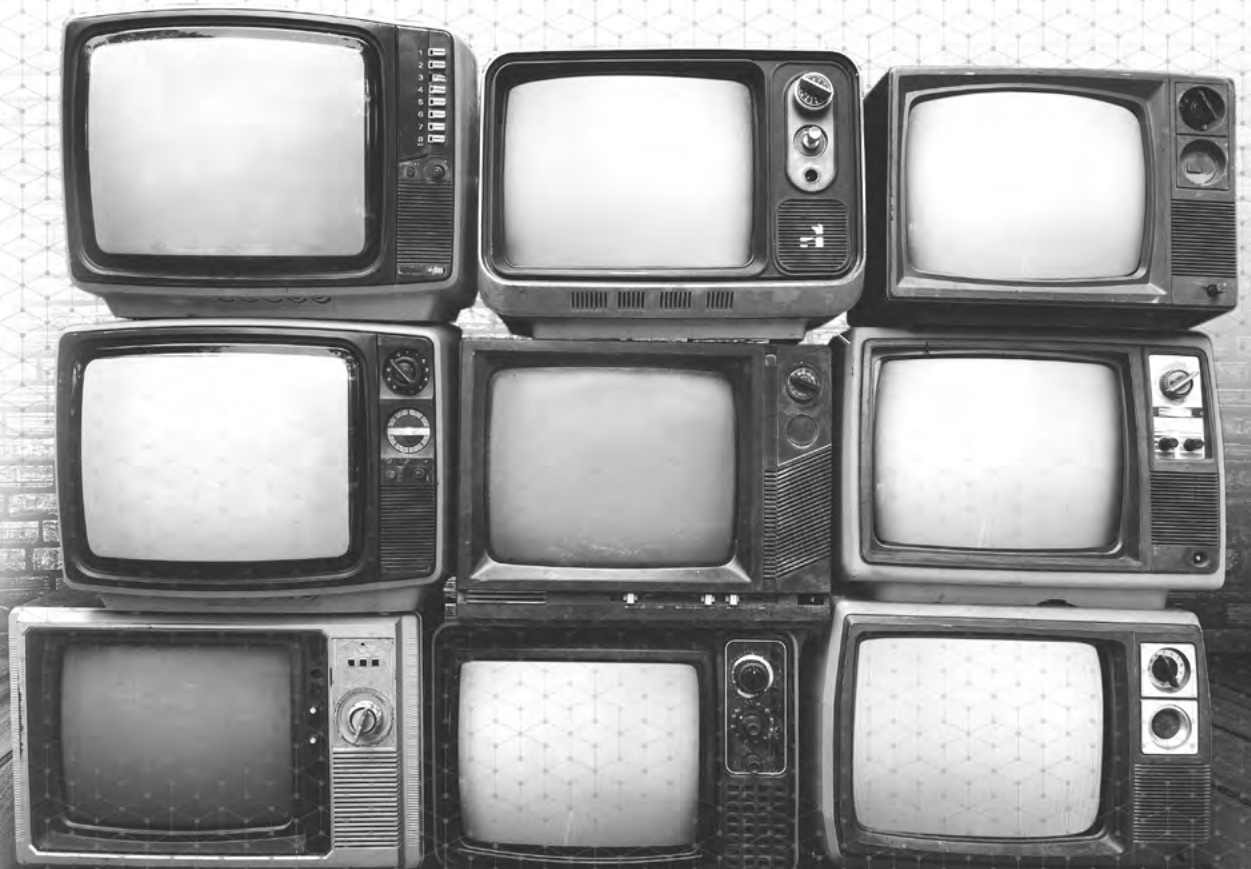Is the way you think about
reach outdated?

Relevant Reach

Let's look at the rise of Relevant Reach

The notion of "reach" has been around as long as mass media. The more reach you had, so the thinking went, the more likely your message was to reach the maximum number of future buyers. The importance of maximizing reach among potential buyers of products is also well-supported in research literature as a key driver of brand growth.

The opposite of maximized reach is precision targeting. Just ask our offline marketing friends in the catalog and direct mail businesses. They want to be as focused and waste-free as possible given the high costs of delivery, and they target accordingly. These marketers demand that their impressions go to people most likely to make a purchase in the future. Therefore they are constantly refining their lists and strive to achieve a strong return on ad spend.

Many digital marketers today believe they have to choose between maximizing reach or focusing on precision targeting for their online campaigns. The good news is that they don't! At Oracle Data Cloud, we know that today's online marketing capabilities allow advertisers to reach audiences at scale, while using data to prioritize reaching potential buyers. We call it *Relevant Reach.*

The what and why of relevance

We define "relevant" quite simply. It's the universe of people who represent the highest potential pool of buyers for your brand.

