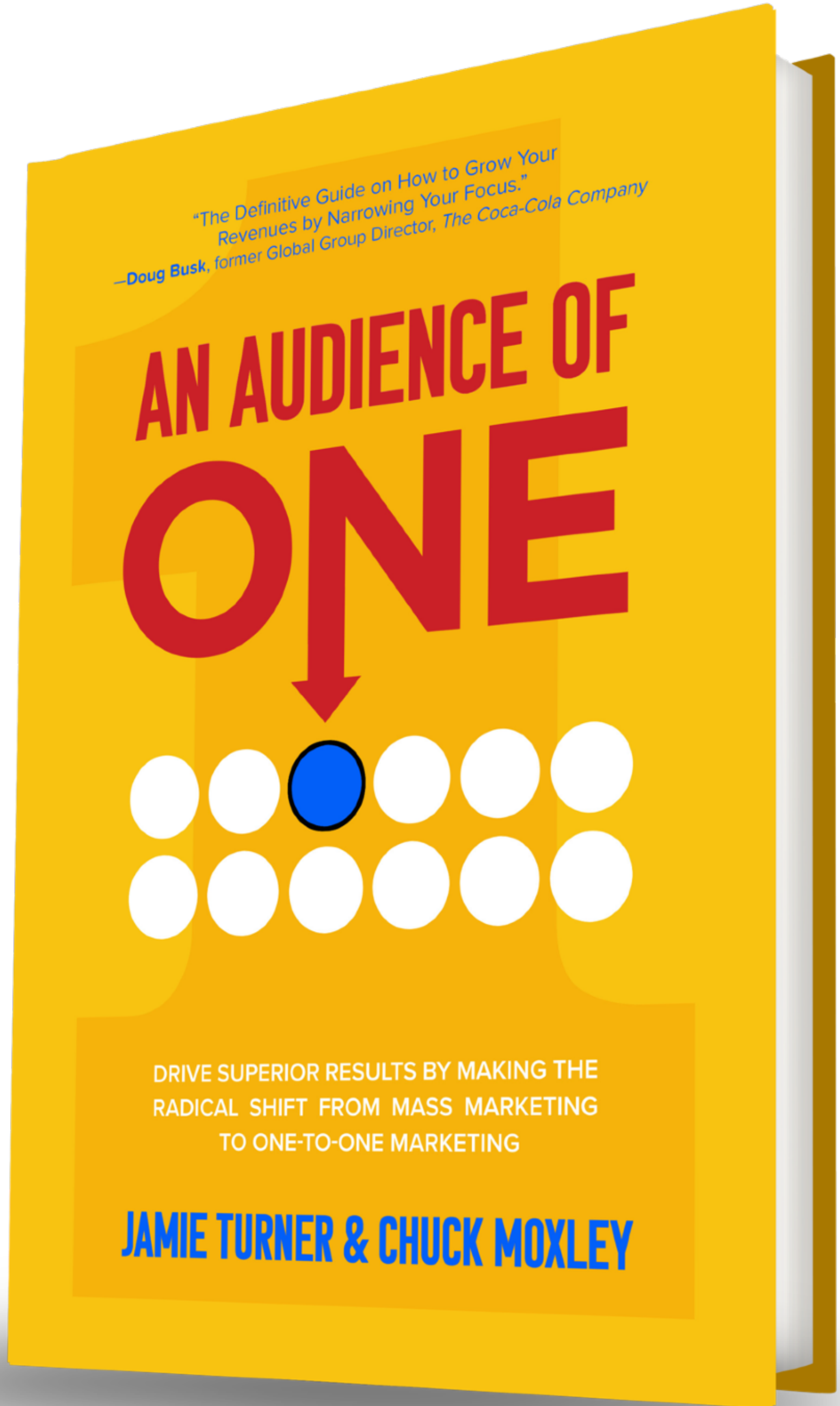

An Audience of One By Jamie Turner & Chuck Moxley [Click Here to Purchase]

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Introduction
The World of One-to-One Marketing

Imagine this—you're sitting in a conference room on the 17th floor of The Coca-Cola Company world headquarters. Across the table from you is the senior group head in Global Marketing. He's been put in charge of exploring new and emerging technologies that will drive revenue for The Coca-Cola Company, one of the world's most successful brands.

The conference room is spacious and elegantly decorated, but not overstuffed. It has a functional chic to the decor that has more in common with an Austin startup than a New York law firm. You notice that there's a look of mild skepticism on the executive's face, which is not surprising. After all, he travels the globe on behalf of the company looking for innovative technologies that can be used to stay one (or two) steps ahead of the competition. He's seen it all.

