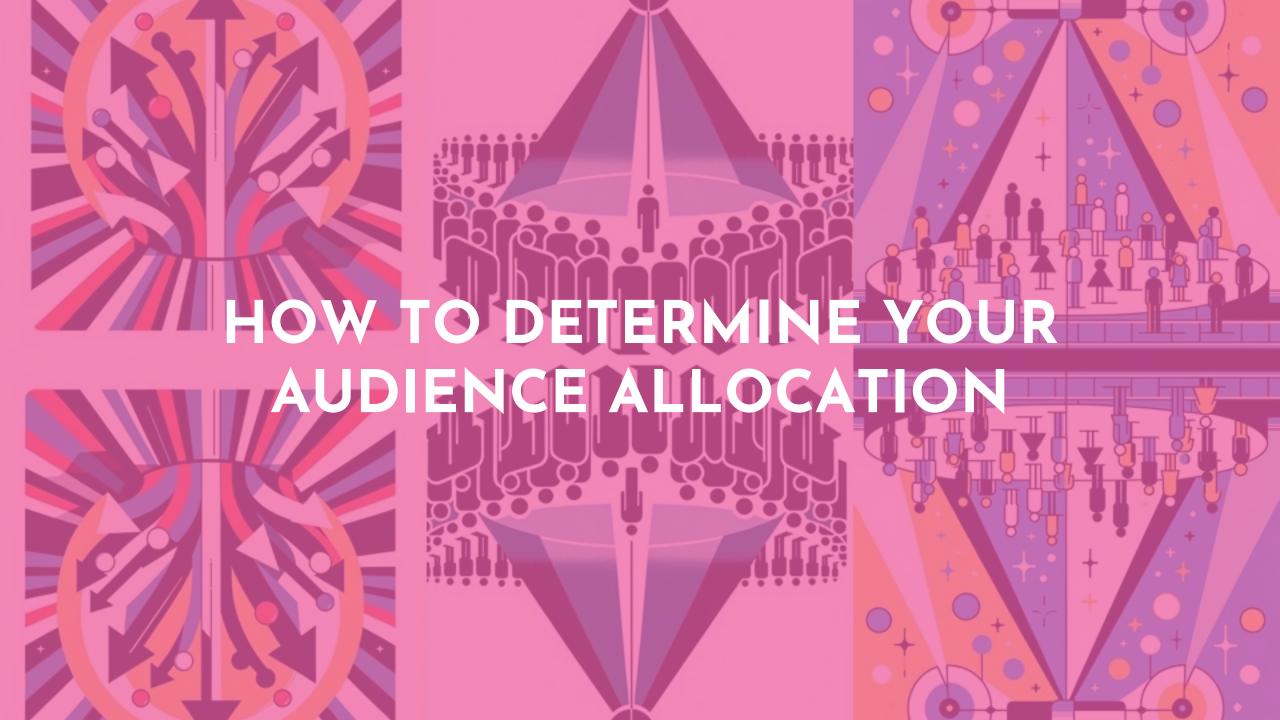


A Strategy User Manual For A Strategy User Manual FOR Building Better Outcomes: HOW TO DETERMINE YOUR AUDIENCE ALLOCATION

MilkOS Is a powerful cloud-based strategy operating system that easily keeps everyone aligned on strategy, centralizes all your brand insights, and you to always know what to execute with confidence.

Inspiring. Intuitive. Integrated.



Purpose:

How To Determine Your Audience Allocation

Who are the most valuable audience(s) to reach? What audience(s) provide the greatest availability and efficacy? What is the proper allocation of audience(s) to maximize business effects?

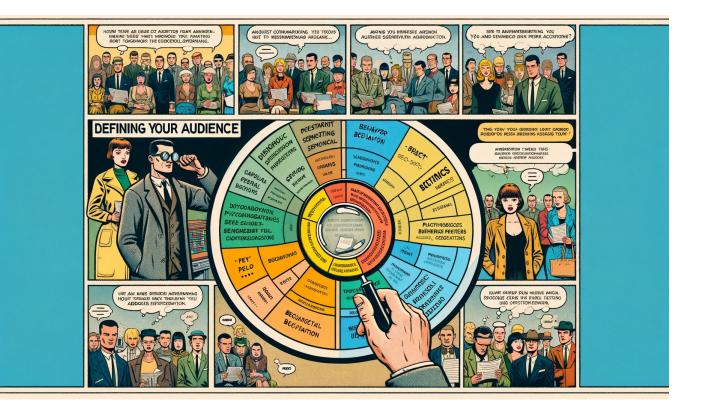
Determining the optimal allocation or balance between audiences' puts in place the conditions to deliver outsized returns and enables the proper delivery of strategies & tactics to achieve a brand's objectives.

