

MARKETING

Online ads may be targeting the wrong shoppers

July 27, 2021



Consumers are being misidentified and receiving irrelevant online ads. Image credit: Hugo Boss

By SARAH RAMIREZ

As more luxury brands rely on ecommerce, it may be more difficult to target relevant consumers through online advertisements than generally thought, according to new findings.

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New research from ad analytics platform **Adalytics** finds that many brands are missing the mark when it comes to ad targeting and customer segmentation. Successful ad targeting is about more than reach, since consumers are more likely to engage with relevant advertisements.

"Some marketers have high quality audience data and effective targeting, while others may want to take a closer look at what is happening with their ad buy," said Dr. Krzysztof Franaszek, founder and researcher at **Adalytics**, Boston.

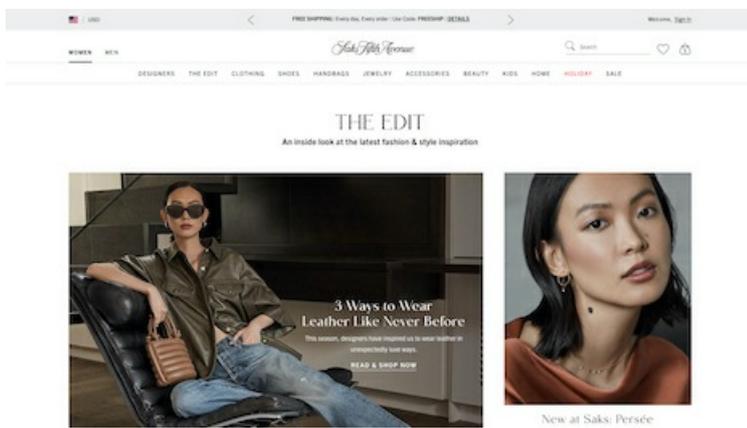
"Some luxury brands are paying very high CPMs to serve programmatic ads on websites seemingly unrelated to fashion or luxury, such as women's health," he said. "Furthermore, some brands appear to be serving ads to the wrong audience or an audience that doesn't even remember seeing their ads."

Adalytics' analysis is based on an audience research pilot of 25 consumers, primarily from the U.S. and ages from 24 to 63.

Online misses

While not every advertiser succeeded in reaching relevant audiences, ecommerce giant Amazon reached the widest number of consumers.

Sixty-four percent of consumers saw ads for various Amazon services across 275 different sites, while eBay hosted product ads were seen by 32 percent across 15 sites. Vacation rental platform Vrbo had high reach, with ads being seen by 48 percent of respondents across only 35 sites.



Ads for Saks were seen on 17 different sites. Image credit: Saks Fifth Avenue

German automaker Mercedes-Benz and auction house Sotheby's both reached 16 percent of consumers, while U.S. department store chain Saks Fifth Avenue reached 12 percent.

Reach and frequency are only part of the story for online ads, however.

Adalytics also analyzed ads' clickthrough URL, which can reveal through tags what type of consumers brands are intending to reach including gender, age, interests and customer journey stage.

For instance, high-end ecommerce mattress company **Saatva** categorized one consumer as "middle-of-the-funnel." The respondent, however, was not in the market for a new mattress and instead visited the Saatva site to confirm the dimensions of a mattress they received secondhand.

There were also errors with gender-based targeting.

Italian luxury footwear brand **Santoni** served ads to the wrong gender 70 percent of the time for instance, showing male consumers ads for women's sandals and heels.

Interest-based ad targeting also led to mismatches.



Santoni gender-targeted ads were shown to the wrong demographic the majority of the time. Image credit: Santoni

Two participants were repeatedly served ads by the National Rifle Association, a controversial guns rights group, targeting "luxury vehicle enthusiasts." Neither consumer had interest in either luxury cars or firearms.

While online advertisements may not be the most expensive brands make, Adalytics' findings are an indication that more marketers should audit the data used for audience segmentation and ad targeting.

Targeting challenges

Ad targeting and consumer data are in the spotlight, as consumers push for more privacy protection and the eventual demise of third-party cookies becomes inevitable.

Retargeting has become more difficult as more consumers block identifiers for advertisers (IDFA) and opt-out of targeting or tracking. This also makes it more complex for marketers to accurately measure the efficacy of their messaging ([see story](#)).

Technology giant Google has confirmed that it will not introduce alternate identifiers to track users online once it phases out third-party cookies, opting to use "privacy-preserving" solutions for digital advertising ([see story](#)). Google

Chrome now expects to end support for third-party cookies by the end of 2023.

"If ads aren't being targeted via demographic or behavioral segments, from data brokers or via cookies, then serving irrelevant ads is fine," Dr. Franaszek said. "Marketers may want to consider employing contextual adjacency targeting.

"If a marketer is paying to show wedding or engagement ring ads to someone who is single or married, then perhaps they may want to vet the quality and provenance of those audience data segments."

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