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A four-step guide:

Building a marketing strategy for short- and long-term success

It's been a rough few years for many companies, so when it comes to juggling both short- and long-term business goals, we know what you're probably thinking—*in this economy*?

Yes, *especially* in this economy.

As budgets get squeezed, it's tempting to focus on sales outcomes as the main measure of marketing success. But awareness and consideration are non-negotiable parts of the pipeline.

That means that the most successful marketing teams optimize for both the short and the long term—brand KPIs that are indispensable but can be difficult to measure, along with those black-and-white revenue bumps that everyone wants to see.

The specific tactics will vary depending on your industry, audience and everything in between. However, these four steps help you take command of your brand and develop a balanced marketing strategy that sets your business up for sustained success.

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Step one

Advocate for brand building

Sales are the No. 1 priority of any company, right?

That's certainly what the majority of marketers will tell you. Nielsen's 2022 Global Annual Marketing Report shows that acquiring new customers (60%) is the top business objective globally, ahead of brand awareness (55%). Those numbers were even more pronounced in findings from the 2021 Nielsen Annual Marketing Report, when the world was still reeling from the first wave of a global pandemic: **Over 40% of U.S. marketers said new customer acquisition was their number one priority, with only 28% saying brand awareness was[1].**

[1] Nielsen 2022 Global Annual Marketing Report

The logic seems simple:
More customers =
more money =
more smiling C-suite executives

If only it were that simple.

Companies that try to take shortcuts often suffer the consequences.

For example, Adidas—like many companies—was under pressure from shareholders back in 2019 to post growing profits every quarter, which led to chasing the low-hanging fruit of immediate sales. Eventually, the retailer realized that it'd neglected its brand.

"We've forgotten about proper marketing strategy and media strategy,"

said Simon Peel, the company's then-global media director.

"We're gradually beginning to invest much more in our brand. As we've done that it's correlated with our growth."

Peel said that, even though short-termism will always exist, the company must not be "overly obsessed with shiny things" and should instead look after the long-term health of the brand.

This mindset can be easier to adopt than to implement, so make sure your teams are aware of the risks of short-sightedness. As part of your strategy, build appreciation for brand KPIs from the onset of any campaign.

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Step two

Focus on awareness and consideration

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It's true in basketball, and it's true in marketing: You miss 100% of the shots you don't take.

If customers don't know your product exists, they're never going to consider it, let alone follow through and buy it. However, the opposite is also true.

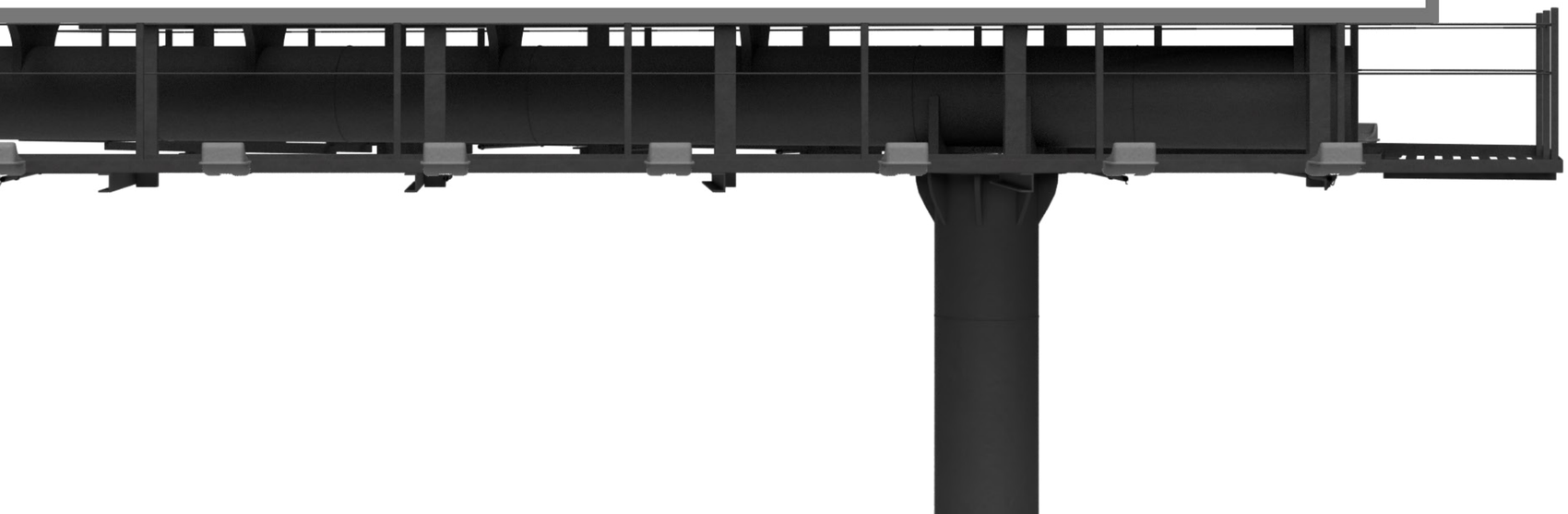
Nielsen's experience base shows that on average,

