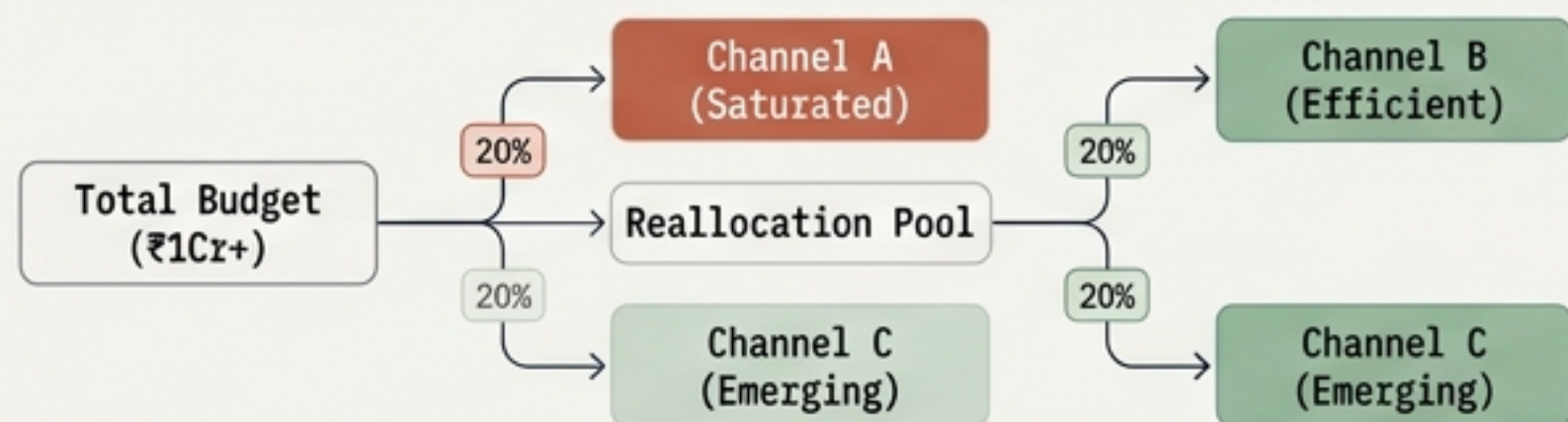


The Cross-Channel Budget Playbook

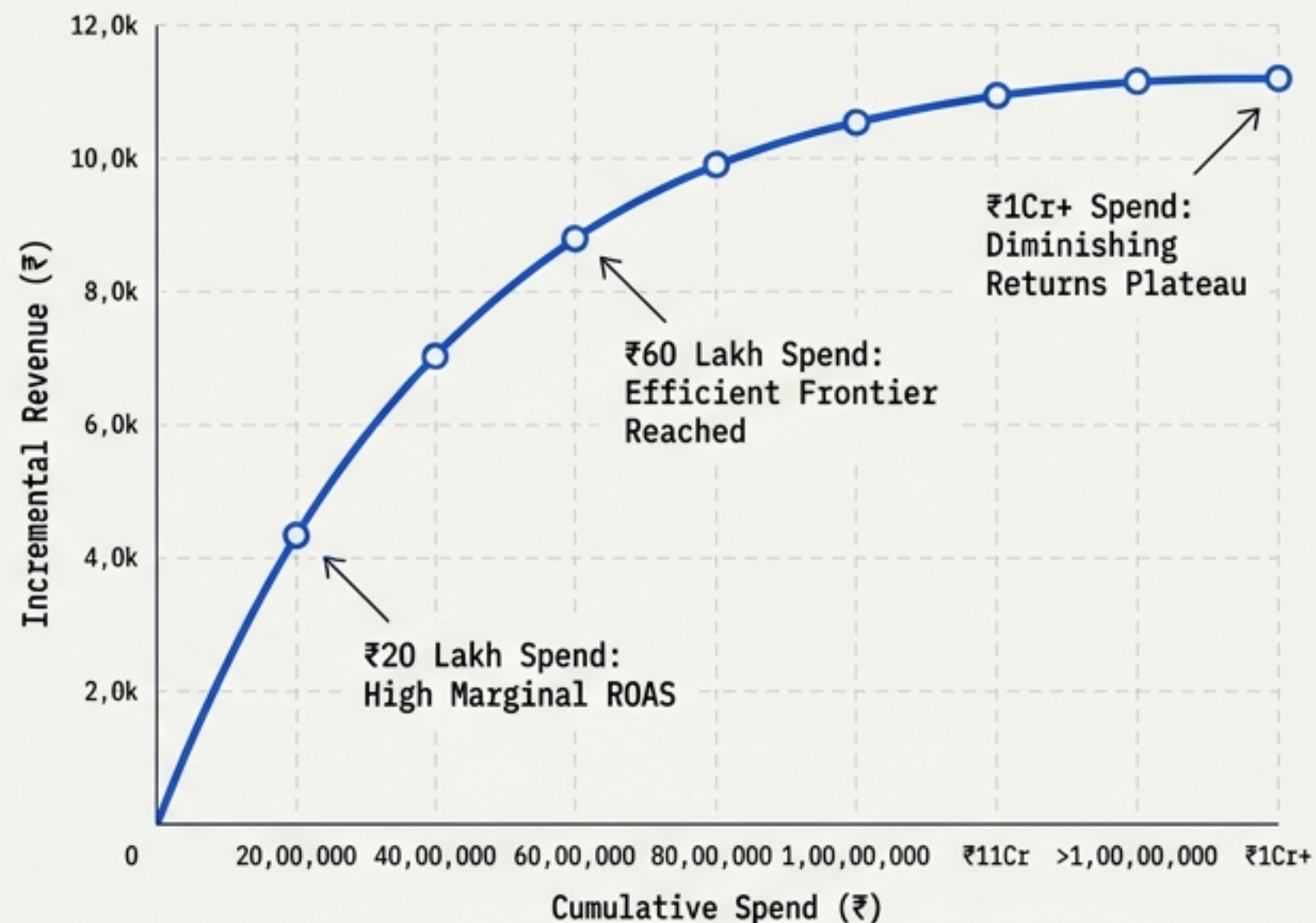
Mastering Marginal ROAS & Diminishing Returns at ₹1Cr+ Scale



