OUTCOME-BASED MARKETING v2.0

Profitable Growth by Targeting Consumers in the Movable Middle
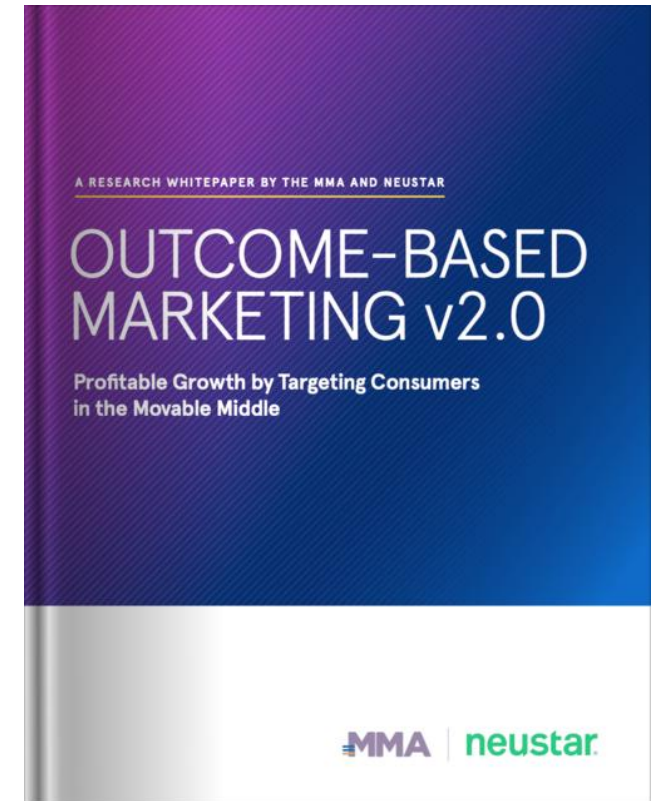
MMA | **neustar**®

Profitable Growth by Targeting The Movable Middle

- A new marketing growth framework that has been **scientifically validated to outperform reach-based planning by more than 50%**

- A **practical** approach to identify, quantify and **target the most responsive audience** for any brand

- A **profitable strategy to win over non-buyers** who are more likely to respond and build for the future of the brand

Learn More & Download the Whitepaper

mmaglobal.com/OBM

A RESEARCH WHITEPAPER BY THE MMA AND NEUSTAR

OUTCOME-BASED MARKETING v2.0

Profitable Growth by Targeting Consumers in the Movable Middle

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UCLA   UNIVERSITY OF OXFORD   Kroger   PEPSICO   CHOICE HOTELS   MOLSON COORS beverage company   Numerator

Academic Advisors   Marketer Advisors   Data Partner

Joel Rubinson
**Former Chief Research Officer at the Advertising Research Foundation
President, Rubinson Partners, Inc.**

Marc Vermut
**VP, Marketing Solutions
Neustar**

Vas Bakopoulos
**SVP, Head of Industry Research
MMA Global**

Today's Speakers

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OBM2: A better approach to brand growth

Outcome-Based Marketing 2.0 provides:
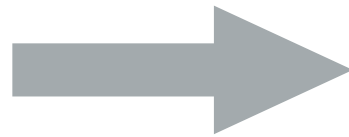
- Superior ROAS
- Higher conversion of non-buyers
- Speed, simplicity, transparency