a 1-point gain in brand metrics, such as awareness and consideration, drives a 1% increase in sales[2] revenue.

[2] Nielsen 2021 Brand Resonance Report

It's essential to build and maintain brand equity, of which 10%-35% [3] comes from marketing, according to Nielsen Marketing Mix studies. And that percentage is likely increasing thanks to recent behavior changes:

- E-commerce trends accelerated by the global pandemic have persisted into 2022, which can reduce equity support if people aren't seeing logos on shelves or on storefronts as much.
- The online "shelf" is infinite, which makes it increasingly difficult for single brands to stand out.
- Disrupted supply chains have forced consumers to try alternative products, weakening their sense of brand loyalty.



With brand equity threatened on all sides, top-of-funnel marketing has never been so important. And as it happens above, so it will translate below. Growing awareness and consideration also expand the base of potential customers and therefore reduce the cost per acquisition of lower-funnel efforts.

Therefore, it's essential to build equity not only for the direct benefits to sales but also for the indirect benefit coming from improving the efficiency of activation efforts.

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Step three

Mix and match channels to find the perfect balance

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According to Nielsen Marketing Mix studies,

only 36%[4] of channels are strong for both a brand's sales objectives and its brand objectives.

That means that about two-thirds of the time, a media channel will be weak for at least one of the two goals.

[4] Nielsen Marketing Mix studies
[5] Nielsen Marketing Mix studies

That's true even for a medium that's known for its brand-building muscle: **TV**. On average, it's one of the most effective channels for driving brand lift. However, every brand, campaign and time of the year is different. In 31% of Nielsen Marketing Mix studies, we found that TV was below average in producing brand lift. In a separate 45% of studies, it was in the highest 20% bracket[5].

However, while still recognizing the uniqueness of every situation,

there are some general truths to be told.

Overall, digital display, social and TV are likely to be strong for both sales and brand objectives about 60% of the time. (Though the converse is that they're weak for at least one of the brand's objectives about 40% of the time) [6].

[6] Nielsen Marketing Mix studies

Print, radio and OOH aren't as versatile. They're power players for both objectives only about 20% of the time, but that doesn't mean you should throw your newspapers, radios and billboard budgets out the window. Even these channels are above average for at least one objective 40% of the time.

So, what's the optimal mix for success in the now and the later?
That leads us to our final step.

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Step four

Evaluate and improve the value of your marketing strategy through measurement

The name of today's game is adaptability,

so expect that it will take a mix of media and some trial and error to optimize your ad spending.

The Institute of Practitioners in Advertising claims that the optimal balance between long- and short-term efforts is 60-40.

To determine the best ratio for your brand, ask yourself these guiding questions:

1. What are the minimum business requirements in the short term?
2. Does the business have the flexibility to wait for longer-term outcomes?
3. How is the rest of the category moving with respect to the balance of upper- and lower-funnel messaging?

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Estimate the impact of a balanced mix

Use marketing spend simulators to estimate the impact of the balanced mix on sales and brand KPIs to set expectations for the organization. Remember, it's easy to get distracted by the "shiny things," especially as the end of the quarter rolls around.

Measure upper- and lower-funnel impacts separately

Measure these impacts separately to demonstrate more visible lifts in the intended outcomes. Because upper-funnel messages will likely boost brand metrics, and lower-funnel messages will likely boost sales, mixing the two together in one metric may not give you the information you need to recalibrate.

More than anything else, remember to be careful when listening to the siren song of sales.

Of course, bottom-funnel metrics are a must, but if you steer the ship exclusively in their direction, you could end up sinking your brand equity—and your long-term success along with it.

Four steps to set up your marketing strategy for short- and long-term success

- Step 1: Advocate for brand building
- Step 2: Focus on awareness and consideration
- Step 3: Mix and match channels to find the perfect balance
- Step 4: Evaluate and improve the value of your marketing strategy through measurement

About Nielsen

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