

BREAKTHROUGHS IN AUDIENCE STRATEGY

Debunking the Short and Long-Term Myth of Marketing

The decades-long struggle between pursuing long-term growth and achieving short-term sales is rooted in a myth. Going broad for the brand and targeted for performance is wrong. We're challenging marketers to adopt a new audience strategy focused on the Movable Middles that optimally meets both short-term and long-term goals. Here's how.

Focus on consumers who matter

Rather than relying solely on your current customers or demographic data to define audiences, anchor your strategy on consumers most likely to be influenced by advertising¹ — the “Movable Middles.”

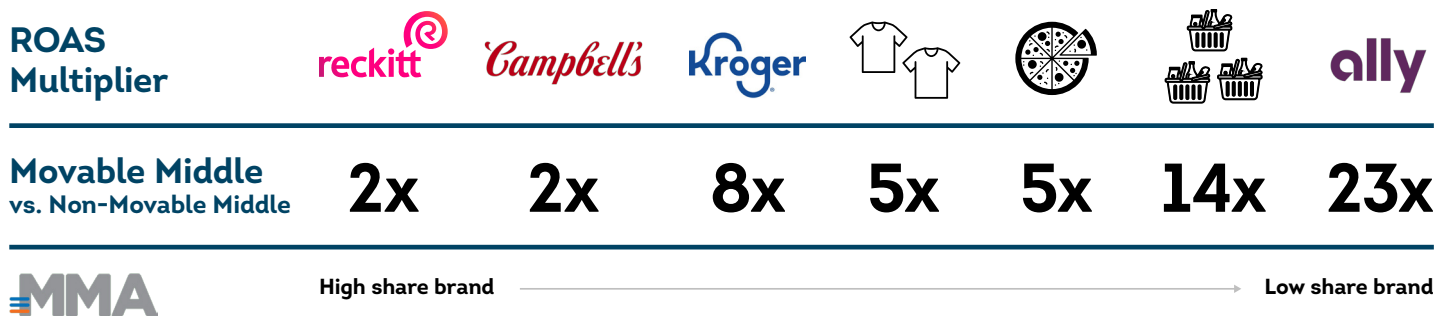
On a spectrum of category buyers, Movable Middles sit between High Loyals — who are very likely to choose your brand when they next purchase — and Low Loyals who are not. Movable Middles are inclined to switch among your brand and a few others.

Low Loyals are unlikely to be influenced by advertising, while High Loyals will likely convert without it. Advertising to either group is wasteful. Movable Middles, on the other hand, respond well to advertising, so your ad dollars go farther.

This new science was introduced by MMA Global and TransUnion in 2021.² Since then, across nearly a dozen case studies, **Movable Middles have consistently outperformed High Loyals and Low Loyals by between 2x and 23x in driving incremental sales per advertising dollar in the short term.** (see Figure 1)

To conduct these studies, we identified and analyzed relatively small populations of Movable Middles. To scale these findings, in theory, brands could use these Movable Middles to construct large addressable audiences through lookalike modeling.

Would brands be able to build such audiences, and would they perform any better than traditional strategies?



Notes: Multipliers reflect the performance of populations of Movable Middles and Non-Movable Middles in response to a test campaign. ROAS refers to return on ad spend.

Figure 1. Movable Middles case study results³

Source: MMA Global

1. "Advertising" throughout this paper refers specifically to paid media.

2. For more information on the science of Movable Middles please refer to the ground-breaking white paper that TransUnion and MMA Global produced in partnership in 2021: Outcome-based Marketing v2.0

3. Studies were conducted for the 4 brands whose logos are shown as well as 2 apparel, 1 pizza, and 3 CPG brands.

Build audiences rich in Movable Middles to maximize short-term sales

Ally Bank put theory to practice.

For smaller share brands like Ally, with limited marketing budgets compared to competitors, targeting Movable Middles can even the playing field by allowing marketers to squeeze a higher return from advertising dollars.