An Essay: Striking the Right Balance: Effective Audience Allocation Strategies in Marketing

Audience allocation in marketing is a critical strategic decision that involves determining the most effective way to distribute marketing efforts and resources among different audience segments. This decision is vital for maximizing the impact and return on investment (ROI) of marketing campaigns. The underlying principles can be understood through the insights of noted marketing experts such as Binet and Field, Gian M. Fulgoni, Byron Sharp, and others.

Understanding Audience Allocation: Striking the Right Balance: Effective Audience Allocation Strategies in Marketing

1. Defining Audiences: Which audience or audiences offer the highest value in terms of engagement, conversion, and loyalty? Audiences can be segmented based on various criteria like demographics, psychographics, behavior, and geographic location. The goal is to identify groups of potential customers who share similar characteristics and are likely to respond positively to specific marketing messages.

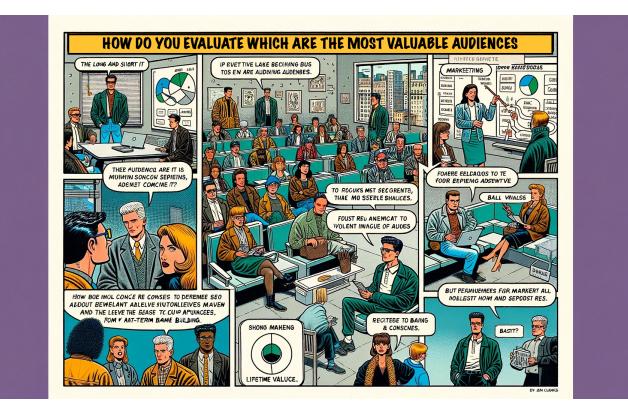


Understanding Audience Allocation:

Striking the Right Balance: Effective Audience Allocation Strategies in Marketing

2. Audience Value Assessment: How do you evaluate which are the most valuable audiences?

Determining the most valuable audiences is pivotal. This involves analyzing which segments are most likely to convert, have the highest lifetime value, or are key influencers in their communities. Binet and Field in "The Long and Short of It" emphasize the importance of balancing short-term sales activation with long-term brand building, suggesting that different audiences may have different values over different time frames.



Understanding Audience Allocation:

Striking the Right Balance: Effective Audience Allocation Strategies in Marketing

3. Efficacy and Availability: What audience segments are most accessible and responsive to marketing efforts? Some audiences might be easier to reach and more receptive to marketing efforts than others. Fulgoni in "Are You Targeting" Too Much?" discusses the risk of overtargeting, which can lead to diminishing returns. The goal is to find the audience segments that provide the greatest availability (ease of reach) and efficacy (effectiveness of the message).



Understanding Audience Allocation:

Striking the Right Balance: Effective Audience Allocation Strategies in Marketing

4. Allocation Strategies: How should resources be allocated across these audiences to achieve the best business outcomes?

The strategies can broadly be categorized into:

- Penetration (Broad): Focuses on reaching as wide an audience as possible to maximize reach and brand awareness. This approach is often suitable for mass-market products.
- Segmentation (Focused): Targets specific, welldefined audience segments. This approach is ideal for niche products or when addressing specific customer needs.
- **Balanced:** A combination of both, targeting both broad and niche audiences as appropriate. This hybrid approach aims to balance the need for broad reach (to attract new customers) with focused efforts (to deepen engagement with specific segments).

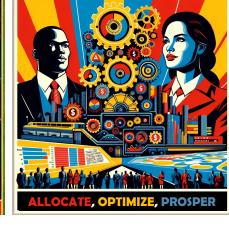


Key Considerations:

Striking the Right Balance: Effective Audience Allocation Strategies in Marketing









2. Market Dynamics and Competition: Understanding the competitive landscape is crucial. As highlighted in "Are Brands Dying?" by Sharp et al., the market dynamics can significantly influence the effectiveness of different audience allocation strategies.

