

# Critical-Mass Marketing:

## Optimizing Your Media Mix



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- The challenge of how to best allocate marketing dollars has never been more important or more difficult.
- The three primary obstacles are:
  - Media are fragmenting.
  - Perpetual Consumers are in control.
  - Data is out of control.
- A new mindset and measurement model are required.

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- Enacting Critical-Mass Marketing requires a continuous, comprehensive and coordinated flow of information.
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## *Critical-Mass Marketing: Optimizing Your Marketing Mix*

All marketers thirst to know which components of their marketing plans are performing, and which are not. Armed with this knowledge, marketers can forge a stronger bond with their consumers; increase the consistency, speed and control of brand communications; and gain competitive advantage.

Unfortunately, the vast majority of marketers lack the time, data, wherewithal, or inclination to create this knowledge. As a result, marketers are forced to allocate marketing investments in a vacuum using outdated strategies and tactics.

Recent changes in media, consumers and data have made it more difficult — and more important — than ever to know how to balance the marketing mix. These same changes have made it both undesirable, and effectively impossible, to reach a given target audience with conventional mass-marketing tactics.

By adopting the new mindset and principles of Critical-Mass Marketing, marketers can craft the right balance of media investments — quickly, profitably and continuously. The net effect is that a company's brand communications achieve their desired objectives *despite* the fragmented media landscape, radical consumer change, and numerous data issues.

# TODAY'S MARKETPLACE

Waste and inefficiency continue to hinder brand building. Gauging how best to allocate marketing dollars is arguably the most vexing challenge marketers face. Few, if any, marketers claim to have a rock-solid rationale.

The challenge has never been more difficult or more important. Changes in media, consumers and the data available to marketers have redefined the nature of marketing and outmoded traditional means of measuring marketing performance, which are too slow, incomplete, indecipherable or unusable. The old attitudes and tools are inefficient and simply cannot keep pace with today's demanding consumers.

Three factors, or obstacles, stand out from all the rest.

- Media fragmentation.
- Consumer empowerment and behavior.
- Data proliferation.

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## *Media are fragmenting.*

The media mix continues to explode. The once-simple mix of television, radio and print has ballooned into a broad spectrum of print and electronic options, the Internet being the most prominent symbol of the changed media landscape. To exacerbate matters, the choices within each medium have expanded as well. Television, for example, has burgeoned from three networks to hundreds of cable channels, all of which carry brand messages.

■ **Audiences are scattered.** As media vehicles have proliferated, formerly concentrated audiences have scattered across the expanding media spectrum. Even a tightly defined brand target audience will not track neatly and uniformly across these diverse media. A target audience profile indicates the type of consumer a marketer wants to reach, but it does not reflect a united block of consumers with identical media consumption habits.

■ **Assembly is required.** Marketers must cobble together a more diverse and individually tailored mix of media vehicles to satisfy their consumers' information and entertainment needs. This mix must include, and effectively balance, offline and online vehicles. As never before, assembling the optimal marketing mix will entail creativity and a solid understanding of the subtleties and connections between the various vehicles. Ingenuity in the creation and management of marketing plans will be equally important as the creativity of the messages being conveyed.

## **CONCLUSIONS**

- Media fragmentation has compounded the complexity of planning and implementing marketing programs.
- Most important, media fragmentation means that meaningful evaluation of marketing performance can only be determined by measuring across all vehicles in the media mix.

# 2

## *Perpetual Consumers are in control.*

Focus and power have shifted from brands to consumers. Traditionally, marketing has been the business of making brands the stars. Today, however, marketing is the business of making consumers the stars. That's because the balance of power has shifted to the consumer—in large part due to the rapid rise of the Internet. This power shift has spawned Perpetual Consumers, whose “24/7” consumption is fueled by several factors.

■ **More information.** The availability of information about brand features, benefits and performance provides Perpetual Consumers with unprecedented ammo to make their purchase decisions. Perpetual Consumers are now able to seek greater levels of knowledge about products and services that might improve their lives. They can proactively look for ways to win the pricing game. As never before, the burden is on the brand to prove its worth, every minute, every day.

■ **More choices.** A global bazaar of product and service options is now as close as a cell phone, handheld or desktop computer. With the push of a button, the Perpetual Consumer can shop, compare and negotiate a price on anything from a CD or a book to an automobile. Perpetual consumption has been fueled directly by the growing number of choices and the growing number of channels offering these choices.

■ **More personalization.** Where traditional consumers were the passive receptors of advertising, promotional messages, and products and services, Perpetual Consumers are active participants in the branding experience. No longer content to accept products and services created for them, consumers increasingly insist on personalizing (or at least influencing) the products and services themselves, in their own images, for their unique needs.

This demand for personalization underscores the need for marketers to tailor their marketing plans so as to reach the desired Perpetual Consumers across the myriad media channels.

### **CONCLUSIONS**

■ Given the new independence that consumers are displaying and their perpetual consumption across a broad spectrum of marketing and media channels, it is more difficult and more important than ever for a brand to keep in step with its target audience.

■ Marketers must continuously measure and optimize (i.e., adjust) the marketing mix to ensure they remain in touch with empowered, fast-moving Perpetual Consumers.

## 3 *Data is out of control.*

Data often provides more problems than solutions. Marketers collect data to provide clarity and to support key decisions about how to build a given brand. The unfortunate reality is that for most marketers, data creates as many problems and as much confusion as it helps to solve. The principal data problems stem from issues of quantity and quality.

