

What has Changed What Has Not

Mark Ritson

Copies will be available **think^{tv}**



6
10

AI

Marketers

Marketing

What has changed

- **Segmentation**
 - **Targeting**
 - **Positioning**



What Has Not Changed

- **3 Phase**
- **Briefing**
 - **ESOV**
- **Media Importance**
 - **Media Diversity**
 - **Message Focus**
- **The Power of TV**

Changed

Segmentation



Acuity Ventures: statistically profit graph and point of sales record.

Expense

Profit






2014

2015

2017

Segmentation

Talking a different language

<p>Formative experiences</p>	<p>Maturists (pre-1945)</p> <p>Wartime rationing Rock'n'roll Nuclear families Defined gender roles - particularly for women</p> 	<p>Baby boomers (1945-1960)</p> <p>Cold War 'Swinging Sixties' Moon landings Youth culture Woodstock Family-orientated</p> 	<p>Generation X (1961-1980)</p> <p>Fall of Berlin Wall Reagan/Gorbachev/ Thatcherism Live Aid Early mobile technology Divorce rate rises</p> 	<p>Generation Y (1981-1995)</p> <p>9/11 terrorists attacks Social media Invasion of Iraq Reality TV Google Earth</p> 	<p>Generation Z (Born after 1995)</p> <p>Economic downturn Global warming Mobile devices Cloud computing Wiki-leaks</p> 
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<p>Attitude toward career</p>	<p>Jobs for life</p> 	<p>Organisational - careers are defined by employees</p>	<p>"Portfolio" careers - loyal to profession, not to employer</p>	<p>Digital entrepreneurs - work "with" organisations</p>	<p>Multitaskers - will move seamlessly between organisations and "pop-up" businesses</p>
<p>Signature product</p>	<p>Automobile</p> 	<p>Television</p> 	<p>Personal computer</p> 	<p>Tablet/smartphone</p> 	<p>Google glass, 3-D printing</p>
<p>Communication media</p>	<p>Formal letter</p> 	<p>Telephone</p> 	<p>E-mail and text message</p> 	<p>Text or social media</p> 	<p>Hand-held communication devices</p>
<p>Preference when making financial decisions</p>	<p>Face-to-face meetings</p>	<p>Face-to-face ideally but increasingly will go online</p>	<p>Online - would prefer face-to-face if time permitting</p>	<p>Face-to-face</p>	<p>Solutions will be digitally crowd-sourced</p>

Or With a bit more Skill We Do This....



SPOT THE DIFFERENCES





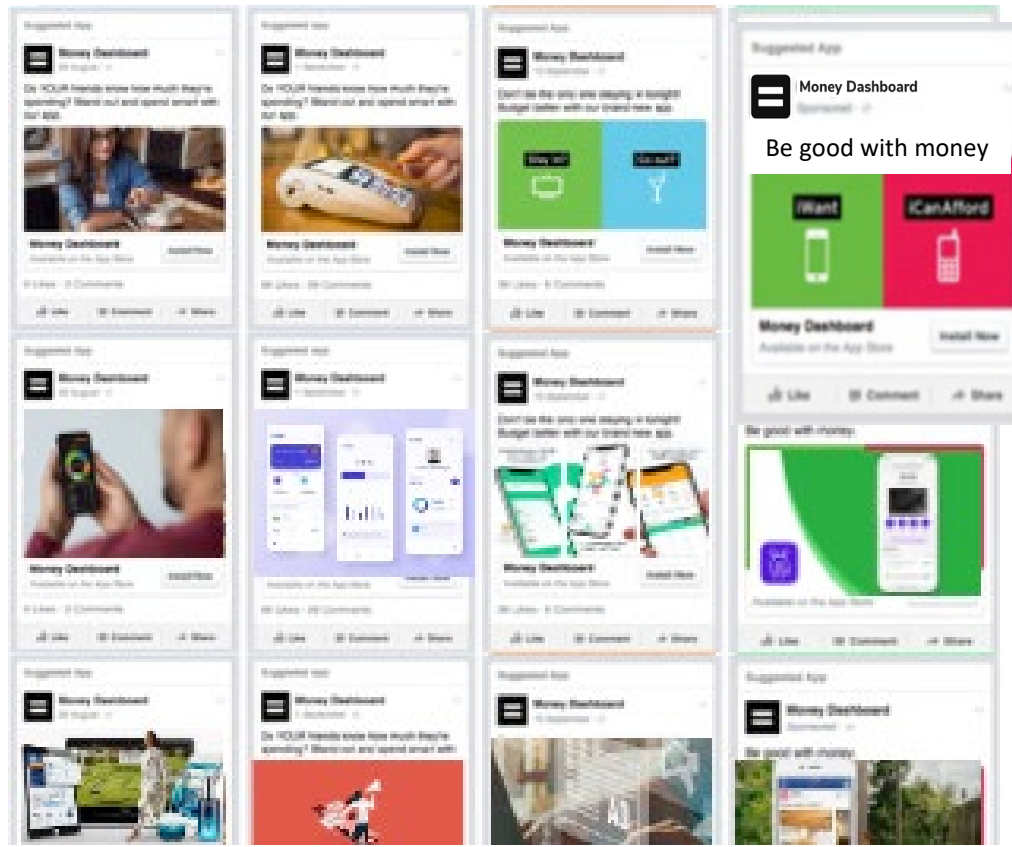
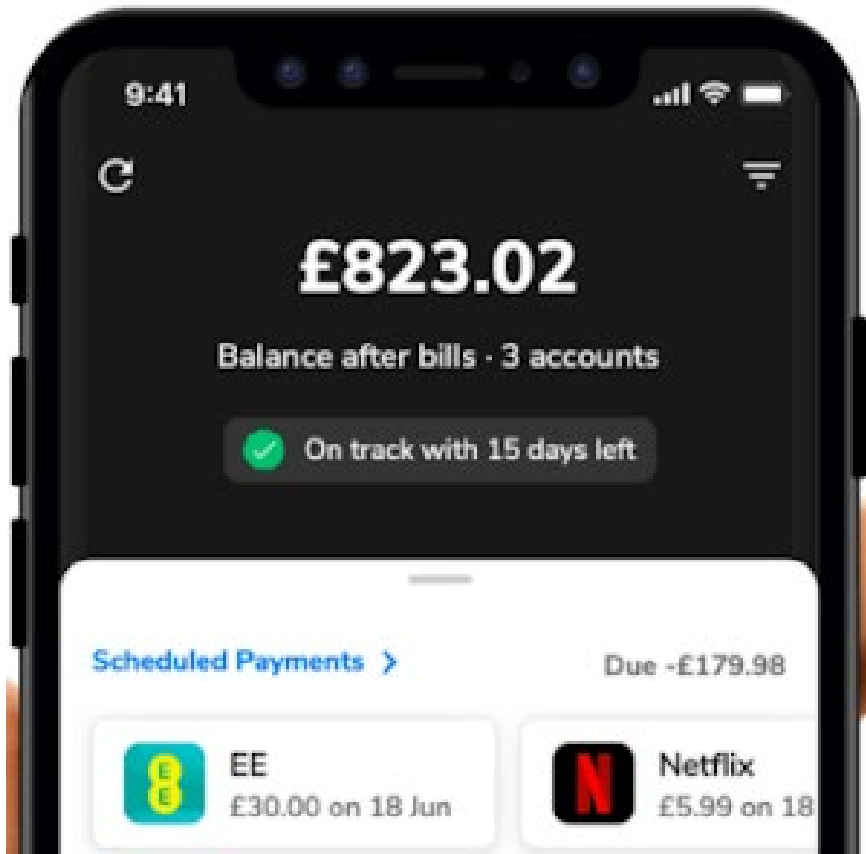
Money Dashboard Ladder

109x Increase
In weekly app installs

65% Decrease
In cost per new user

Samuel Brealey

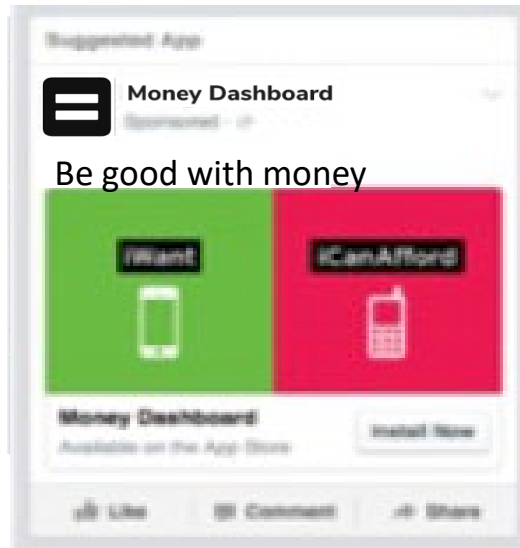
Better marketing, better business.



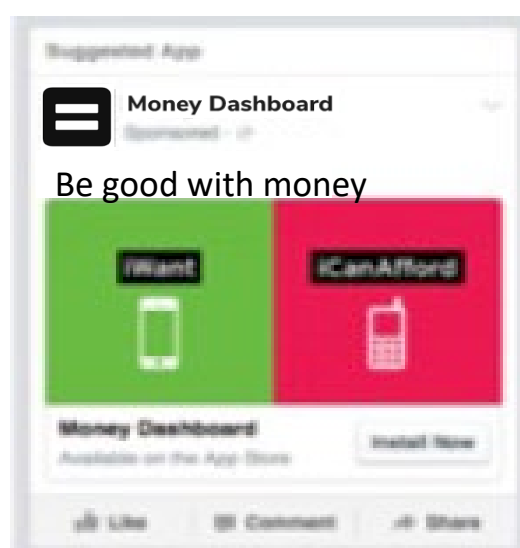
Students



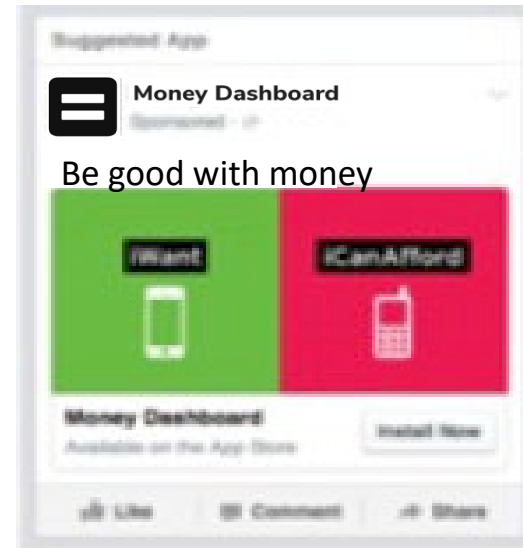
Frequent Travelers



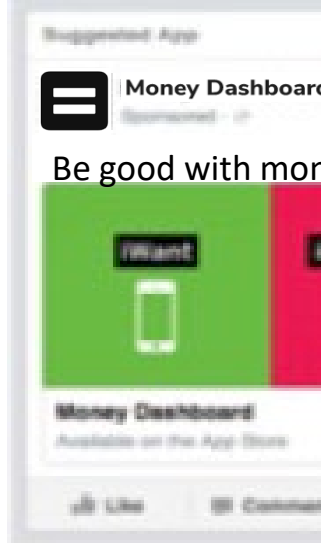
Working Professionals



Newly Retired



Very M



- Most other Ladder clients

Booking.com

next up...

