

Performance-Marketing

## The effective strategy against scatter loss

Almost every company today is feeling the effects of ongoing digitalization. In marketing, this is leading to ever-increasing scatter loss. The following article explains how to counteract this.

TEXT

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The well-known saying "Half the money I spend on advertising is wasted; the trouble is, I don't know which half" has survived even the greatest innovations of the last 100 years, including the internet. Depending on the situation or source, the quote is sometimes attributed to car magnate Henry Ford, and sometimes to department store king John Wanamaker. But the fact that such a sentence is still being quoted decades after it was first uttered makes it clear that the question is still topical - and still unanswered.

### Communication without wastage

We know that communication and wastage belong together like light and shadow. Statements such as "online advertising has no wastage" are sheer nonsense. It is also astonishing that scatter loss is almost exclusively associated with paid media. Owned and earned media are usually completely ignored. Unsurprisingly, very different understandings of the terms used by the players involved often lead to confusion. Here's the crucial question: is scatter loss being

assessed using contemporary and relevant assessment criteria?

One of the most widespread definitions found on the internet illustrates the problem: "Scatter loss is when a campaign not only reaches the target group, but is also seen by people who do not belong to the target group". Think about that: what should we call it when exactly those people outside the defined target group are shown to be making a purchase? Scatter profit? That can't be right.

There are also two key words in the definition of scatter loss that should make us sit up and think:

#### 1. Seen

We all know that just "seeing" (from the customer perspective) or "being seen" (from the company perspective) is not enough for market success. Successful marketing during the customer journey requires further steps, such as activation of the customer, in order to lead to a purchase.

#### 2. Target group

Of course you have to know your target group. However, the focus on socio-demographic target groups in marketing dates back to a time when, for example, age, gender and income could be equated with concrete purchasing and consumption habits. Nowadays, millionaires also love a bargain. So it's not surprising that socio-demographic characteristics are of little help in defining target groups.

#### How to avoid scatter loss

Companies try to keep expensive wastage as low as possible. But the resulting minimization and optimization of strategies and campaigns carries the risk that advertising frequency quickly falls below the effectiveness threshold. Spreading lean budgets over many individual activities or budget pots is increasingly leading to total failure: even target groups who have been notified end up not "seeing" the measures. Especially with classical offline media, underinvestment often results in very low advertising frequency. In other words: the entire budget is thrown out the window - not just half. This is even more problematic when the wrong conclusions are drawn from this during the evaluation process.

The most important causes of this phenomenon can be summarized as: unclear goals, imprecise target group descriptions, the use of too many media, unsuitable touchpoint combinations, too short campaign durations, and too small budgets. How to ensure successful communication even at a time when marketing reaches are shrinking? There are several places to start. For example, budgets should be reviewed on a regular basis. In addition, it's important to focus on a few selected activities and their

cross-media assessment.

#### Creating transparency about impact

In a world of communication that is changing ever faster, this is not as easy as it sounds. The key metrics needed for efficient and effective marketing control throughout the entire customer journey are usually missing. Generating these key metrics takes empirical measurement. Do this and you'll have comprehensive and transparent information on the impact not only of paid, but also of owned and earned touchpoints. And it will finally be possible to systematically and measurably tap the potential of all the money you spend on advertising. Mr. Ford and Mr. Wanamaker would be delighted.

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