What does that identifying signal look like? Actually, it varies by industry. In automotive, there are ~20MM people in the U.S. at any given time who are in-market for a new car in the next 12 months. Knowing this, why would a mass-market car maker want to pay for ads that reach the 200MM+ people who have no interest in buying a new car, much less a luxury car? It's a little different in consumer packaged goods, where regular buying of a category is a strong signal of future purchase potential. If 50 percent of U.S. households buy granola bars each year, is it wise to run a broadly targeted ad to the 50 percent of U.S. households who DON'T buy granola bars? Not so much.

We've found, via our norms data, that brand and category buyers are driving an overwhelming percentage of sales despite an underrepresentation when compared to less relevant non-category buyers.

	% of HHs Reached	% of Inc. Sales	RPM
Brand Buyers	7%	50%	$25.00
Non-Brand Category Buyers	21%	34%	$6.50
Non Category Buyers	72%	16%	$1.10

Oracle Data Cloud Norms: 360+ studies from 60 CPG advertisers from the past 12 months across several platforms
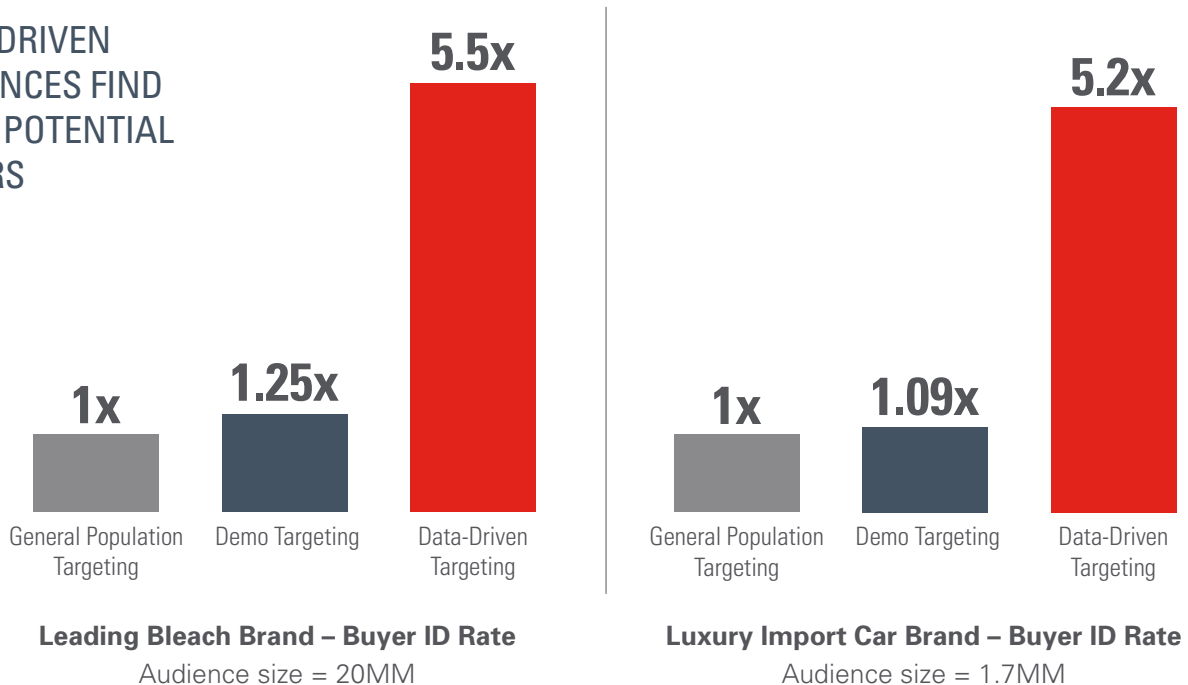
How do you make Relevant Reach work?

Relevant Reach works by carefully crafting an audience of high-potential buyers based on the right purchase signal. From there, the more relevant your reached audience becomes, the better your advertising will perform at driving sales for your brand. It's not rocket science, it's data science. And using data in a smart way is key to finding the most relevant audiences. Discuss what audience is right for you with our **data experts**.

Advertisers have traditionally relied on marketing research to choose which audience and media characteristics are most likely to be correlated with buyers. Today, sophisticated data modeling can vastly improve the precision of this process by ranking thousands of audience options on their ability to find buyers.

The chart below compares two examples of a relevant Oracle Data Cloud target audience versus a broad demographic target alternative. In both examples, data assets and applied data science do a better job finding the relevant buyers these advertisers should aim to reach.

DATA-DRIVEN AUDIENCES FIND MORE POTENTIAL BUYERS

1x General Population Targeting
1.25x Demo Targeting
5.5x Data-Driven Targeting

Leading Bleach Brand – Buyer ID Rate
Audience size = 20MM

1x General Population Targeting
1.09x Demo Targeting
5.2x Data-Driven Targeting

Luxury Import Car Brand – Buyer ID Rate
Audience size = 1.7MM

The more relevant your audience, the stronger your campaign performance

And we can prove it because we've measured it. Our experience measuring the incremental sales lift from online campaigns strongly supports the conclusion that reaching relevant audiences drives superior lift. Need more proof? In a tightly controlled experiment conducted across 24 CPG online campaigns, we found the following:

11% Approximately 11% of demographic audiences (on average) consisted of individuals who also were members of a relevant purchase-based audience simultaneously deployed in the same campaign. The maximum overlap was 20%.