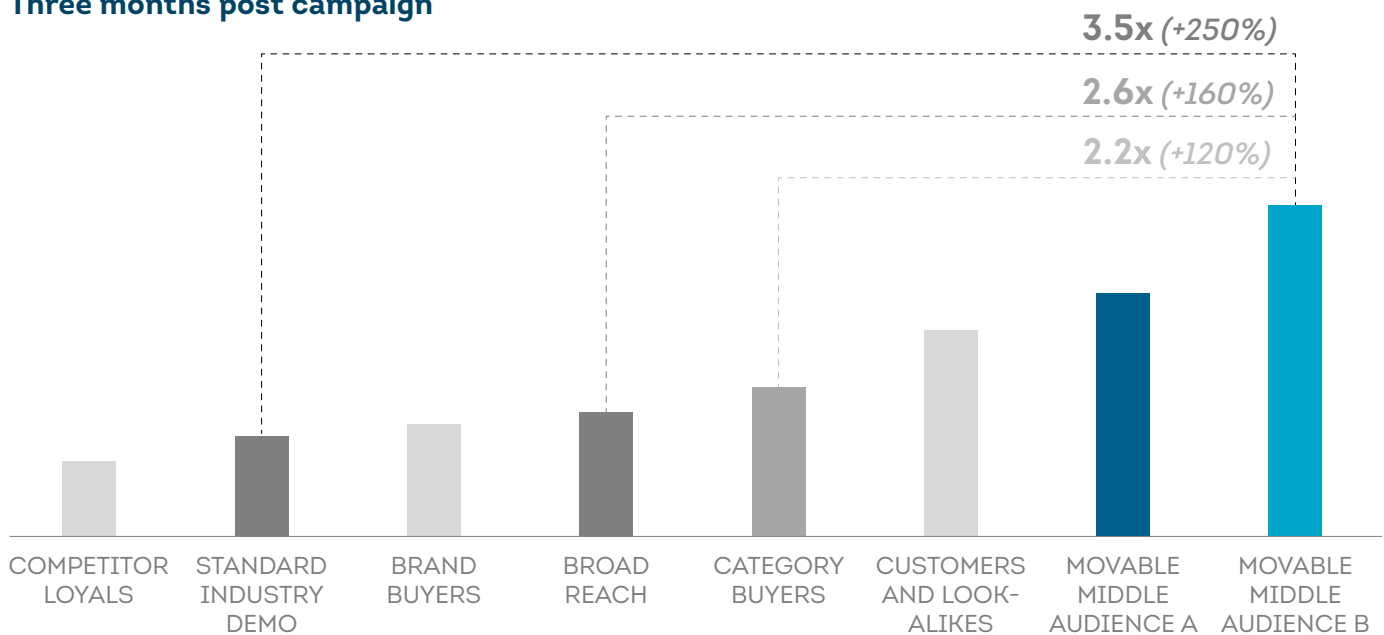
Using the Movable Middles identified from survey data as a seed for lookalike modeling, Ally and TransUnion applied a segmentation framework and successfully built two audiences rich in Movable Middles — then tested⁴ them against other strategies.

At three months after a test campaign, these Movable Middle audiences resulted in up to 2.6x the account openings per dollar compared to a broad reach audience, and outperformed six other common audience strategies. (see Figure 2)

Movable Middle audiences achieved up to 120% higher return than an audience rich in category buyers, and up to 250% higher than a standard, demographic-based audience used in the financial services sector.⁶

These results and the prior research focused on short-term business impact. **Would an audience consisting of a mix of Movable Middles and lookalikes deliver long-term results as well — or, would it do the opposite and derail them?**

Incremental accounts per ad \$ Three months post campaign



Notes: Gray and blue bars represent common audience strategies and Movable Middles audience strategies, respectively. For the lift results provided, at least 70% significance was observed using a two-tailed significance test.

Figure 2. Short-term return of popular targeting strategies⁵ three months after the end of the campaign

⁴ Refer to "About the Research" for additional detail.