monzo

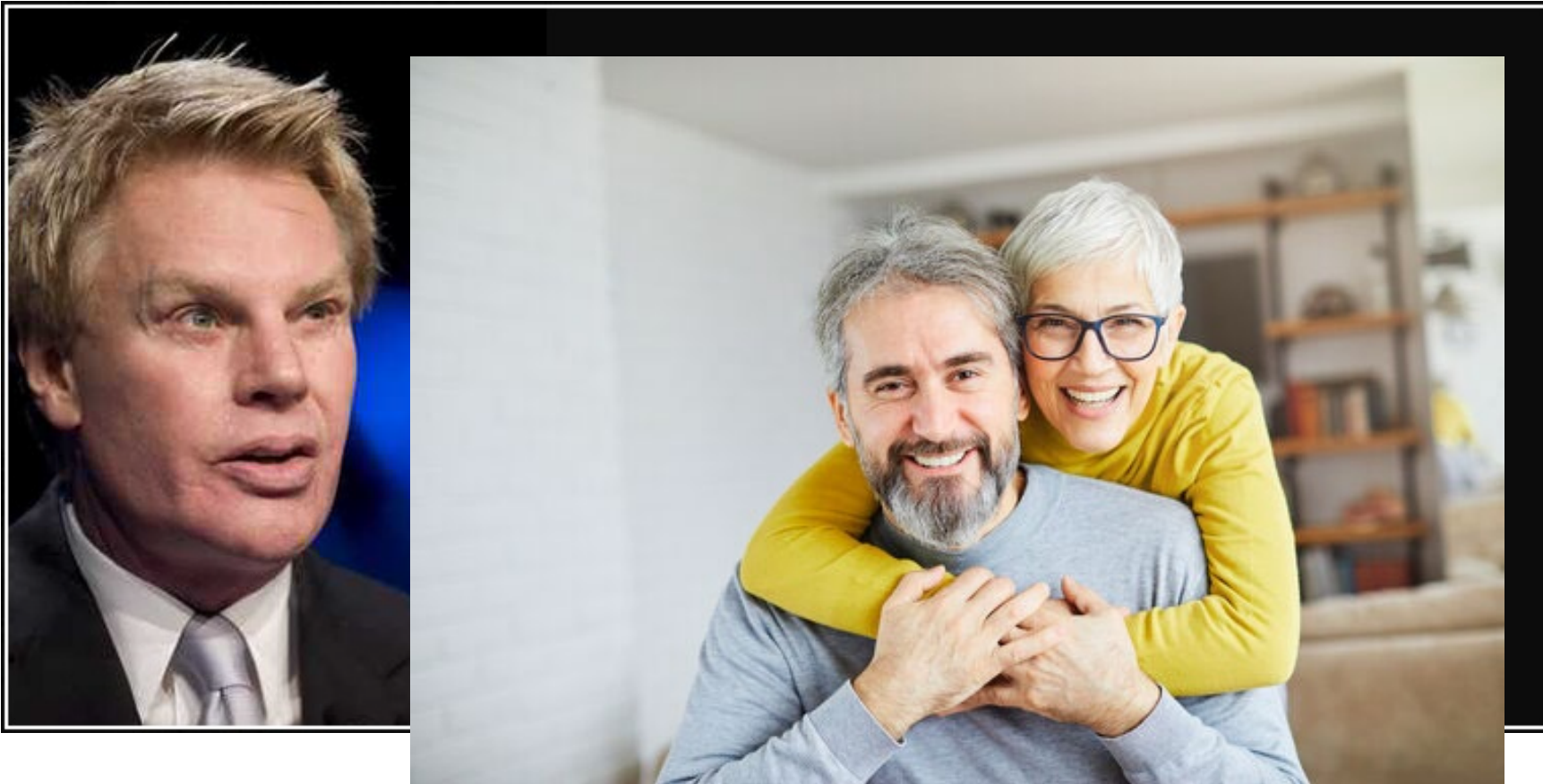
“The overwhelming reality was and is that the best ad for one audience is the best ad for all audiences.”

think^{tv}

Changing

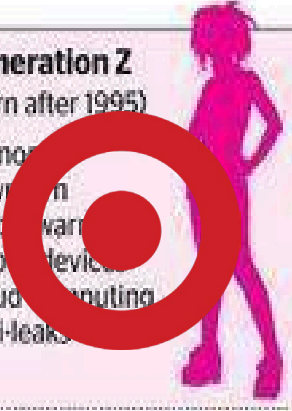
Targeting

We Used to Do This...



Generation Z
(Born after 1995)

Economic downturn
Global warming
Mobile devices
Cloud computing
Wiki-leaks



Multitaskers - will move seamlessly between organisations and "pop-up" businesses

Google glass,
3-D printing

Hand-held communication devices

Solutions will be digitally crowd-sourced

Problems with Targeting Segments

- Can we identify the segments?
- Do the segments matter?
- Can we afford to target them?



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Overwhelming targeting options: Selecting audience segments for online advertising

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ABSTRACT

Even as online advertising continues to grow, a central question remains: Who to target? Yet, advertisers know little about how to select from the hundreds of audience segments for targeting (and combinations thereof) for a profitable online advertising campaign. Utilizing insights from a field experiment on Facebook (Study 1), we develop a model that helps advertisers solve the cold-start problem of selecting audience segments for targeting. Our model enables advertisers to calculate the break-even performance of an audience segment to make a targeted ad campaign at least as profitable as an untargeted one. Advertisers can use this novel model to decide whether to test specific audience segments in their campaigns (e.g., in randomized controlled trials). We apply our model to data from the Spotify ad platform to study the profitability of different audience segments (Study 2). Approximately half of those audience segments require the click-through rate to double compared to an untargeted campaign, which is unrealistically high for most ad campaigns. Our model also shows that narrow segments require a lift that is likely not attainable, specifically when the data quality of these segments is poor. We confirm this theoretical finding in an empirical study (Study 3): A decrease in data quality due to Apple's introduction of the App Tracking Transparency (ATT) framework more negatively affects the click-through rate of narrow (versus broad) audience segments.

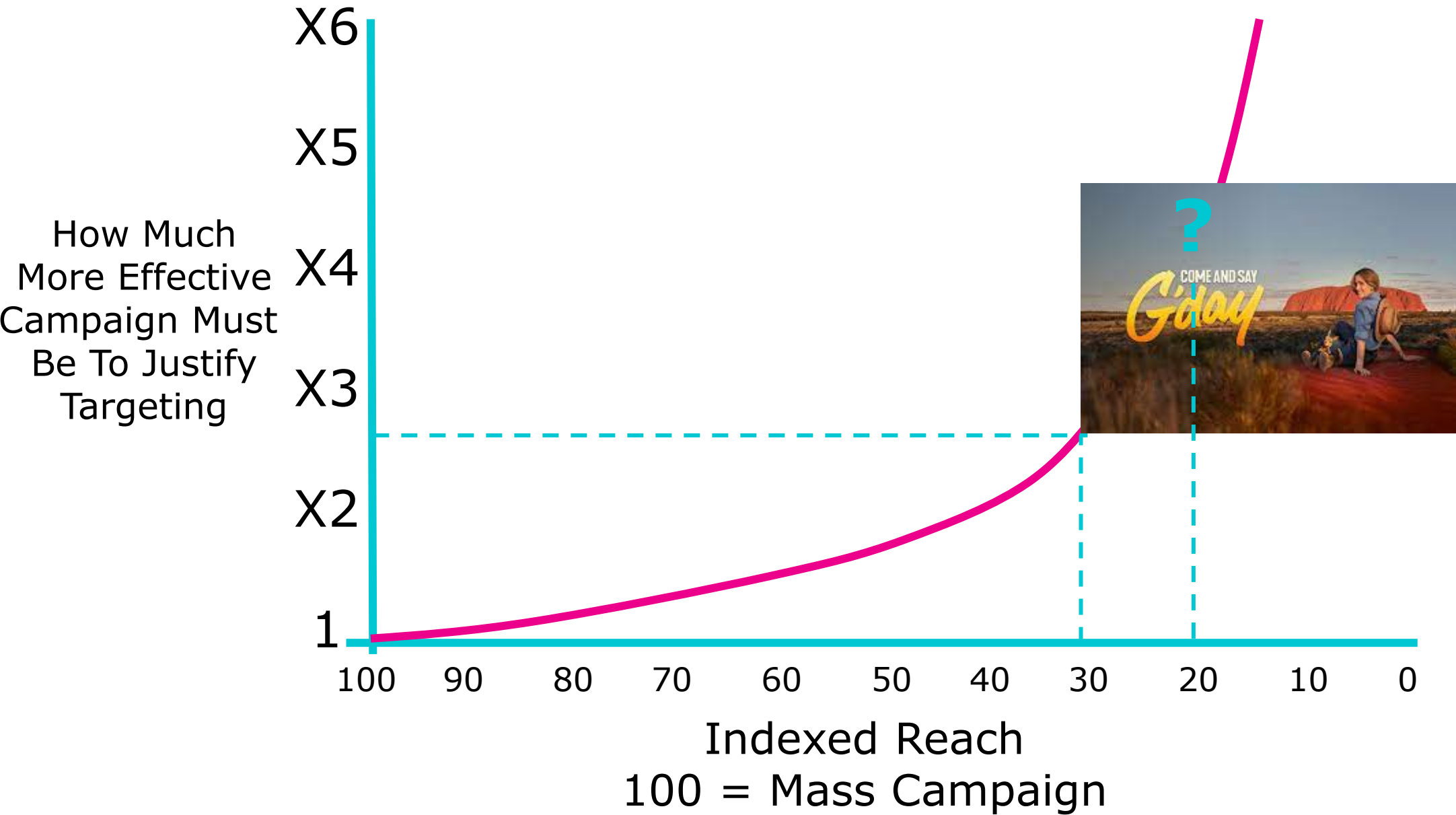
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1. Introduction

The ongoing growth of online advertising (PwC, 2023) reached a new milestone at the end of 2018 when global digital ad spending surpassed global television ad spending for the first time (Bayer, Srinivasan, Riedl, & Skiera, 2020). For firms, the primary appeal of online ads is their capacity to target users more strategically (e.g., based on user demographics and online behavior). Targeted ads are touted as being more effective than untargeted ads—and indeed, recent research provides evidence that users are more likely to show interest in and click on targeted ads compared to untargeted versions (Goldfarb & Tucker, 2011b; Tucker, 2014; Yan et al., 2009). Consequently, many researchers have taken a keen interest in targeting

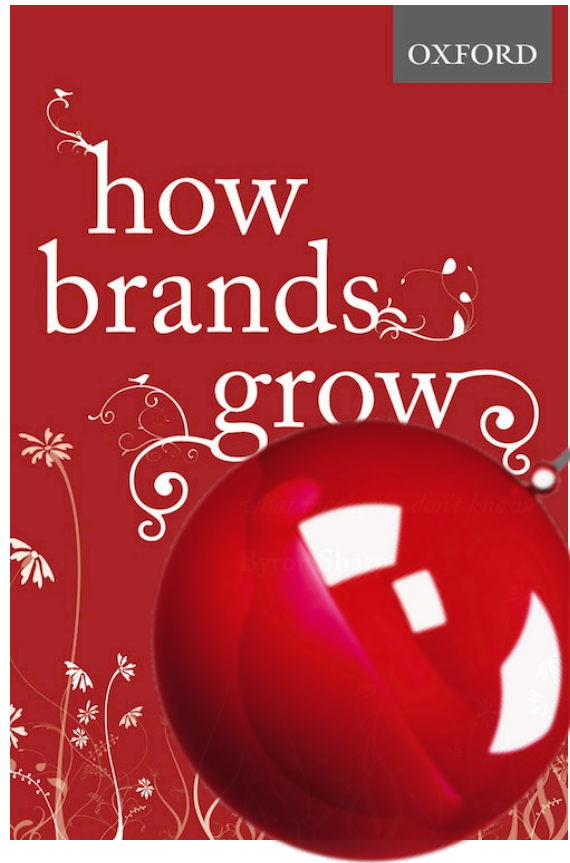
* Corresponding author.