Key Insight: Efficient reallocation requires identifying the saturation point for each channel. Shift budget from saturated, low-marginal-ROAS channels to high-potential areas to maximize overall portfolio return.



Strategic Reallocation to Optimize Marginal Gains



Spend vs. Marginal ROAS Analysis			
Spend Tier (₹)	Cumulative Spend (₹)	Marginal Revenue (₹)	Marginal ROAS
0-20L	20,00,000	1,20,00,000	6.0x
20-60L	60,00,000	1,60,00,000	4.0x
60-1Cr	1,00,00,000	1,00,00,000	2.5x
1Cr+	>1,00,00,000	40,00,000	1.0x

The Game Changes at Scale

The Campaign Manager



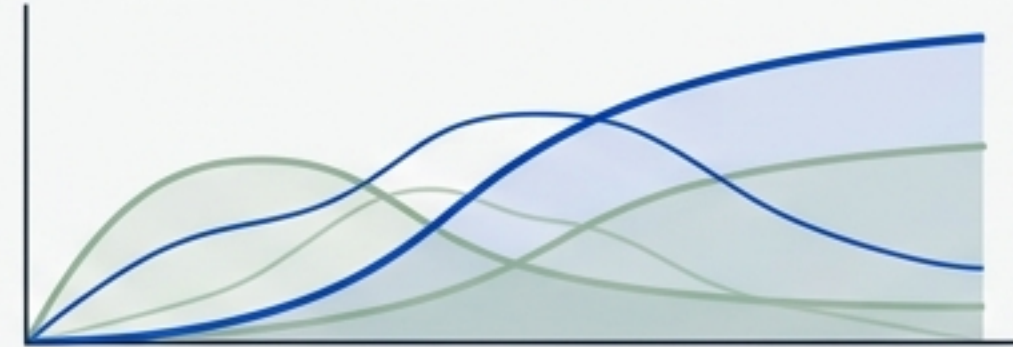
Single-Channel Reality

Focus: saturated, single-channel efforts

Focus: Targeting, Bidding, Creatives

Key Question: How do I get the best ROAS from this specific channel?

The Portfolio Manager



Cross-Channel Reality

Focus: Allocation, Pacing, Incrementality


Focus: Efficient frontiers and positive reallocation

Key Question: Where does the next rupee produce the most return across the entire portfolio?

