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Despite Claims That More Targeting Means More Relevant Ads, Nope. Here's Proof.



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I am a digital marketer of 25 years. Now I audit campaigns for fraud.

Adtech has been convincing marketers for the last decade that more targeting means more relevant ads. More relevant ads ARE better. But in the vast majority of the cases, ads are not relevant, or even on target. That's because the underlying ad tech didn't work, or were simply more smoke and mirrors than reality (think Theranos). Of course the ad tech vendors were over-selling their tech (remember the Silicon Valley mantra of "fake it till you make it"?). Some never make it out of the "fake it" phase, but they still managed to convince gullible marketers to pay for the snake oil, so they could make revenues and profits to please their venture capitalists.

But let's look at the truth.

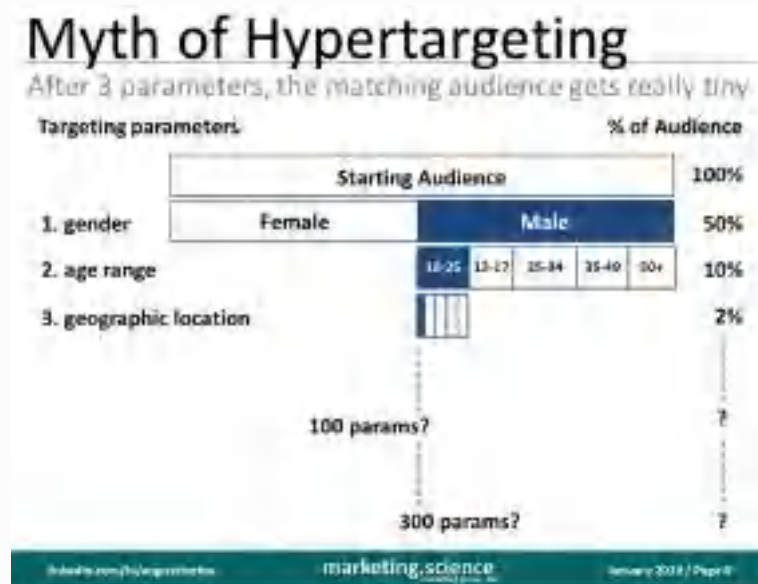
Some Targeting is Better Than No Targeting; But Hypertargeting is Just Hype(r)

Any marketer knows that some targeting is better than no targeting at all. After all, when you sell beard trimmers, you can save half the expense by not marketing to women, who would never buy the product. And advertisers have placed ads on certain TV shows and magazines based on the audiences that were the most relevant for whatever they were selling.

But in digital, marketers seemed to have lost their minds. They started to buy digital ads as if they were shopping at Costco — more ads and lower unit prices, like toilet paper in bulk. They also seemed to think that more targeting parameters meant they were doing better digital marketing, because supposedly more targeting means more relevant ads. But guess who made all the money selling more targeting parameters? Right, the ad tech middlemen, specifically the data brokers, known by their acronym DMP (data management providers).

Common sense might have saved marketers from themselves. Think about it. If just three targeting parameters reduced your targetable universe of users down to 2% of the total addressable audience (see slide below), what happens when you have 5, 10, 50, 300? Right. You're just paying extra for the targeting parameters and not getting any incremental lift in business outcomes. You paid more, and got less. I

won't belabor the point here; you can read more in the article linked here: [The Cost-Performance Paradox of Modern Digital Marketing](#)



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Targeting Data is Far Less Accurate Than Anyone Thinks

When using all those targeting parameters, most marketers assume that the data is accurate. What a hoot! You've probably never heard of the horror stories like 1) where the accuracy for 1 gender was 42%, less than the no-targeting average of 50%. You'd have done better targeting of that 1 gender by doing just a spray and pray campaign with no targeting at all. 2) where a third of the users were marked as BOTH male and female. This is because they derive your gender by observing what sites you visit. It's usually clear if you visit cosmetics and feminine hygiene product sites. But what gender is the user that visits news sites, REI.com, etc.? A lot of the derived parameters are as crappy as that.

Even the directly collected data like what terms you searched for or what product you looked at on Amazon are not necessarily accurate in all cases. It really depends on the situation. For example, a person may have searched for baby gifts for their friend; that doesn't mean they had a baby themselves. So all those baby stroller ads were irrelevant, even though the search keyword that was recorded was real.

And remember all those creepy ads that seem to follow you around the internet after you looked at a specific product on Amazon. Those are retargeting ads that assumed the fact that you looked at an item meant you're signaling intent. You were. But you also already bought it. So showing you the ad with that specific product a thousand more times is not going to get you to buy it; it's just going to piss you off further. You can see more crappy examples here: [How Accurate is Programmatic Ad Targeting](#)

The Tech Doesn't Work As Promised or Expected

The above also raises the question whether the tech even works as promised. Let's just put it this way; it works really really well on Powerpoint. You thought you set frequency caps, but analytics shows users are still getting hundreds, if not thousands, of the same ad shown to them. You thought you paid for fraud detection tech. You did pay for it, but it was only looking for bots (IVT - invalid traffic). Oops, it forgot to look for all the other forms of fraud that are ripping off your campaigns. You paid for brand safety tech, and it blocked your ads from mainstream sites like Wall Street Journal and New York Times because the pages contained the word "coronavirus" and it didn't block your ads going to porn, hate speech, and fake news sites.

You probably didn't believe anything I said to this point - about how crappy ad tech is, but you still bought it. So let's look at some data, collected by a tool called Adalytics, created by Krzysztof Franaszek. It's a Chrome extension that logs all the ads that were served into your browser. He published the findings in a blog post — How Many Relevant Ads Do We See Each Day? The data is unsurprising to those who concurred with the above; but it would surely be shocking to those who'd prefer to believe the ad tech they paid for was magical.

Franaszek's study recorded that one ad was shown over 2,000 times to him and others were shown large numbers of times (chart below). Perhaps all of those marketers forgot to set frequency caps? Oopsies.



CHART FROM ADALYTICS STUDY

And finally, for all the hype around more data, more targeting, and more relevant ads, guess how many ads Franaszek found to be "relevant?" — 32 (out of nearly 5,000 ads served into his browser over the course of the month). That's already less than 1% and we're not even taking into account over frequency problems. Is all that targeting actually delivering more relevant ads to users? Think about your own experience (how many relevant ads did you see today?) and use the Adalytics Chrome extension to gather the data you need to see for

sure. And think of all that privacy-invasive data collection, for the supposed purpose of making ad targeting better. Hmm. Probably not necessary at all.

So whether it is over-hyping hypertargeting, or the targeting data being far more crappy than anyone admits, or the ad tech simply not working as advertised, you the marketer are still paying for all of it. Just note that you're making the ad tech companies and their investors fat and happy. But that's not actually doing marketing, digital or otherwise. That's actually flushing your dollars down the toilet.

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I am a digital marketer of 25 years. Now I help marketers audit their digital campaigns for ad fraud that isn't caught by widely used ad verification services. I have... **Read More**