Arielle Feger

5 ways to optimize marketing efforts amid shrinking budgets

Article

Seventy percent of marketers expected budget cuts from 2022 to continue into 2023, according to data from performance marketing firm Wunderkind.

“Many of us are seeing budgets shrink year over year,” said Richard Jones, chief revenue officer at Wunderkind, during a recent Tech-Talk Webinar. “And many are feeling the heat in terms of hitting their 2023 revenue goals.”

Here are five ways marketers can balance managing budget constraints with getting results.

1. Pare down your paid media budget

Jones suggests taking a look at your paid media performance across every channel, finding the worst performing strategies, and cutting them.

He suggests cutting anywhere from 10% to 20% of poor-performing campaigns, but "every business is different."

"The level of risk you can take in trimming your paid media budget does vary, but we've been seeing a wide variety of businesses trim their paid budgets anywhere from single digits up to 20%."

2. Invest in your owned channels

Your owned channels are your center of gravity, said Jones.

"Brands need to lean on the aspects that distinguish them from [the competition]," he said. "A massive part of this will mean offering consumers an experience that can only be encountered directly through their owned channels."

According to Wunderkind, 95% of site traffic data is anonymous. By creating a differentiated site experience, brands can entice consumers to share data about themselves (like an email or a phone number) and slowly start to piece together the identity puzzle from there.

This will be especially important as third-party cookies are phased out and marketers need to rely on other data signals to target their audiences.

3. Diversify paid media channels while also avoiding risks

As advertising becomes more expensive and harder to track on Facebook, many marketers are putting their dollars into other platforms, like TikTok.

While TikTok may help boost performance marketing efforts, marketers shouldn't put all their eggs in the platform's basket, especially with a potential ban on the horizon.

"You have to think about diversification, not just for optimization but to make sure you don't get caught [by surprise] by an event like the shutting down of a channel," said Jones.

4. Don’t forget the importance of brand building

There is going to be a lot of pressure coming down from the C-suite to focus on performance marketing at the expense of the brand, Jones said.

“But on its own, short-term thinking [like that] can be a mistake,” he said.

Instead, consider how building brand equity supports performance marketing in the long run.

“If you haven’t got that brand-building work going on, if you haven't got that brand awareness advocacy, it doesn't matter how much you turn the dials on performance marketing to squeeze out a percent here or a percent there.”

5. Bring together identity and engagement

A big part of driving efficient and predictable revenues through owned channels is identity management.

“First-party data allows you to identify the right people on your site without relying on third-party data and cookies that will soon be long gone,” said Jones.

But that’s only part of the puzzle; to make first-party data useful, you need to do something with it.

“You have to be able to engage with your visitors with the right message,” he said. “Generic messaging won’t cut it. One-to-one communication must be personalized based on the individual’s activity on your site.”

Watch the full webinar.

This was originally featured in the eMarketer Daily newsletter. For more retail insights, statistics, and trends, subscribe here.