

The **2015** **Digital Marketer**

Create intelligent interactions with
your customers. Every time.



**Empowering
organisations to deliver
intelligent interactions
with their customers.
Every time.**

Experian Marketing Services brings brands and customers closer together by offering a flexible and comprehensive end-to-end marketing platform.

Built from the ground-up leveraging 30 years of data-driven marketing expertise, the Experian Marketing Suite unites customer insights, analytics, data quality and cross-channel marketing technology.

Experian Marketing Suite

Identity Manager



Identify your customers regardless of channel or device.

Intelligence Manager



Know where and how to reach your customers with optimal messages.

Interactions Manager



Engage your customer with the right message. Every time.

Learn more at experian.co.uk/experian-marketing-suite

Introduction	6
Executive summary	7



Marketers must work smarter to win the hearts of customers

Getting to grips with essential cross-channel marketing	8
Organisational silos exacerbate marketing challenges.....	11
Top challenges and priorities for marketing leaders.....	13
The importance of having a Single Customer View	15
The journey to cross-channel sophistication	17
Where marketers stand and what it means for the future.....	21



Get a true panoramic view of the customer

The importance of data hygiene and intricacies of data collection.....	23
The price of bad data	26
The 5 tactics for accurate marketing data	27
Best practices for data collection	29
The Single Customer View.....	31
Take ownership of cross-channel identity linkage.....	33
How to synchronise data for improved performance	38
Data - foundation for intelligent customer segmentation.....	40
Data accuracy is a necessity for predictability and performance.....	44

Contents

Understand customer behaviors and preferences to optimise interactions



Smarter profiling.....	45
Segment consumers to match offers to purchase intent	49
How high-definition profiling shapes decisions.....	51
Design for the customer journey	53
Make it personal	56
The growing number of addressable media channels	59
Build an acquisition strategy starting with first-party data	60
Factors to consider when building your audience.....	63

Intelligently interact with customers across channels



The time for addressable advertising is now	66
Programmatic is the future of digital advertising	70
Creative digital display formats.....	71
Executing a cross-channel strategy	74
Mobile integration in cross-channel campaigns.....	78
Analysis for driving the customer strategy.....	79
Optimising those customer interactions	82
Mobile 82 / Email 83 / Search 84 / Advertising 86 / Social media 88	
The need for accurate revenue attribution	88
Getting started with revenue attribution.....	90
Conclusion: The future of marketing is here	96
Methodology.....	98

Introduction



Welcome to the 2015 Digital Marketer Report - your free guide to the state of digital marketing today.

Based on a survey of more than 1,000 marketers worldwide, what follows is a succinct benchmark study on what's going on in the world of digital marketing and provides narrative and guidance on the next steps for your brand.

We believe 2015 will be another year of significant change for marketers, driven by the rapid rise of marketing technology and the increasingly strategic use of data in organisations. We face a step change in the power of data-driven marketing and 2015 will be a year where many companies choose to consolidate marketing, data and organisational assets in order to capitalise on this opportunity. It will also see new roles becoming more prevalent. We're seeing more organisations choosing to appoint Directors of Insight, Digital Directors and Chief Data Officers, in acknowledgment of the increasing need for this consolidated strategic approach. For similar reasons, the scope and influence of the CMO will expand even further.

The coming year presents some stiff challenges for marketers working with enormous quantities of data, expanding budgets and expectations. They are realising that more emphasis needs to be placed on data management and a data strategy to ensure that they are able to satisfy burgeoning customer expectations, both now and in the future. This will have a wide-ranging impact on the way that brands interact with customers, but it will also change marketing strategies significantly in the years ahead.

What will remain the same in 2015 is the need for brands to continue to refine their understanding of target audiences and step back to decide where they want to place their investments across the expanding digital channels. What is for sure is that the use of 'programmatic' marketing will become more and more the norm within this marketing mix, and attribution will continue to be key.

Regardless of what industry you are operating in, ensuring data quality will be an essential element in getting your interactions with the consumer right. Any successful marketing strategy will also need to utilise consumer insights to better understand who customers are, what they do and what motivates them. It should also seek to connect with people across all channels, effortlessly and rationally – utilising the right channel at the right time to ensure the conversation is a personalised and responsive experience.

Tom Blacksell

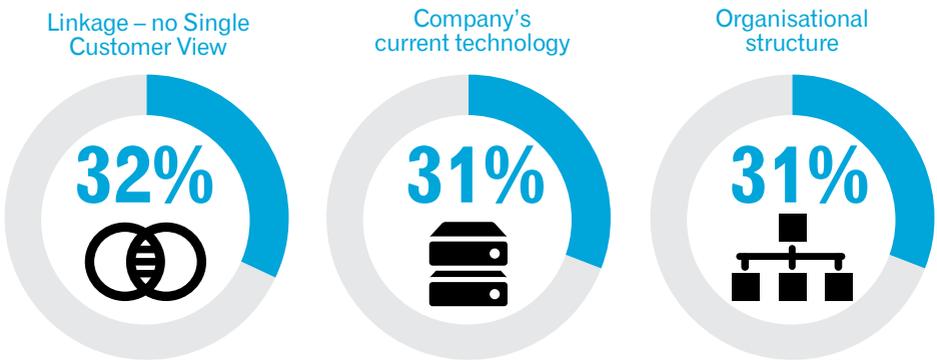
Managing Director, Experian Marketing Services UK&I

Executive summary

The survey of more than 1,000 marketers worldwide conducted by Experian Marketing Services revealed the three biggest barriers to achieving a fully integrated cross-channel marketing approach were:

- Linkage – no Single Customer View 31%
- Company's current technology 32%
- Organisational structure 31%

Top barriers to cross-channel marketing



Source: Experian Marketing Services, 2015 Digital Marketer Survey

This trinity is the biggest opportunity for brands to evolve their entire way of doing business toward a customer-centric approach and opening the way to greater marketing possibilities.

The goal is being able to truly understand a customer and having the capability to translate that knowledge into relevant interactions.

The next step is to have the technology to automate and orchestrate those interactions and measure their effectiveness to successfully optimise every touch point.

Achieving these data, technological and organisational goals is no small feat. Yet, it is essential in the race to win the hearts and minds of consumers in the years to come.



