

WHITE PAPER

Shining the Spotlight on **Dark Marketing**



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Social media has opened so many new channels and ways for brands to connect with consumers. Marketers used to divide their strategy between print, radio, outdoor and TV and base their placements on what they expect the target demographic to be reading, listening to, driving by or watching at that time. People could bond at the water cooler each morning while they chatted about the TV shows or ads they saw the night before or on their way to work.

These days, people scroll through their social feeds whenever they have a free moment (sometimes even when they're not free), and every social feed has a different look and feel. Each person scrolls through a personally curated experience, based on who they are connected to, the accounts they follow, and most importantly, which brands have decided to target the specific demographic to which they belong, or in some cases, even that specific person.

The multitude of choices available to brand marketers to connect with and target a specific audience is both an opportunity and a challenge. An opportunity, because a marketer can now can direct highly specific messages to highly specific target audiences with pinpoint accuracy and measurability. However, since the competition is doing the same thing, it becomes extremely challenging to see the full picture of the competitive environment. This is because marketers are engaging in what is known as **“dark marketing.”**

You need to stay agile in your marketing because your customers expect it – they expect you to match current trends; but you also need to stay agile vis a vis your competition. If they are suddenly taking over your target audience's Instagram feed (for example), you need to know about it and either mount a counter-offensive on that channel or focus your efforts elsewhere. Yet you cannot adjust in an agile manner if you don't know what is happening in your competitive ecosystem.

“Without knowing the ins and outs of their competitors' marketing strategies, marketers are left in the dark.”

There are three main factors that lead to dark marketing: fragmentation, segmentation, and personalization. In this white paper, we will explore all three aspects of dark marketing, so that you can understand how to leverage it for your brand's campaigns and learn your competitor's dark marketing tactics.

The “Where” of Dark Marketing: Fragmentation of Platforms

No longer tied to the traditional marketing platforms, marketers can now run their own campaigns across numerous, fragmented digital channels—i.e. Facebook, Twitter, Instagram, YouTube, LinkedIn, Google and even Amazon. Fragmentation embodies the growing *where* for marketing, which supports the ongoing expansion of data and advertising online.

While fragmentation gives marketers opportunity, it also makes it difficult to gain a comprehensive view of the competition’s whereabouts. Without knowing the ins and outs of their competitors' marketing strategies, marketers are left in the dark.

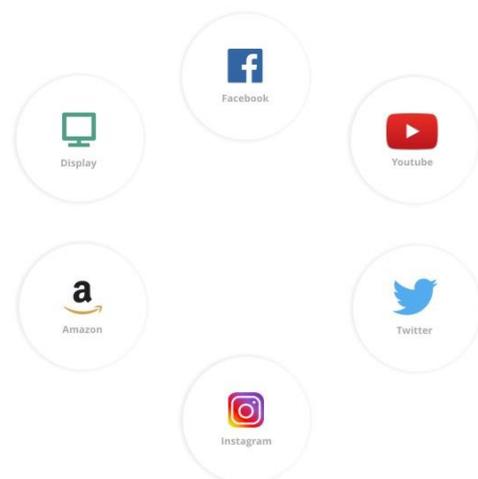
Fragments, Everywhere You Turn

Everyday users value different media channels for various reasons, and so do businesses. Marketers choose to employ a wide variety of marketing platforms based on campaign goals and target audiences. For instance, YouTube as a video platform is extremely helpful for achieving brand awareness. Facebook, on the other hand, more effectively promotes ads that motivate customers to consider conversion or purchase. Facebook also provides the ability for marketers to create a variety of post lengths and content types, giving them room for flexibility. Marketers can even have their own business pages and, like other platforms, use analytics to track their key performance indicators (KPIs). Though sometimes limiting, Twitter’s appeal is its terse communication to convey the bottom line. On Pinterest and Instagram, marketers can harness visuals to appeal to the customer’s emotions. On these sites and more, users are most responsive to the types of ads that are geared to them, to their demographic and their interests, so marketers must invest in targeting.