You've been invited to the meeting to share a new technology that can hypertarget personalized TV, desktop, mobile, and other ads to specific individuals who, according to the analytics running in the background, are statistically more likely to buy your product than if you used traditional marketing techniques. In other words, instead of using the spray and pray technique where ads are delivered to a broad audience in the hopes that a small percentage of them are prospective customers, you can use one-to-one marketing to send the ads to people who, based on data, are likely to buy your product.

The ability to connect the dots between massive amounts of data and the end consumer is a technique that has been the dream of marketers for decades. But what makes this even more appealing is that after the ad is delivered, marketers can watch to see which recipients went to the brick-and-mortar retailer and bought the product. In other words, marketers can use anonymized data to track customer data sets from the moment they see the ad all the way through their purchase at the retailer.

You look around the conference room and think of all the important decisions that have been made there—decisions about business strategies for dozens of brands, decisions about new facilities that would employ tens of thousands of people, and even decisions about whether an executive should be fired because they didn't deliver the results they had promised last quarter. With all that racing through your mind, you open your laptop and begin the presentation.

The story of the Coca-Cola executive isn't an imaginary one. It actually happened. And both of the authors of this book were either sitting in the conference room or working behind-the-scenes on the techniques that were being discussed.

The techniques involve one-to-one (1:1) marketing, which means that marketers treat each prospect and customer as a person who has a name, unique needs, distinct behaviors, and a desire to have some control over their relationship with the brand. The premise of 1:1 marketing is your customers don't want to be targeted with offers. Instead, they want to engage with brands in a dialogue and on their terms. In other words, they want to be treated as a person, not a prospect.

Welcome to a New Form of Marketing

You might be surprised to learn that there are over 1,450 pieces of anonymized data that marketers can find out about the individuals in their target market. This data helps marketers fine-tune the campaigns they send to prospects and customers. Where do they get the information? The starting point is frequent shopper card data. After all, when a consumer signs up to use a frequent shopper card at the grocery store, they're agreeing to allow the store to collect data about their purchases. But that's not the only place data is collected—your smart TV is collecting data, your smart speaker is collecting data, your car is collecting data, your laptop is collecting data, your favorite retailer is collecting data, your bank is collecting data, your mobile device is collecting data, and even your e-commerce store is collecting data. And that's not the half of it—Facebook, LinkedIn, Snapchat, TikTok, your fitness tracker, the photo editing app you just downloaded -- they're all collecting data about you and your behaviors. And marketers can use that data to send you more relevant ads.

When the data is collected ethically and is put into non-personally identifiable data sets, it helps marketers understand who you are, what your behaviors are, and what your propensities are. For example, if a marketer wants to target people who have recently put their house on the market and who are looking for new baby furniture—boom, that's a piece of cake. Or perhaps they want to target people living in an Atlanta suburb who are looking for left-handed, graphite golf clubs. Consider it done. They might even want to target doctors, living within five miles of the seashore, who own yachts, and who prefer red wine over white wine. Again, no problem.

There are two things that make this revolutionary. First, marketers who use 1:1 techniques can track whether or not their campaigns drive the prospects to the bricks-and-mortar stores to make the purchase. Tracking purchase behavior is easy if it was made on an e-commerce site—but now for the first time, marketers can deliver a TV, mobile, desktop, or other kind of ad and then connect the dots to see if the consumer who saw the ad made the purchase at the physical store.

The second reason this is so revolutionary is that action has been taken to ensure the consumer's privacy is protected every step of the way. In other words, marketers aren't targeting Barbie Thorne living on 123 Jones Street in Walton-on-Thames, Surrey, England. Instead, they're targeting #0019734756-9931, which is Barbie's anonymized ID number. Said another way, because the data is held by a third party that is outside the reach of the brand running the ad, the marketer doesn't know that it's Barbie who is receiving their ad. They just know that they delivered an ad to #0019734756-9931.

Do We Have Your Attention Yet?

If you're interested in how organizations are targeting and tracking consumers, while at the same time protecting their privacy, then you've come to the right place. This is a book about using information that has been ethically collected to design marketing campaigns that are then hypertargeted to consumers in an almost 1:1 fashion. But this is not a book that's just about technology. Instead, it's a book that's about a *technique*—one that any marketer can use to create meaningful, authentic dialogues with prospects and customers that can help build a bridge between your brand and the person who might buy your product or service.

Traditionally, marketers created a single campaign and blasted it out to a mass market in the hope that the message would resonate with some of the people who saw the ads. But for those who are willing to learn the new techniques outlined in this book, the future is very different. Instead of mass marketing, we'll show you how to do 1:1 marketing where you can create a meaningful, authentic, resonant campaign that speaks to individuals rather than audiences.

If that sounds like something that can you with your next campaign, then let's get started. There's a revolution going on and we don't want you left behind.

Chapter 1
What Is One-to-One Marketing?