Marketers must work smarter to win the hearts of customers

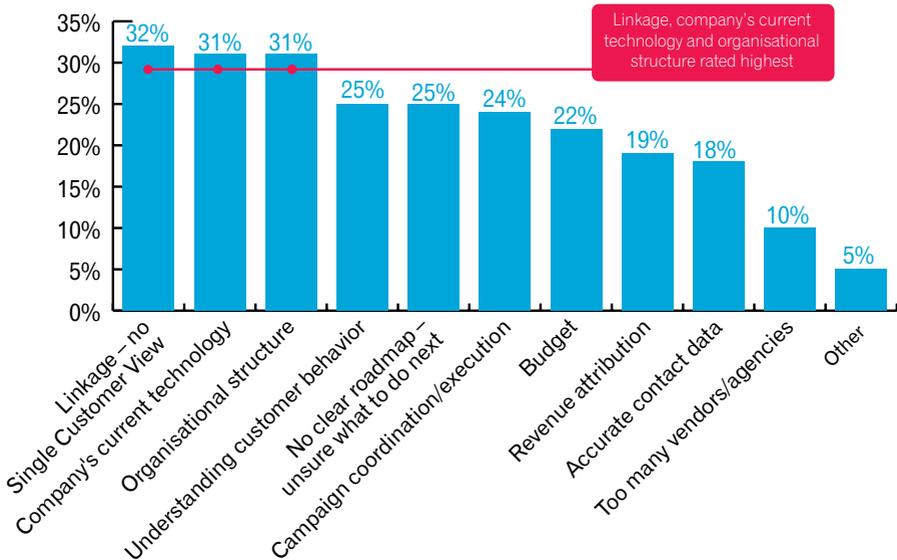
Getting to grips with essential cross-channel marketing

Cross-channel marketing is an in-depth process. It takes entire companies working together and synchronising data efforts to understand their best customers and plan an engagement strategy that will resonate uniquely with each customer at every point of interaction. There are a lot of moving parts and many opportunities for road blocks to turn up in the process.

Marketers in our survey named the lack of a Single Customer View, their company's current technology and organisational structure as the top three barriers to cross-channel marketing.

If these issues are not tackled, properly engaging consumers is not possible. Therefore, to put themselves in a position to win the hearts of their customers, marketers must work smarter.

Top cross-channel barriers and challenges for marketers



Source: Experian Marketing Services, 2015 Digital Marketer Survey



These top barriers have not changed much compared to the findings from last year's report, which isn't surprising as they are difficult issues to overcome and a longer-term approach is often required. The big shifts are that linkage moved from fourth to the top of the list and budget moved from third to seventh.

In the UK, linkage and a lack of a Single Customer View is the biggest factor (37 per cent), followed by technological capability and organisational structure. Interestingly it seems UK marketers are more likely to be ahead of their global equivalents in terms of understanding customer behaviour (21 per cent compared to 25 per cent global average) and having an actionable roadmap (20 per cent compared to 25 per cent global average).

Regional breakdown of top 5 challenges to cross-channel marketing

	Linkage – no Single Customer View	Company's current technology	Organisational structure	Understanding customer behaviour	No clear roadmap – unsure what to do next
Australia/ New Zealand	27%	35%	22%	19%	24%
Brazil	32%	28%	34%	26%	17%
France	24%	38%	34%	23%	18%
Japan	44%	9%	27%	27%	36%
North America	31%	35%	38%	20%	26%
Spain	17%	42%	33%	24%	24%
UK	37%	32%	33%	21%	20%
Global	32%	31%	31%	25%	25%

Across the other regions covered in the survey, contact data was not a top challenge. One-third of marketers in France reported it in their top three, beaten only by organisational structure (34 per cent) and their company's current technology (38 per cent). Technology seems to be the leading barrier in Spain (42 per cent) and Australia/New Zealand (35 per cent). Interestingly, while it was top worldwide, only 17 per cent of Spanish marketers chose linkage as a top challenge. The opposite was true in Japan, where 44 per cent named linkage as a top challenge and only nine per cent had technology issues. There, a lack of a clear roadmap plagues 36 per cent of marketers.

Organisational structure was the top challenge in North America (38 per cent), followed by technology (35 per cent) and linkage (31 per cent). In Brazil, the biggest barrier to cross-channel marketing was budget (40 per cent), which was also high for Australia/New Zealand (33 per cent).

With these challenges, it's not surprising that a recent study in the US recorded as few as four per cent of brands performing integrated cross-channel marketing and 67 per cent reporting having siloed marketing activities across channels.

How is your marketing integrated across channels?



■ Siloed, unaligned ■ Siloed, aligned ■ Coordinated ■ Customer journeys through channels

Source: Experian Marketing Services, [The state of cross-channel marketing report](#)

Problems arise if messages are not aligned across channels. A customer might lose patience and decide against a purchase if an email, direct mail or social offer cannot easily be redeemed on a brand's website.

Customers don't see individual channels, they see a brand

When silos are broken down and all marketing efforts are fully integrated, marketers can interact with customers quickly and effectively, delivering experiences that make a positive lasting impact to the benefit of both the customer and the brand.



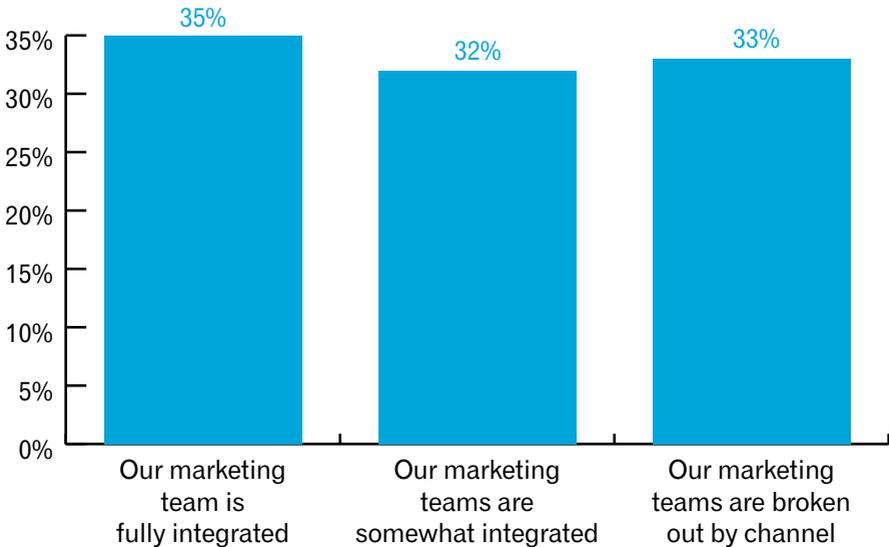
Organisational silos exacerbate marketing challenges

A fully integrated marketing team is centred on the customer rather than a channel, taking a progressive approach to meeting the demands of the modern day consumer.

For example, the team might be aligned by persona and be responsible for marketing to that customer segment regardless of channel. A marketing team broken out by channel, on the other hand, consists of separate teams — email, mobile, social, website, etc. — each executing and measuring performance individually. This does not lend itself to a customer-centric outcome.