Consumers are not a monolithic mass

All Consumers

High Loyals
2%* of category buyers
80% – 100% likely to purchase

Movable Middles
16%* of category buyers
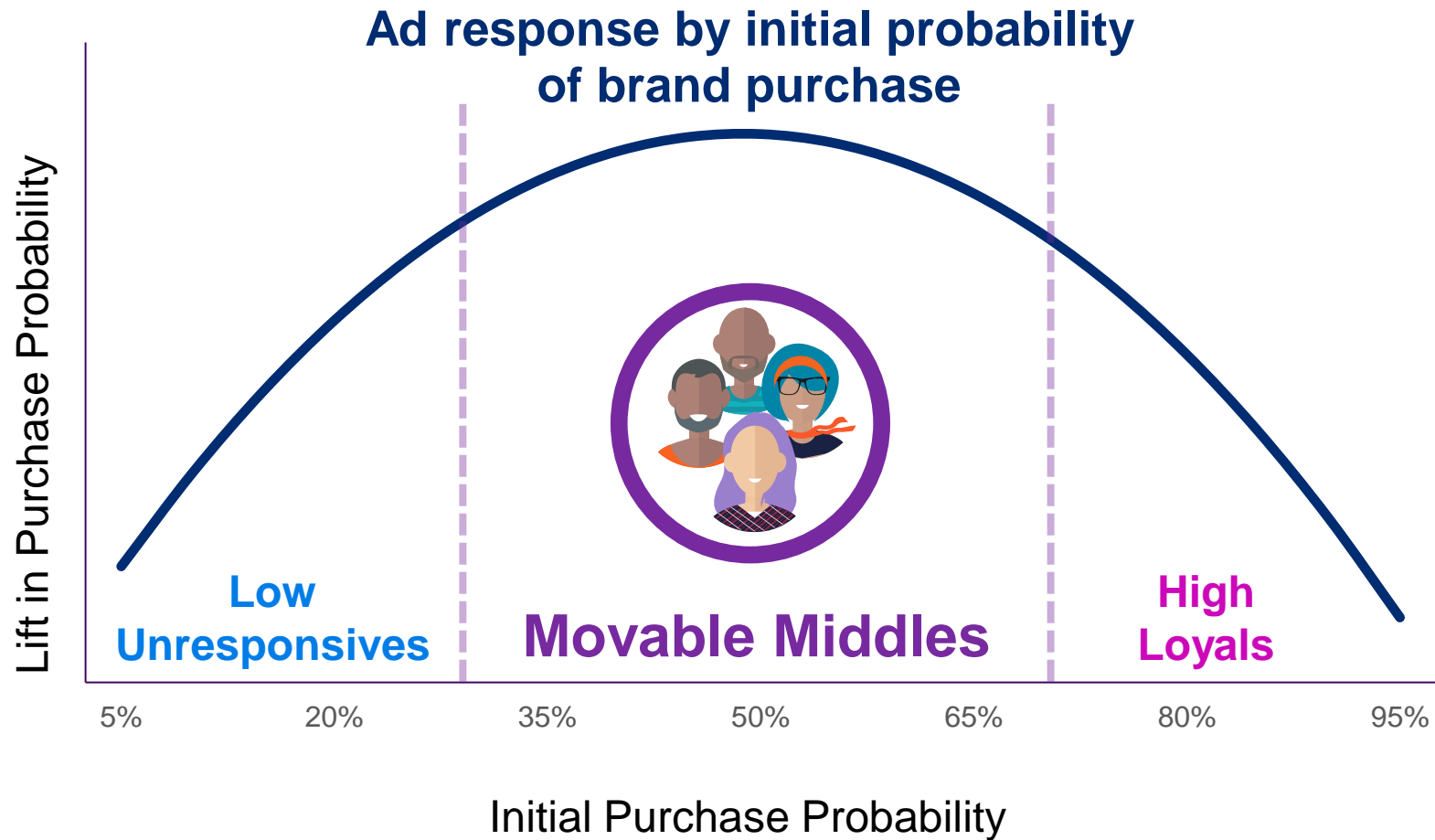**20% – 80%** likely to purchase

Low Unresponsives
82%* of category buyers
0% – 20% likely to purchase

* For a 10% share brand

Movable Middles Have 5X Ad Responsiveness

Ad response by initial probability of brand purchase

Lift in Purchase Probability

Low Unresponsives

Movable Middles

High Loyals

5% 20% 35% 50% 65% 80% 95%

Initial Purchase Probability

Generate outsized ROI with the Movable Middles

ROAS by Consumer Type for 10% share Frozen Pizza brand

High Loyals — $1.84

Movable Middles — **$6.70**

Low Unresponsives — $1.38
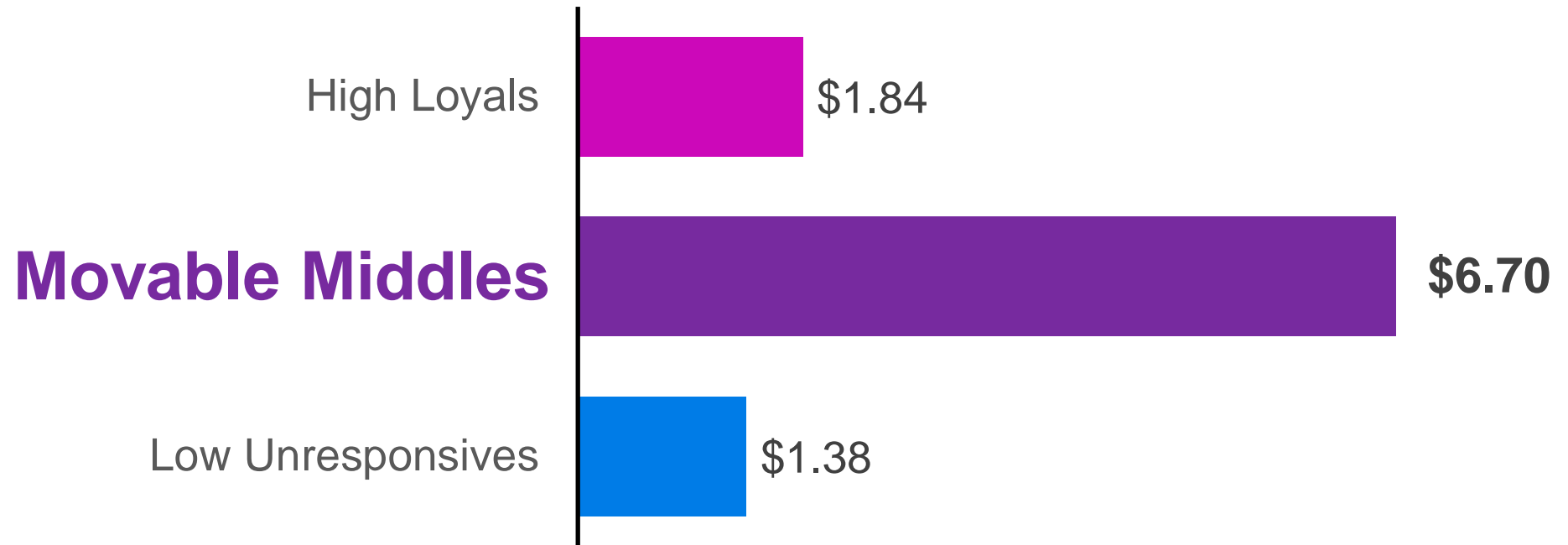
Deliver long-term business growth with OBM2