"We are reinventing brand building, from wasteful mass marketing to mass one-to-one brand building fueled by data and technology."

—David Taylor, Chief Executive, Procter & Gamble

If you're in marketing or sales, or work in any business trying to win new customers, then you already know the essential rule for growth, which is to get inside the mind of your customer and understand their motivations on a deep, nuanced level. In fact, executives who are serious about growing their business often know even more about their customers than they do about their product or service. As counterintuitive as that idea is, understanding your customer's needs and then acting on that knowledge will drive more growth for your business than understanding the inner workings of every last detail about your product or service.

The reason for this is because all humans share one thing in common: we all act in our own self-interest. As much as we would like to believe that we focus more on the needs of others than we do on ourselves, in the end, almost every decision we make is based on self-interest.

This inward, personalized focus is understood and leveraged by the most successful brands in the world. For example, Disney understands that the more personalized the experience is for their customers, the more likely those customers are to come back again and again. So when you enter into a Disney theme park, you're given a wrist band so Disney can personalize your experience. If a customer makes a dinner reservation on the Disney app, when they start heading toward the restaurant, the wrist band lets the restaurant host know that the guest is approaching the restaurant. When the guest walks through the door, the host greets them by name and encourages them to sit anywhere, while the kitchen simultaneously gets an alert to begin cooking their meal.

Personalization can go beyond live experiences at theme parks. It can be dropped right into your living room or office. Online retailer Very.com personalizes the web visitor's experience by creating weather-sensitive home pages tied to the visitor's weather in their neighborhood. So if the sun is shining where you live, you'll see a home page that says something like, "The sun is shining and it's 85 degrees outside. It's swimsuit season!" But your home page says something different from the one your cousin sees in rainy New York City. Your cousin sees a home page that says, "We're having a sale on rain gear today!"

And when Marketo, a division of Adobe, invited prospects to their annual conference in Las Vegas, they distributed customized video invitations featuring each recipient's name in the iconic "Welcome to Las Vegas" sign. Imagine receiving a customized video that says, "Hey, Lily. Will you be joining us in Las Vegas?" When you see a personalized marketing message that puts your name in lights, it's hard to resist clicking through to find out what it's all about, right?

When Don Peppers and Martha Rogers wrote *The One to One Future* in the 1990s, they predicted the kind of campaigns we're experiencing today. What they might not have predicted was that one-to-one marketing (or 1:1 marketing) would be available to both largest brands in the world as well as the local coffee shop down the street.

In its simplest form, 1:1 marketing means engaging with prospects and customers using a one-to-one, personalized approach based on who they are, how they think, what they purchase, what their interests are, where they go, and how they prefer to be communicated with. It's the opposite of a traditional, mass-marketing approach where advertisers blast the same message to as many people as possible.

While the ability to hypertarget and personalize certain kinds of digital campaigns has been available for many years, 1:1 marketing is different because most of those campaigns existed in silos. In other words, the typical online display (i.e., banner ad) campaign existed in its own universe and didn't share data with the email campaign, let alone the TV, paid social, direct mail, and other campaigns.

What makes today's 1:1 marketing so revolutionary is that for the first time in history, those campaigns don't exist in separate silos—instead, we've been able to connect the dots across all channels. In other words, the data and information from each channel is "talking" to one another, so your campaigns can continuously become more relevant and meaningful to the prospect.

And it gets even better: because all of the data is interconnected, in many cases you can track whether or not the individual seeing the ad actually completed the purchase at the bricks-and-mortar retailer—not just online, but at the physical retail location. As an example, say you're the marketing director for Nike, Apple, or a small chain of restaurants. You can now watch to see if the specific group of people who saw your TV commercial actually visited your store and bought your product or service. That information is then looped around to continue to adapt and improve the results of your next series of ads.

1:1 gives you the ability to deliver messages via TV, online display, email, direct mail, paid social, and other channels, and then know who is seeing and acting upon the ads. Because of this, you can have a more wholistic understanding of who your customers are, what they know about your product, what they want from brands in your category, and how much they're worth to you. You'll still run "campaigns," but they are orchestrated moments of contact with the customer that cumulatively result in the customer's loyalty, which increases over time. This is circular momentum, which is when a 1:1 campaign builds upon itself to get better and better results and add more and more value.

Practicing 1:1 marketing means treating each prospect and customer as a person who has a name, has a unique set of needs and desires, and wants some control over their relationship with a brand, instead of being treated as a target on a list. Audiences of one don't want to be targeted with offers. They want to engage with brands in a dialogue or two-way exchange of information and on their terms. In other words, they want to be treated as a person, not a prospect.

Chances are, you've created many personalized communications or experienced the two-way communication common with social media. To understand the difference between personalized communication and 1:1 marketing, let's review a brief history of marketing and advertising. By doing so, it will become obvious how advances in technology enable a level of precision marketing never before possible.