The positive news is that the number of marketers working on fully integrated teams has grown from 28 per cent in last year's report to 35 per cent in 2015. With the UK far above this average with 42 per cent. The bad news is that the number working in siloed teams has increased — from 27 per cent to 33 per cent (although the UK has a more acceptable average of 25 per cent). Globally, marketing team structure is more polarised this year, whereas last year the majority were somewhat integrated. The increase in fully integrated teams is led by regions such as Spain (70 per cent fully integrated) and Brazil (56 per cent fully integrated); in contrast, regions such as Japan (40 per cent broken out by channel) boosted the other end of the scale.

Marketing team structure



Source: Experian Marketing Services, 2015 Digital Marketer Survey



Despite 65 per cent of all marketers surveyed working in teams that are at least somewhat, if not totally, siloed, only 23 per cent of leaders named organisational structure as a top challenge and 26 per cent said it will be a top priority to overcome in 2015. While integrating marketing teams is not the only structural challenge marketers need to conquer, it is certainly indicative of greater organisational structure issues at play. If the marketing department itself is not aligned around the customer, it would be a stretch to imagine that the organisation as a whole is so aligned.

“In 2015, smart organisations will develop structures and processes that disable power wars and recognition battles within their own walls. Those that do this will accrue a critical added benefit: the ability to collect and synthesise data to extract the most purposeful customer insights, driving campaign success and ultimately encouraging longer-term brand advocacy.”

@ExperianMkt_UK



CLIENT SUMMIT
MYTELLERS

— Ashley Johnston, Senior Vice President,
Global Marketing, Experian Marketing Services



Top challenges and priorities for marketing leaders

In the survey we asked senior marketing leaders about the biggest challenges they face and branding — telling their story and standing out against competitors — was the top challenge. It moves into the top spot with 49 per cent of leaders citing branding, up from the fifth last year when it was cited by 39 per cent of marketing leaders.

In the era of the modern day consumer, standing out and creating unique brand experiences is imperative. This top challenge is also a top priority.

Customer acquisition, a newly added answer option, was the second-biggest challenge reported by 45 per cent of the senior leaders in our study. Fewer, however, name this as a top three priority (36 per cent). Understanding the customers they already have — and translating that understanding into relevant interactions, a challenge for 39 per cent — is a higher-priority cited by 43 per cent of the senior leaders as a 2015 focus.

Interestingly, marketing automation and having the right technology to orchestrate customer interactions is fifth on the list of challenges, but third on the list of priorities.

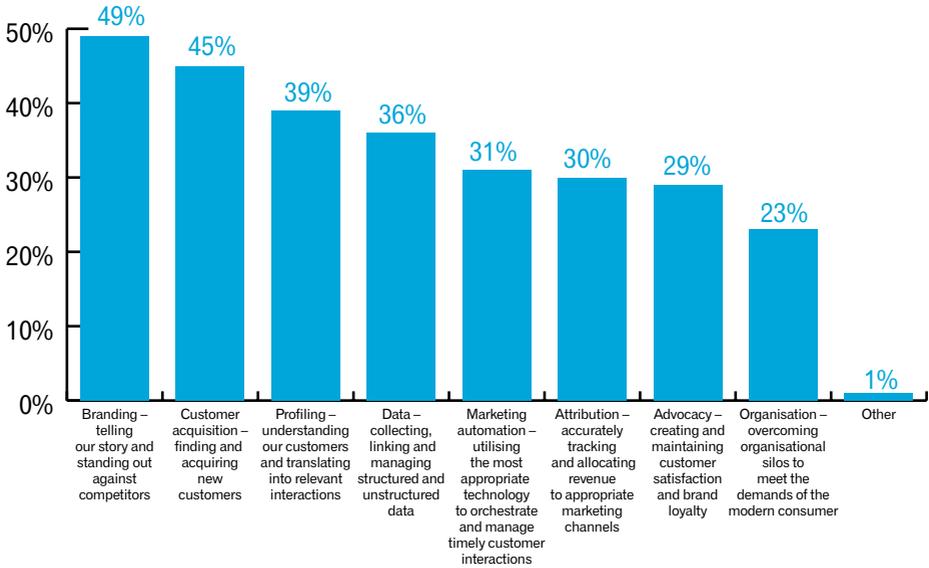
31% of senior marketing leaders named marketing automation as a top challenge. Thirty-six percent have made it a top priority for 2015.

Automation is key in delivering true cross-channel campaigns. It enables the marketer to create complex communications once, test as appropriate, track results for measurement and optimise accordingly. The more advanced we get, the more automated technology will help power decisions to help lessen the burden on the marketers and allow data and analytics to drive real-time decisioning and personalisation.

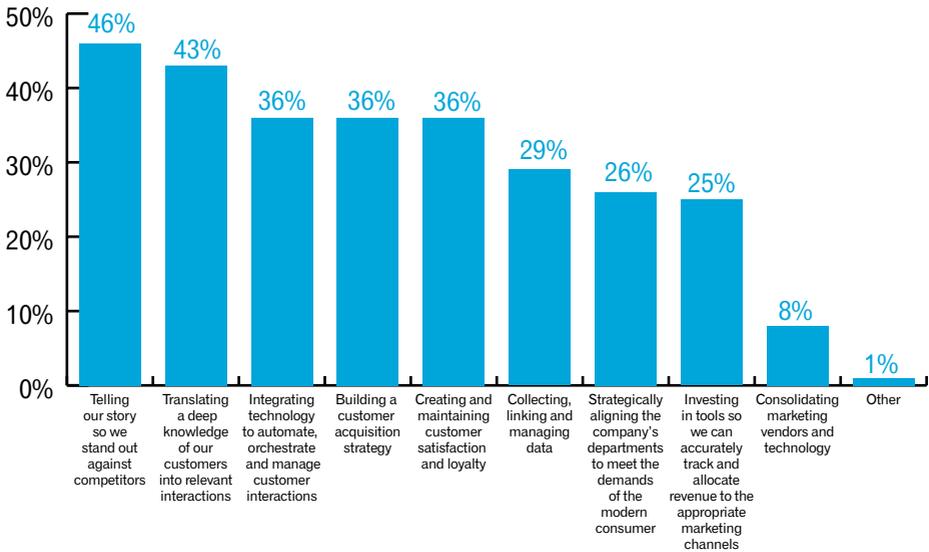
It seems senior leaders realise the requirement to improve execution of real-time, trigger-based cross-channel campaigns and understand that technology facilitates every part of the process from data collection and management to those orchestrated and automated interactions.