Confusing these two models is how teams waste 20-30% of large-scale budgets every month

The Most Common Mistake in Performance Marketing

Channel	Spend (₹)	Rev (₹)	ROAS
Google Search (Branded)	4,00,000	24,00,000	6.0x
Google Search (Non-Branded)	10,00,000	30,00,000	3.0x
Meta Prospecting	6,00,000	12,00,000	2.0x



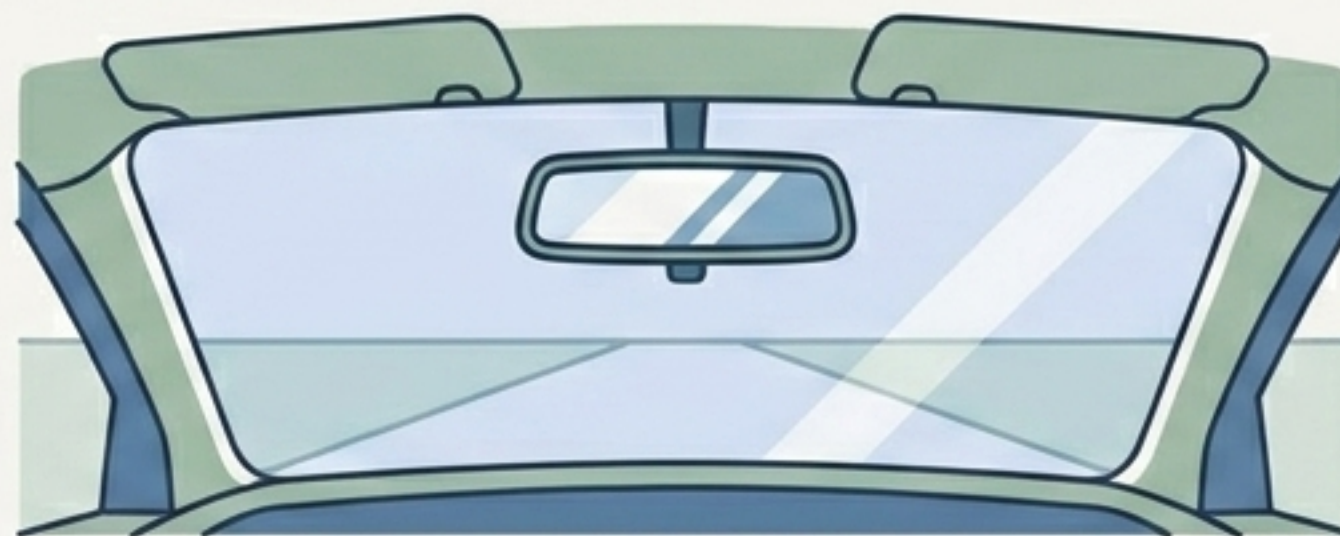
The Naive Move:
The Naive Move:
Shift budget away from Meta (2x) and max out Branded Search (6x).

Why Average ROAS is a Liar



Fact 1: Branded Demand is Bounded.

You cannot scale it arbitrarily. Doubling branded search spend does not double branded searches. Once you capture the existing demand, the next rupee returns almost nothing.



Fact 2: ROAS is a Rear-View Metric.

Average ROAS describes performance on the budget you have already spent. It provides zero information about what happens if you spend ₹1 more today.



“Where does the next rupee produce the most return?”

Defining Marginal ROAS

$$\text{Marginal ROAS} = (\Delta \text{ in Revenue}) \div (\Delta \text{ in Spend})$$