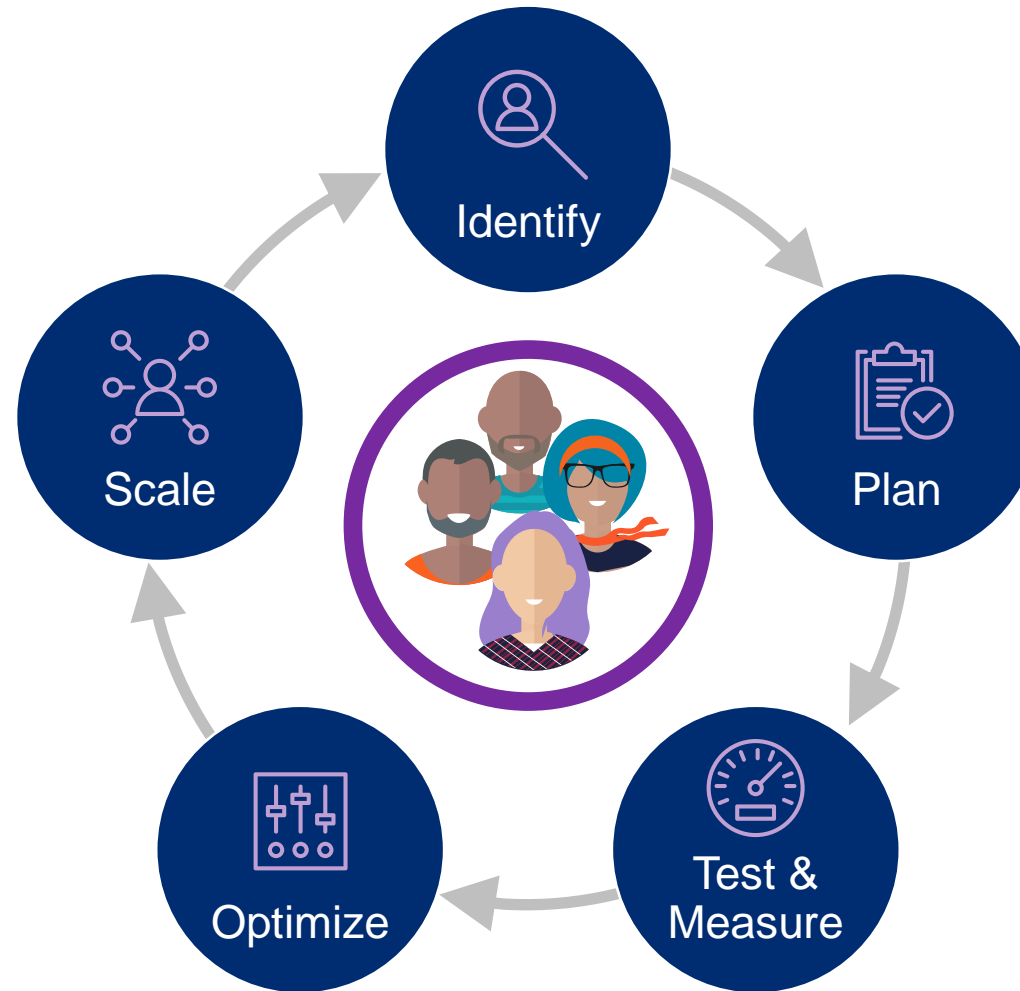**Increased Purchases**

+5.2%

Increased Retention

+5.3%