Later chapters will discuss why 1:1 marketing is the "new black" due to changes in consumer behavior that are rendering mass marketing techniques less effective. And you'll get some examples of brands embracing 1:1 marketing to drive superior results.

This Idea in a Nutshell

What makes 1:1 marketing so revolutionary is that for the first time in history, we can connect the dots across channels and track the results all the way through to purchase (even if the purchase was made at a bricks-and-mortar retailer). As a result, a 1:1 marketer isn't interested in blasting out mass marketing campaigns to *as many people as possible. Instead, they're interested in narrowing their focus and delivering the ads to a smaller group of individuals who are more likely to buy their products or services in the first place.*

Everything Old Is New Again

The concept of 1:1 marketing actually isn't new. For decades, local butchers, grocers, shop owners, milk delivery men, and paper boys practiced 1:1 marketing. They knew most of their customers by name, recognized a new customer who'd not been in before (and treated them differently than someone who'd been a customer for years), and communicated with customers based on how each customer preferred to communicate—long conversations with one person and short, to-the-point discussions with the people who simply wanted to transact business and get back to what they were doing.

But then the world of Mad Men burst onto the scene in the 1950s, and the concept of slogans, television commercials, promotions, snipes (the little starburst on an ad shouting "new and improved" or "best value"), and other mass marketing approaches grew in popularity. Advances in technology made it possible for brands to talk to hundreds, thousands, or even millions of prospects at the same time. All it took was finding the right hook and jingle to create a memorable, funny, or dramatic TV commercial, and use broadcast media such as television or radio to get an advertiser's message to the masses. A good commercial running on national television alone could make a brand an instant hit.

In the 1960s and 1970s, social scientists got involved and began to identify, formulate, and measure approaches that could cause masses (or herds) of people to buy a certain product or stampede a brand's stores. Of course, taken too far these social science experiments lead to some unethical mass marketing approaches.

One such technique was known as subliminal advertising, where images were inserted in a commercial for a fraction of a second—so fast that the unsuspecting consumer had no idea they'd even seen the image. The premise, since disproven, was that exposing the right image subliminally would cause viewers to crave something and purchase the product to satisfy the craving. For example, a photograph of popcorn inserted in a commercial at a theater would, in theory, bump popcorn sales at the concession stand.

During these golden years of advertising, direct marketing also took off as marketers found ways to obtain mailing addresses of customers and prospects. Mailers were blasted to thousands or hundreds of thousands of households, with the goal of procuring purchases via mail order or a visit to the brand's local store. Mailers expanded into catalogs, and catalogs expanded into bigger catalogs—remember getting the three-pound Sears Wish Book in the mailbox every fall?

Advances in Computing Technology Changed Marketing Forever

The advent of computers in the 1960s and 1970s made it possible to capture and use data for marketing. Initially, the concept of "database marketing" (sending a message to a database compiled of prospects or customers) was practical only with direct marketing, since it was the only "addressable media" at the time. By combining customer, census, and other compiled data into mailing lists, marketers could narrow offers to the households most likely to make a purchase.

Early adopters of data-driven direct mail provided a glimpse into what the future of people-based marketing could be. But only a glimpse. Mailing lists were maintained using mainframe computers. The significant cost and time involved in updating databases and mailing lists limited how often and how quickly direct marketers could create and change offers or segment lists. By today's standards it was quite rudimentary.

As computing power improved (while the size of computers shrank), the level of sophistication with targetable direct mail improved, too. Minicomputers were introduced that were a fraction of the size of mainframe computers. They didn't need to be housed in data centers requiring massive cooling systems. Microcomputers, dubbed personal computers, arrived later that were small enough to be placed on desks in offices.

These innovations in technology allowed more data to be captured and updates made more frequently, all at a much lower cost. However, direct mail pieces were still printed on large, production-printing presses, limiting the extent to which they could be personalized and messages varied. At best, a marketer could print a handful of different versions and send each version to a different mailing list.

Once digital printing processes were invented and refined enough to make personalizing individual mailers practical, it became possible to change the direct mail pieces to target more finite groups of prospects. And in theory, a unique mailer could be printed for each recipient, with variables such as names, headlines, and offers customized to each recipient. Nevertheless, collecting data from customers or purchasing lists and creating variations in direct mail pieces remained a time-consuming, sequential process, limiting the ability to truly personalize offers and mailers.

By the 1990s, with the explosion of personal computers democratizing the collection of data, the notion of 1:1 marketing emerged. In 1993, Don Peppers and Martha Rogers published their seminal book *The One to One Future*. They predicted a future where brands would have a "dialogue with customers" instead of just blasting them with ads, where measuring share of market would be replaced by measuring "share of customer," and why brands should invest as much or more in retaining customers than acquiring new ones.