In a broader analysis conducted across 116 campaigns with diversity of advertisers, publishers and categories, we found that relevant, data-driven audiences drove +80% higher incremental sales on average relative to their native target counterparts within the same campaign.

+80% The relevant data-driven audiences generated +80% higher incremental sales (per 1K impressions) — on average — than the demographic audience.

How to harness the power of Relevant Reach

There are simple things advertisers can do to drive Relevant Reach in their campaigns. If you have any questions along the way, get answers from our **data experts**.

Avoid going too narrow. The availability of data often tempts advertisers to define target audiences very narrowly. This by definition makes them too small to stand alone in a single campaign and may result in higher media costs.

One of two approaches advertisers can use to ensure larger audiences remain relevant is audience modeling. The other is to use audience profiling to inform audience selection for online campaigns.

Audience modeling is used in the industry to augment specific audiences of interest with the scale needed to be deployed in campaigns. At Oracle Data Cloud, we use our Modeling 360 platform. It taps into the entirety of Oracle Data Cloud's offline purchase data from CPG, retail and automotive, as well as online interest, online activity and web-search content. The goal is to identify the households who purchase and behave just like the ones you are aiming to reach. Sophisticated data science is then applied to select the best households to add to your audience for high-reach campaigns. With more data, we can create better audiences. And better audiences translate into stronger performance.

In addition to audience modeling, Oracle Data Cloud data assets can be used to profile brand or category buyers of interest and inform the selection of audiences within the BlueKai Marketplace. This includes visibility into those audiences with the highest concentration of your target buyers. Through profiling, advertisers learn more about who their buyers are, what else they buy and their interests. This puts the power in the hands of advertisers and their agencies to make more data-driven decisions on how to intelligently extend an audience—opposed to just selecting a demo audience where many may not be buying your brand or category.

So let's put profiling to work with an example. Say you're a media planner trying to identify audiences that will reach the most people in-market for a half-ton pickup truck. You'd typically start with obvious choices like, "In-Market for pickup trucks", followed by a demographic audience (e.g., Male 24-35) to achieve campaign reach requirements. We can do better than this with more intelligent, data-driven audience recommendations. In our pickup truck example, the five audiences with the highest buyer identification rate of eventual half-ton pickup buyers, based on data in the BlueKai Marketplace include:

IT'S NOT ROCKET SCIENCE, IT'S DATA SCIENCE

Motorcycle Owners	ATV Owners	Bought Coleman Products	In-Market for Texas Acreage	In-Market for an RV

The highest-ranking demographic audience was 1,096

For the most part, advertisers have yet to adopt this type of audience planning, though that's changing. For those that aren't, they are leaving significant money on the table.

Look at your audience and media costs separately. It's only natural that advertisers would carefully evaluate the price premium of a data-driven audience relative to its performance. This lets the advertiser make an informed choice whether to pursue additional volume or forego the volume to maximize the return on ad spend.

But it's not always so straightforward. The complex and sometimes opaque auction-based systems in the digital ecosystem can make things harder to analyze. Programmatic campaigns underbidding in their auctions may fail to achieve sufficient reach into their desired audiences, saturate reached individuals with too many impressions, and consequently depress audience performance. Ouch.

On platforms where there is a fixed supply of ad inventory, the competition (and required bid) for specific users in your audience grows as the pool of unreached users in that target shrinks. Advertisers committed to an audience-first strategy need to work with their media partners and agencies to understand underlying media costs and ensure they get the most value out of their chosen audiences.

Relevant Reach lets you get personal and that makes you more effective. Personalization is powerful stuff. For brands that compete in ubiquitous categories that everyone purchases — such as garbage bags, toothpaste or ready-to-eat cereal — advertisers may dismiss the usefulness of targeting because these are products every household buys. Not so fast. Relevant targeting strategies still pay dividends in these categories. If I run an ad for toothpaste, I may want to broadly target that ad.

But what if I run an ad for whitening toothpaste? Or toothpaste for sensitive teeth? In both cases, reaching a relevant audience allows for ad personalization and to ensure the right message is delivered to the right household — at scale.

RELEVANT REACH LETS YOU GET PERSONAL

Why settle for reach when you can have Relevant Reach?

Reach matters. Reach is here to stay. But the smart money is on Relevant Reach and not inefficient, broad target marketing. And why not? Use data to help identify the scaled audiences that are most relevant and represent the highest potential pool of buyers for your brand. Then, let's use data to help identify the scaled audiences that are most relevant and represent the highest potential pool of buyers for your brand.

So the next time you face a choice between achieving maximum campaign scale and exploiting the performance advantage of targeting, don't choose. Take both.

The Data Hotline ▶▶▶

Have a question about Relevant Reach or want to discuss what audience is right for you? Get answers from data experts.

Oracle.com/thedatahotline