Targeting vs Effectiveness



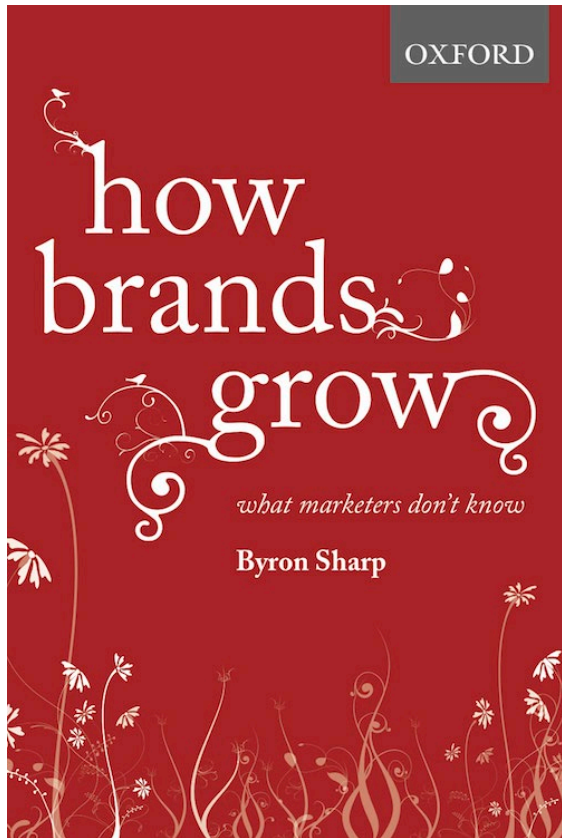
Segmentation Targeting





Segmentation Targeting



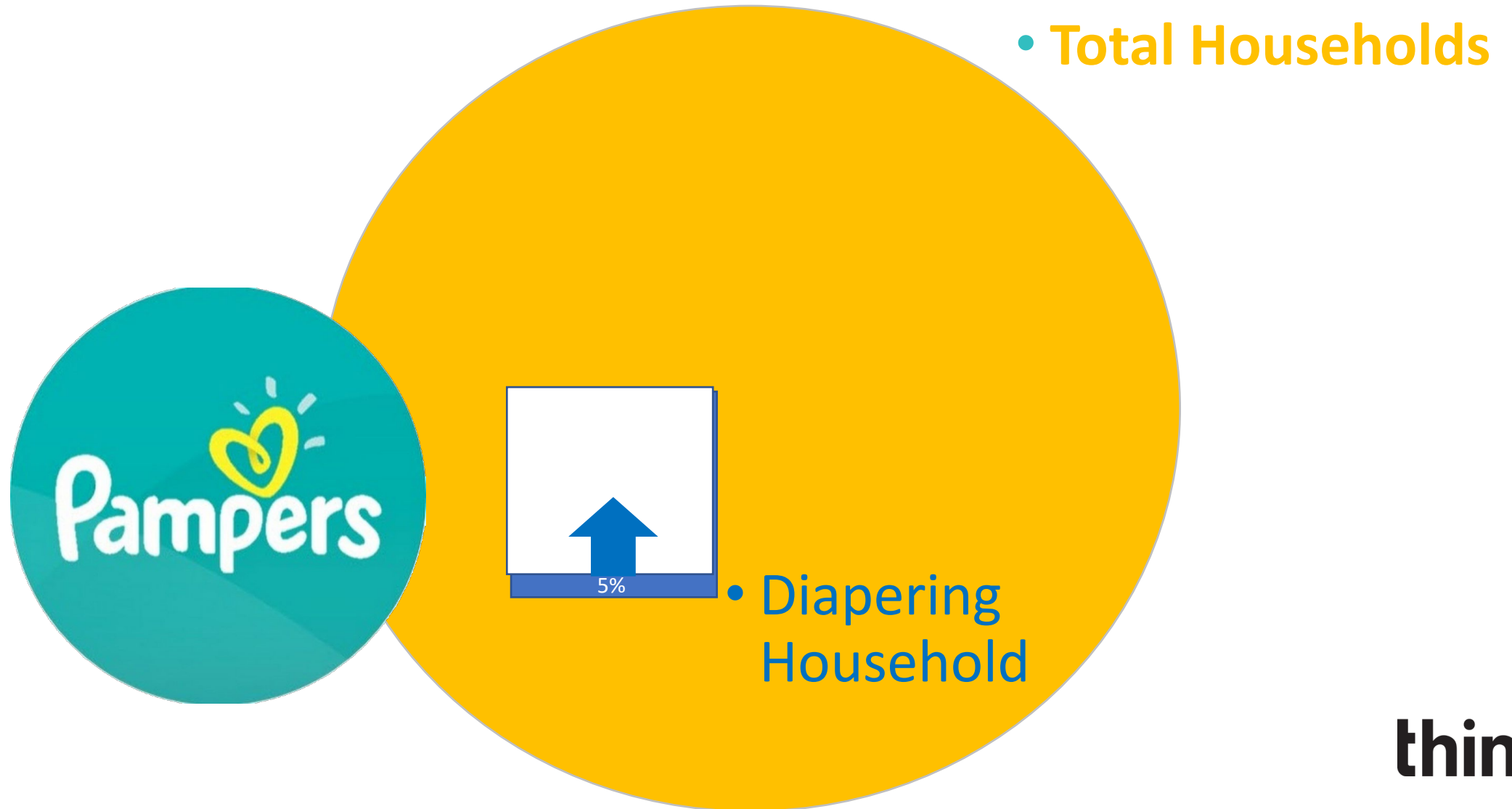


**Reaching all buyers is
vital, especially light,
occasional buyers of the
brand.**

Mass Marketing Complication #1: Sophistication



Mass Marketing Complication #1: Sophistication



Mass Marketing Complication #1: Sophistication



Potential
Buyers



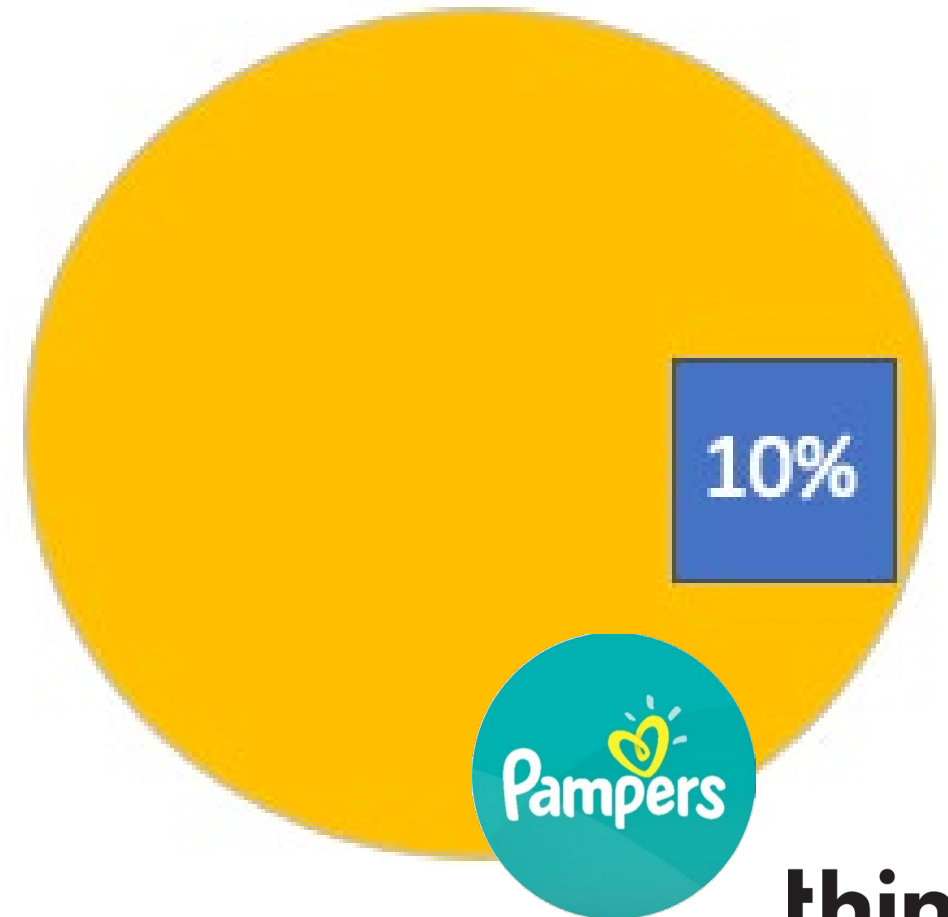
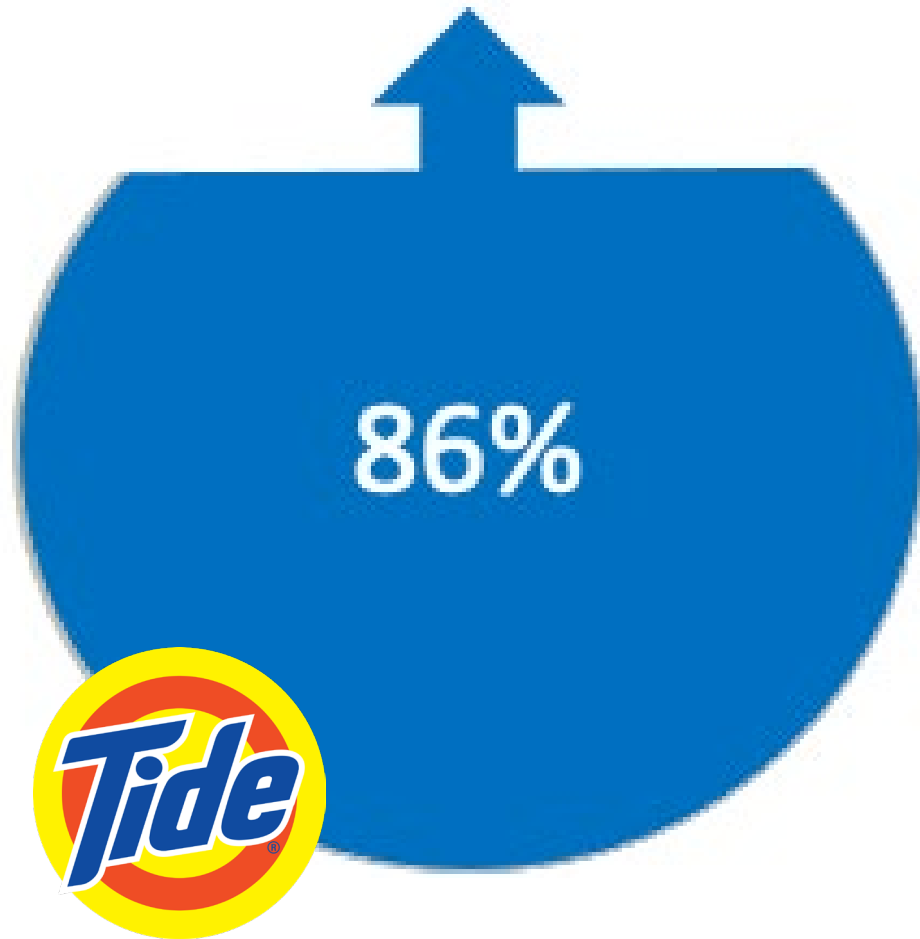
Mass Marketing Complication: #1: Sophistication



We find that many brands keep the bar too low and settle for target audience reach of around 50 – 70%. Washing clothes, brushing teeth, and using toilet paper are done by pretty close to 100% of people on a regular basis so there's no reason to settle for such low reach. We're resetting the bar to achieve 90% target audience reach and get as close as possible to 100%.



Sophisticated Mass Marketing still demands Targeting



Mass Marketing Complication #2: Budget

in Search Home My Network Jobs Messaging

- Big Company
- Lots of Marketers
- Budget for Improvement

Manveer Sood · 2nd
Head of Marketing Excellence at Ather Energy
Gurugram, Haryana, India · [Contact info](#)
500+ connections
Aakriti Goel and Sayali Chandorkar are mutual connections

[Connect](#) [Save in Sales Navigator](#) [More](#)