3. Resource Allocation: Marketing resources – both financial and human – must be allocated efficiently. This involves not only deciding which audiences to target but also determining the appropriate mix of marketing channels and tactics to engage these audiences effectively.

4. Measuring Success:

Establishing clear metrics for measuring the success of audience allocation decisions is essential. This might include metrics like conversion rates, customer acquisition costs, brand awareness levels, and overall ROI.



5. Adaptability: The market and audience preferences are not static. A successful audience allocation strategy must be flexible and adaptable, able to respond to changes in market conditions, consumer behavior, and competitive actions.

An Essay: Striking the Right Balance: Effective Audience Allocation Strategies in Marketing

Conclusion

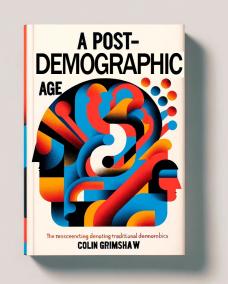
Effective audience allocation in marketing is a nuanced and dynamic process. It requires a deep understanding of the market, the audiences, and the brand's strategic goals. By drawing on the principles outlined by experts like Binet and Field, Fulgoni, and Sharp, marketers can develop sophisticated strategies that balance short-term gains with long-term brand growth, ultimately driving business success.

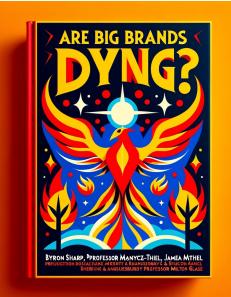
Decision Rubric: Determining Your Audience Allocation

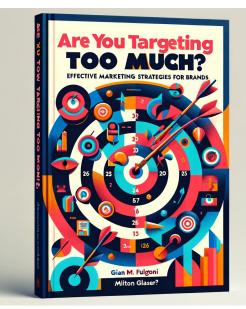
FACTOR THAT DEFINES COMMS OBJECTIVE	WHAT IS IT?	WHAT IT TELL US	BUILD BRAND EFFECTS	BRANDED RESPONSE	SALES ACTIVATION/ RESPONSE
Priority	What is your primary goal and effects horizon?	Are you trying to achieve near or longer- term objectives	Longer-term		Shorter-term
Comms	What is the role for comms/messaging?	How much do we need to say to motivate a consumer	Implicit		Explicit
Sources of Growth	Where are your primary sources of growth coming from?	Who is most susceptible to our brand/message	Switchers; New Category Entrants		Vulnerable Repurchasers; Loyalists
Purchase Decision	Are purchase decisions for your brand driven more by emotion or rational logic?	What senses do we need to appeal to	Emotion		Rational Logic
Category	What type of category does your brand compete in?	Who and where are you competing	High Consideration		Low Consideration
		Audience Allocation:	Penetration	Balanced	Segmentation

Resources: The Art & Science for Determining Your Audience Allocation









Binet and Field: Balancing Short and Long-Term Marketing

In "The Long and Short of It," Binet and Field emphasize the importance of balancing short-term sales activations with long-term brand building. They suggest that while short-term tactics might bring immediate results, longterm strategies are crucial for sustainable brand growth. This balance is key in audience allocation, where marketers must decide how much effort to put into immediate conversions versus long-term brand loyalty.

Gian M. Fulgoni: The Risk of Over-Targeting

Fulgoni, in "Are You Targeting Too Much?", warns against the pitfalls of overtargeting in marketing. He argues that too narrow a focus on specific audience segments can lead to missed opportunities and reduced market reach. Fulgoni's perspective implies that audience allocation should be broad enough to capture potential customers outside of the immediate target demographic.

Byron Sharp and Colleagues: The Health of Brands

Sharp, along with Nenycz-Thiel, Martin, Anesbury, and McColl, in their work "Are Brands Dying?", challenge common marketing practices. They argue for the importance of reaching a broad audience to ensure brand growth and health. This view suggests a more penetrationfocused approach in audience allocation, where reaching a wide range of consumers is prioritized.

A Post-Demographic Age: Colin Grimshaw

The article previews a key insight: audiences can no longer be reliably predicted based on their demographic profiles. It questions the industry's heavy focus on understanding specific demographic groups like Millennials or Generation Z. The article suggests that this focus is rooted in traditional beliefs about consumer behavior, particularly the importance of attracting younger consumers to a brand