Reduced CAC

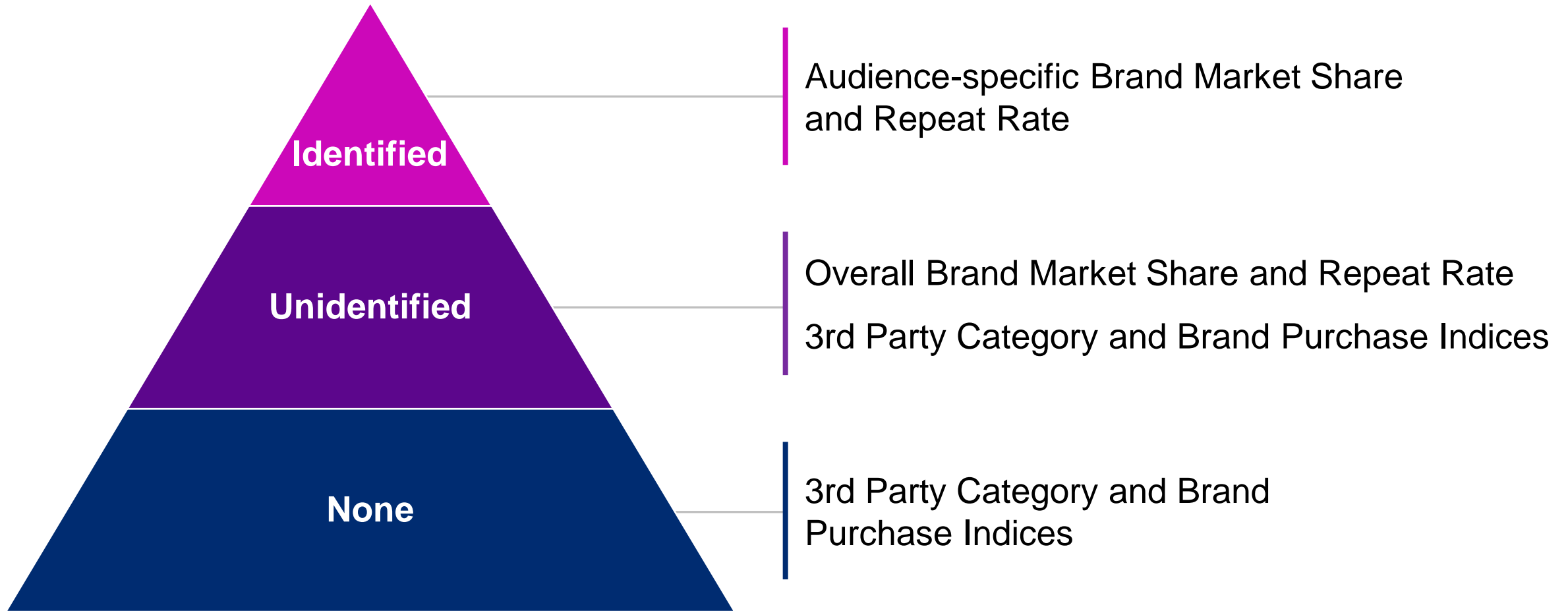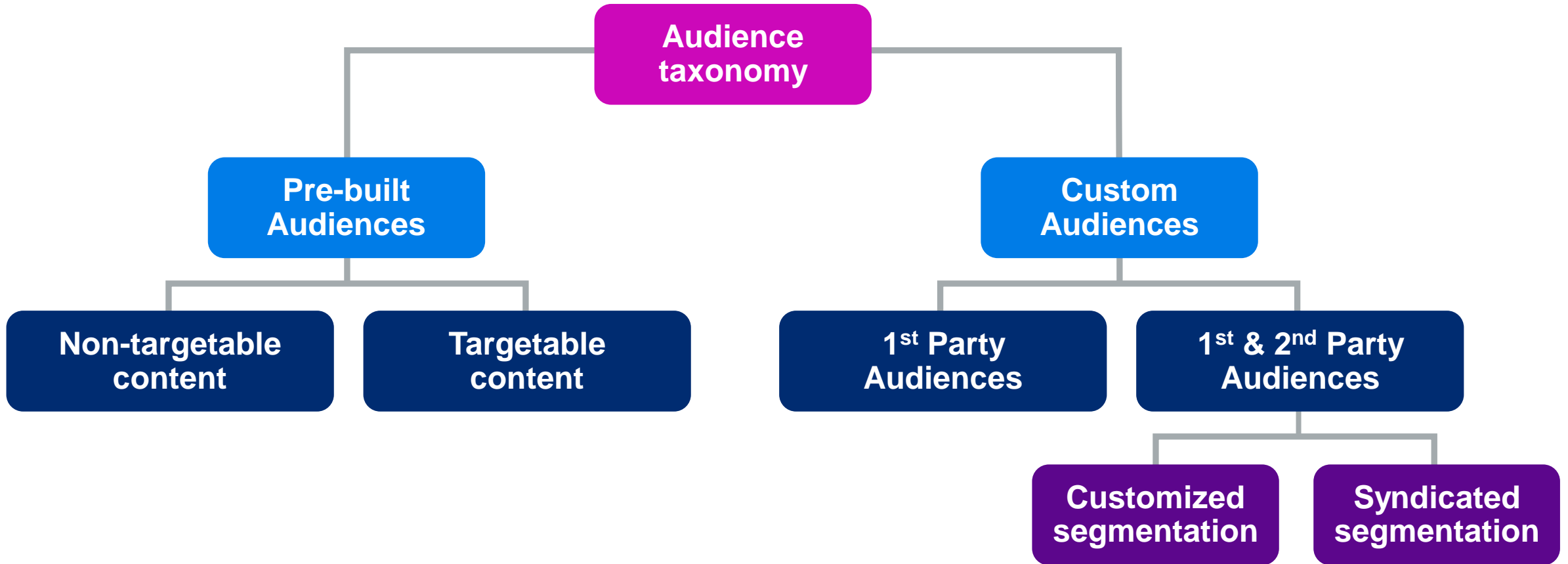**-43.3%**