⁵ The labels on the horizontal axis reflect audiences rich in each of the consumer types listed, not pure populations, consistent with audiences built using lookalike modeling.

⁶ Head-of-household age less than 65 and household income greater than \$50k.

Use Movable Middle audiences to maximize growth

At 18 months after the campaign, the Movable Middle audience strategy held strong.

In driving new accounts per ad dollar, a Movable Middle audience outperformed a standard demo-based audience, a broad reach audience, and an audience rich in category buyers by an even greater extent than in the short term, as shown in Figure 3a.

While these results reflected overall sales growth, sustainable, long-term growth requires customer acquisition – not just repeat purchases by existing customers.

At 18 months after the campaign, a Movable Middle audience achieved significantly more new customers per ad dollar than the alternate strategies, as shown in Figure 3b.

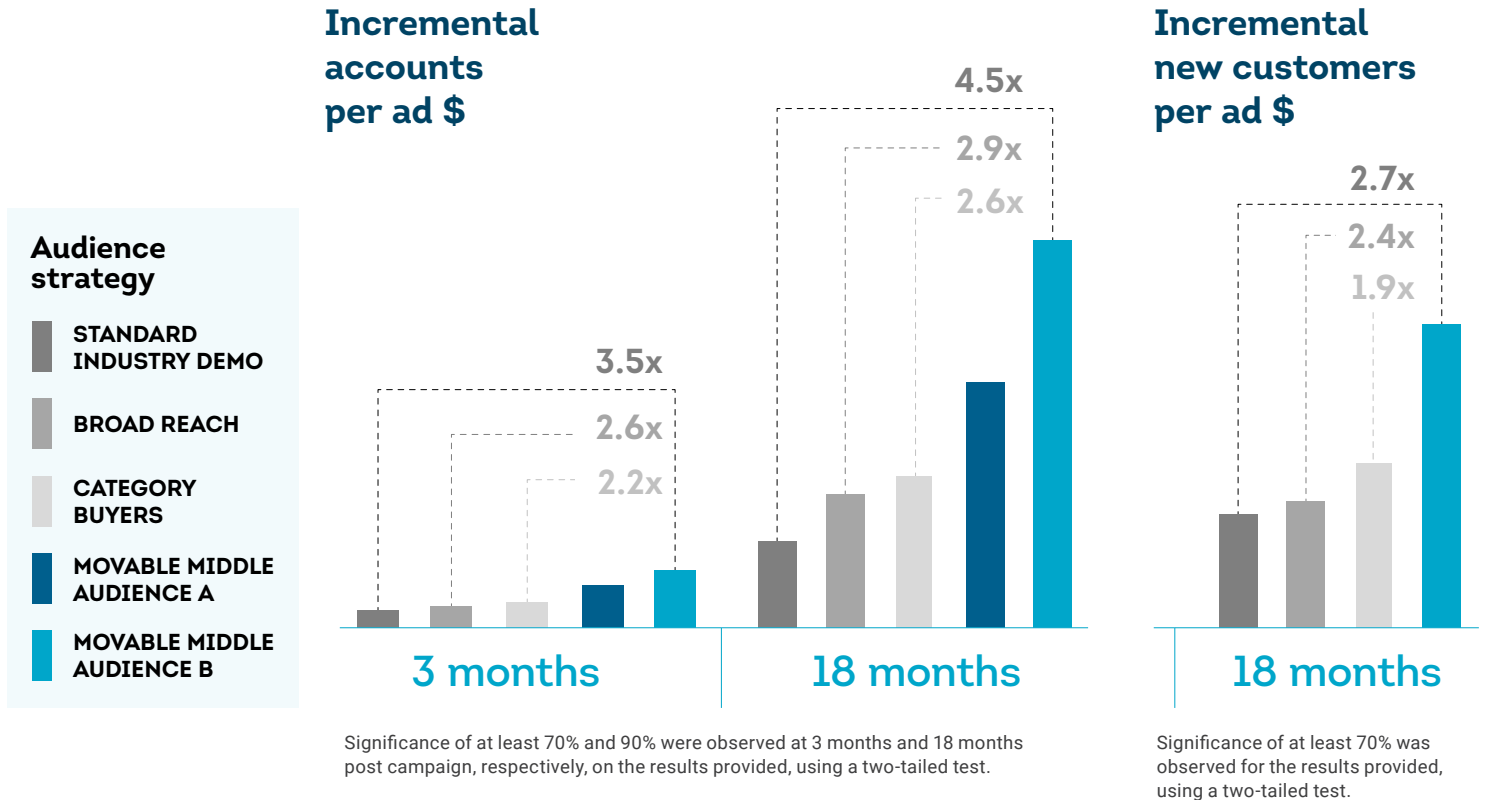


Figure 3a. Impact on sales growth over time

Figure 3b. Impact on long-term customer growth

7 Due to the smaller sample size of the non-customer study population, significance was only established for Audience B, therefore, Audience A was omitted from the graph.

The way forward

Focusing your marketing budget on a single audience strategy for both short-term and long-term goals may seem counterintuitive. But, it actually makes sense when you consider your brand's future Movable Middles will look a lot like your current Movable Middles, so designing audiences to reach one will also reach the other.

The science backs this up: Non-buyers are more responsive to advertising where the brand has a higher market share. By targeting audiences rich in Movable Middles (and where their brand is perceived as a bigger brand), marketers can influence today's Low Loyals who are most likely to become Movable Middles in the future.

Marketers now have a superior strategy for converting current buyers who are most likely to be influenced by advertising today – and priming future buyers to be more receptive to advertising when they're ready to act.

CMOs can no longer deny – when it comes to audiences, marketing's most enduring belief that maximizing short-term gains must come at the expense of long-term growth is a myth.