Challenges and priorities of senior marketing leaders

Top challenges of senior marketing leaders



Top priorities of senior marketing leaders



Base: 291 marketers, director level and above • Source: Experian Marketing Services, 2015 Digital Marketer Survey

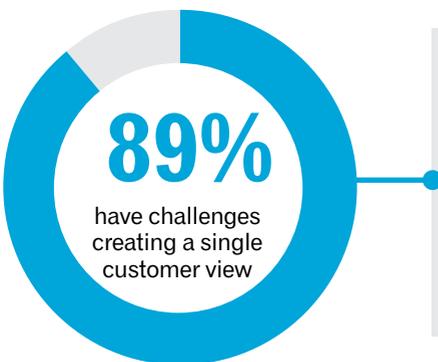


The importance of having a Single Customer View

Last year's top challenge for senior leaders — collecting, linking, and managing structured and unstructured data — moved to the fourth position this year, dropping from 61 per cent to 36 per cent. Data, like organisational structure, might not be as glamorous as the other top global challenges indicated, but all the top challenges and priorities are reliant on having accurate, enriched data linked together in a central location for a complete customer view that can be used to meet company goals. Without accurate, enriched data, brands won't be able to stand out against competitors, create relevant interactions based on a deep understanding of their customers, or build successful customer-acquisition strategies as their priorities suggest. They first need to focus on data and creating a customer-centric organisation to support good data-management practices.

All the top challenges and priorities are reliant on having accurate, enriched data linked together in a central location for a complete customer view that can be used to meet company goals.

While fewer leaders indicate data collection, linkage and management as a top challenge this doesn't mean more brands have it under control. In the same survey, 89 per cent of respondents reported having challenges creating a complete customer view. The top challenge is poor data quality (cited by 43 per cent of marketers), followed by siloed departments (39 per cent) and the inability to link different technologies (37 per cent).



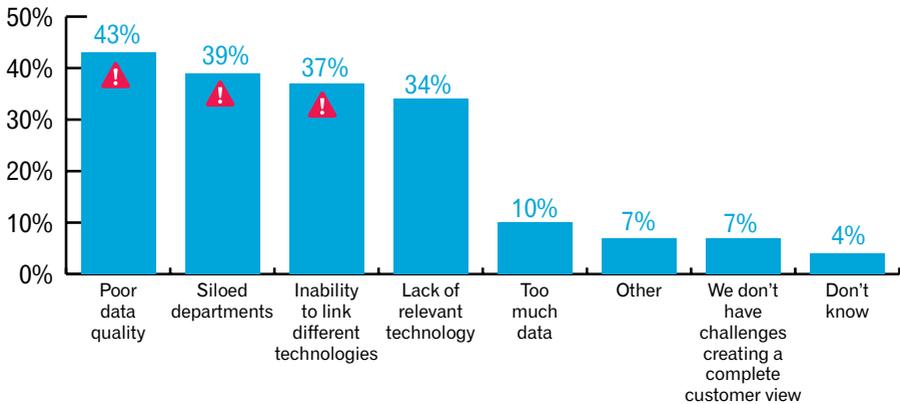
Top challenges include:

- ⚠️ Poor data quality
- ⚠️ Siloed departments
- ⚠️ Inability to link different technologies

Source: Experian Marketing Services, 2015 Digital Marketer Survey

Top challenges to creating a complete customer view

Top challenges to creating a complete customer view



Source: Experian Marketing Services, 2015 Digital Marketer Survey

In the UK 51 per cent of marketers put the inability to link different technologies as their greatest challenge, an assessment Japanese marketers agreed with (50 per cent). Conversely, the majority of Spanish marketers (42 per cent) lack the relevant technology to create a complete customer view. While it can be challenging and time-consuming to change an existing technology infrastructure, marketers can have a great deal of impact on the quality of data across the business and also look for new technology to help them link data across channels.

Fifty-one per cent of marketers in Brazil cited poor data quality as a top challenge, while siloed departments impede North American marketers trying to create a complete customer view — at 43 per cent, it's their top challenge, followed by the inability to link different technologies (42 per cent). Marketers in France and Japan have more challenges with too much data (both 19 per cent) than their global peers.

Data remains the mainstay of creating a complete customer view. Without a winning strategy and the right technology for collecting, linking and managing all the structured and unstructured data coming into an organisation today, brands will not be able to create customer experiences that will hold the attention of today's cross-channel consumers.

In fact, throughout our survey, many of the top barriers to key marketing activities — such as personalisation, attribution and cross-channel marketing in general — are data-related. A commissioned study conducted by Forrester Consulting on behalf of Experian Marketing Services also supports these findings.



The journey to cross-channel sophistication

Today, marketers need to deliver intelligent and authentic interactions with their customers wherever and whenever they interact with the brand. To be successful, however, savvy marketers know that they, like their customers, are on a journey themselves. In conducting an online survey of 428 digital marketers around the world, Forrester Research found that marketers are quickly adopting various digital channels and are keenly aware of the myriad benefits of a cross-channel approach to marketing that delivers relevant messages to the right customer at the right time. However, maturity in this new era of marketing is decidedly low, with crucially important factors such as integration of data sources, adoption of data management technologies, proper skill sets, and organisational structures conducive to cross-channel success all having vast room for improvement.

Most marketing organisations lack
the most critical skills for cross-channel success



Please rate your organisation's overall expertise in the following

Base: 428 digital marketers

Source: A commissioned study conducted by Forrester Consulting on behalf of Experian Marketing Services, July 2014



Sophisticated marketers show greater cross-channel maturity across various measures but remain the minority

67%

more often

Merge contextual customer data for a unified cross-channel view

Average of

37%

higher

organisational expertise self-assessments across 12 cross-channel marketing tasks

Rate 14 technologies as "extremely effective" for cross-channel marketing

36%

more often

41%

of all surveyed marketers

Prevalance by region

APAC | 53%

North America | 28%

EMEA | 16%

Latin America | 3%

Prevalance by seniority

CEO/VP | 63%

Director/manager | 31%

Individual contributor | 22%

Base: 428 digital marketers, director level and above Source: Forrester Consulting, [The Road To Cross-Channel Maturity](#), August 2014

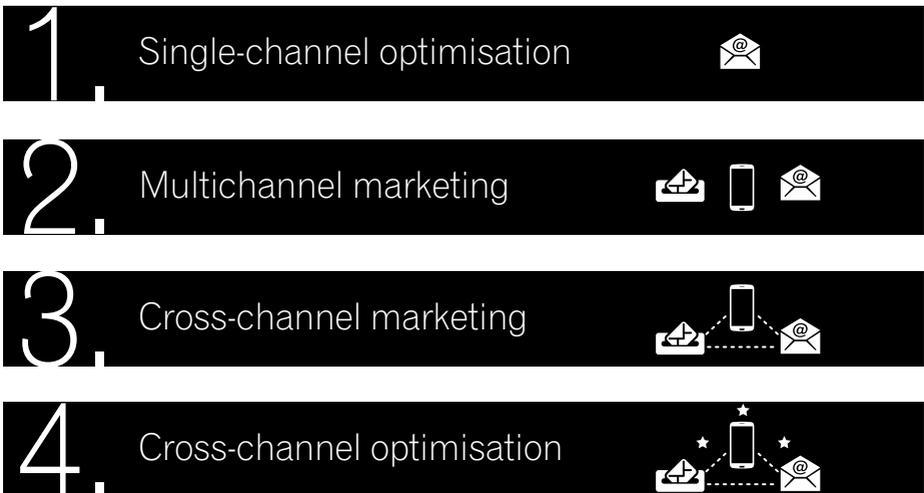


In order to develop customer-optimised marketing programmes that create competitive advantages and increase return on investment (ROI), it is essential to adopt successful marketing strategies and tactics.