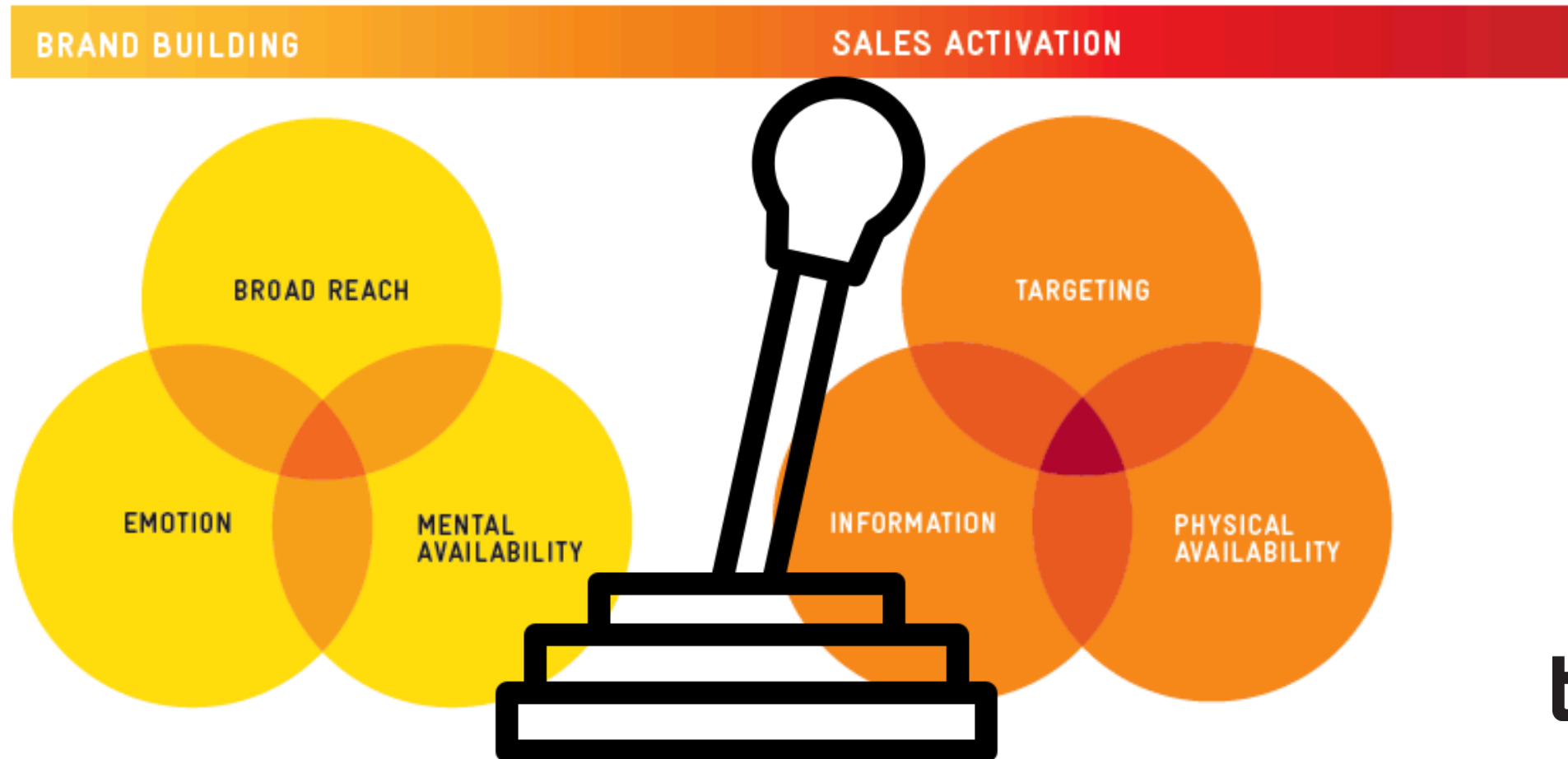
All My
Actual
Budget

Mass Marketing Complications: #3 Long & Short



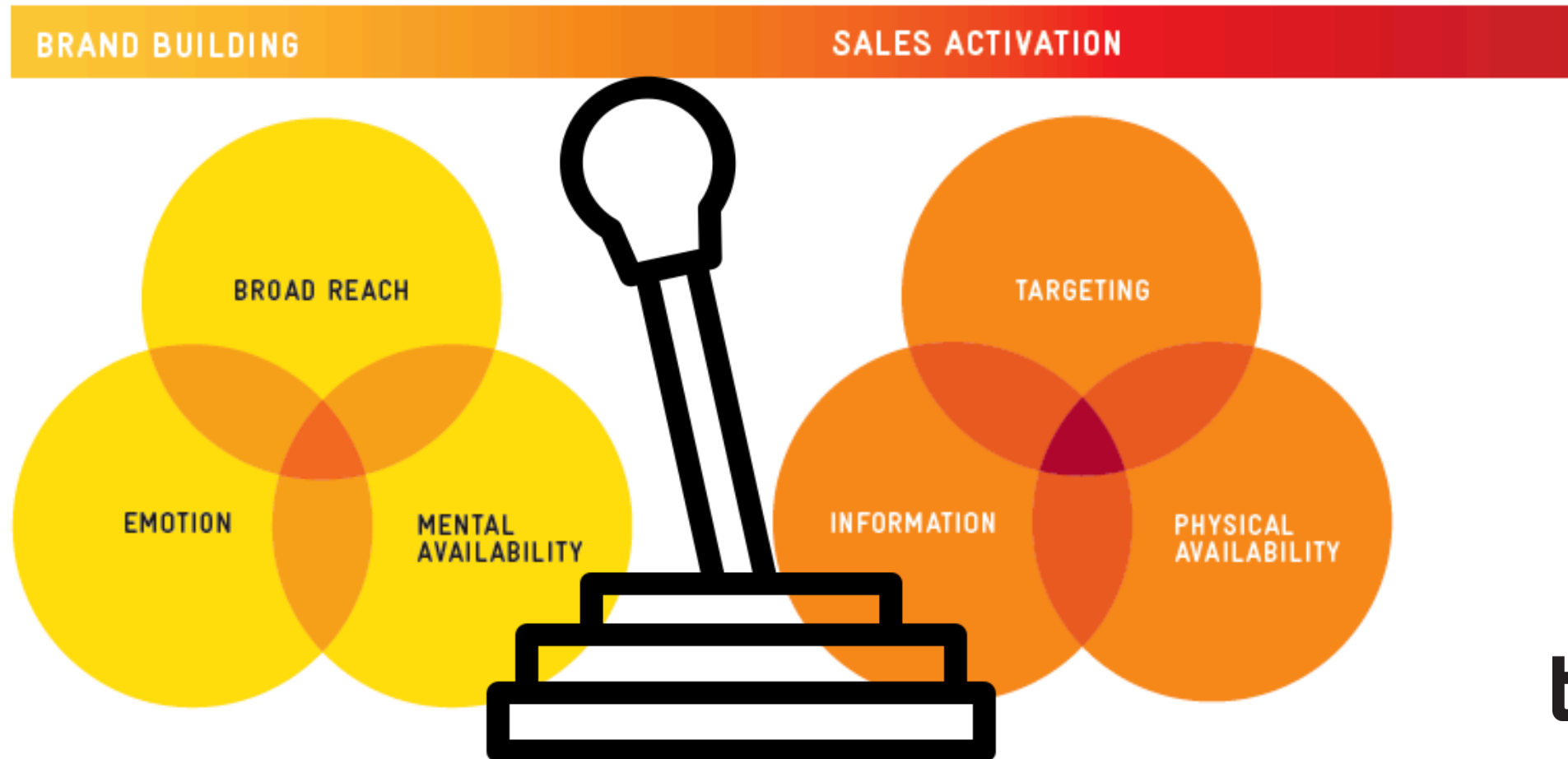
Mass Marketing Complications: #3 Long & Short

BRAND-BUILDING AND SALES ACTIVATION GOALS REQUIRE DIFFERENT MEDIA (FIGURE 03)

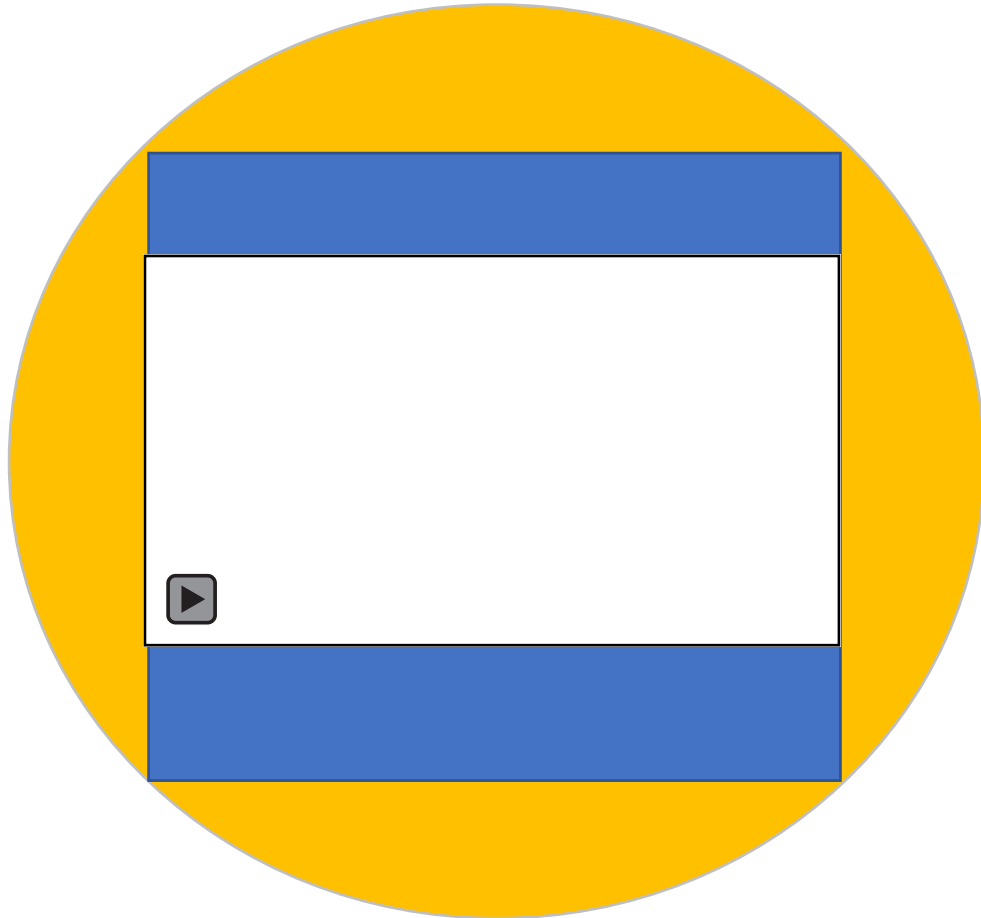


Mass Marketing Complications: #3 Long & Short

BRAND-BUILDING AND SALES ACTIVATION GOALS REQUIRE DIFFERENT MEDIA (FIGURE 03)



Mass Marketing Complications: #3 Long & Short



TESCO

IPA
Incorporated
by Royal Charter



Mass / Long / Brand / Emotion

Targeted / Short / Product / Rational
think^{tv}

We Need Targeting Clarity

'Marketing briefs clearly define who the target group is'