- **Unmanageable volume.** More data is available than ever—and the quantity continues to climb. Most marketers lack the time or the inclination to process, analyze and leverage the plethora of information to their competitive advantage. Data overload is a key roadblock to marketing effectiveness.
- **Not all data is created equal.** The second problem (closely tied to the first) is knowing what data to use and what to discard. The challenge is deciphering what is wheat and what is chaff, what will help in allocating marketing monies and what will hinder. This distinction is, unfortunately, not readily apparent and culling the bad data from the good demands time and expertise. That much of the data is contradictory only makes matters worse.
- **Lack of integration.** The third problem is that data is siloed—it is cut into narrowly focused, vertical slices. Once again, most marketers lack the time or the inclination to integrate these myriad data streams. Unless data is integrated, marketers lack the complete and seamless understanding necessary to best decide how to allocate marketing resources.
  - **Consumer data**—Databases of consumer demographics, psychographics, shopping patterns and traffic patterns are essential to the task of identifying, attracting, motivating and retaining a brand's highest-potential consumers.
  - **Sales data**—Linking media choices to transactions is critical in determining whether marketing programs achieve brand growth objectives. This includes both offline and online sales.
  - **Media data**—A clear picture of which media are best suited to reach and influence highest-potential target consumers is also a prerequisite to determining marketing performance effectiveness. This includes both offline and online media.

### CONCLUSIONS

- Marketers are flooded by disorganized, disintegrated, often contradictory data.
- In determining how to best improve marketing performance, marketers need a filter that can identify relevant data and then integrate it to create a complete composite picture.

A new mindset and measurement model are required. To convey their marketing messages successfully, marketers must construct, measure and appropriately modify their plans to address the three principal obstacles. This will enable them to account for the broad diversity of marketing vehicles; keep pace with the speed and continuity of consumption; and integrate the most important data from the full range of data streams.

# CRITICAL-MASS MARKETING

## **THE PRINCIPLES**

Critical-Mass Marketing is a set of principles marketers can apply to align their media mixes with the dynamic behavior of today's Perpetual Consumers. Enacting these principles enables marketers to communicate their brand messages and achieve their objectives despite the various obstacles.

Critical-Mass Marketing demands a continuous, comprehensive and coordinated flow of information. As such, the key to Critical-Mass Marketing is the ability to measure marketing performance across all media vehicles, in real time.

■ **Combine micro-media to customize delivery of the core message.** Media fragmentation and changing consumption habits require marketers to piece together micro-media to create Critical-Mass Marketing. This is a challenge, but it is also an opportunity for customization. The more selectively a brand combines various micro-media, the more effectively it connects with its target consumers.

■ **Design serial — not cyclical — executions.** In many ways, marketing has been a cyclical activity, with cycles often lasting a year and clear distinctions between the development, execution and measurement phases. Once a given plan was set into motion for the cycle, there was relatively little revision or tinkering. Any measurement was viewed more as a way to improve the next cycle, rather than the current one.

But waiting until the “next cycle” to improve a marketing plan risks losing touch with Perpetual Consumers and opens the door to competitive intervention. The speed and frequency of marketplace and consumer changes demand that marketers continuously assess the effectiveness of their marketing plans and fine-tune them — in a serial, not a cyclical, fashion.

■ **Plan for speed and flexibility as much as for reach and frequency.** As media metrics, reach and frequency are still important. But speed and flexibility have assumed to the same status. By being fast and flexible, a brand can respond to changes either in the marketplace (e.g., a competitive action or new entry) or in Perpetual Consumers' shopping or purchasing patterns. Both are crucial for brands to remain relevant and connected to their target audiences.

■ **Match media vehicles to shopping patterns.** This can help tighten the connection between the marketing message and the ultimate consumer purchase. By measuring marketing plan results across all media vehicles, brands can identify and emphasize the vehicles having the greatest effect on brand sales. That a given marketing vehicle will reach the desired target audience should not be the only consideration. As much as possible, each vehicle should tie back to target consumers' shopping patterns.

■ **Apply creativity to the media planning process.** Marketing/media planning is the new creative frontier. Marketers who discipline themselves to think differently, to see marketing opportunities not readily apparent, and to mix and match media vehicles in unique ways will win. The media game is vastly different and less predictable than it was ten, or even five, years ago. Creativity in the media planning process will be a point of competitive advantage.

■ **Use marketing performance metrics as an ongoing decision support system, not just for accounting.** Far more than just recording (i.e., “accounting” for) the past, marketing metrics should focus on the future. By making metrics an integral, ongoing part of the marketing process, brands can use them and the data they generate to constantly hone their marketing plans.

## PAYOFF

### *Know why you are spending what you are spending.*

Critical-Mass Marketing — and the continuous cross-media measurement and data integration that underpin it — enable brands to maximize the power and efficiency of their marketing plans in an ongoing fashion, despite significant obstacles. Based on a sound, real-time understanding of what is working and what is not, Critical-Mass Marketing replaces guesswork with the new strategic mindset and tools necessary to communicate with target consumers — effectively, efficiently and continuously.

By applying Critical-Mass Marketing, marketers will:

- ① Bring your brand closer, continuously, to your Perpetual Consumer.
- ② Gain confidence, control, consistency and speed.
- ③ Close performance gaps.
- ④ Gain competitive advantage.



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