The Experian Marketing Sophistication Curve is a framework and tool that makes it easier for organisations to develop customer-optimised programmes that deliver results.

As both a tool and framework, the curve enables organisations to assess the state of their marketing operations accurately and identify the steps necessary for creating individual marketing experiences around the customer. While it's important to begin with the end in mind, the first step is recognising the need for change with the organisation. The curve offers marketers help with the first critical step in that process: an understanding of where they are today and what they need to do tomorrow and beyond.

Experian's Marketing Sophistication Curve outlines four primary phases of marketing sophistication



[View the Marketing Sophistication CurveSM on the next page](#)



The Marketing Sophistication CurveSM



Customer optimisation

Cross-channel optimisation



Seeks a system (inclusive of tool, process and service) that enables execution against vision

Struggles with adopting an operational approach to devising message strategies at the customer versus campaign level

Cross-channel marketing



Seeks ways to easily and consistently target campaign content at the individual level

Struggles with organising data around a customer in useful time frames

Multichannel marketing



Seeks brand and promotion consistency across channels through offer replication

Struggles with incorporating new channels, like mobile, into messaging strategy

Single-channel optimisation



Seeks new sources of consumer data and analytical approaches to doing more with existing programmes and tools

Struggles with obtaining higher performance out of insight-driven campaigns

Channel execution

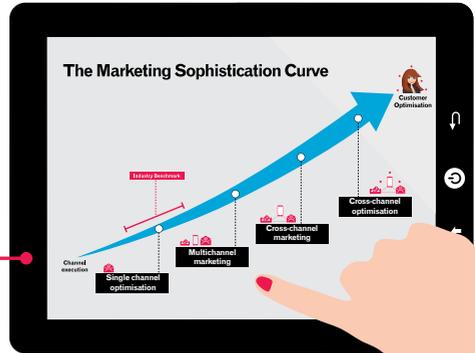
Industry benchmark



90%

of marketers who have taken the Marketing Sophistication Curve online assessment

are struggling to move beyond single-channel marketing programmes and optimise their marketing across channels or around the customer.



Achieving cross-channel marketing sophistication is not something that happens overnight. Yet, some marketers may feel overwhelmed at the concept.

25%

of Digital Marketer Survey respondents stated that one of their top barriers to cross-channel marketing is “no clear roadmap — unsure of what to do next.”

The Experian Marketing Sophistication Curve provides marketers with a tangible roadmap, and these five common, and necessary, steps can be used as levers to increase overall marketing sophistication:

Step 1: Data management

Data is the cornerstone of all advanced marketing programmes. Here, marketers can measure the degree to which their organisation is capable of capturing, collecting, linking, organising, analysing, modelling and optimising data to create an increasingly robust and current view of a customer across channels and time.

Step 2: Insights and targeting

Of course, data alone is not enough. A marketing organisation also must have the means to extract actionable business intelligence from that data. In this stage, marketers should assess how well they can transform all of their data into actionable customer insights, build audiences and drive enhanced results.

Step 3: Strategy and planning

Technology and tools are largely worthless in the absence of a strategy for properly deploying them. In this step, marketers can measure the extent to which their organisation can develop and plan out customer engagement dialogues across channels programmatically.

Step 4: Execution

With data, analytics-driven insights and a strategic plan in place, marketers can evaluate the degree to which they can identify customers across channels and, by extension, deliver an optimised content experience, regardless of channel.

Step 5: Measurement

In carpentry, it's known as 'measure twice, cut once'. In modern marketing, the adage boils down to 'measure always'.

The degree of sophistication within each of the five steps can vary dramatically from phase to phase. Additionally, there must be organisational commitment and brands must recognise and fully commit not only to the end goal, but also to the process and journey within the curve's framework.

With that in mind, the next three sections of this report cover the stages of a true cross-channel marketing programme centred on the customer and the customer life cycle. We'll cover the whys and hows, plus show success stories from brands across the world who are doing it right.





Get a true panoramic view of the customer

The importance of data hygiene and intricacies of data collection

Capturing customer information is one of the first and most critical steps of an interaction. Adding a customer's identity to the marketing system allows marketers to understand their customer base better, communicate with individuals in the future and start to build a meaningful two-way relationship where both the customer and the brand benefit from interactions.

However, information capture is frequently an overlooked step in marketing. The quality, accuracy and integrity of information is often taken for granted, and we assume our data is fine as it is. To be successful in today's data-driven marketing environment, and to foster intelligent interactions, marketers first need to start with accurate first-party data.

While data hygiene can sound a bit daunting, it is extremely important to today's marketer. According to a recent Experian Marketing Services study, global organisations say they maintain a data-quality strategy in order to increase efficiency, enhance customer satisfaction and to enable more informed decisions. Data has become so important that nearly every company feels some sort of data is essential to marketing their success. Marketers view first-party contact data as the most important data to collect. This is information the company directly collects from the consumer and then uses for a host of marketing activities. Most importantly, first-party data provides the customer insight required to power data-driven marketing.

Many of the key initiatives marketers are working on today are dependent on the completeness and accuracy of the data that they are working with.

Marketers typically operate with a large database, whether it is housed in their marketing automation platform or contained within their customer relationship management (CRM) system. This information source contains details about the customer, from his or her name and email address to birthday and purchase history.

This data, however, can be challenging for marketers to manage for one key reason: they do not collect it directly from the customer.