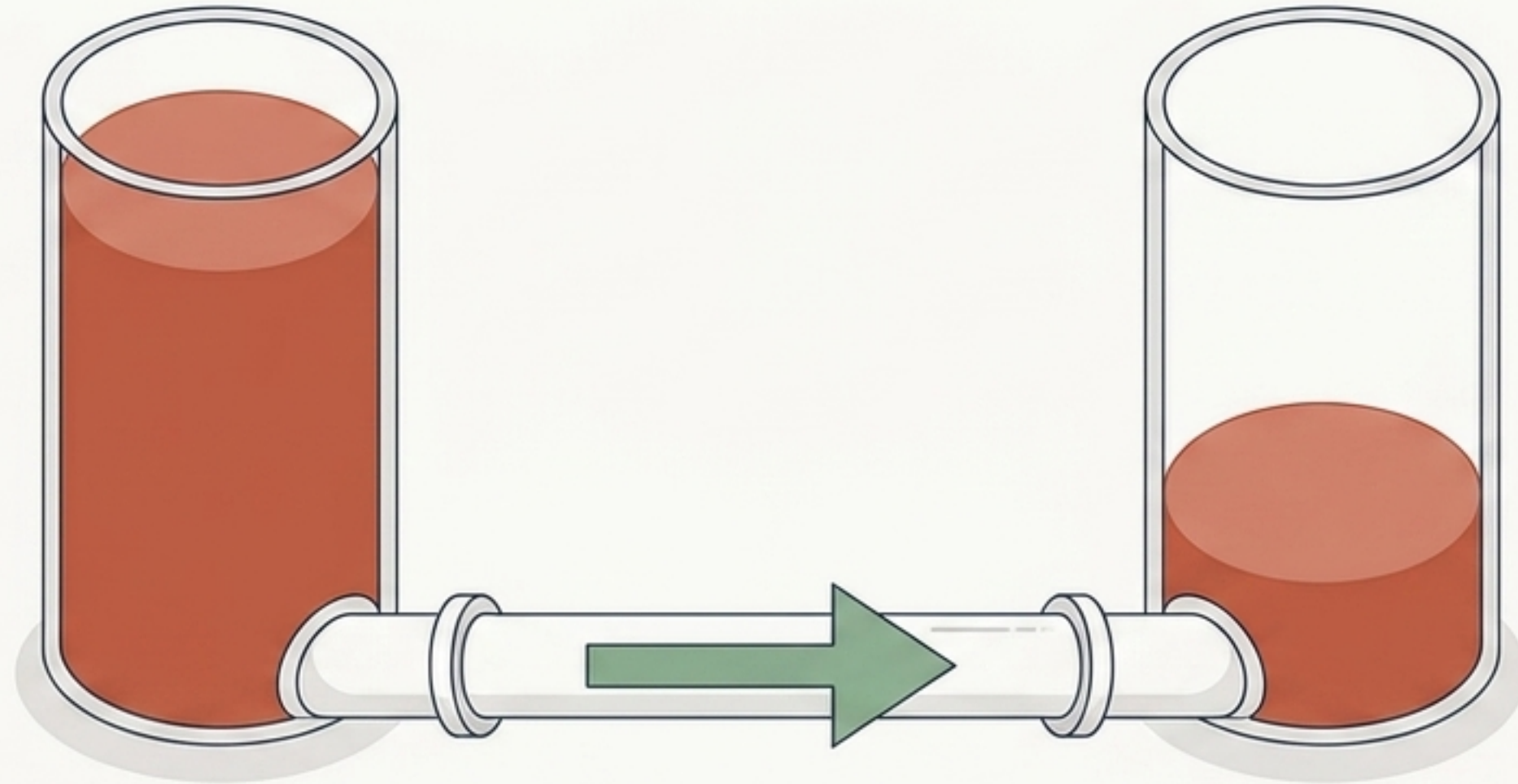
Marginal ROAS measures the incremental return of a small increment of additional budget.

It separates the easy revenue you've already captured from the harder revenue you are trying to buy right now.

The Core Allocation Law

Low Marginal
ROAS Channel

ROAS: 2.0x
ROAS: 1.4x
ROAS: 0.0x



High Marginal
ROAS Channel

ROAS: 6.5x
ROAS: 3.0x
ROAS: 6.5x

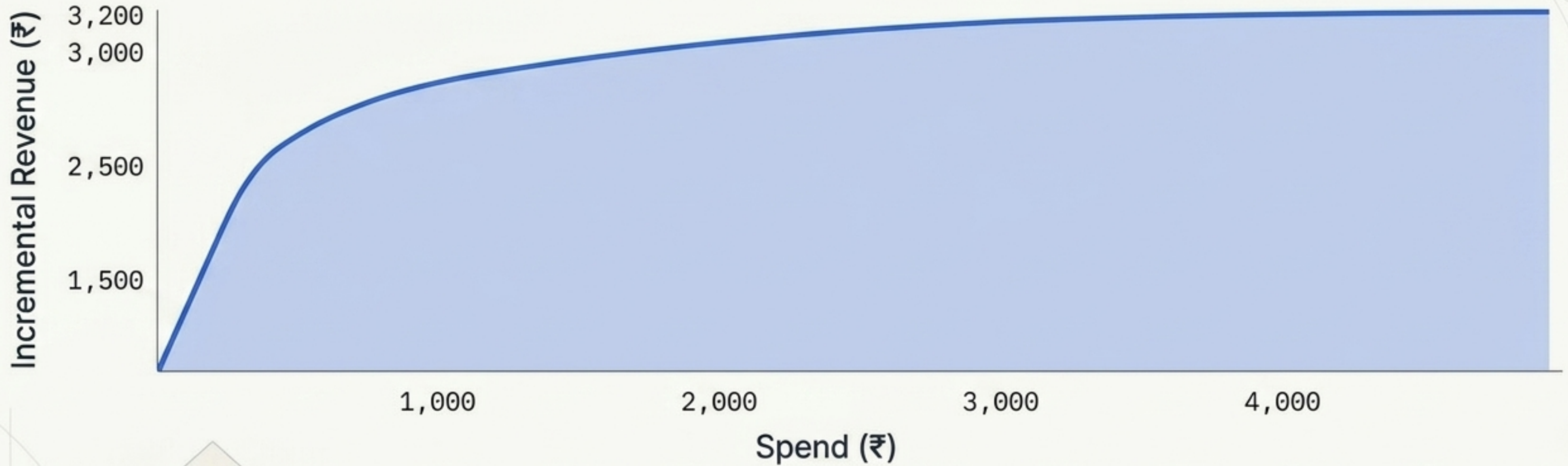
Rule: Move budget from the channel with the **lower Marginal ROAS** to the channel with the **higher Marginal ROAS** until they equalize.