62%



66%

of marketers agree

Base: UK 107

38%

of creative agencies agree

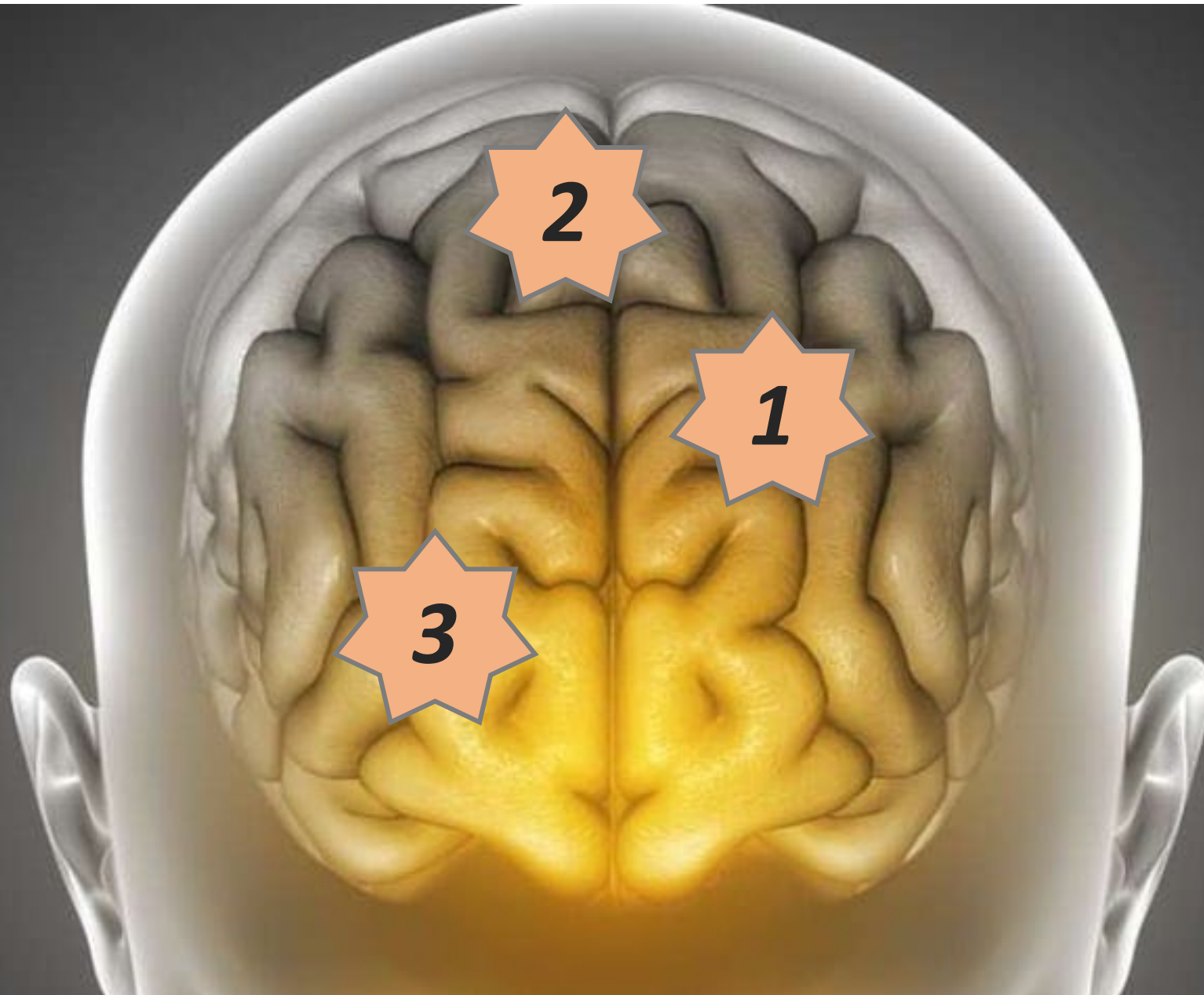
Base: UK 107



Changing

Positioning

We Lost **the** Plot with Positioning



We Lost the Plot with Brands

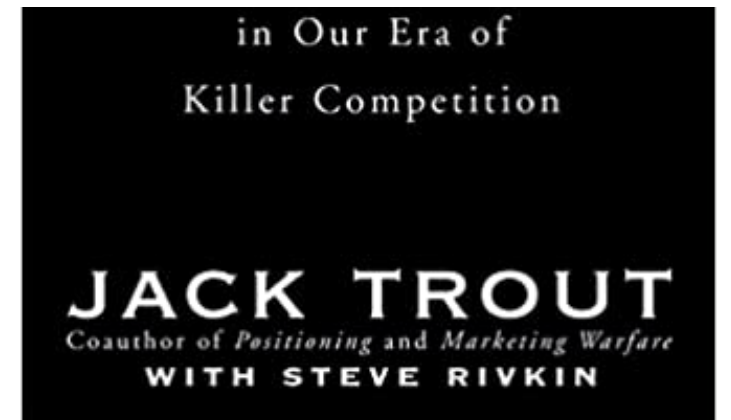


We Lost the Plot with Differentiation

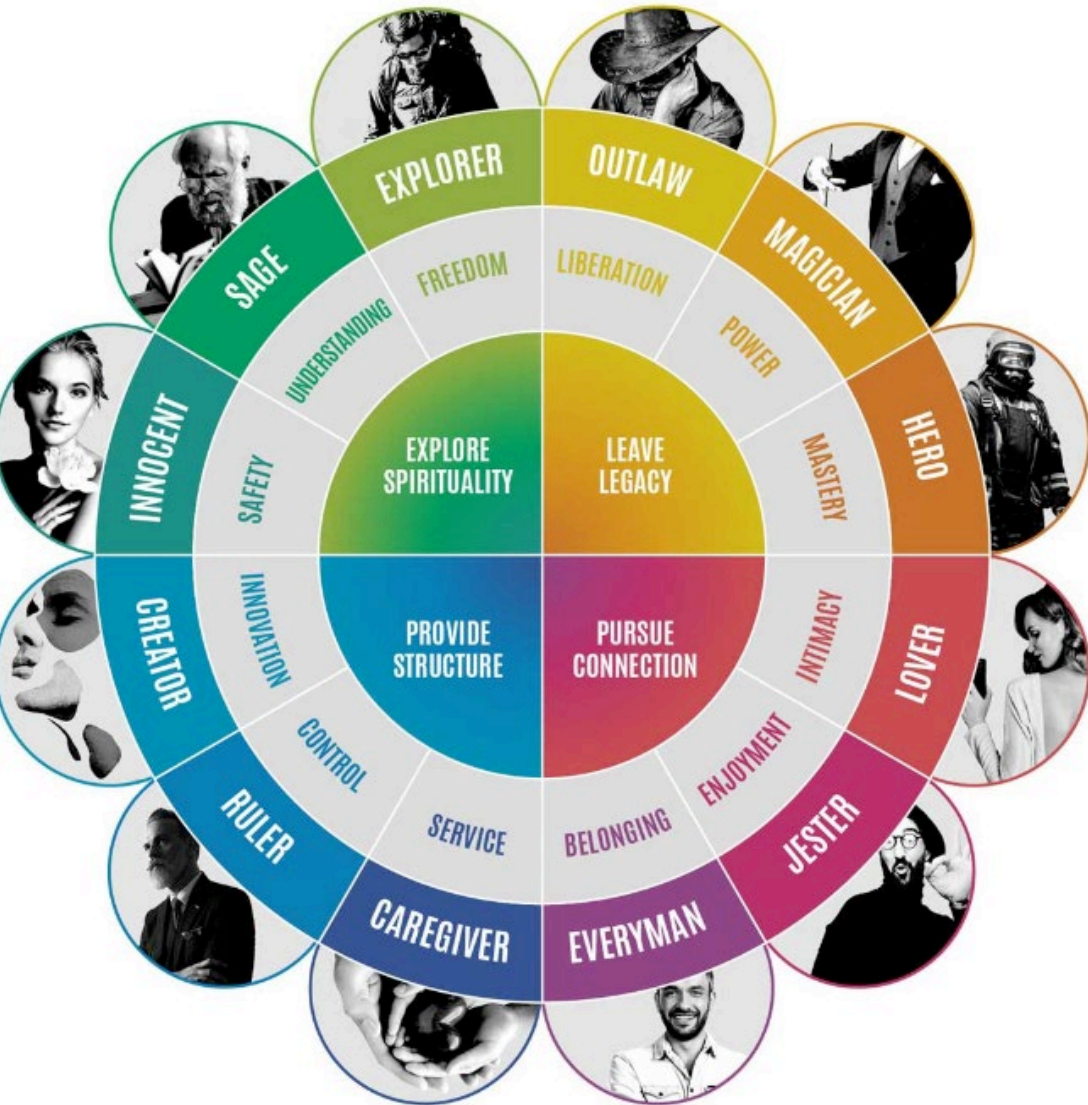


"if marketing is seminally about anything it is about... differentiating ... All else is derivative of that and only that" (Theodore Levitt)

"differentiation is the cornerstone of successful marketing" (Philip Kotler)



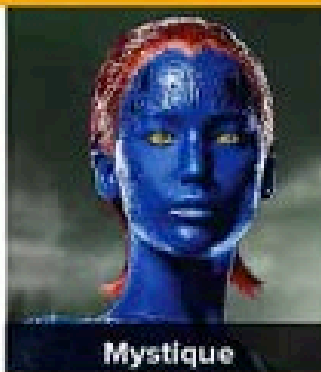
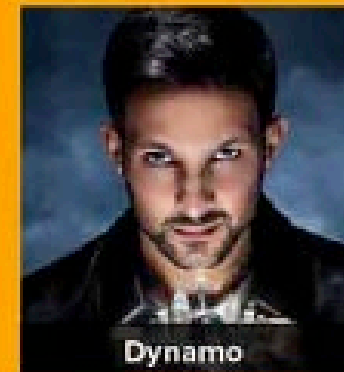
We Lost the Plot with Archetypes



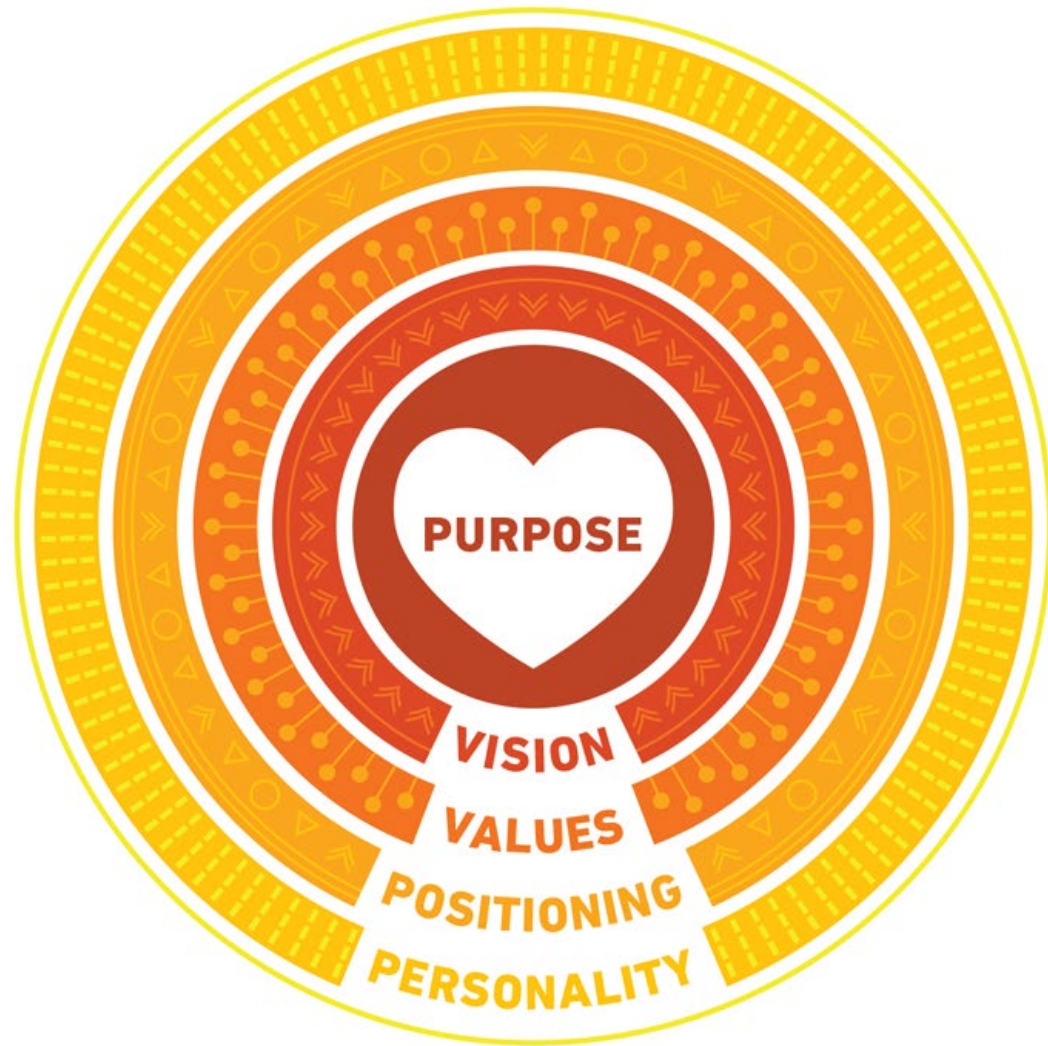
Also known as:
Inventor, Transformer,
Alchemist, Scientist,
Engineer, Healer.

Motto <i>I make things happen</i>		Promise <i>Power</i>		<ul style="list-style-type: none"> • Help others by influencing • Appeal to the masses, access to illusive
Strategy Develop and live out their Vision	Goal To make dreams come true	Desire Understand fundamental laws of universe	Talent Make complex appear simple	
Weakness Becoming manipulative		Fear Unintended, negative consequences		

Brand Examples



We Lost the Plot with Purpose



We Forgot our Prime Directive

MarketingWeek

Reports

Jobs

Knowledge Bank

Festiv

'British consumers would not care if 94% of brands disappeared'

A poll of over 19,000 British consumers revealed that respondents wouldn't care if 94% of brands disappeared altogether, according to Havas Media's Meaningful Brands UK Report 2015.

By Thomas Hobbs | 22 Jul 2015

Share this article



An Important Antidote

“Rather than striving for meaningful, perceived differentiation, marketers should seek meaningless distinctiveness. Branding lasts, differentiation doesn’t.”

