

# Micro-target or target everyone?

Balancing reach with precision in your media strategy

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**What is the best way to get the right amount of reach but also the right precision? Some marketers are seduced by the promise of micro-targeted precision through digital media spend. Others go broad and target everyone. What is the right balance for your brand? Frustrating though it may be – the answer is “it depends”.**

Marketers are under pressure. As the area of responsibility for CMOs changes and evolves, their average tenure is on the decline.<sup>1</sup>

So, it's no surprise that, just like the social media-fuelled consumers they are targeting, marketers are subject to intense FOMO: Fear of Missing Out on “the next big thing”.

Fear that your competitors are making better use of “new big things” than you are. Fear, above all, of being seen as behind the curve.

This fear has led some marketers into decisions which, with hindsight, they might consider rash – hence the recent comments by what is the perhaps the most reliable bellwether of advertiser thinking.

Marc Pritchard, chief brand officer of Procter & Gamble, was quoted in a recent interview as follows:

1. [www.wsj.com/articles/average-tenure-among-chief-marketing-officers-slips-1456958118](http://www.wsj.com/articles/average-tenure-among-chief-marketing-officers-slips-1456958118)

**“We targeted too much, and we went too narrow. And now we’re looking at: What is the best way to get the most reach but also the right precision?”<sup>2</sup>**

Pritchard’s comments raise the topic of targeting – one which has become something of a dilemma for marketers in recent years.

On the one hand, “big data” allows micro-targeting through digital platforms and “programmatic”, and will give you the ability to learn and course-correct in real time.

On the other hand, a certain highly influential marketing text has questioned the whole idea of targeting, backed up by seemingly watertight data. This text is so influential that even the CFO has heard of it - he may even have read it.

**“The good news is that your customers are just like your competitor’s customers, and their customers are like yours. This means their buyers are up for grabs. So, target the whole market”<sup>3</sup>**

Knowing the scrutiny which will be on the ROI which results from your decisions, which way do you jump?

The answer, inevitably if somewhat unhelpfully, is **“it depends”** – on the nature of the brand and its marketing challenge. To get to the right answer for a particular brand, it is critical for marketers to have clarity of understanding in two areas.

## **1. WHO ARE YOU TARGETING, AND WHY?**

For many large mass market brands, the categories in which they operate are shopped infrequently, by consumers who care very little about their choice of brands. In these circumstances, the marketing challenge is to make marginal gains to your brand’s ability to come to mind, on those occasions when a category purchase is made.

This school of thought is summed up in this quote from Bruce McColl, Global CMO of Mars:

**“I’m not a great believer in targeting – our target is about seven billion people sitting on this planet. Our task is to reach as many people as we can; to get them to notice and remember us; to nudge them; and hopefully, get them to buy us once more this year”<sup>4</sup>**



2. [www.wsj.com/articles/p-g-to-scale-back-targeted-facebook-ads-1470760949](http://www.wsj.com/articles/p-g-to-scale-back-targeted-facebook-ads-1470760949)

3. Byron Sharp – “How Brands Grow”

4. McColl was speaking at the annual ARF ReThink conference

Mars are, in effect, targeting **everyone** - but not all advertisers have the resources to communicate on the scale that such a strategy demands. You can tip the balance in your favour with clever media strategy, and in particular with impactful creative which engages the emotions, but smaller brands run the risk of being pop-guns against cannons.

For smaller advertisers, then, focusing on a target segment crafted around carefully considered consumer insight can be a more practical way to get a foothold in the short term.

And for the biggest advertisers too, it can be folly to ignore the targeting potential inherent in some media choices. For its laundry products, P&G needs to get in front of as many people as possible. Because everyone has washing. For its baby care products, P&G needs to get in front of as many expectant parents or parents of young children as possible. Because not everyone has babies.

Hence, whilst P&G may be scaling back its investment in targeted Facebook ads, it is not abandoning it completely:

**“At P&G, we are focused on growing more users, and have continued to invest in both TV and digital media to reach consumers. Facebook offers both mass reach with precision targeting and our brands will continue to use Facebook to reach consumers, including targeting where it makes sense”<sup>5</sup>**

In other words – **“it depends”**.