Movable Middle strategies start and end with audiences

Identify the Movable Middles based on data availability

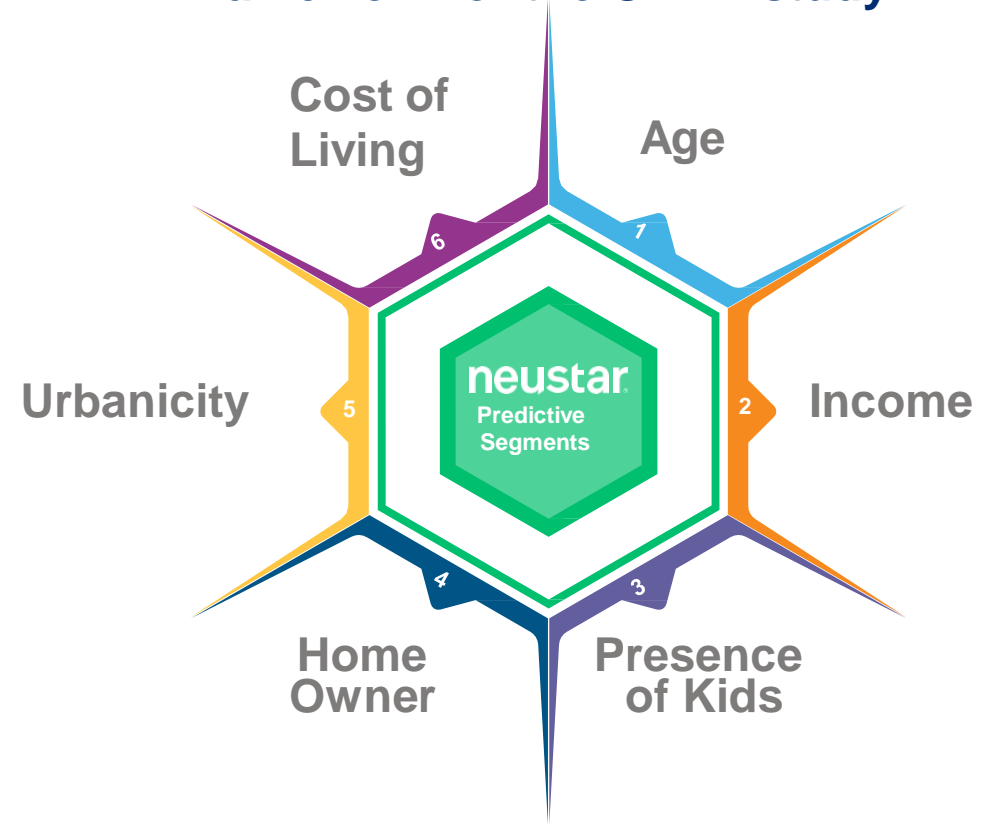**Identified** — Audience-specific Brand Market Share and Repeat Rate

Unidentified — Overall Brand Market Share and Repeat Rate

3rd Party Category and Brand Purchase Indices

None — 3rd Party Category and Brand Purchase Indices

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Evaluate all your audiences with the Movable Middle