The Naive Data, Reimagined

Channel	Avg ROAS	Est. Marginal ROAS
Google Branded	6.0x	1.8x (near-saturated)
Google Non-Branded	3.0x	2.8x
Meta Prospecting	2.0x	3.5x (room to scale)

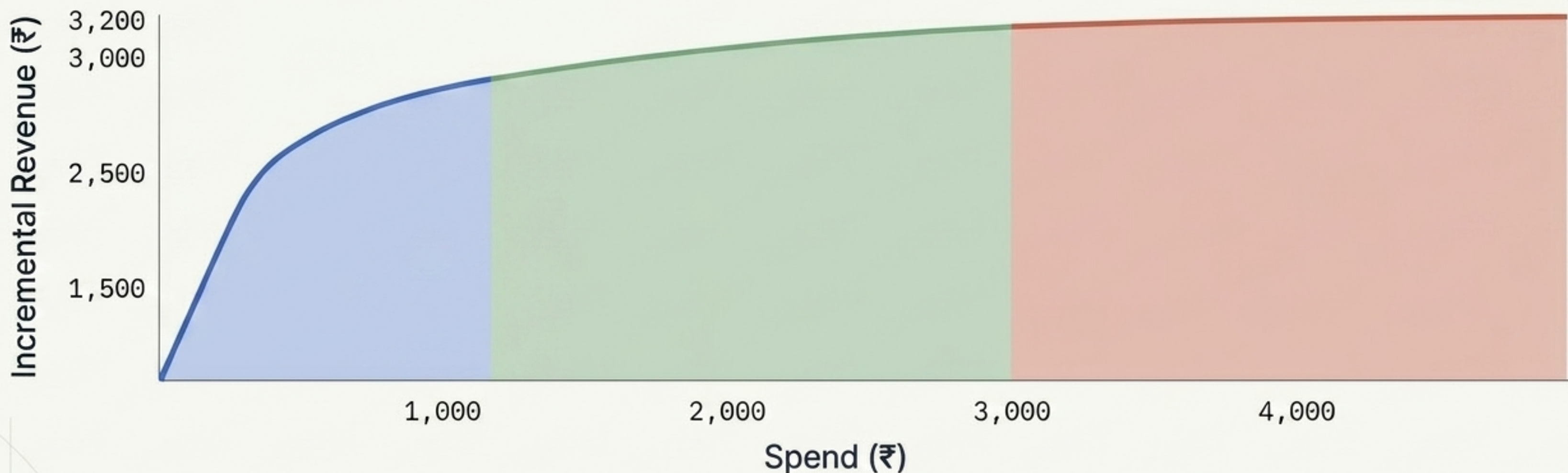
Takeaway: Meta has the worst average ROAS, but the best marginal ROAS. Each additional rupee here earns more than anywhere else.

The Engine of Ad Spend: Diminishing Returns



The **first rupee** reaches your easiest, most valuable audience. Every subsequent rupee buys a slightly less valuable impression. Eventually, the return barely justifies the cost.

Mapping the Three Spend Territories



Under-invested

The curve is steep.
Marginal ROAS is high.

Action: Increase spend.

The Efficient Frontier

The curve begins to bend, but each rupee still returns more than your 2-3x

Action: Well-calibrated. Monitor.

Near-Saturated

The curve is flat. Marginal ROAS is declining rapidly.

Action: Reallocate away.