While spreading their ad budgets across multiple channels, it’s imperative for marketers to invest in multiple creatives for each channel – again, targeted to the specific audience. They may also run similar creatives across some channels – for example YouTube and Instagram – but completely different creatives on Facebook and Twitter.

For marketers, the ability to spread budgets across multiple channels is fantastic, since you can run targeted campaigns appropriate for each channel, without budget waste. But here’s the

“BrandTotal’s agile marketing intelligence platform can consolidate marketing competitors, so you can better understand the fragmented landscape and gather key insights.”



catch: you're not alone. Your competitors are also spreading their campaigns across multiple fragmented channels. Having the visibility into *how* they choose to campaign across the fragments will provide your company with insights that can inspire your next marketing moves. With continuously increasing fragmentation, remaining agile is more important than ever.

Make Sense of Fragmentation

We have more digital marketing channels than we've ever had before, and there will probably be even more in the future. Where users go, marketers follow. With competitors in more places, it's becoming more and more difficult to maintain the top spot as the leading brand - especially when you cannot see the totality of your competitors' campaigns.

It's important to find a tool that can consolidate marketing campaigns across multiple channels, so that no matter how fragmented your competitors' campaigns are, you will gain actionable insights. Marketing channels may be fragmented, but your plan to stay agile—especially in the world of dark marketing—shouldn't be.

The “Who” of Dark Marketing: Segmentation of Consumers

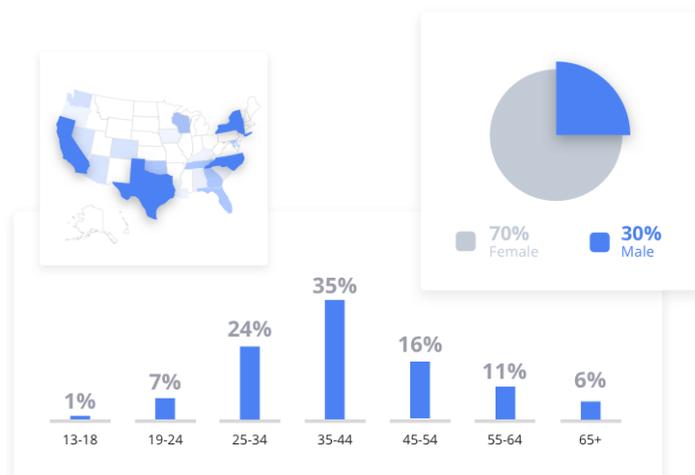
In addition to fragmented platforms, the number of consumers is growing and becoming more diverse. A 45-year-old married man from LA and a teenage girl from Philadelphia are most likely not shopping online for the same items. A strategy to manage a segmented customer base is key to optimal success. For this reason, several companies are “out” with the old technique of broadly advertising on their public media pages, and “in” with the new effective strategies to target relevant customers.

Each customer can only see what he or she is shown and is “blind” to what's shown to other segments. This is a central element of dark marketing: hidden ads that only display to a selected audience. With more and more people tuning in online and endless ways to segment, dark marketing impacts customers and shapes an even more competitive digital environment.

“Customers can be categorized into one segment, or many. However, they cannot see ads shown to segments other than their own.”

Segmentation Basics

What exactly is segmentation? Segmentation is a process in which a marketer takes their current and prospective customers and divides them into targeted clusters based on shared characteristics. To make ads more relevant and meaningful for their customers, a



marketer can segment in a variety of ways—through socio-demographics, geography, values and interests, behaviors, and much more. Then, each population is served a set of personalized ads tailored to their specific interest. Therefore, there is no wasted time and money sending a singular message to an entire customer base. The very idea of market segmentation affirms a lesson from Marketing 101: It's about your audience, not your brand.

Knowing your customers is not just about understanding what they want and how to effectively reach them. It's about getting inside their heads and seeing the world from their perspective. You advertise to different segments differently, and to certain segments, not at all.