The ideas that Peppers and Rogers espoused were so revolutionary in the marketing world that Inc. Magazine's editor in chief called *The One to One Future* "one of the two or three most important business books ever written," while Businessweek called it the "bible of the new marketing." For people working in the emerging field of database marketing, whose companies were investing heavily in the ability to personalize communications to prospects and customers, *The One-to-One Future* became their bible, the promise of an entirely new world in which data fueled 1:1 marketing.

Two Decades Later, 1:1 Marketing Is No Longer a Future State

The book was called the One to One Future because in 1993 technology simply hadn't evolved to the point to make all of Peppers and Rogers's predictions a reality. But the creation of the World Wide Web changed everything, making it possible to interact with prospects and customers in real time.

The World Wide Web started as an idea by Sir Tim Berners-Lee, a software engineer working for CERN, to solve the challenge of data being distributed on siloed computer systems. He laid out his vision in a 1989 proposal, and the very first "web server" came online in December of 1991. Initially, use of the web was limited primarily to the scientific world and by late 1993, more than 500 web servers were operating.

In 1994, Berners-Lee moved from CERN to the Massachusetts Institute of Technology and founded the World Wide Web Consortium (W3C), an international community devoted to developing open web standards that he still leads today. As the media picked up on this radical new idea revolutionizing information sharing, usage took off. By the end of 1994, the web boasted more than 10 million users and 10,000 servers, 2,000 of which were commercial. See Figure 1.1.

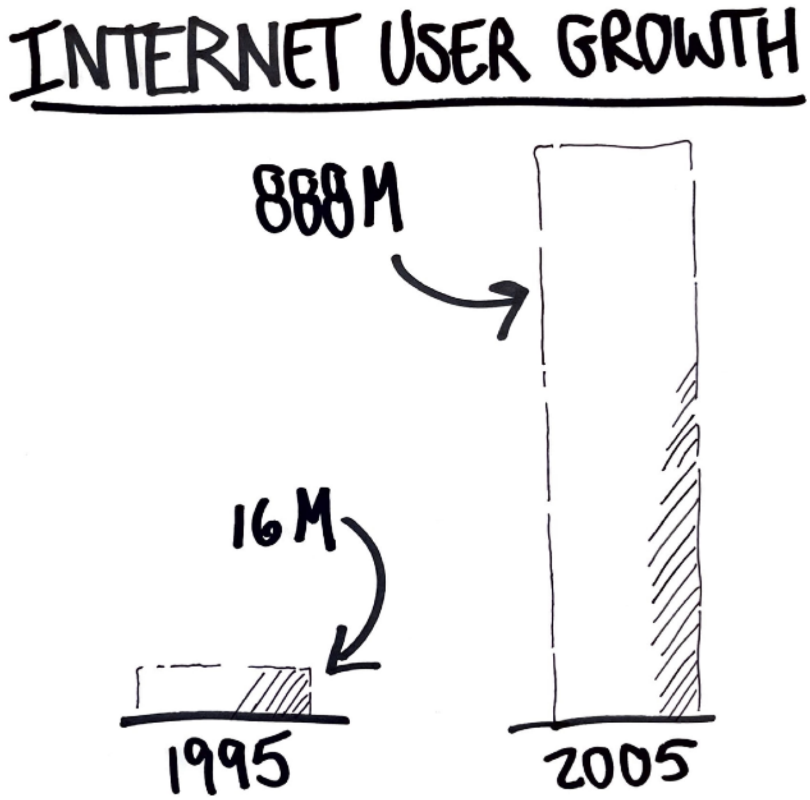


Figure 1.1: Internet penetration grew nearly 900 times in the first decade after its commercialization.

In the early days of the World Wide Web, forward thinking marketers and agencies spent countless hours explaining to CEOs why a company should even care about the people using the internet. In the early days of the web, after all, internet users tended to be scientists, technical folks, or teenage boys. In December of 1995, there were only 16 million internet users in the entire world, which equaled less than one-half of 1 percent of the world's population. A decade later, 888 million people had access to the internet. And today, more than 4.7 billion people—or more than 60 percent of the world's population—use the internet.

The World Wide Web made it possible to move from data stored on a handful of mainframe computers to a completely interconnected world that defies time and space. It makes virtually everyone in the world accessible 24/7 and enables billions of data points to be collected every hour across more than 1.6 billion websites.

And it's not just a privileged few who have access to the internet but 90 percent of the US population—which means virtually all of your prospects and customers can be reached with one-to-one marketing via the internet. The internet enables unlimited dialogues with prospects, and not just via text but through just about any medium—text, images, videos, live chats, webinars, even taking control of a remote user's computer—thanks in large part to 73 percent of US households accessing the internet via a fast broadband connection.