How to Find Your Frontier



Process:

You cannot view the curve perfectly in real-time. You estimate it by running a channel at varying spend levels over several weeks.

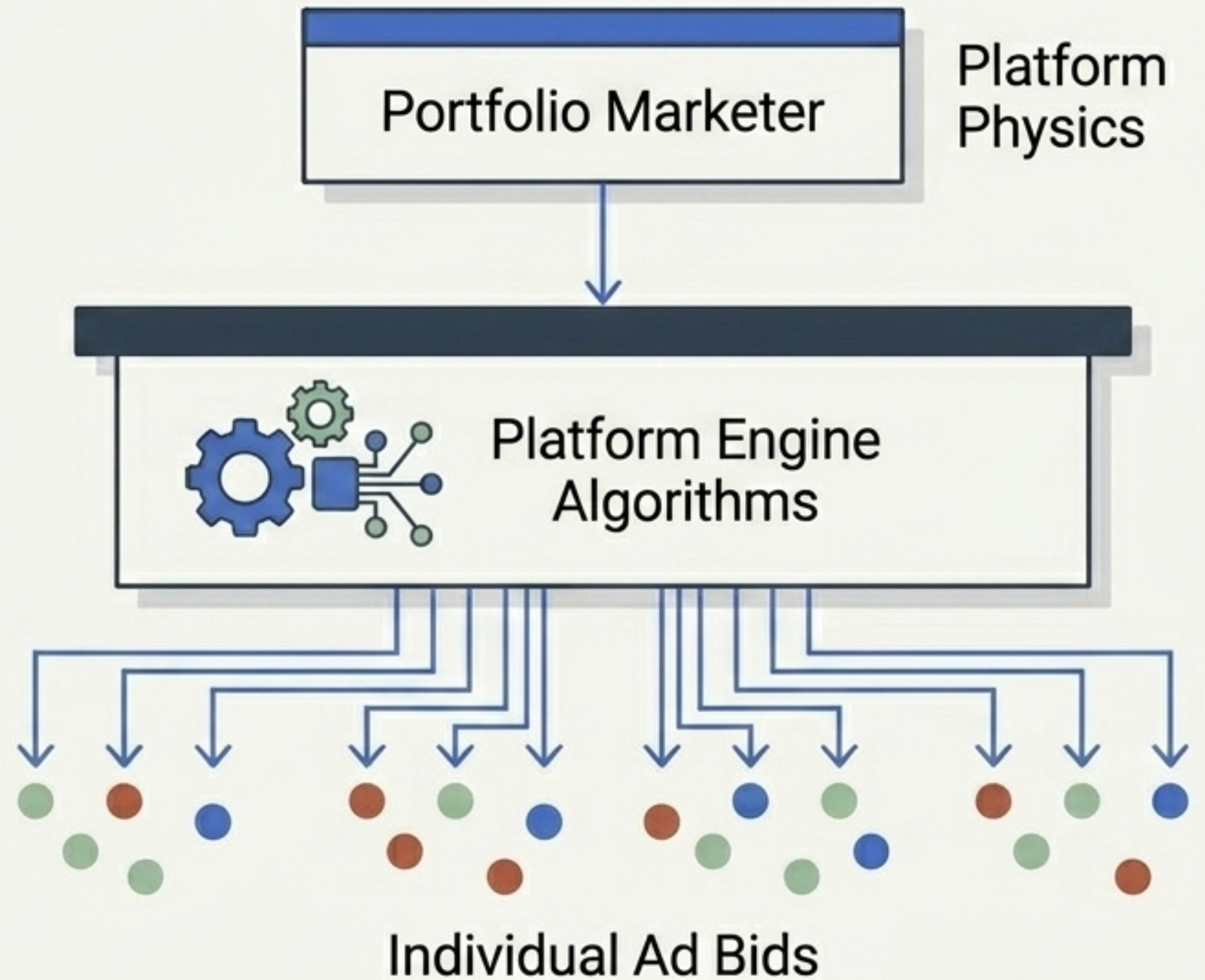
The Signal:

A steep, sudden drop in ROAS as spend rises is your classic saturation signal. You have hit the flat part of the curve.

You Are Not in Full Control

You don't just input "Marginal ROAS targets" into a machine.

You have to translate portfolio strategy into the specific, localized budget constraints of Google and Meta.



Platform Mechanics: Google vs. Meta



Google & Microsoft Ads

Budgets set at the Campaign Level as a daily average.

Critical Risk: Google can surge spend up to 2x the daily budget on high-demand days (but respects a 30.4x monthly cap).