Companies may choose to segment according to customer-brand relationship (e.g. by session duration on web pages or new vs. returning customers). More than ever before, online marketers are spotting users' interests, values, and motivations to create their segments—and therefore, marketing actions—even more personal. Customers can be categorized into one segment, or many. However, they won't see ads shown to segments other than their own.

“Running marketing tests to different segments can help build a database of metrics, from which you can gather insights and patterns for implementing more and more efficient data-driven campaign”

Facebook is the only platform so far taking the steps to provide transparency around targeted ads that do not appear on company's public pages. If you want to see what ads your competitor is running at that moment, you simply need to visit their public page, and click on the “info and ads” button in the left menu bar. Although this is a step in the right direction, Facebook simply shows the creatives being displayed in that period, without any further information about what demographic is being targeted, what days or times it is being displayed or any other in-depth data or statistics. This means that if the ad ran last week but was turned off this week, you will not see it on the Facebook tab. Also, since the other channels do not offer a similar transparency option, you have no way to combine information across channels unless you use a competitive intelligence platform like BrandTotal.

Why Segment?

Advertising to only relevant populations is extremely cost effective and helps stabilize your customer base. Running marketing tests to different segments can help build a database of metrics, from which you can gather insights and patterns for implementing *more* and *more efficient* data-driven campaign strategies. By strategically segmenting, marketers can also remain mindful of customers' “life cycle” changes (e.g. getting married, switching jobs, etc.), so they can keep up with and retain the various segments. Customers also benefit as they're exposed to well-communicated ads that reflect their interests.

While segmented marketing is, indeed, a pivotal marketing tool, it goes hand in hand with an expanded threat: segmentation means that marketers are no longer privy to the strategies of their competitors.

Facebook does on the one hand offer creative competitor ad data, but you cannot get a clear idea of what their marketing strategies are such as who they are segmenting to. Campaigns are mostly being served to audiences in private, making it impossible to track the competition.

Without BrandTotal that is. BrandTotal is the only platform that thoroughly provides you with insights into which segments your competition is targeting along with actionable insights that you can translate into an agile marketing campaign of your own.

The “How” of Dark Marketing: Personalization

What is Personalized Content Delivery?

Personalized content is essentially content that is created and optimized to meet the personal preferences and areas of interest of each potential customer. Varying degrees of personalization are achieved by gathering data and statistics from users’ online behavior, location, social graph information, as well as other identifiers and attributes. With all this data at their disposal, marketers can segment their target audiences precisely and provide each set of unique users with the personalized content that will have the highest probability of netting a conversion, or a successful engagement with the user.

Over 60% of users appreciate the ease of interaction with online stores that remember their personal information.

Personalization Boosts Sales

Personalization strategies have been identified as improving sales by an average of 19%¹. Using data analysis and personalized interaction, each customer journey is tailored to the user. By personalizing content, “salesy” generic texts can be avoided; companies address the customer by name and raise topics of genuine interest to him or her. Fewer and more accurate decision stages translates into more sales and fewer abandoned purchases. Even marketers who do not have the ability to gather user metrics can address users by name and provide a more personalized experience.

When implemented effectively, personalization is often embraced by users. According to Cap Gemini,² over 60% of users appreciate the ease of interaction with online stores that remember their personal information. Similarly, because information is delivered based on

¹<https://www.monetate.com/blog/the-tipping-point-for-personalized-website-experiences>

²<https://blog.hubspot.com/blog/tabid/6307/bid/33971/9-undeniable-advantages-of-using-personalized-content-in-your-marketing.aspx>

interest, users receive only pinpointed and relevant content (which they like) - and are not inundated with generic content as in the past (which they love).

Therefore, marketers do it. And will keep doing it.