We invite you to contact [TransUnion](#) and [MMA Global](#) to assess your current audiences and evaluate how to implement this new strategy to improve the short-term and long-term effectiveness of your marketing.

A guide for marketers

How to implement the optimal audience strategy for short-term returns and long-term growth

STEP 1

IDENTIFY YOUR MOVABLE MIDDLES

First, identify your brand's Movable Middles using a dedicated survey, shopper panel or brand tracker study to capture consumers' brand preferences for the category. Regardless of methodology, the respondents and shoppers should be representative of category buyers to better ensure projections accurately reflect market conditions.

STEP 2

BUILD AUDIENCES RICH IN MOVABLE MIDDLES

The next step is to use a robust identity graph and segmentation system to match Movable Middles identified in Step 1 to addressable consumer segments. Build audiences from those segments with the highest concentration of your brand's Movable Middles.

STEP 3

ACTIVATE YOUR MOVABLE MIDDLES AUDIENCES

Finally, distribute your Movable Middle-rich audiences to your media partners for targeting using the same identity graph used to build them.

CONVERT AND GROW

As you target audiences rich in Movable Middles, over time, your brand will gain buyer share within those groups, driving an overall increase in market share. On a periodic basis, repeat Steps 1-3 to monitor your brand's growth. Adjust your Movable Middle audience definitions as your brand's share grows.



①

IDENTIFY
Find a representative group of Movable Middles to use as a seed

②

BUILD
Use a segmentation framework to build audiences rich in Movable Middles

③

ACTIVATE
Distribute those audiences to your media partners

CONVERT
Achieve lift in sales and new customers per ad dollar in the short and long term

GROW
Increase market share over time

ACKNOWLEDGMENTS

This work was conducted by TransUnion's Marketing Solutions Knowledge Lab in close partnership with MMA Global and Rubinson Partners, Inc. We are immensely grateful to the visionary marketing teams at Reckitt, Campbell's, Kroger, and especially Ally Financial for allowing us to share details about their marketing initiatives.

