

## Acquire

### Research Objective:

To develop and implement effective marketing activities to target and attract new customers.

## Executive summary

Acquire is a unique set of modeling and analysis techniques designed to determine optimal marketing tactics to reach a targeted market segment and convert prospective consumers into your company's desired new customers.

Consumer markets have become increasingly fragmented, making it more difficult for marketers to use the correct channels to target the right consumer segments with the right messages. To address this challenge, we have developed the Acquire Logic Model. Logic models are a commonly used tool in evaluation research to test the impact of a social policy or social marketing campaign "intervention."

We combine the principles of logic modeling used in evaluation research with a variety of other qualitative and advanced quantitative methods to identify the needs, interests and preferences of targeted markets using the most effective messages and the most efficient channels.

Acquire is more than a modeling technique. It is a process designed to coordinate roles and responsibilities so that product and service developers are working in concert with sales, marketing, communications, social media and advertisers to reach distinct segments with pinpoint messaging.

## The marketer's dilemma

Marketing professionals often note that the continual introduction of new technologies, competing products and media outlets have resulted in an increasingly diverse and fragmented consumer market. Whereas businesses of in the past enjoyed the luxury of advertising to a largely homogenous mass market, today's audience has atomized into countless market segments defined not only by demography, but by increasingly nuanced and insistent product preferences.

To address the difficulties of communicating to a fragmented market, marketing managers have turned to sophisticated scientific methods of identifying the right segments to target. However, despite adopting these advanced analytic techniques, many businesses continue to face difficulty attracting the new customers they want most.

And as new technologies and media outlets play a larger role in customer acquisition, "many companies find their clients searching online and sharing on social media. Being on social media is important, but you need to go where prospects are who match your main [brand] personas" (Will Humphries, Internal Results, May 2016). To uncover the preferred channels to reach your desired customers, it must be determined "who they are and how, where, and what they buy" (Ken Bisconti, IBM, June 2015).

Two explanations help account for why many acquisition efforts fall short of accomplishing their goals. The first explanation finds fault with the research practice of identifying target markets through various statistical procedures. While market researchers rely on data analytics, they “lack behavioral insights into what customers need and want” (Ken Bisconti, IBM, June 2015). Often, the explanation goes, market segmentation researchers miss the purpose of their research, which is to guide senior management decision-making. Instead, they prioritize the adoption and application of ever-sophisticated statistical techniques into their research, which allows them to slice up the market into smaller and smaller niches. Consequently, they produce an overabundance of “clusters” that “may be mathematically sound, but in no way helpful for determining what management needs to do to reach actual customers” (Jennifer Barron and Jim Hollingshead, *Marketing Management*, January-February 2002). Effective and “efficient customer acquisition” is the offspring of “active collaboration between your marketing and sales systems” (Will Humphries, 2016).

According to Humphries, many customer acquisition efforts are unsuccessful because a company is not sure which customers it should pursue. While creating market segments and target markets is essential for acquiring new customers, the process cannot stop there. What researchers fail to do, is use the distinct market segments to create a brand persona. Brand personas, as described in our white paper “Brand Personas”, are the imagined personification of a brand crafted through research to be appealing, believable and identifiable to a market segment. Researchers need to identify which brand persona(s) applies to which market segment, what their preferred channel of communication/media is, and use that image to appeal to, and acquire, new customers.

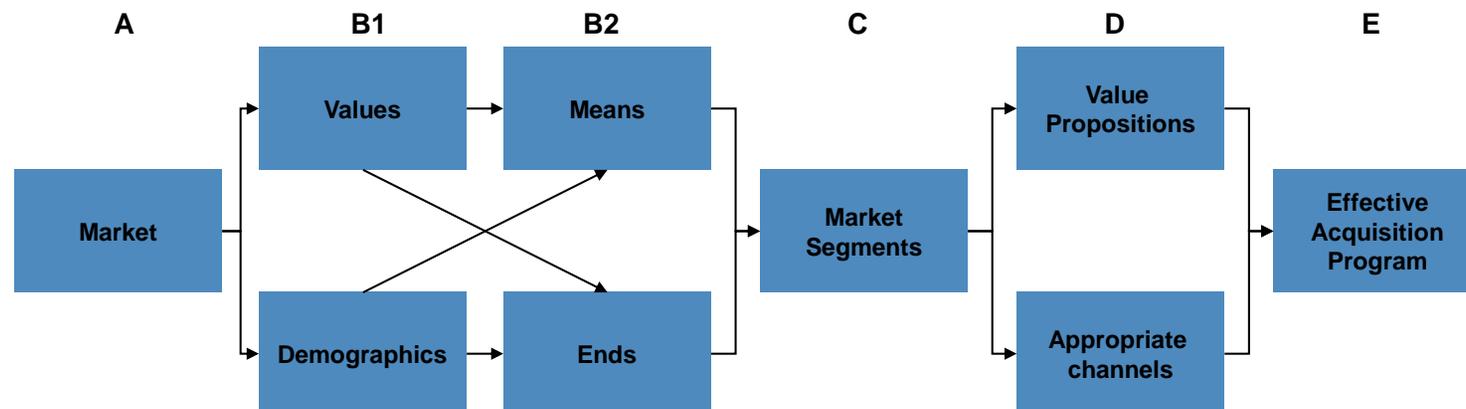
The second explanation focuses on the difficulties that businesses have in determining what it is they wish to communicate about their products and services, even after they have successfully identified their target markets. For example, a study of U.S. and European firms reports that it is exceptionally difficult to find examples of value propositions that resonate with customers (James Anderson, *James Narus and Wouter van Rossum*, *Harvard Business Review*, March 2006). Kyle Uebelhor emphasizes that value propositions must be compelling, differentiated, observable and clear. Most importantly, he states, “value propositions must be easy to (a) understand (b) communicate and (c) align to the right audience” (Uebelhor, 2017). Similar to brand personas which exemplify who your brand appeals to, value propositions are intended to paint a picture of what your brand has to offer (Ramona Sukhraj, *Impact Branding & Design*, June 2016).