Of course, one company for which highly targeted advertising has certainly brought strong ROI is Facebook itself. Which brings us to our second area:

## 2. WHAT ARE YOU TARGETING WITH?

Fear of Missing Out has been associated with the use, and occasional over-use, of emerging digital media. Recent revelations around the way such media is bought, sold and measured are giving rise to a new fear – Fear of Being Taken In.

Have you, for example, been seduced to optimise against metrics which, by the media owner’s own admission, are incorrect<sup>6</sup> or irrelevant?

**“At Facebook, although we are proud of diminishing the stature of irrelevant metrics, we share the responsibility for some that still litter your dashboards. No matter how hard we try to weed out remaining shiny metrics, entrenched behaviors are hard to change”<sup>7</sup>**

More than half of all UK advertising spend now goes into digital, and the bulk of that goes to Google and Facebook. And yet those two media owners are in control of a lot of the measurement metrics used to assess the effect of advertising on their platforms. Fox in charge of the henhouse? Marking your own homework? Choose whatever metaphor you like!

5. P&G spokesperson quoted in Marketing Week - [www.marketingweek.com/2016/08/10/why-pg-is-moving-away-from-targeted-facebook-advertising](http://www.marketingweek.com/2016/08/10/why-pg-is-moving-away-from-targeted-facebook-advertising)

6. For example - [www.nytimes.com/2016/09/24/business/media/facebook-apologizes-for-overstating-video-metrics.html](http://www.nytimes.com/2016/09/24/business/media/facebook-apologizes-for-overstating-video-metrics.html)

7. Resisting the Siren Call of Popular Digital Media Measures: Facebook Research Shows No Link between Trendy Online Measures and Ad Effectiveness - Journal of Advertising Research, Vol. 56, No. 2, June 2016

So – the answer to the question raised by the title of this piece is, and will always be, **“it depends”**. However, insight derived from consumers can help inform your decision of whether to target, and if you do, to increase your confidence about who you target, why, and with what.

Traditional consumer understanding techniques such as segmentation can be enhanced to build in practical applications for media planning and targeting. For example – if you know what proportion of purchases in a category are bought on impulse or “auto-pilot” and what proportion are considered and researched in detail, then you can make an informed strategic choice about media allocation. What proportion should you invest in mass market media to reinforce the mental networks which might support an auto-pilot choice in favour of your brand? What proportion should you divert to more micro-targeted interventions along the consumer journey, where you can target not only the media buy but the nature of the content?

More involved purchase decisions are where micro-targeting can really come into its own – but here’s where it’s important to know what you’re buying. Using an online tool to build a custom spec for a BMW might be the kind of digital behaviour which flags up likely purchase interest in BMW. But that digital behaviour might be coming from a teenage boy who likes cars – not someone with a realistic prospect of buying a BMW in the short term. Building bridges between your consumer insight and your “big data” (e.g. your Data Management Platform), has the potential to sharpen your targeting.

Once your targeting decision has been made and your media allocated, optimise and assess using metrics which matter. Draw a distinction between metrics which reflect the desired outcome for your brand, and those which might help increase your chances of reaching that outcome. Measures available in or near real time, via the platform you may be using for digital advertising, are unlikely to reflect the desired outcome for your brand.

**Finally – resist the temptation to throw the baby out with the bathwater. Even as people’s media consumption habits have changed beyond recognition in the last few years, some key learnings have held true.**

**1. Reach is more important than frequency. Excessive targeting can lead to excessive frequency. Excessive frequency leads to diminishing returns, poor ROI – and increased use of ad blockers...**

**2. Creative is king. Unlike the content that surrounds it, advertising does not have an in-built audience – even when micro-targeted. It needs to earn the right to a place in people’s dwindling attention spans. Learn how to harness emotions to gain and retain that attention.**