ABOUT THE RESEARCH

In 2022, Ally teamed up with TransUnion and MMA Global on an ambitious initiative to evaluate and scrutinize the assumptions behind their brand marketing strategies. This effort uncovered a remarkable finding: A single targeting strategy is optimal at driving both short-term performance and long-term growth.

The study relied on a backbone of over 850,000 households designed to reflect Ally's total addressable marketing universe — constructed using TransUnion's identity graph. A 10-week test campaign was run (from April through June 2022) across Ally's typical media channels. No targeting was applied. For the entire backbone population, TransUnion monitored exposure to the test campaign and subsequent conversions for approximately 18 months after the campaign (through December 2023).

Ally also collected surveys from approximately 10,000 backbone consumers. These surveys were used to assess each consumer's likelihood of choosing Ally for their next bank account. Those with 20%–80% likelihood were classified as Movable Middles.

TransUnion matched these Movable Middle consumers to addressable audiences using its TruAudience® Consumer Insights segmentation framework to identify audiences rich in Movable Middles. Across the entire backbone, new accounts and new customers per advertising dollar were evaluated for Movable Middle audiences, a broad audience, and several other common audiences. Lift per audience was calculated by comparing balanced exposed and unexposed populations.

In the Ally work referenced, two Movable Middle audiences are mentioned. These audiences were developed by overlaying the TransUnion TruAudience Consumer Insights segmentation framework onto Ally's backbone, and identifying those TruAudience lifestage groups with more Movable Middles than average. The results revealed a bimodality in Ally's Movable Middles around older, established adults and retirees (Movable Middle Audience A) and young single adults and new families (Movable Middle Audience B). In line with how a marketer might apply these findings (e.g., speaking differently to a new family than to a retired couple), we evaluated two audiences rather than aggregating them into one.

To evaluate the other strategies, a similar methodology was used. Survey data was used to identify a seed audience for Competitor Loyals, Movable Middles A, and Movable Middles B; TruAudience Consumer Insights were used for Standard Industry Demo, Brand Buyers, and Category Buyers; and Ally's first-party data was used for Customers and Lookalikes. Each audience consisted of TruAudience lifestage groups with the highest concentrations of the population of interest. For Movable Middle Audiences A & B, the concentrations were 31% and 23% above average, respectively. The Broad Reach audience reflects the overall backbone population.

This research scratches the surface of what we hope to be a lucrative area for marketers. While we're excited about the results shared here, additional work is being done to further challenge and expand the findings and applications.

ABOUT TRANSUNION (NYSE: TRU)

TransUnion is a global information and insights company with over 13,000 associates operating in more than 30 countries. We make trust possible by ensuring each person is reliably represented in the marketplace. We do this with a Tru™ picture of each person: an actionable view of consumers, stewarded with care. Through our acquisitions and technology investments we have developed innovative solutions that extend beyond our strong foundation in core credit into areas such as marketing, fraud, risk and advanced analytics. As a result, consumers and businesses can transact with confidence and achieve great things. We call this Information for Good® – and it leads to economic opportunity, great experiences and personal empowerment for millions of people around the world.

ABOUT MMA GLOBAL

Comprised of over 800-member companies globally, MMA Global is the only marketing trade association that brings together the full ecosystem of marketers, martech, adtech, media and other marketer supporting companies, who work collaboratively architecting the future of marketing, while relentlessly fixated on delivering growth today. Led by CMOs, the MMA helps marketers lead the imperative for marketing change by taking on marketing's unanswered questions and challenging our commonly held beliefs. We are committed to science and questioning; believing that creating new & even revolutionary marketing impact is steeped in constructively challenging the status quo. MMA also works directly with members and business leaders to aggressively adopt peer-driven, proven, science-supported best practices, without compromise. The MMA invests millions in groundbreaking research to enable marketers with unassailable truth and actionable insights & tools. By enlightening, empowering and enabling marketers, the MMA shapes marketing's future success, while also propelling business growth. For more information see www.mmaglobal.com.

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We would also like to thank the following individuals for their irreplaceable contributions, from conceptualizing the underlying research to developing the communications.

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