### The primacy of process and the Acquire Logic Model

These two explanations for difficulties in acquisition suggest that customer acquisition strategies pivot upon the successful coordination of different departments and business silos, especially those of research, senior management and marketing. From our experience, we have observed how poor interdepartmental coordination results when departments approach acquisition projects in an assembly line manner, that is, when they focus on their specific responsibilities without paying due attention to what others at different stages of the process need in order to be effective. Poor coordination also results from businesses misinterpreting their position in the acquisition processes. For example, Yankelovich and Meer note that while market research is supposed to “guide companies in tailoring their product and service offerings to the groups most likely to purchase them,” many researchers instead “have become narrowly focused on the needs of advertising” (Daniel Yankelovich and David Meer, Harvard Business Review, February 2006). Poorly coordinated acquisition projects often lead to research results that are of little use to marketers, value propositions that lack a sophisticated understanding of consumer priorities and, ultimately, campaigns that resonate little with their target market. For this reason, we make it our priority to establish a well-coordinated acquisition process for our clients. In addition to delivering peerless acquisition research, we are committed to ensuring that the entire process of developing an acquisition campaign runs smoothly.

To address these issues, we have developed the Acquire Logic Model to guide and coordinate various departments and firms involved in the acquisition process. Our approach is to be more strategic in the design, execution and application of research by applying the principles of logic modeling to deconstruct the process of finding new customers. We encourage our clients to think about marketing as an “intervention” designed specifically to get a precise message to a likely prospect using the consumers’ preferred communication channel.

### Acquire Logic Model



**A Input - The Target Market**

Proper acquisition research does not begin with sophisticated statistical procedures, but with the basic principle of properly identifying the relevant population (or market) from which to draw a sample for analysis. Regardless of the complexity of the analysis, an acquisition study is unlikely to yield useful results and recommendations if the population under investigation is not carefully identified. This is why we work with our clients in the earliest stages of the research process to shift from thinking about an abstract notion of “the Market” to a concrete conceptualization of the target consumer population that they wish to attract. Identifying an appropriate market sample also serves to clarify the ultimate objectives and expectations of the research. By treating this basic research stage with as much care and rigor as we treat our advanced statistical analyses, we increase our ability to go beyond mathematical clusters and identify the relevant characteristics of consumers who can be converted into customers.

**B In-depth Analysis**

B1: Once data from the appropriate sample population have been gathered, we start our market segmentation analysis focused on consumer values, consumer demographics, consumer psychographics and big-5 personality characteristics.

B2: The second stage of our segmentation focuses on decision-making means (how consumers get their information, such as advertising channels, Internet search, social media, word-of-mouth) and decision-making ends (why consumers make their purchase decisions, such as lower price, improved convenience, enhanced status, healthier lifestyle, better functionality).

**C Meaningful Market Segmentation**

Stage B’s multifaceted approach to understanding consumer preferences lays the groundwork for effective market segmentation analytics. This stage parses out systematic variations in consumer makeup and behaviors to identify market segments that are differentiated by values, demographics, expectations, purchase means and decision ends. More importantly, it identifies which segments are most likely to use our clients’ products and services and which segments are most likely to use similar products and services from our clients’ competitors. Each strategically important segment is further refined through the narrative of a brand persona.

**D Value Proposition Development and Communication**

Our market segments provide the essential insights into consumer attitudes and behaviors that marketers need to formulate compelling value propositions. To ensure continuity between research and marketing, we aid marketers by providing a set of key marketing themes and strategic value propositions extrapolated from the findings, as well as continuous interpretive support. Additionally, we provide information on the various media channels and outlets through which a target market gains information about a given category of products and services.

**E Intervention Objective - An Effective Acquisition Campaign**

By coordinating an acquisition project according to the Acquire Logic Model, managers help ensure that their business is acquiring new customers in the most efficient and effective way possible. Following the model achieves this by standardizing and coordinating information involved in the process of formulating and launching an effective campaign, enabling companies to base their activities on the same set of strategic insights regarding the needs, preferences and decision-making processes of consumer segments within a target market.

For more information, please contact R. Kelly Myers by phone (603.319.4269) or e-mail ([kmyers@rkm-research.com](mailto:kmyers@rkm-research.com)).

