Brand approaches to budget-conscious customer acquisition

Article

Brand marketers have to be strategic as a challenging 2023 has taken its toll on marketing budgets. CMOs worldwide expect to spend 9.1% of company revenues on marketing compared with 9.5% in 2022, according to May data from Gartner. And considering revenues are also lower for many companies, that pie is getting even smaller.

"In terms of top-of-funnel spend, [we're] thinking about the right seasonal moments to focus on awareness but also not overspend," said Jamie Lee, vice president of marketing at Vital Proteins, at the recent eTail Boston 2023 conference.

Here are some tips and takeaways from Lee and other marketers during their eTail panel.

1. Know where to spend

Mark Bietz, CMO of gift and costume company Fun.com, also ramps up spending ahead of seasonal spikes.

Bietz will put 70% to 80% of the budget into marketing right before demand picks up (e.g., ahead of Halloween, when Fun.com sells troves of costumes). While you may not see big returns right away, the payoff will come during the peak.

"ROAS [return on ad spend] will actually skyrocket because we've done all the work prior to get people to get our brand," he said.

Tyler Fairchild, managing director at luxury sneaker company Courser, has leaned heavily into paid social since the company's 2020 debut, but found that investing in photo shoots and other content helped it gain more traction.

"It shows the power of good, quality content and the value of really spreading it through as many channels as you can," he said.

Lee said Vital Proteins, which sells nutritional collagen products, also invests in content to move customers further down the funnel.

"We're testing more content, having more variations, ensuring some of our content also makes sense for platforms like TikTok or different areas that we want to test," she said.

2. Test attribution models

Lee said loss of data signals due to privacy changes prompted Vital Proteins to focus on media mix modeling (MMM) to measure performance while moving away from multitouch attribution (MTA).

"And what that is, is it's taking a lot of historical data, both online and offline, to really show more correlation of various attributes and campaigns to sales results and brand lift," she said.

It's crucial to test the conclusions, she added, because MMM might not highlight the causation that led to a sale. "Make sure that the directional data that you're getting from MMM also matches the testing of more digitally native and specific initiatives that you're running, and [make] sure you're calibrating that once or twice a year as well."

Fun.com is also testing incrementality to validate MMM. "We want to evolve to a place where we can use MMM, MTA, and incrementality at [the] same time," Bietz said.

3. Invest in SEO for Google … and Amazon

Fun.com overinvests in SEO because of the residual value it creates in driving organic traffic.

"We've probably developed 1,000 new categories on the website for more micro-volume search terms. And the combination of those has really helped in terms of getting a lot of mid-funnel traffic once people know what they want and they're ready to buy," Bietz said.

But Amazon's algorithm demands a different approach.

"You're gonna rank based on sales velocity, your offer, all kinds of other stuff. But there's a lot you can do in terms of figuring out keywords and really just creating more higher-converting content," he said.

Fun.com is also using ChatGPT to test copy variations for product description pages.

According to Lee, increasing marketing around key events like Amazon Prime Day can extend beyond the event itself.

"What we found is it's not just Prime Day, the one to two days—[it's] also committing to two to five days after that," she said. "Making sure there [are] the right triggers. Making sure there's a 10% off coupon and you're really tapping the moment after the commercial moment."

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