Striking the right balance with
audience-smart marketing

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An audience-smart marketing program or campaign is one that utilizes segmentation, targeting and personalization — three powerful tools with some key differences. **Segmentation** is the process of dividing your audience into smaller groups (segments) based on certain characteristics.[1] **Targeting** involves choosing which segment(s) you want to offer your products to.[2] **Personalization** is the practice of using data to deliver content targeted to an individual prospect.[3]

These tools can help you reach the right customers but to maximize engagement, **your campaign's content and rewards must be relevant**. The goal is to create an idiosyncratic fit, defined as a real or perceived unique advantage, with your audience. This is crucial because a customer's engagement is based on their assessment of the potential reward relative to the effort required to complete the behavior being asked of them. Relevance can also be increased by focusing on the **next best action** for each individual customer to the extent possible.

When relevance combines effectively with segmentation, targeting and personalization, an audience-smart campaign can take flight. But before jumping on board, you should carefully consider these important factors.

Weigh the costs and benefits.

Adding a layer of segmentation can significantly increase costs — sometimes exponentially — due to content creation, technology setup, tracking and reporting. It also increases complexity, which may extend timelines and require additional resources. Therefore, it's important to make sure the benefits of enhanced segmentation and targeting outweigh the elevated costs and complexity.

Understand data requirements.

This is a critical step in audience-smart marketing. Ask yourself these questions:

- Are the required data elements available for a meaningful percentage of customers?

- Are there any issues with the quality or accuracy of the data element or targeting characteristic?

- How volatile is the data characteristic (i.e., how frequently might it change on a customer-specific basis)?

Don't get too personal.

Before utilizing personalization, put yourself in the customer's position. Decide which data characteristics may be considered too revealing (i.e., health-related vs. purchase-related). Stepping over that line may alienate audience members.

A well-designed audience-smart campaign may boost your marketing efforts. But first, it's necessary to perform a thorough cost/benefit analysis to determine how far you should go with segmentation, targeting and personalization. There should be sound reasons and likely returns for each layer that you add, and you'll need to meet the data requirements for execution. If you can cover all these bases, you may be ready to hit a homerun with an audience-smart campaign.

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Sources:

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