Audience taxonomy

Pre-built Audiences

Custom Audiences

Non-targetable content

Targetable content

1st Party Audiences

1st & 2nd Party Audiences

Customized segmentation

Syndicated segmentation

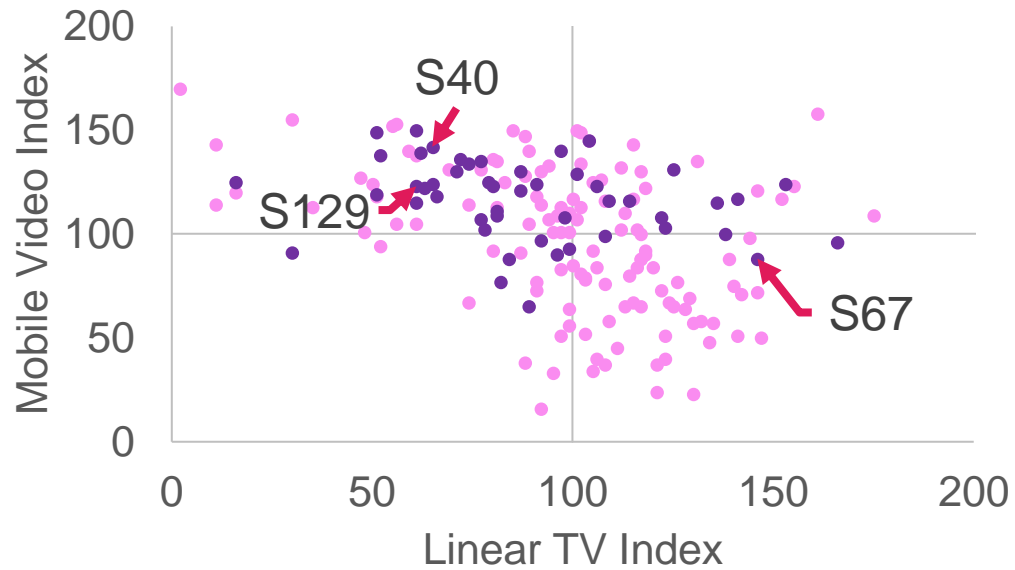MMA | neustar

Evaluate the usability of your audiences

1. Can it quantify the size of the Moveable Middle?

2. Can it scale?

3. Can it be activated?

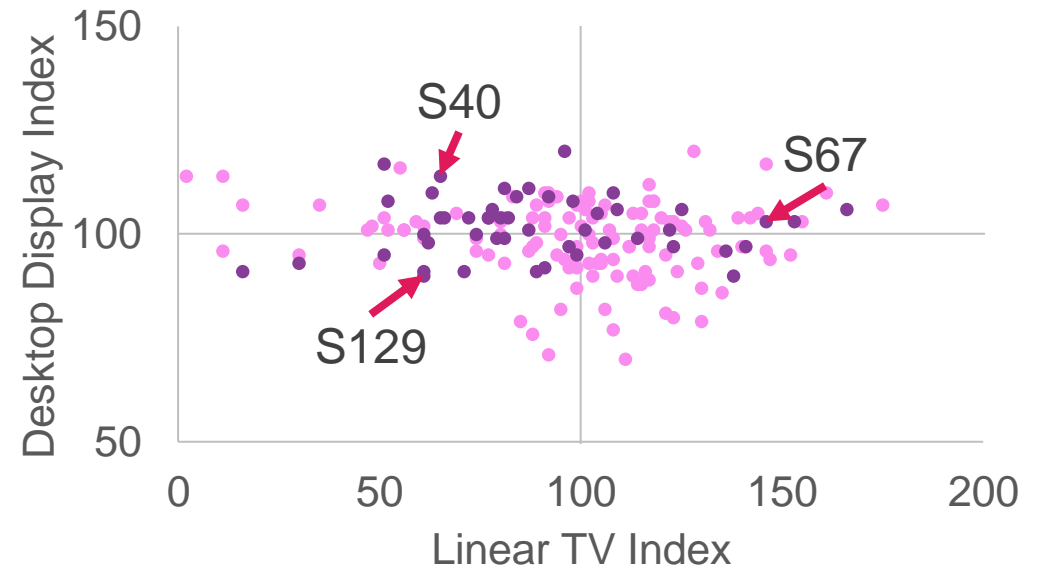**We leveraged Neustar's ElementOne audience framework for the OBM2 study:**

Cost of Living

Age

Urbanicity

Income

Home Owner

Presence of Kids

neustar. Predictive Segments

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Find your Movable Middles across channels