Use **Shared Budgets** to pool liquidity.



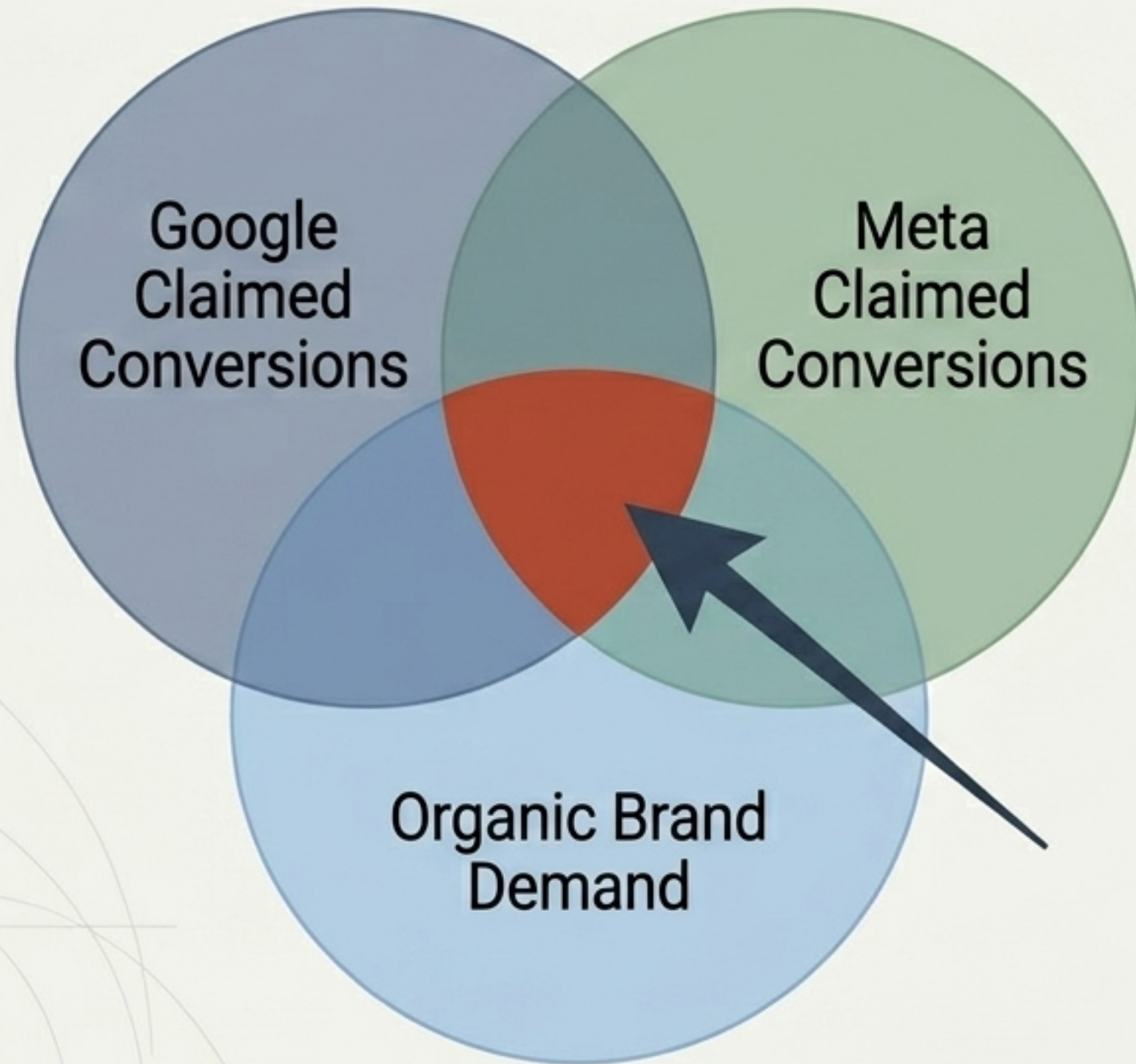
Meta Ads

Dual models: ABO vs CBO.

ABO (Ad Set Budget Optimization) provides strict manual control per audience.

CBO (Campaign Budget Optimization) pools budget at the top and allocates dynamically based on real-time platform signals.

The Incrementality Illusion



The Walled Garden Problem:

At ₹5L/month, attribution error is minor.

At ₹1Cr+/month, consumers see ads across multiple channels while organic demand naturally rises.

Google and Meta both claim credit for the exact same transaction.