Personalized Content in Practice

- 1. Automated personalization:** Before our world was connected in the Internet era, marketers analyzed data and used this information to manually select the content to provide based on segments or groups of users these processes are becoming automated because of improved technology and machine learning. The increased automation makes it easier to group in smaller and smaller segments, eventually reaching segments of individuals, i.e. completely personalized, fully targeted content to each person. If each creative is tailored to an individual person, how can marketers possibly hope to analyze their competitors' campaigns?
- 2. A/B Testing:** Use of A/B testing is on the rise, due to automation technology and AI that empowers companies to test all aspects of their content - so they can laser focus their approach and gauge what works. This means that marketers trying to reverse engineer their competitors' strategy have even more creatives to sort through to get a full picture of their campaigns.
- 3. Targeting and Re-targeting:** Using HTTP cookies, companies gather precise data about users' online activity, shopping carts and more. With this information, they can invite users back to their abandoned purchases and retarget them for similar items. By understanding how companies retarget their visitors, it is possible to gain insights into their marketing strategies.
- 4. In store personalization:** 85% of buyers reveal that they would be influenced to make a purchase by a personalized digital display or beacon advertising. However, it is important to use these tools without crossing privacy boundaries.

Personalization on the Rise

Currently, many marketers have not yet fully implemented a personalization strategy. Their data may not be organized, or they simply may not have the expertise to implement such an advanced strategy. According to Evergage, 52% of marketers believe that the maturity level of their organization's personalization strategy is "limited" while only 8% rate it as "advanced."³ Overwhelmingly, they indicate that as the technology and strategy become mainstreamed, its use will increase exponentially. Programmatic marketing which can drive personalization is similarly on the rise, confirming that we are only at the beginning of the personalized marketing revolution.

³<https://www.evergage.com/wp-content/uploads/2016/06/2016-Trends-in-Personalization-Survey-Report-Evergage-final.pdf>

Challenges for Marketers Trying to Understand Competition

If marketers were previously able to gauge competitor strategy by looking on their website, keeping abreast of marketing materials, or simply viewing their posts in their social media feeds, now this information is not always readily available. Users will be targeted differently than in the past - and privately, so it becomes increasingly difficult to act and react in accordance to the wider market picture. This new landscape that is developing necessitates new tools to keep abreast of market developments.

How Customers React to Personalization: Acceptable or Creepy?

While ostensibly a lovely service may delight users by enabling quick access to the content they seek - it has the potential of coming off a bit... creepy, especially in an age when privacy issues are a dominant concern for users. Consider the story of a father who discovered that his daughter was pregnant after seeing an offer from Target for coupons on baby equipment. How did Target find out that the daughter was pregnant before her own father?

The answer is through algorithmic learning and predictive analytics. Indeed, a recent Harvard Review Study revealed that 78% of users do not want to develop a relationship with a brand. Yet, when executed correctly, personalization can be viewed as a considerable value-add to the customer experience with a given brand.

Marketers are currently learning how to use personalization tools effectively, and how to utilize them in a way that doesn't feel overly invasive.

What Can You Do?

Today, 85% of Facebook ads are dark or hidden from public view. So are 60% of YouTube ads and 90% of Twitter ads. That doesn't mean *you* must remain in the dark.

BrandTotal is turning on the spotlight on dark marketing.

BrandTotal gives you access to all the information not available to you publicly in your industry's marketing landscape. You will have access to all the campaigns running in your industry as well as be able to see who your competitors are targeting, where those ads are running and what they are saying. Marketers can use this powerful tool to discover not only what personalized content your competitors are promoting, but how the viewers are reacting to it.

“One of the benefits of the BrandTotal agile marketing intelligence platform is that marketers can use it to discover not only what personalized content their competitors are promoting, but how viewers are reacting to it.”

Is your competitor running a special offer for 18- to 25-year-olds? You will be informed - even if you are 40.

BrandTotal allows you to reverse engineer the marketing campaigns of your competitors, so that you can:

- Spot opportunities
- Thwart threats
- Remain competitive and up-to-date
- Market in an agile manner

BrandTotal is an indispensable tool that can help you understand how to strategize your own efforts as well as understand the competition in an increasingly complex marketing environment.

Reverse Engineer Your Competitors' Dark Marketing

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