Media Propensity for Mobile TV vs Linear TV

Mobile Video Index vs Linear TV Index

S40, S129, S67

Media Propensity for Desktop Display vs Linear TV

Desktop Display Index vs Linear TV Index

S40, S67, S129

● Other Segments ● Movable Middle Segments

Understand audience performance

Return per Segment vs. Movable Middle Concentration

ROAS

Segments

Outcome Plan ROAS

Base Plan ROAS

Movable Middle %

ROAS   Movable Middle %
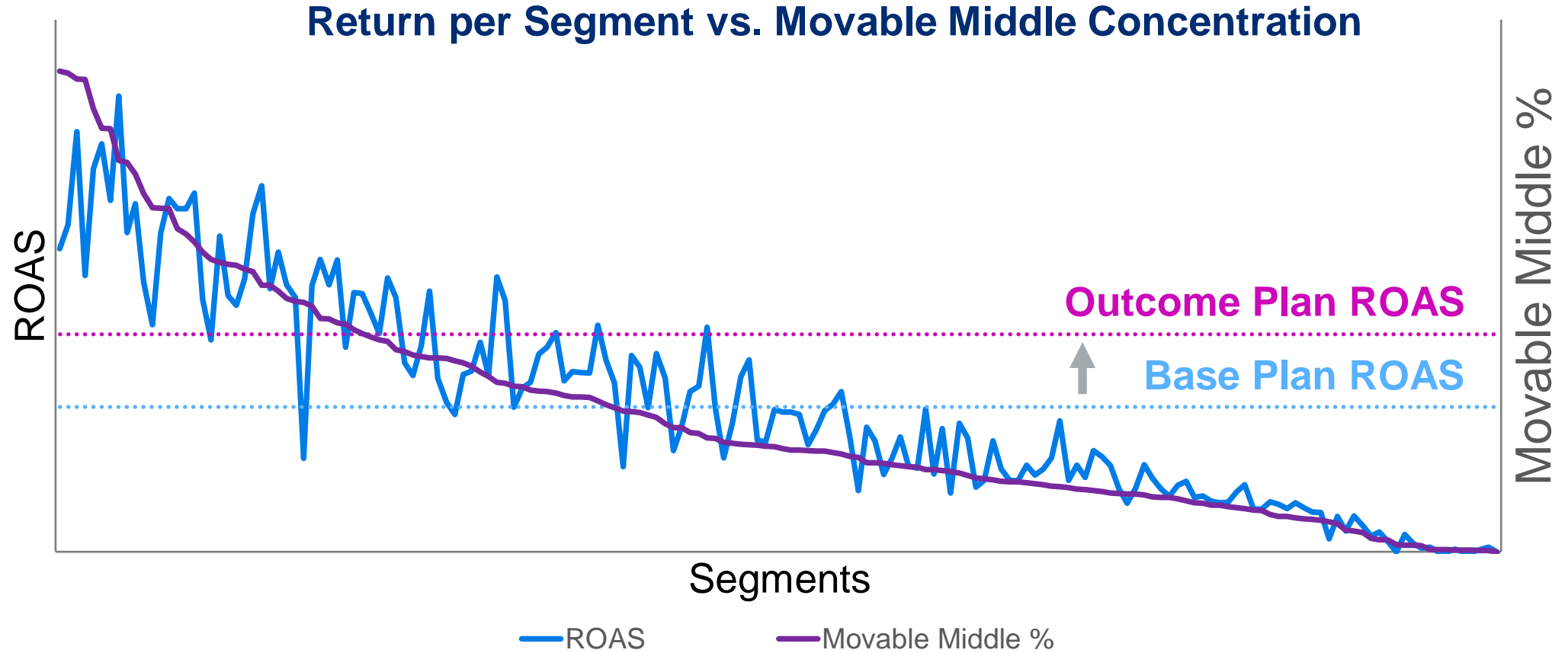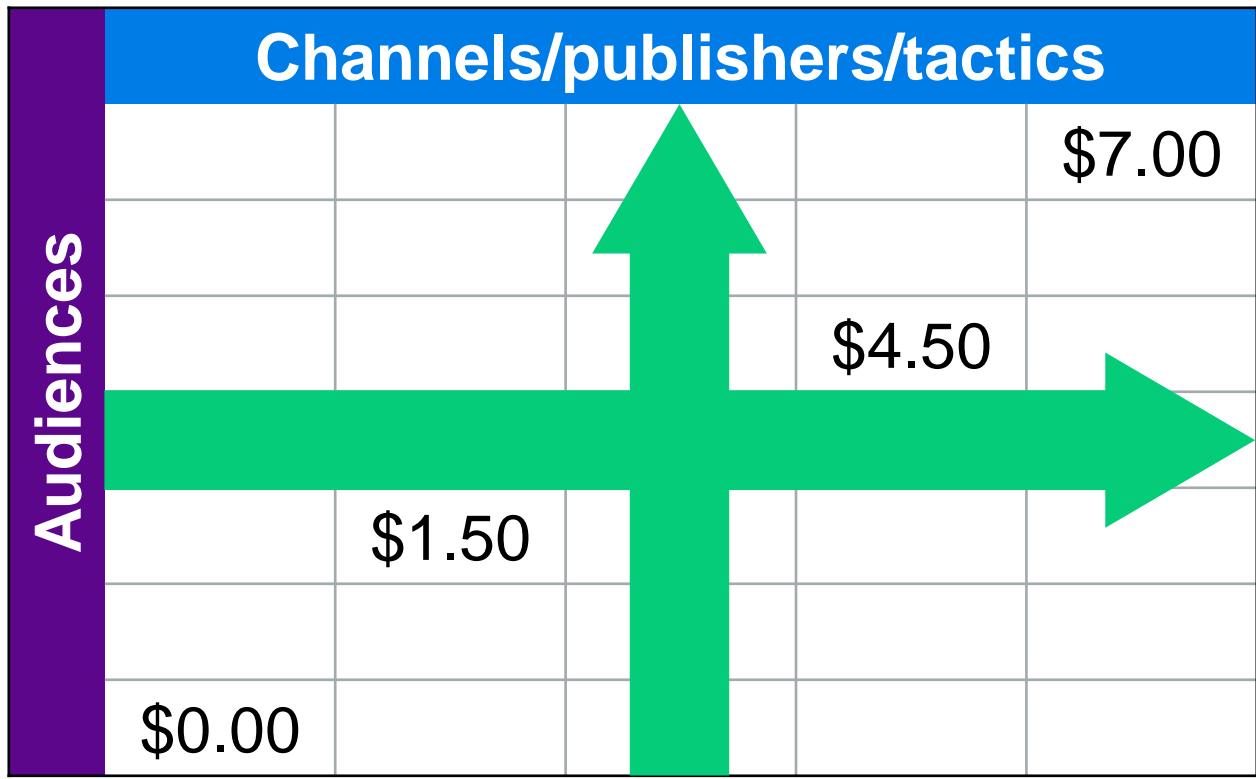
Heavy up the best performing audiences