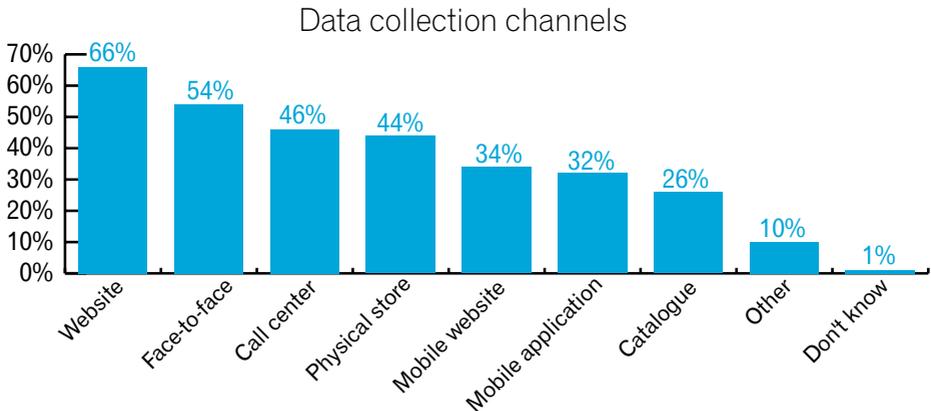
Marketers receive customer information from a variety of departments around the business.

Companies collect information through an average of 3.1 channels. However, U.S. companies surveyed used more channels on average, 3.6, whereas those in Spain used the fewest at 2.6 channels.



The most popular channel is the company's website, followed by face-to-face interaction via the sales team and the call centre. The call centre is actually the most popular in the U.S. and least popular in Germany and Spain.

There has been much debate about the rise in mobile marketing over the last few years and roughly one in three companies now collect contact data via a mobile website or mobile application. Overall, 45 per cent collect data via mobile.



Source: Experian Data Quality, [The data quality benchmark report](#)

The accuracy of information is often a problem, with 97 per cent of companies suffering from common data errors. The most common data errors are incomplete or missing data, out-dated information and inaccurate data. Duplicate data is also a significant problem for one-third of companies.

With so many new sources of data, it's not surprising data accuracy is a constant challenge. The percentage of inaccurate data has been rising steadily over the past several years. On average, respondents globally think 26 per cent of their total data might be inaccurate. This has risen from 17 per cent in 2013 and 22 per cent in 2014. The US reports the highest percentage of inaccurate data; with respondents citing 32 per cent of their data is inaccurate on average. This is up from 25 per cent just a year ago. The lowest percentages are in Europe at 17 per cent.

The issue is so pervasive that 92 per cent of respondents who deem their contact data to be essential to marketing success admit to having data inaccuracies. On average, they admitted 23 per cent of their data is bad. The research clearly shows that among those with contact data accuracy issues, the most common cause is believed to be human error.



Sixty-one per cent of companies cite this problem, which explains why organisations of all types are affected by inaccurate data. All companies ultimately have data entered by a human or individual across all channels. Without a data management strategy to prevent that type of error, companies will continue to see a wide range of inaccuracies.



Source: Experian Data Quality, [The data quality benchmark report](#)

The issue is that marketers frequently do not control all of the customer-interaction channels. The call centre might be controlled by a call-centre manager, stores may be managed by another department and so on. Each one of these areas has different techniques for collecting data, collects different types of data and enforces different standards for how it maintains its data.

All of this disparate information is fed into a central database for marketing, and users are left to compile the data into a workable file for marketing intelligence and communication. It can be extremely difficult to manage this variety of information.

With data-management strategies frequently failing to alleviate the risk of human error and not being centralised, marketers face a number of challenges.

The price of bad data

A high degree of inaccurate information has its consequences for marketers. At a basic level, bad contact information leads to an inability to communicate with customers and poor marketing intelligence.

The obvious impact of inaccurate contact data are issues with communications delivery. Email remains the most popular channel for marketers to communicate with consumers in 2015. However, poor data quality has a direct impact on that channel.

Seventy-eight per cent of companies have experienced email deliverability problems in the past 12 months. Many times, these problems are the result of poor email-list hygiene and bad email database management practices. These deliverability problems have resulted in unnecessary costs or lost revenue.

However, there is a financial impact as well. The research shows that poor data quality is a board-level issue with 83 per cent of respondents in commercial companies believing revenue is affected by inaccurate and incomplete prospect data in terms of wasted resources, lost productivity and communications spend.

On average globally, companies believe that 23 per cent of their budget is wasted annually due to poor data quality.

To reduce this financial burden and ensure marketing success around new initiatives, marketers need to take strong steps to improve data-management practices.

18%

of respondents in commercial companies believe revenue is affected by inaccurate and incomplete prospect data



The 5 tactics for accurate marketing data

Managing marketing data is very different from what it was just five years ago. Information is used so quickly with today's always-on consumer that marketers need to have accurate and consolidated information right away. They need to improve data at the point of collection and monitor it over time to be successful.

Here are five key tactics marketers need to employ to be truly data-driven.

1 | Get involved in the data collection process

Marketers need to understand how their customer data is collected. A high degree of inaccurate information can have a dramatic impact across the entire organisation, especially for marketers as they look to drive customer engagement and revenue.

Marketers should align with the data owners across their organisation to better understand the data-collection process and how it can be improved to prevent human error. Encourage the implementation of validation software at key capture points and try to enforce consistent data-governance standards around the business, making it easier to consolidate and maintain data over time.

2 | Encourage a central data-management strategy

Today, only 35 per cent of companies manage their data centrally through a single director. That means 63 per cent lack a coherent, centralised approach to data quality. The bulk of organisations have data-management strategies that vary by department.

Marketing should be an agent of change within an organisation. A central data-management strategy is the only way to make sure organisations have a single and complete view of each customer within their first-party data. Maintaining that complete view internally and then pairing it with external, third-party data can create an incredibly powerful and actionable view of each customer to enable many marketing initiatives. Larger organisations may consider adding a Chief Data Officer or a Chief Marketing Technology Officer to oversee a centralised data strategy.

3 | Find the right technology

The volume of data is so high that organisations can't simply manage it with manual processes. They need technology to ensure accuracy of information.

Luckily, there are many vendors in the market today that can help with data-quality technology. However, marketers need to take care in finding the right fit for their organisation. There are several factors to consider when evaluating vendors, including strategic fit for the organisation, usability/accessibility of the suite of tools, the completeness of the data-quality tool and the ability to easily test these tools to ensure they work in the environment.

4 | Invest in analytical talent

The tools and skills for successful marketing have changed. Much depends on an analytical skillset to mine and analyse data. Be sure to invest in analytical talent to help understand key customers, marketing campaigns and response attribution better.

5 | Monitor information over time

Data becomes out-dated quickly. It is important to monitor information over time to ensure its on-going accuracy. Marketers can either use monitoring technology as part of their broader data-management strategy or keep track of campaign response rates, such as email bounce or returned mail, to get an idea of contact-data accuracy.

