

Saving Goliath

Growing a Large Scale Internet Marketing Channel

By Leon Zemel

While efficient on-line media channels, such as Search, Affiliate, and CPA display media buys, have been a boon for eBay merchants and other newly created Internet businesses, they have not yet made a dent in the overall scale goals for most large marketing ‘Goliaths’. At the same time, most off-line marketing channels are showing declining performance and the on-line channel itself is experiencing more down-to-earth growth rates, making gaining scale an even harder problem for Goliaths to solve.

Unfortunately, Goliaths cannot afford to take a simple slingshot approach to build their online marketing channels. However, by applying a Portfolio Marketing approach to their online efforts, large companies can take advantage of their size, in terms of budgets, strong brands, product portfolio, customer bases, etc. to build a large scale online marketing channel.

Many Goliaths make the critical error of building siloed media campaigns: some leading financial services, telecommunications, and technology services companies among others, have been in market with one campaign for overall branding, one for product X acquisition, one for product Y acquisition, etc. The fallacy in this approach is that it’s driven by corporate budgeting goals but with no connection to the reality that every one of those campaigns will be experienced by many segments of consumers, who have very different product needs as well as different views and understanding of the company’s products and services.

To effectively market to the diverse consumer marketplace, large companies need to proactively plan media, set scale/investment goals, and monitor performance across a portfolio of consumer segments, particularly along the purchase funnel from awareness to product/service engagement to in-market to current customer.

To determine the initial budget allocation across consumer segments, marketers need to take into account a baseline for how much of each segment the company’s current media campaigns encounter and then incorporate strategies that can alter the mix to better align with the company’s financial goals and timelines. Each media placement previously purchased can be evaluated for how it aligns with the company’s segment investment goals and the media plan can be adjusted accordingly. In addition, wherever possible, media buys should be targeted to only display media to the desired segments.

Of course, the ability to set media plans that allocate budget to desired segments and that reduce wasted budget on undesired segments, is dependent on being able to accurately identify the segments, which enables companies to target:

- Acquisition communications at in-market consumers and exclude current customers
- Engagement/product education communications at segments expected to be likely to purchase the product/service at some time in the future
- Cross-sell/up-sell campaigns at current customers
- Minimal or no budget at non-desired segments who are unlikely to purchase the company’s products/services in the near future



The key tools and methodologies that a marketer should employ to identify and target the right strategy at each segment include:

- **Centralized behavioral profiling** – collecting data across all online interactions, including media, search, site, etc. to accurately identify the level of consumer engagement
- **Predictive modeling and targeting** – utilizing advertiser-specific audience response information to determine and optimally message to consumers truly in-market or likely to engage, as well as determining which users not to advertise to due to not being in a desired segment for engaging
- **Media targeting** – once users are classified into the right segment, media needs to be targeted on the fly to the right segment and to exclude non-desired segments
- **Segment reporting** – enabling the marketer to monitor investment levels and optimize performance by user purchase funnel segment

Once the portfolio approach drives increased scale, marketers can gain additional marketing yield by sharpening their conversion optimization tools such as product, message and creative optimization, landing page and site path optimization, etc. Goliaths have their work cut out for them in the online marketing channel, but harnessing the Portfolio Marketing approach is a critical way to start building and executing a large scale marketing campaign.

ABOUT [x+1]

New York-based [x+1] (www.xplusone.com) provides a continuous optimization solution that equips online marketers with real-time, automated decision making that lifts ad and site conversion rates. This simplifies their online marketing and achieves greater return on their overall marketing investment.

[x+1]'s market-leading solutions, *site+1* and *media+1*, empower marketers with instant insights derived from complex data. These solutions are powered by our groundbreaking technology: the Progressive Optimization Engine™ (POE). Leading companies in financial services, telecommunications, on-line services, and automotive industries have significantly increased message accuracy, customer response and ROI with [x+1].

To find out more please contact us at:



470 Park Avenue South, 7N
New York, NY 10016
Phone: 212.741.4222 | Fax: 212.741.4224
xplusone.com