Allocate your media to the combination of audiences and media that maximize the overall ROAS for your media plan

Discover the Movable Middle across all your audiences

Connect your audiences to purchase behavior data to identify where the Movable Middles live
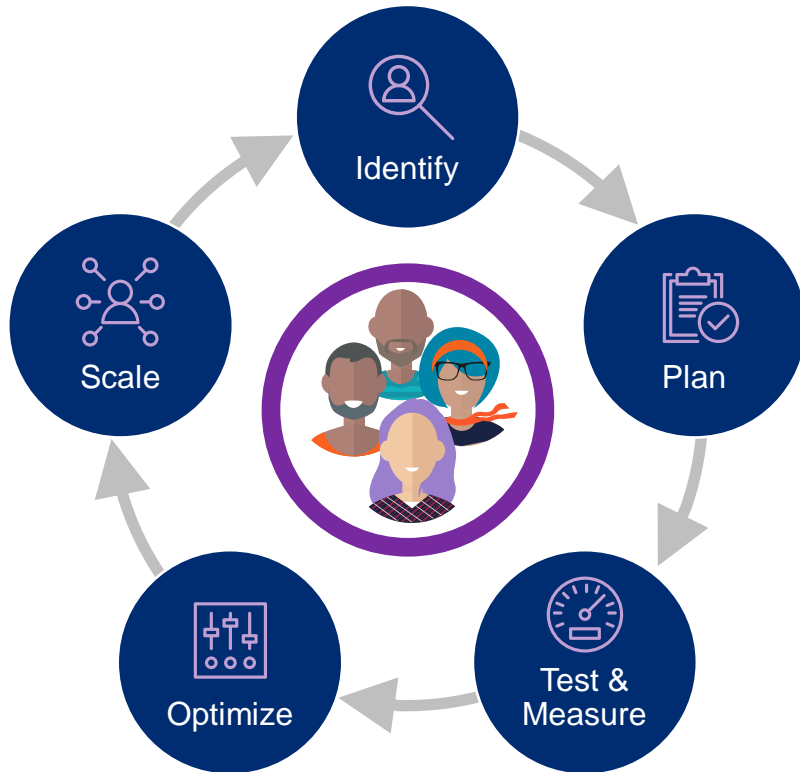
Test and Measure your priority audiences

Plan your audiences and platforms based on their Movable Middle percent, size and cost

Increase/decrease allocation based on ROI

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A better approach to brand growth

Cycle diagram: Identify → Plan → Test & Measure → Optimize → Scale

Outcome-Based Marketing 2.0 provides:

- **Superior ROAS**
- **Higher conversion of non-buyers**
- **Speed, simplicity, transparency**

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For Questions or More Information:

Greg Stuart
greg@mmaglobal.com
mmaglobal.com/OBM

THANK YOU