For more read the [Experian Data Quality, Data Quality Buyer's Guide](#)



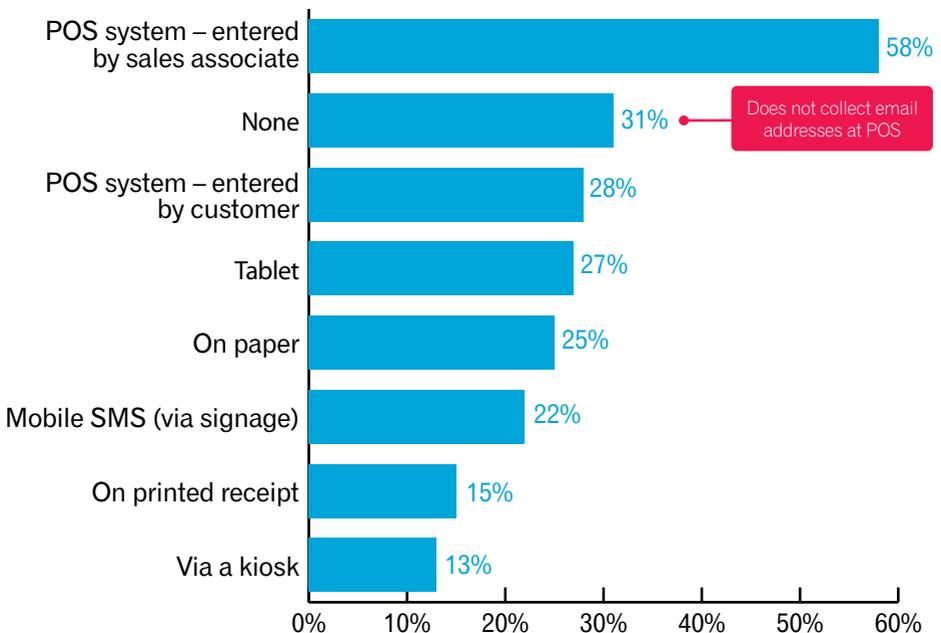
Best practices for data collection

Now that marketers know how to ensure the data collected is accurate, here are just a few ways to ask consumers to share their data.

The in-store opportunity

For brands with bricks-and-mortar locations, a visit to a physical store is undoubtedly one of the strongest indicators that a consumer is interested in doing business with a brand. Thus, capitalising on a consumer's in-store interactions is a great way to acquire information. Surprisingly, in a survey of marketers from more than 100 of the world's leading brands, 31 per cent indicated that their organisation does not collect email addresses at the point of sale (POS). It's important to note, however, that many marketing teams are often far removed from the operations of physical stores and may not be aware of in-store data-collection methods. As stated earlier, marketers must align with all points of data entry in order to ensure accuracy and be truly data-driven. This disconnect does not excuse or change the fact that a large portion of brands are missing an opportunity.

Email acquisition tactics in store



Source: Experian Marketing Services, [The state of cross-channel marketing survey](#)

Data collection opportunities pop up on the web

According to the same survey, 96 per cent of brands use websites (pages and checkout forms) for email and mobile-data acquisition, making it the most popular non-POS method. Data shows it is working. Experian Marketing Services' clients have achieved up to an 84 per cent increase in collecting valid email addresses using website pop-up windows for email acquisition.

Making the most of mobile

Email address isn't the only piece of data being collected. More brands understand the power of mobile SMS and are using a variety of channels to collect mobile numbers. Again, web forms are the most popular method of collecting email and mobile data, but the use of in-store signage has increased by 51 per cent in the last year. This trend will only continue to grow as more brands realise the importance of offering customers a variety of options to receive special offers and information and begin to build programmes that accommodate the mobile experience.

Preference centres encourage relevant and meaningful interactions

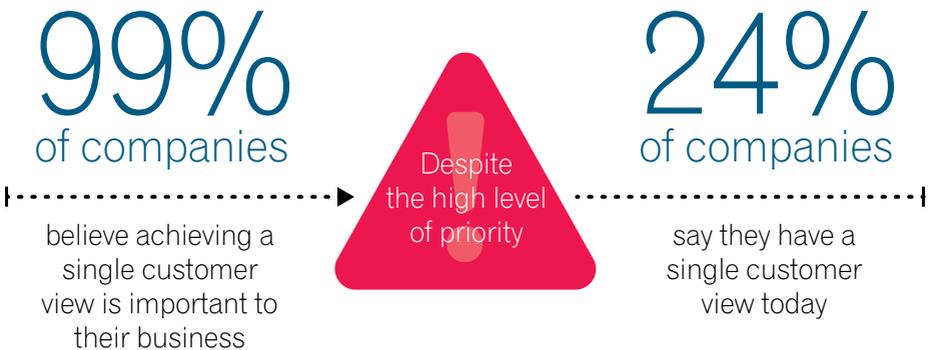
Preference centres can capture basic data such as demographics as well as unique interests and communication preferences. Allowing customers to select the types of messages they want to receive and how they want to receive them proves a brand's commitment to delivering tailored content and customer experiences. Moreover, capturing this detailed information is a great way for brands to build and enhance customer profiles. Preference centres are a win-win for both the consumer and the brand.



The Single Customer View

Data-driven marketers are suffering from an identity crisis — not their own identity but the identity of the consumer who moves seamlessly between devices, channels, media and applications. From those who strive to create integrated, contextually relevant customer experiences to those who simply want to ensure that their ads are reaching the right individuals, marketers have to adopt methods for linking consumer identity with behavioural data and profile data to drive better marketing performance and outcomes.

Based on recent research by Experian Marketing Services, 99 per cent of companies believe achieving a Single Customer View is important to their business. Most marketers are striving to achieve Single Customer View because they understand the value to their bottom line, including making marketing spend more effective, gaining better insight into customers to inform strategic growth and creating a seamless customer experience that delivers more brand value and builds greater loyalty. Despite the high level of priority, only 24 per cent of companies say they have a single customer view today.

