of the strategy but getting them to convert is a bigger challenge. There is also a reluctance to spend money on website design and CX because you may not see an immediate return, but this is such a vital part of the end-to-end customer experience,” Janse van Vuuren says.

Planning for growth now and in the future

Drawing on work done with global and local clients, the two distill their advice into seven fast tips for CMOs planning their 2022 spend:

1. Maintain your omnichannel and continue to support it
2. Just because people are using online options doesn't mean there is no space for real-world experiences.
3. Search is still important. Paid search and SEO will remain crucial. After all, brands will always need to be found
4. Continue your investment in upper funnel activities
5. Invest with the goal of looking back in the longer term rather than quick returns
6. Invest in audiences. Invest in a good analytics stack and upper-funnel strategy to help you with this
7. Invest in data science solutions. Gaps in your data need to be filled. Calculating useful measurements like customer lifetime value will rely on this

Fievez sums up with an analogy highlighting the obsession with quick wins, often at the expense of solid long-term growth, saying: “Digital is often seen as a quick revenue-generating machine, where you put money in one end and a return to the power of X pops out the other side. The challenge comes when we try to explain that there are an awful lot of moving parts in the machine and there needs to be less focus on what comes out of the machine on a daily basis, and more focus on the delivery six to 12 months from now.”

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