To Understand Your Audience, Think Big by @khburton

Understanding your audience is the biggest key to a successful campaign; more so today than ever before.

While bold, it’s becoming increasingly clear from both a marketer and consumer perspective the annoyance of receiving irrelevant content or being retargeted with the same ad continuously.

Fortunately, the tools that help us understand, define and analyze our audiences have never been more robust.

Data management platforms, segmentation tools, advanced analytics, and even the introduction of advanced machine learning techniques have all made it easier for brands to build specific profiles of their target audiences.

But despite that, marketers still run into a number of challenges.

While these powerful audience tools enable the creation of hyper-specific audience segments, marketers who try to develop these often find themselves overextended – consumed with developing too many versions of audience segments and even more campaigns.

Doing so without a clear focus or strategy can lead to mismatched audience data and irrelevant content, leading consumers to tune out.

Audience development, precise targeting, and personalization are the right approaches for modern marketers, but marketers must remember to walk before they run.

Brands that want to reach hyper-targeted segments struggle to build them off of a blank canvas, instead, they need to start broad and filter down.

Gathering & Managing Audience Data

Before thinking about how to segment and target your audience, it’s important for marketers to ensure they have all the information required. This means breaking down internal silos across the entire business.

Marketers that are heavily focused on one area of the marketing stack tend to think their data is the only data – search marketers depend on search trend data, email marketers prefer clickstream metrics, and so on.

However, most businesses have incredible first-party data resources that often go untapped.

Breaking down these silos is a requirement for building a true picture of your audience, and it’s easier to do than most may imagine.

For instance, data management platforms are capable of matching online and offline data throughout the organization to develop a more dynamic view of your audience.

The importance of gathering and managing audience data correctly is more important than ever. We recently surveyed more than 500 marketing and IT professionals in the US on this challenge and found that 71 percent expect their organizations’ audience management budget to increase in the years ahead.

Additionally, half of those respondents said they manage a data management platform (DMP) in-house, and 79 percent agreed that skills to manage DMPs will be in demand over the next five years.

The numbers and momentum show we’re past a tipping point, but it’s never too late to get started. The place to begin is with your own first-party data.

Start with Your Crowd, Not Your Niche

Once your audience profile is complete, the possibilities can seem endless.

It’s no surprise that many marketers are overeager and attempt to develop hundreds, or even thousands, of microsegments and niche campaigns.

The ability to drill down into data and develop smaller and more concentrated cohorts from the outset may seem desirable, but building too narrowly at first, often backfires, burdening marketers with too many campaigns that generate low ROI.

On top of that, dividing your audience too narrowly before you’ve seen how they react to campaigns can lead to poor targeting and gets relationships off on the wrong foot.

It’s an understandable problem. Given the keys to a Ferrari, a driver isn’t going to want to go 25 miles per hour.

When given access to a massive data set and the tools to manipulate it at a granular level, identifying niche audiences may seem like the right approach.

But success in defining audience needs to start from the top down, even if the ultimate goal is more precise targeting and optimization.

Depending on the type of business, there are a number of logical starting points for defining the optimal two or three largest audience cohorts.

Some may focus on different lines of business or filter by

product offerings, for example.

Ultimately, the goal is to generate a high-level view and to avoid dividing your total base audience into too many groups.

Take the example of a credit card company. While they may ultimately want to deliver personalized offers to a business traveler who goes from New York to San Francisco twice a month on the same airline, the starting point for their audience development needs to be broad.

In that example, the customer could start in a cohort focused on people who use credit cards for business. But, as he booked similar flights, responded to certain offers, and as marketers learned more about his preferences, he could ultimately be filtered into a narrower group for more precise targeting.

Data & Campaigns, Working Together

Should marketers start with audience data and use it to inform their campaigns or should they develop campaigns and see how their audience reacts?

This is the modern marketer’s version of the “chicken or the egg” problem. But, unlike that age-old question, marketers have a clearer path.

The correct answer is both. The most effective campaigns are ones where the testing and optimization process is continuous.

Audience data informs which campaigns customers see, and how they react to that campaign enriches their customer profile and informs the next touchpoint.

It’s critical to not just become more precise in targeting but to also be adjusting and enhancing the content as you go, based on feedback from your audience.

This is how major cohorts are developed into smaller, more

niche audiences. And not only does this ultimately create richer, more accurate profiles, but it also allows for a more natural dialogue from the consumer's perspective.

Taking our credit card example from above, let's say we have a consumer who uses a card that offers double points for travel.

As we offer content and deals, we learn that this user is a frequent traveler, and always to tropical, resort destinations.

By partnering with second-party and third-party data sources, we learn that they always book through one travel site and are loyal to one specific airline.

As our dialogue develops, we're ultimately able to match the ideal content with this customer. And, as these conversations are happening on a grand scale with large numbers of consumers, niches and segments naturally form and flow from this work.

This is the best way to develop niche audiences – naturally filtering down from major cohorts into smaller segments through real-time collaboration between data experts and content creators, all with the goal of delivering the best possible experience.

Final Thoughts

Niche audiences and targeted campaigns are great goals for marketers, but they need to understand the best way to get there. There are no shortcuts.

To do the work right they need to start from the top and, through testing, optimizing, creating and learning, find a way to better reach each consumer.

Ultimately that's what will create the most impact and deliver the best experiences.

More Audience Targeting Resources:

http://tracking.feedpress.it/link/13962/8944577