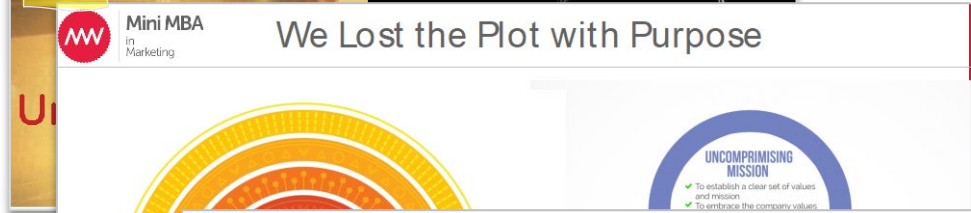
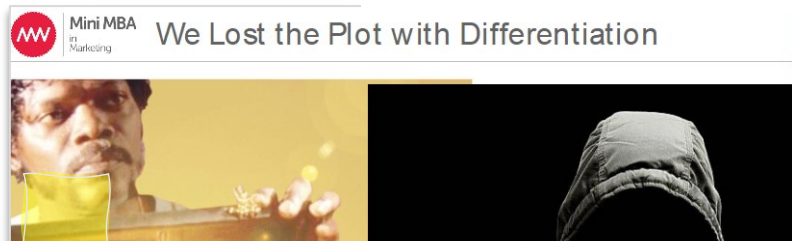
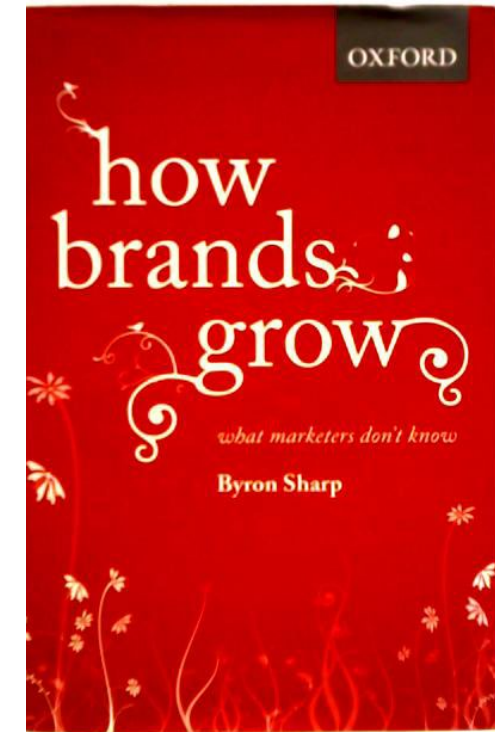
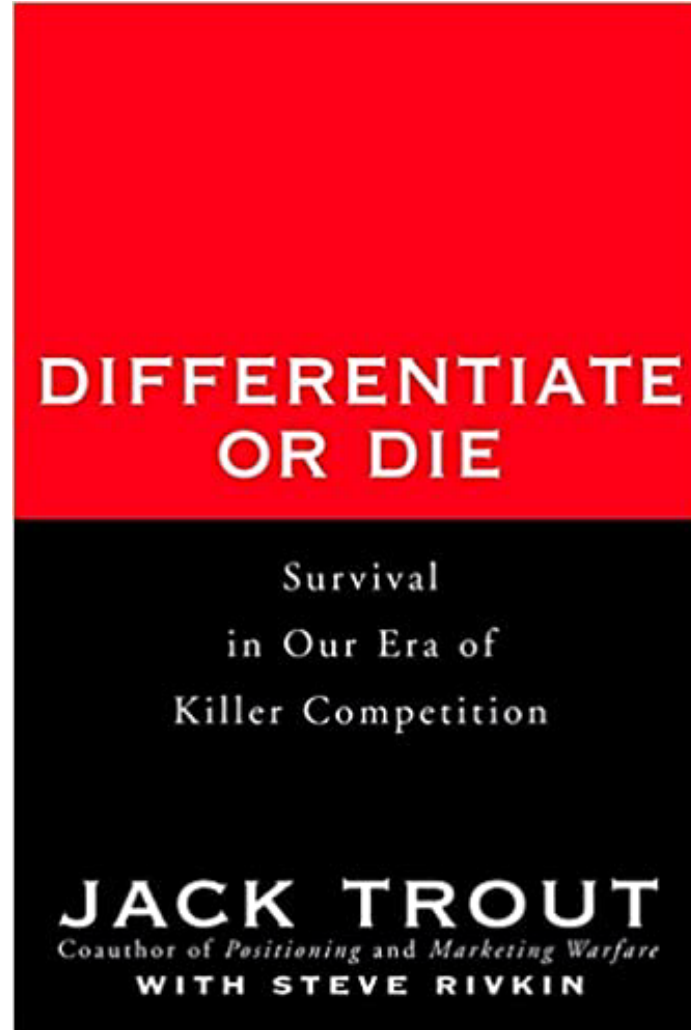
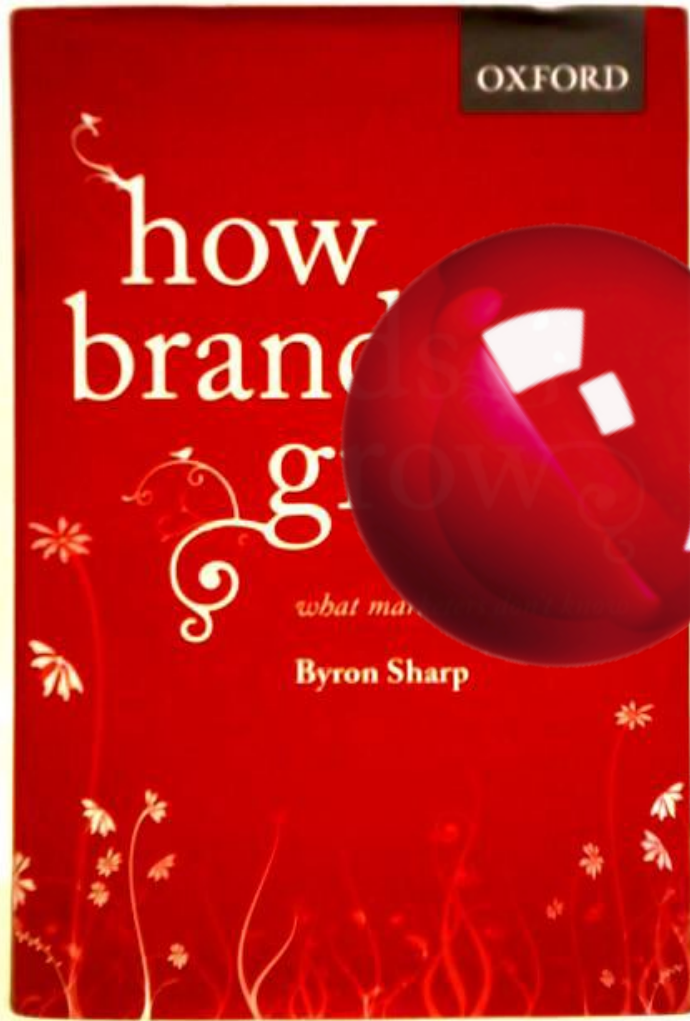


Table 2: Towards a new view of marketing priorities

Past World View	New World View
Positioning	Salience
Differentiation	Distinctiveness
Message Comprehension	Getting noticed, emotional response
Unique Selling Propositions	Relevant associations
Persuasion	Refreshing & building memory structures
Teaching	Reaching
Rational involved viewers	Emotional distracted viewers



Disciplinary Pendulum Swings



Disciplinary Pendulum Swings

UPLAND
THE WAY THE WHY THE PROOF THE TEAM INSIGHTS GO UPLAND

REGGSTER
TRADEMARKSONLINE

MAIN PAGE COSTS AND FEES RESOURCES ABOUT CONTACT US ENGLISH APPLY NOW

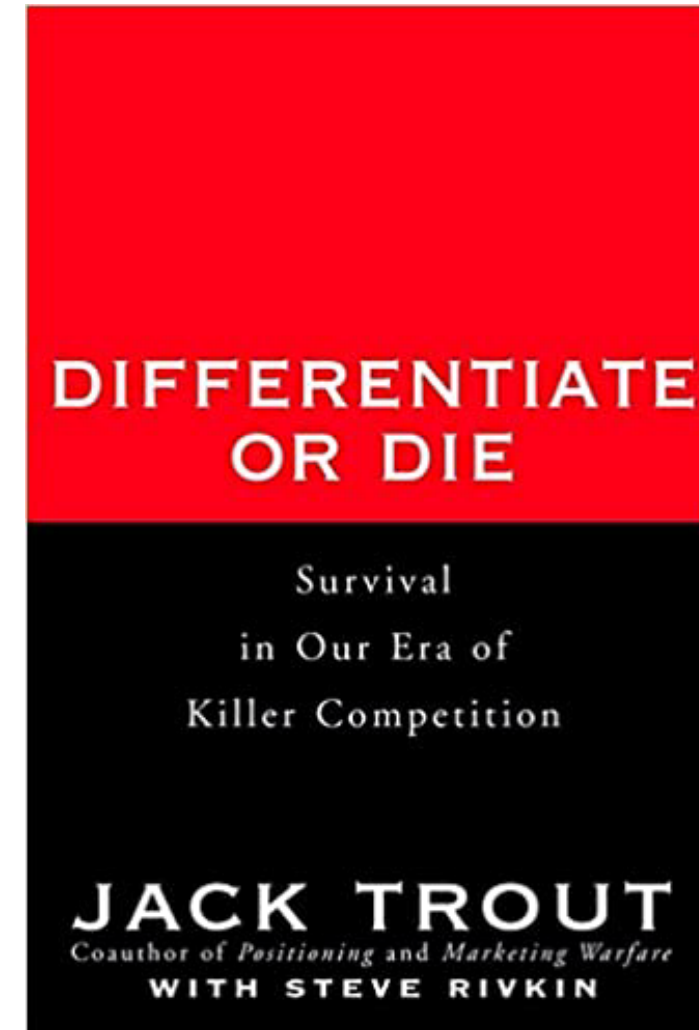
Why distinctiveness beats differentiation

Author
Erkki Holmila

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In marketing there are two terms that differ profoundly, **not only semantically** but also practically:

Differentiation customers have a reason (USP) to choose you over your competitors.



Defining Terms

- **Differentiation**

- Ensuring your brand is perceived to be relatively different from alternatives

- On attributes and associations that matter to your target consumers

- Enough to influence purchase decisions

- **Distinctiveness**

- Making your brand easily identified by customers

- A brand “looking like itself”

- Coming to mind in buying situations

Achieving Relative Differentiation



FREE No WiFi ZONE
Have a break, have a 

The world is becoming one big WiFi zone. It's available in bars, restaurants, trains, airports, supermarkets.. There's even WiFi on Mount Everest. Result? People are constantly online. Time for a break.

So we created a Free No-WiFi Zone. In a radius of 5 meters, we blocked all signals so people could escape e-mails, updates, tags or likes. Instead, they could enjoy a good old newspaper or a hardcover book. Some even had a real conversation. Whilst eating a KitKat of course.

Have a break, have a 



Proper Execution

- Say Less Things
- Say Them More Often
- Say them to Everyone
- Say Them Across Different Media
- Say Them with 60% of your Budget
 - Say Them with Better Creative
- Say Them across More than Advertising
 - Say Them for Longer, Much Longer
 - Say Them with Distinctiveness

Your 1 Page Challenge

- Brand Position
 - Singular
 - Tight
 - Relative
 - Important
 - Unchanging
- Brand Codes / DBAs
 - Handful
 - Unique
 - Famous
 - Unchanging
 - Play after 40 years