Result:

Industry benchmarks like a 3x ROAS break at scale because the spend isn't causing all the conversions it counts.

The Golden Rule of Platform Data

“ Any ROAS number from a platform’s own reporting overstates the true incremental ROAS. ”

The Crucible: You Own the ₹50L Budget

Channel	Spend	ROAS	Notes
Google Brand	₹8L	7.0x	98% Impression Share
Google Non-Brand	₹18L	3.5x	52% Impression Share
Google Shopping	₹10L	2.8x	41% Impression Share
Meta Prospecting	₹8L	2.0x	Frequency 1.8
Meta Retargeting	₹6L	3.8x	Audience 90,000 users

Step 1: Diagnosing Saturation


Near-Saturated. You have captured all existing demand. Adding budget here will just inflate CPCs.

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Bounded. Despite a 3.8x ROAS, this pool is too small to absorb significant new budget without spiking frequency.

Step 2: The Attribution X-Ray

Channel	Spend	ROAS	Notes
Meta Retargeting	₹6L	3.8x	Audience 90,000 users

3.8x 

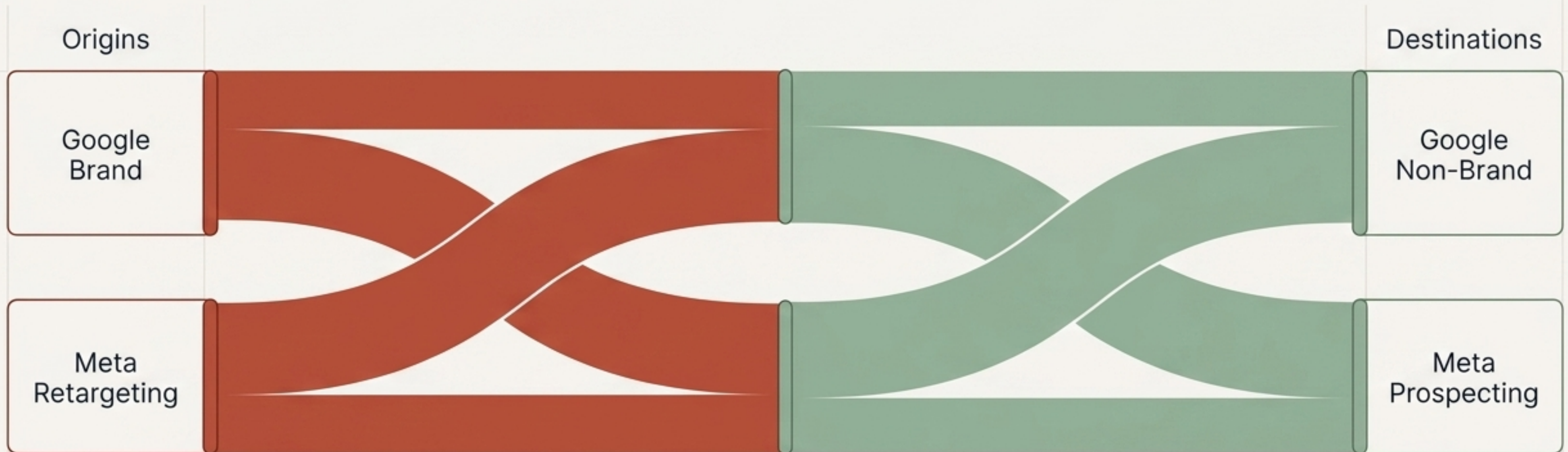
Analysis:

Meta Retargeting shows a strong 3.8x ROAS, but look at the context. This audience is highly likely to overlap with organic traffic and Branded Search.

Caveat:

This 3.8x is heavily inflated by double-counting. The true incremental ROAS is much lower.

Step 3: The Reallocation Move



Action: Pull budget away from historically high-ROAS channels (Brand/Retargeting) and push it into historically low-ROAS channels (Non-Brand/Prospecting).

The Marginal Rationale

—

Google Branded cut:
Saturated at 98% IS.
Marginal ROAS is near zero.

—

Meta Retargeting cut:
Audience bounded. High risk of
attribution contamination.

+

Google Non-Brand increase:
Google Non-Brand increase:
52% IS leaves massive headroom.
High likelihood of strong
marginal returns.

+

Meta Prospecting increase:
Low frequency (1.8) indicates
highly unsaturated audience.
Lowest average ROAS, but highest
potential for the next rupee.

The Portfolio Manager's Checklist