Moving from dial-up, low-speed internet access to always-on, high-speed connections made it possible and easy for people to be accessible and engaged during all waking hours and addressable across a variety of devices. More than 250 million people in the United States use email, 97 percent of Americans own a mobile phone and 73 percent of Americans use social media.

With the technology advances over the past two decades, marketing has been forever altered. It's not only possible but affordable for every business to leverage 1:1 marketing to create and connect with audiences of one. If we were to compare the advances in marketing to transportation, mass marketing would be akin to the ocean liner, computers and digitized printing akin to jetliners, and today's connected world akin to a teleporter!

The 1:1 future is here, now.

The Paradigm Shift: From Marketing to Anonymous Masses to 1:1 Marketing

As discussed throughout this book, 1:1 marketing isn't just about data or technology. It truly represents a paradigm shift for marketers. After all, many of the practices of mass marketing haven't changed in decades and are used still by the majority of consumer brands.

This Idea in a Nutshell

It's not only possible but affordable for every business to leverage 1:1 marketing to create and connect with audiences of one.

The chief marketing officer (CMO) of a large quick-service restaurant chain was discussing recently how it's possible to leverage 1:1 marketing with the chain's millions of customers who opted in to receive weekly text messages featuring offers and promotions. The executive, whose career had spanned numerous consumer brands that relied largely on mass marketing, argued that the effort and cost to communicate with such a relatively small audience didn't make sense. After all, she could run a television commercial on the Olympics and reach two hundred million consumers. Wouldn't that be far more efficient?

Marketers whose careers were built on mass marketing techniques are likely to resist changing what's worked for so many years to adapt to the new reality of consumer behavior and technology-powered possibilities. Fundamental to embracing this new paradigm is understanding that we've moved from marketing to masses of anonymous consumers to engaging with audiences of one.

When the words "addressable" and "advertising" are mentioned in the same sentence, many people think the conversation is about addressable television, which is the ability to show different ads to different people who are watching the same TV show. Make no mistake—the addressable consumer is about much more than addressable television.

It's now possible to reach specific individuals or households with your message across all of their devices. And instead of measuring campaign performance based simply on how many people viewed a specific ad, advertisers can now measure campaigns based on more meaningful metrics the CEO really cares about.

For example, CEOs care far more about incremental sales lift than they do how many people were exposed to a TV ad or clicked on digital ads. And yet 1:1 marketing practices, such as targeting individuals and measuring sales lift, are relatively recent developments not embraced by all marketers. Some don't fully understand the capabilities available in marketing today. Others don't see a reason to change from the tried-and-true practices of mass marketing, despite their inherent limitations.

"In the end, the only thing the C-Suite cares about is whether $1 spent in marketing generates more than $1 in profit for the business. One-to-one marketing is perfectly suited to help marketers accomplish that goal."

—Desmond Martin, former CIO, Harrods of London

Since the days of the Mad Men, ad targeting has been limited because ads traditionally have been delivered using one-dimensional, mass distribution technology: broadcast television, radio, newspapers, magazines, and outdoor billboards. These technologies allowed for a single message to be transmitted to a massive audience all at once. The audience is composed entirely of anonymous individuals: whoever happened to be within the broadcast area, reading the publication, or driving past the billboard.

As noted earlier, the advent of direct mail in the 1960s represented the first "addressable advertising" option for marketers. The ad—a direct mail piece—was literally targeted based on the home address of an individual or household and hand delivered via the US Postal Service. This new method of one-to-one targeting ushered in an entirely new industry, with many companies collecting data about people and households mapped to a home address, including tax and parcel records, purchase data, warranty registrations, surveys, and more. But direct marketing—as the industry came to be known—was a unique discipline held apart from traditional advertising. Direct marketing was often siloed into a specific department at an advertiser or into specialized teams in agencies who served as the experts in the approach.

Because of the high cost of delivering ads physically, however, the practice was limited primarily to categories and advertisers that could afford to use direct marketing for customer acquisition and growth. The cost of reaching people via direct mail was and remains significantly higher per person than mass marketing methods, such as television and radio advertising. Therefore, relatively few brands marketed to their audiences of one. And even if they did, it was simply one of many channels they used to promote their brand and products.

To be clear, ad targeting has been used in some mass marketing. It's just that rather than hypertargeting on a household or individual basis, marketers have relied on less-granular tactics such as demographic targeting. In other words, they targeted people likely to be of a certain age or income as a proxy for people most likely to purchase a particular item or category. A marketer targeting consumers most likely to purchase their product—for example, a premium brand of orange juice—would employ a decade-specific demographic proxy (e.g., adults 25 to 34) and hope it reached mostly buyers of premium orange juice.