One page

What has changed

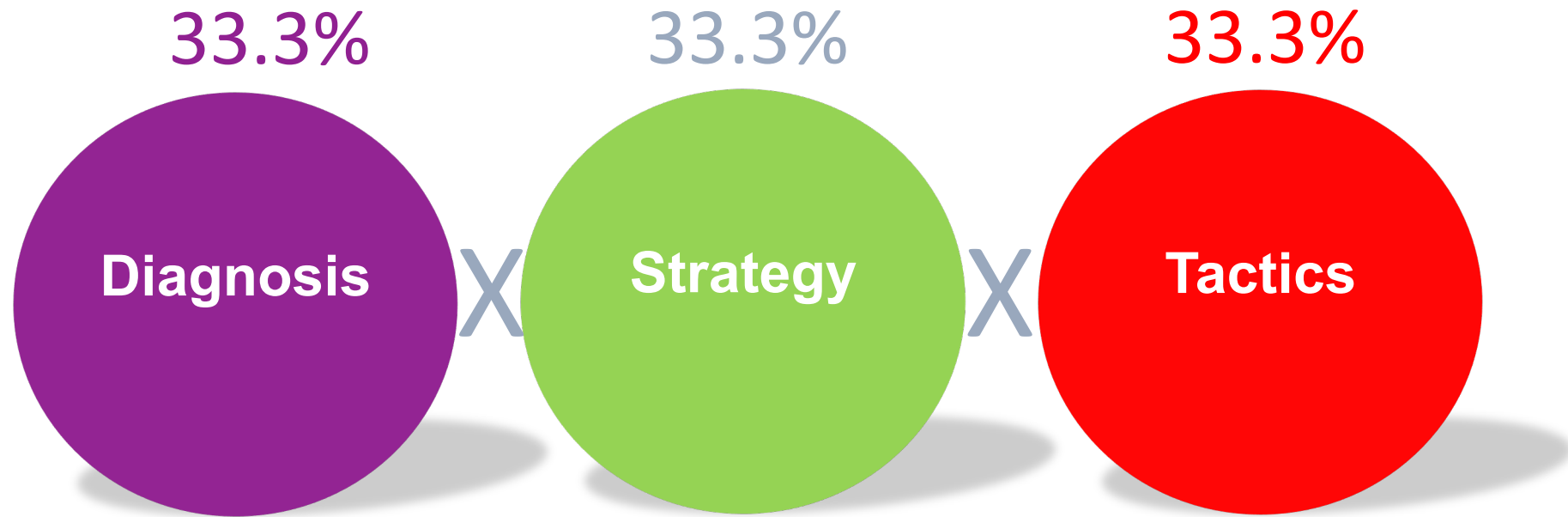
And What Has Not

- **Segmentation**
 - **Targeting**
 - **Positioning**

Not Changing

3 Phase Approach

MARKETING IN 3 PHASES



Not Changing

Briefing

Sample

Canada
USA 172

UK 508



AUS 383

1731 respondents
from 70 countries

944 from marketing
organisations

and 786 from
creative agencies

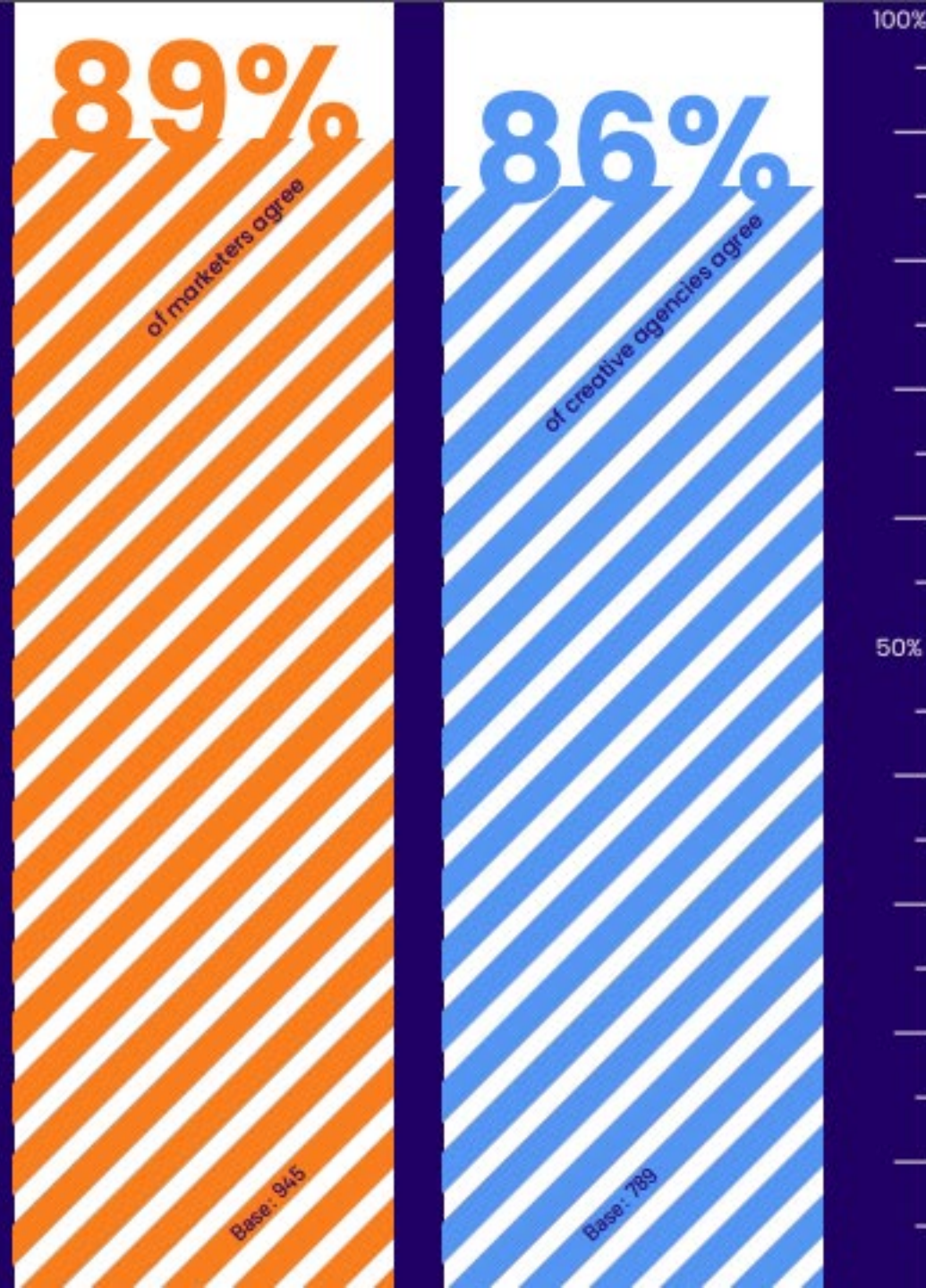


The Client Brief



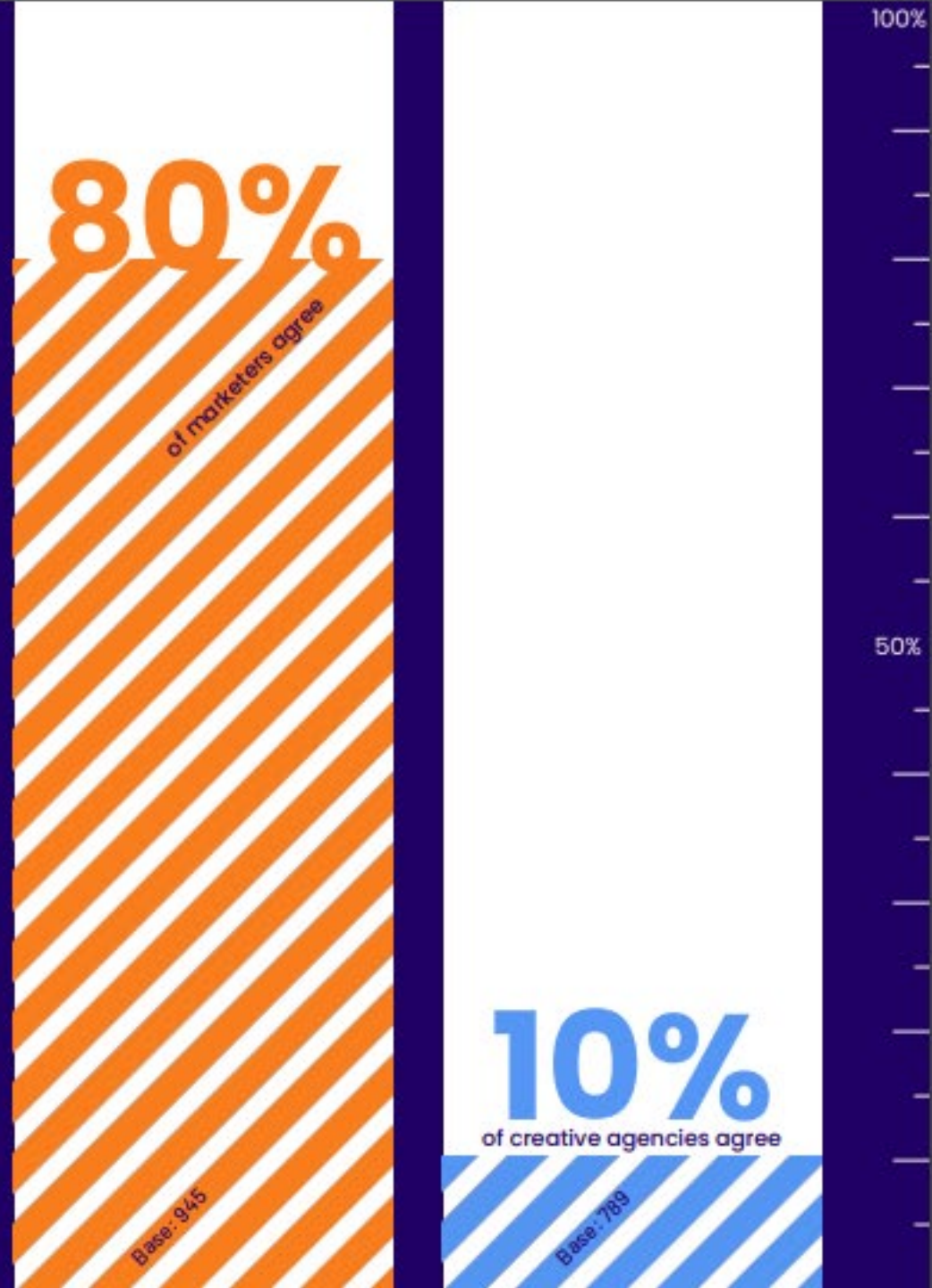
Both marketers and agencies agree that briefs are important

'It's difficult to produce good creative work without a good marketing brief'



Most marketers think they're good at writing briefs; most agencies disagree

'I consider myself/my clients good at writing briefs'



Most marketers think the briefs they write provide clear strategic direction; most agencies disagree

'The briefs I/my client write(s) provide clear strategic direction'

78%

of marketers agree

Base: 823

5%

of creative agencies agree

Base: 782

100%

50%



The missing ingredient from most marketing briefs (according to creative agencies)



Not Changing

ESOV

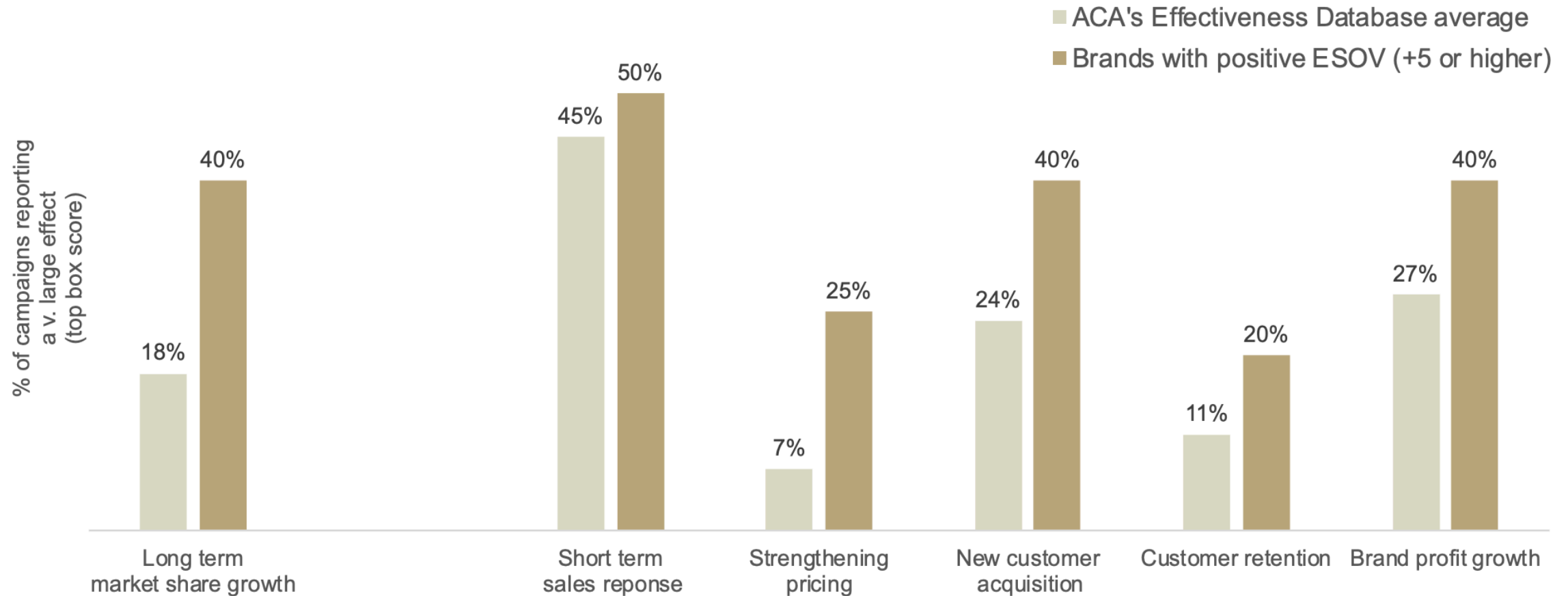


Challenges to ESOV

- **The usual bullshit marketing**
- **Getting true Media Spend Data**
- **Sub-Optimal Spend on Performance**
- **Attention theory**
- **Creative Limitations**
- **Every good but wrong CMO**



Positive ESOV is strongly linked to a raft of long-term success metrics



Not Changing

Media Importance

Dyson's Top10

Rank	Factor	Profitability Multiplier
1	Brand Size	20
2	Creative Quality	12
3	Budget Setting Across Geographies	5
4	Budget Setting Across Portfolios	3
5	Multimedia	2.5
6	Brand vs Performance	2
7	Budget setting across Variants	1.7
8	Cost/product seasonality	1.6
9	Laydown/Phasing	1.15
10	Target Audience	1.1



Advertising Profitability Analysis, 2023 from Paul Dyson.

Dyson's Top10

Rank	Factor	Profitability Multiplier
1	Brand Size	20
2	Media Decisions*	16.5
3	Creative Quality	12
4	Cost/product seasonality	1.6

*Media Decisions: Laydown/Phasing, Multimedia, Target Audience, Brand vs Performance and Budgeting setting across geographies, portfolios and variants

Adjusted Advertising Profitability Analysis, with apologies to Paul Dyson.

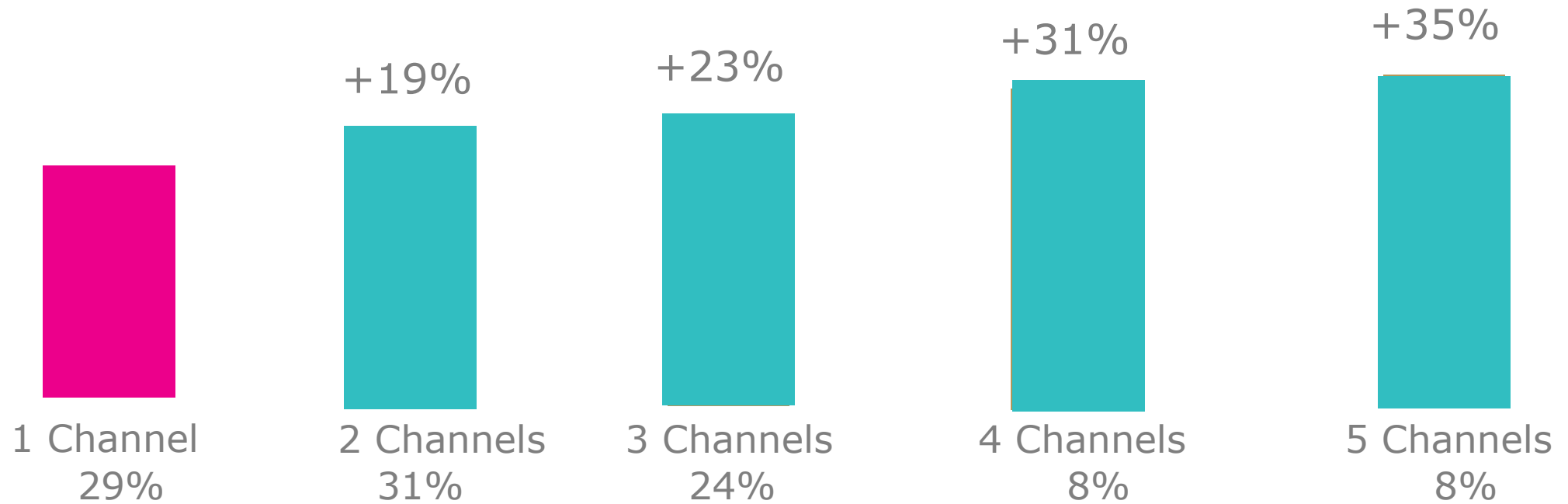


Not Changing

Media Diversity

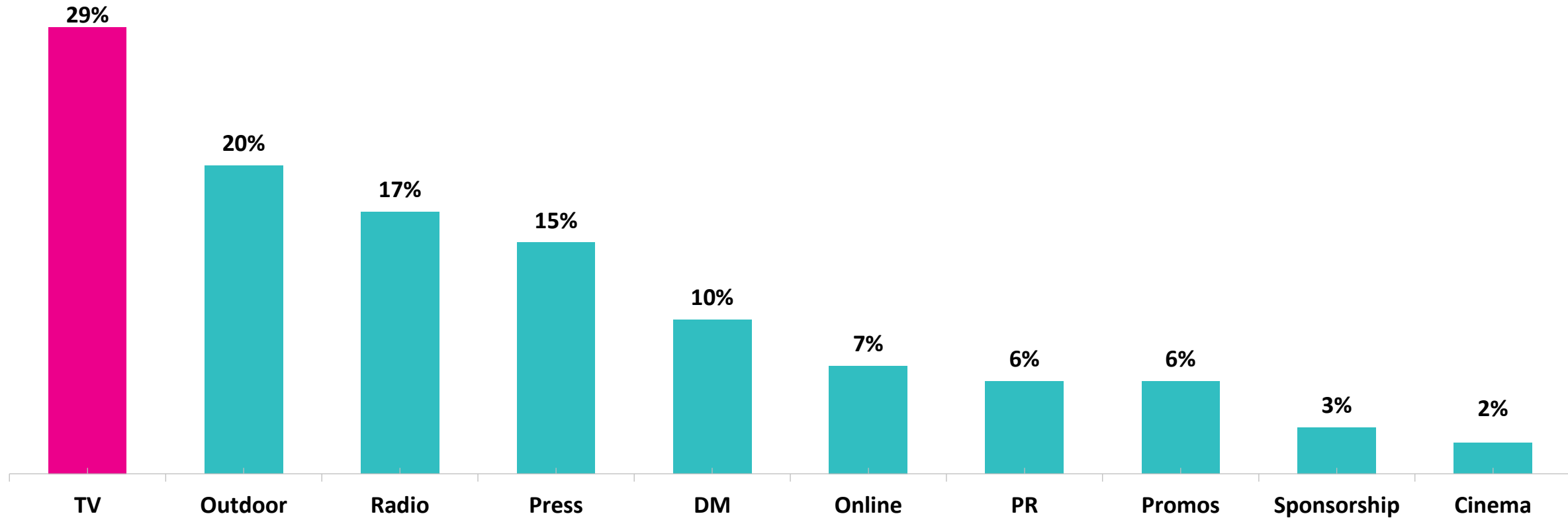


Multi-Channel Communication



Different Catalytic Effects

- % increase in average number of very large business effects from adding TV



Not Changing

Message Focus

Not Changing

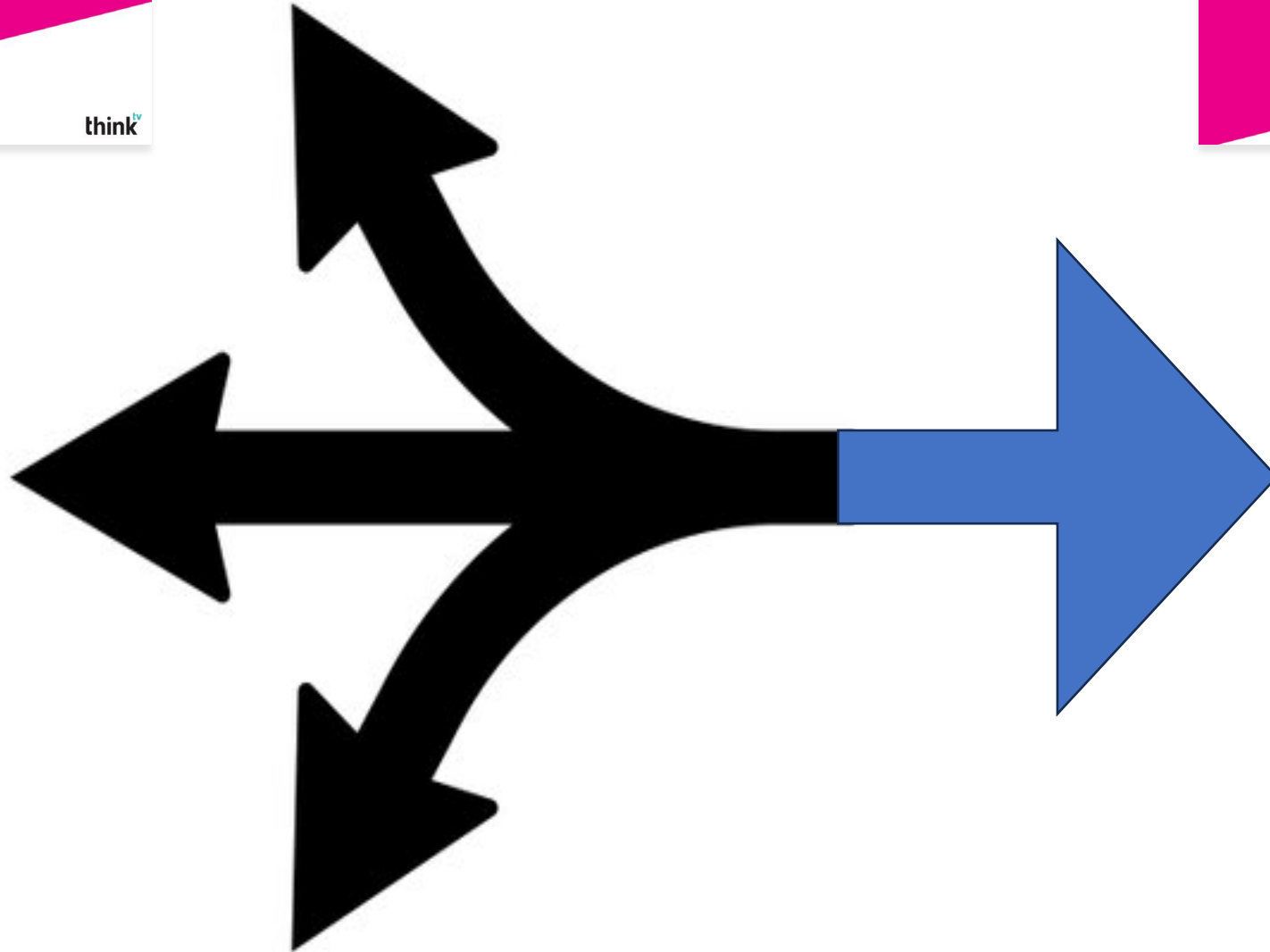
Media Diversity

think^{tv}

Not Changing

Message Focus

think^{tv}



think^{tv}

Choicefulness of Message



Choicefulness of Message

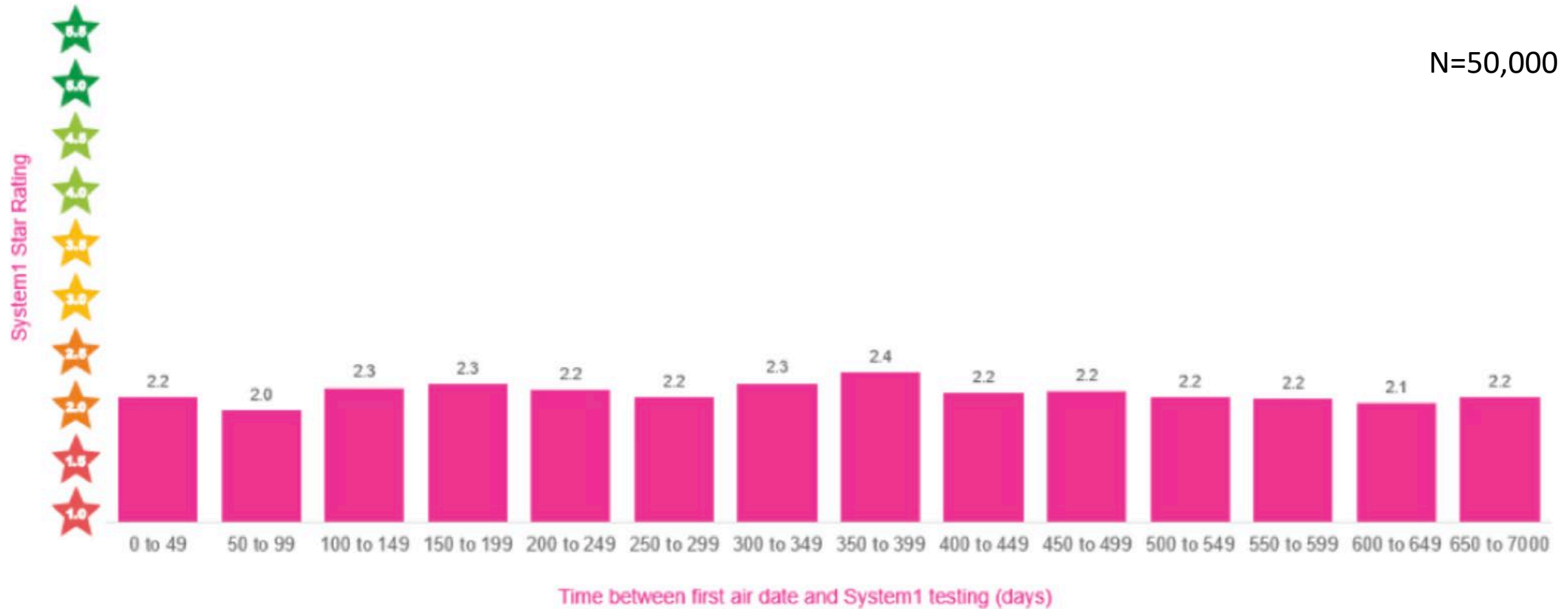


Not Changing

**The Value of Patience
& *Campaignability***

Does Wearout Happen?

N=50,000



Does Wearout Happen?



Fixing Wearout for Marketers



- 4/5 new campaigns
- **System1**
- Client Wearout
- Run the same ad
- Run creative variants
- Campaignability

Cadbury

Please watch the recording to view the videos.

2007

2017-2023

Not Changing

The Power of TV

In It's Favour

- Reach
- Signaling
- Attention
- Emotion
- Creative
- Time spent
- Long Effects
- Catalytic Effects
 - ROI

Against

- Relative Decline
- Market Orientation
- "Traditional" tag
 - Price

THWANGO!.COM

- **Reach**
- **Signaling**
- **Attention**
- **Emotion**
- **Creative**
- **Time spent**
- **Long Effects**
- **Catalytic Effects**
 - **ROI**

What has changed

- **Segmentation**
 - **Targeting**
 - **Positioning**

And What Has Not

- **3 Phase**
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