This Idea in a Nutshell

Traditionally, one-to-one marketing was used primarily by the direct response industry. Mass marketers had to rely on other methods, like demographic targeting, for their campaigns.

But demographic targeting itself is relatively new. It wasn't even possible until companies like Nielsen and Arbitron began calculating an estimate of the number of people who tuned into a show, station, or network. They started doing this in the 1940s for radio and in the 1950s for television. It was done by paying a large panel of people (typically at least 100,000 people across the United States) to maintain a detailed diary of every program they watched or radio station they listened to. Panel members also reported demographic information, such as age, presence of children, address, and other information that allowed Nielsen to report what type of people were watching a particular show. For example, the audience for a show like ABC's The Bachelor would comprise a higher percentage (or "over index" in research terms) of women ages 25 to 34 and comprise a small percentage (or "under index") of men ages 45 to 54.

Meanwhile, brands conducted their own market research to determine what types of consumers were most likely to purchase their product. For example, women ages 25 to 34 are more likely to shop at Macy's. Therefore, Macy's could target their advertising to reach the people most likely to buy their product, women ages 25 to 34, by buying ads that ran during television shows most likely watched by women ages 25 to 34 (e.g., The Bachelor), as measured by Nielsen ratings. In theory, advertisers are being more efficient with their advertising budgets by placing ads only on the shows watched by people likely to buy their products.

But there are numerous problems inherent with this approach—the data used by Nielsen and other platforms sampled only a fraction of the total population. In fact, just 40,000 people determine what shows make it on television and which shows are cancelled or not renewed. In the world of research, a sample size of that many people is statistically large enough to predict the behavior of all American television viewers.

But that means that the 120 million people watching TV in the United States are controlled by the programming decisions TV networks make based on this sampling of a few individuals. And while it may be true that women ages 25 to 34 are the people most likely to watch The Bachelor, it's also true that millions of people not in that demographic enjoy watching that show.

Furthermore, the demographic characteristics captured by product research, such as age, are just one factor in who buys a product. While it's true that women ages 25 to 34 are the most likely people to shop at Macy's, it is also true that there are many women aged 25 to 34 who never shop at Macy's.

Similarly, 70 percent of Macy's shoppers are female. That means it's also true that nearly a third of Macy's shoppers are male! To target advertising primarily toward women ages 25 to 34 means ads will be reaching people who aren't Macy's shoppers. Meanwhile, Macy's will miss large groups of people who shop there, but may not be aware of a current promotion because they aren't seeing the ads promoting it.

The Internet Enabled a Paradigm Shift for Advertisers

It wasn't until broad internet use emerged in the mid- to late 1990s that the paradigm shifted. The internet wasn't just a broadcast medium, like television, but instead enabled two-way communication between brands and consumers. Furthermore, each website a consumer visits is hosted at a unique address (called an internet protocol address or IP address). Similarly, each device must also connect to a network, and each network has a unique IP address. This method of assigning unique addresses provides a means for identifying each unique device accessing the internet as well as each media property carrying advertising.

And while it isn't quite as easy to address an ad to a person using the internet as it is to address a direct mail piece to a person, transitioning from targeting an anonymous mass of unknown people to targeting specific individuals radically altered the potential for marketers both large and small.

Additionally, because the internet enabled two-way communication, it became possible to do more than simply blast a message to consumers; marketers could now create one-to-one dialogues with their customers and prospects. Eventually, the same technology that enabled internet access for desktops and laptops made smartphones and tablets addressable. And more recently, internet-connected televisions and other television devices (e.g., a Roku or Fire TV Stick) have made television viewers fully addressable across all of their connected devices.

This means that in today's world of addressable consumers, a marketer who wants to target ads to premium orange juice buyers can use past-purchase data to target people with a history of buying premium orange juice. For example, Minute Maid Orange Juice can take purchase data acquired from people's frequent shopper cards, sort out the people who buy a lot of orange juice, and target just those people in a 1:1 ad campaign. By using the past purchase data as a targeting tool, the campaigns are much more effective because they eliminate wasted ad impressions. See Figure 1.2 on the next page.

Figure 1.2: *All three groups in this illustration watch The Bachelor — 1) People who buy generic orange juice, 2) People who buy premium orange juice, 3) and people who don't buy orange juice. A 1:1 campaign will collect data on who is buying the premium juice and use that data to target only those consumers on The Bachelor. The other two groups don't see the ad even though they're watching the same show at the same time.*

Addressability also changes the game when measuring the success of ad campaigns. Previously, advertisers had no way of knowing who actually saw their ads. Campaigns were measured using ratings to estimate how many people in the targeted demographic saw an ad. This, as was pointed out earlier, only loosely correlates to the people actually buying the advertised orange juice.

Since consumers are now addressable, advertisers can see which nonpersonally identifiable individuals saw the ad and then use transaction data from point-of-sale systems, frequent shopper data, or online purchases, to measure whether $1 spent in advertising generated more than $1 in profit for the business.

For example, in the case of the Minute Maid Orange Juice campaign, an ad platform working in partnership with a data company, such as NCSolutions or IRI, could measure orange juice purchases as a result of the ad campaign. They do this by comparing sales from the people reached by the advertising to an identical control group who didn't see the ads.

By comparing the test and control groups, the advertiser can determine how much additional Minute Maid Orange Juice was purchased by the people seeing the ads versus the people who didn't see the ad. In the end, the measurement company would provide data that shows actual incremental dollars generated and a return on ad spend (known as ROAS) for every dollar spent on the ads. For example, the data would show that when a brand spends $1 on a campaign, they generate $1.50 in incremental revenue. Measuring advertising based on real-world results, such as in-store sales, is a game changer for advertisers.

Here's a curveball for you—purposely reaching fewer consumers with an ad campaign probably sounds crazy to a traditional marketer who is accustomed to measuring campaign success based on what percentage of the audience the ad reached. Their goal was to reach the maximum audience size for the fewest dollars possible. The perspective isn't wrong; it's simply out of sync with the new reality created by the ability to market to audiences of one.

This Idea in a Nutshell

With 1:1 campaigns, your goal isn't to blast out a bunch of ads to a group of anonymous consumers. Instead, the goal is to send targeted, relevant ads to fewer people who are more likely to buy your product or service. This is a radical shift in the way marketers have done business in the past.

If you buy into the idea that how brands are able to reach consumers has changed dramatically enough to consider a paradigm shift, your next question is likely "Why should we change what's worked so well for so many years?" After all, just because you can market differently isn't justification alone that you should market differently. The next chapter will cover how dramatically consumers have shifted in how they think, buy, and consume media, which is the reason why you should consider a radical shift in how you market your brand, products, and services.

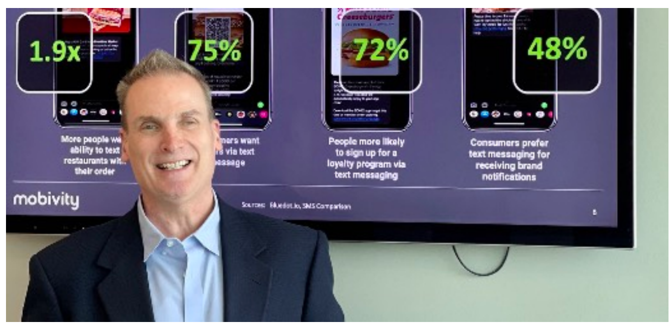
Key Takeaways

Here are some things to keep in mind as you reflect on the concepts in this chapter.

- **Traditional versus mass marketing:** Traditional mass marketing prioritizes reach and recall, whereas 1:1 marketing prioritizes reaching just the right people with the right message at the right time.
- **Transitioning to 1:1:** Some experienced marketers may be reluctant to transition from mass marketing to 1:1 marketing. After all, if it ain't broke, why fix it, right? Well, it's broke. And it's being replaced by a technique called 1:1 marketing.
- **Metrics and measurement:** Not only is targeting possible at a 1:1 level, but so is campaign measurement, allowing data to drive who to target and prove the value of marketing investments.

About the Authors:

Jamie Turner is an internationally-recognized author, professor, and speaker who has consulted with The Coca-Cola Company, AT&T, IBM, Holiday Inn, Microsoft, T-Mobile, and dozens of other major brands. You may have seen Jamie in Inc., CNBC, Business Insider, Entrepreneur, and Forbes. He's also a regular guest on CNN and HLN where he shares his expertise on marketing, persuasion, and leadership. Jamie is the co-author of several essential business books and was listed was recognized as a top 10 speaker by CareerAddict (along with Ariana Huffington, Daymond John, and Gary Vaynerchuk). His YouTube channel was recently designated one of the "Top 10 Business YouTube Channels" in the nation by Wishpond.com.To contact Jamie Turner about speaking at your next event, email him at Jamie@JamieTurner.Live



Chuck Moxley has co-founded three Bay Area technology companies. He has also developed innovative marketing campaigns for Lee Jeans, Sears, Sprint, Royal Oak Charcoal, CITGO, Chick-fil-A and several technology start-ups. As a frequent speaker and regular contributor to industry publications, including MarTech Advisor and AdExchanger, he offers insights on 1:1 marketing, advertising, and digital advertising including mobile and advanced television. He is one of the nation's leading experts on the convergence of technology and marketing and speaks frequently at both the corporate and university level on the ethical use of data and its impact on business and society.To contact Chuck Moxley about speaking at your next event, email him at TalkToChuck@ChuckMoxley.com.