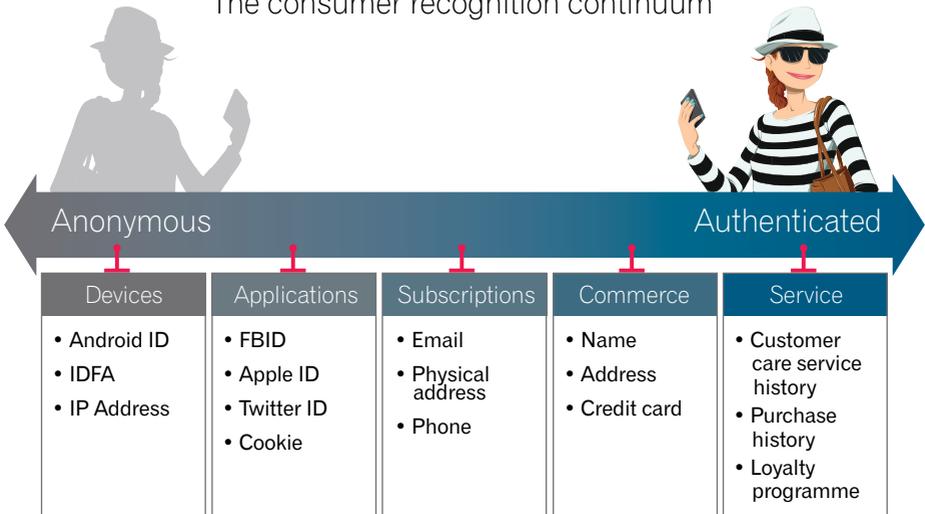


Marketers have done a great job of empowering consumers with digital experiences across channels and devices to help them discover and purchase products. However, the majority of marketers are unable to take advantage of the data that is being generated by these interactions because their customers' identity is so fragmented between advertising and marketing technology and systems. To gain a truly useful and actionable Single Customer View, marketers have to operate successfully across a dynamic consumer recognition continuum that ranges from anonymous to authenticated, honouring consumer privacy and choice every step of the way. From the website visitor who is only identified by an IP address

Experian Data Quality, [The data quality benchmark report](#)

to a customer checking the balance of his or her bank account on his or her smartphone, marketers have a multitude of consumer identifiers that have to be managed and integrated. It's not surprising that 89 per cent of companies are facing challenges when developing a Single Customer View.

The consumer recognition continuum



The variety, volume and velocity of fragmented marketing data is overwhelming to many organisations, creating blind spots and missed opportunities to deliver a seamless customer experience.

As discussed, the primary barriers to building a Single Customer View lay in:

1. Sustaining the quality and accuracy of the data over time
2. Integrating large amounts of fragmented and disparate data across siloed departments within the organisation
3. The complexity of linking and resolving identity information across all consumer touch-points when it's coming in through different, unlinked technologies

Marketers understand the risk of lacking a Single Customer View. This risk includes creating inefficient and ineffective marketing programmes as well as a disjointed and fragmented experience for the customer, which could send them to a competitor in a step, tap, swipe or click.



Take ownership of cross-channel identity linkage

The future of data-driven marketing requires an identity-linkage strategy that links consumer identity, devices, behaviour, applications and location to provide a cohesive and actionable view of consumers.

The strategy has to enable marketers to manage the building blocks of incremental personalisation across the dynamic consumer-recognition continuum. It must also allow consumers to manage privacy and consent while empowering the marketer to manage his or her customer's journey.

As part of a Single Customer View, organisations are linking customer information across many different channels. Ninety-four per cent of companies are linking customer information across channels and just more than half are linking all customer information. The most popular piece of data used to link customer information is the email address, followed by customer name and phone number.

No single identifier, however, will accomplish all of the requirements mentioned above, as different identifiers serve different purposes. Marketers should rely on a framework that allows them to manage their customer identity information while being able to link it to others' identity information in a secure and privacy-compliant manner. There are four basic components that make this identity-linkage framework successful:

Accurate and consolidated first-party data — Organisations take in a vast amount of customer data that is housed within their own environment. This valuable data set can provide a great deal of consumer insight in its own, but when paired with third-party data, the options are limitless. However, that information needs to be accurate and consolidated to provide any real insight. Marketers need to be sure customer information is accurate upon entry and frequently checked for duplicate records; each customer should have only one golden record within the company or database.

Identifier management — Supporting audience definition, ad targeting and campaign measurement, identifier management is governed by a bring-your-own-data model where a third-party provides a secure ID-matching service between the marketers' internal customer identifiers and media IDs. This is not only practical — too many ID systems exist to think that a universal ID can be adopted — but also supports maximum control for companies to manage their own data while getting the benefit of securing shared data from third-party providers.



Identifier reconciliation — By matching IDs across channels, devices and applications, identifier reconciliation creates a single identity using both deterministic and statistical models. Marketers need to reconcile identifiers between their customer-facing systems that contain varying levels of identity information including marketing systems such as email, loyalty systems, mobile applications and, most importantly, purchase-transaction systems. In the context of media, this means linking a deterministic ID, such as a site login ID or a subscriber email address, to a statistical ID, such as an Experian AdTruth ID, to understand that a single smartphone and a laptop do in fact belong to the same user or household.

Identity authentication — Linking anonymous identifiers to persistent authenticated identifiers, identity authentication builds a clearer picture of the consumer as he or she makes himself or herself known throughout the customer journey. This is critical to addressing the recognition continuum, allowing marketers to build confidence in the identity of the consumer with whom they are interacting and to deliver the appropriate level of personalisation to their relationship with that consumer.

Using this identity-resolution framework enables marketers to maximise the use of their data to deliver a truly integrated cross-channel marketing strategy that centres on the customer journey and honours the consumer's desire to control their relationship. Not only that, it helps media companies, agencies and marketers to work together to improve the efficiency and effectiveness of the marketer's ad spend.





Case study:

Powerful in-house data control and integrated real time insight deliver a Single Customer View (SCV) for P&O Ferries

Challenge: In a highly competitive market, P&O Ferries understands that success depends on deep customer understanding and that this insight can only come from a Single Customer View. Determined to improve customer engagement, make more accurate strategic decisions and achieve operational efficiencies, P&O sought an effective SCV solution.

The company's existing data solution simply wasn't performing to expectations. International, multichannel customer data was captured from multiple touch points such as call centres and ports. It was then collated, transferred to a third party provider and checked for accuracy, before finally being returned to P&O Ferries. With so many manual parts to the process, the opportunity for duplication and error was great. When the data was finally returned to P&O, it was at least 10 days old and failed to identify individuals across multiple channels.

P&O Ferries needed a cost effective SCV solution that would bring control of customer data in-house, delivering real-time insight that could be harnessed by the whole company. In addition, contractual obligations meant that any solution had to be implemented immediately, or risk putting the project on hold for another year — chancing unnecessary costs through continued third party management.

Resolution: P&O Ferries approached Experian Marketing Services as the industry leader in developing and implementing data quality solutions, tasking them with the redesign of its operations and provision of an SCV. Transformation was to be companywide, covering all booking, customer relationship and customer management information systems.

Understanding that the 'contract clock' was ticking, Professional Services and the P&O Marketing team quickly identified the need for: enhanced data capture; database cleansing; and rationalisation of customer entries on the database.

Tailoring solutions to deliver a rock solid SCV foundation, Experian Data Quality deployed:

QAS Pro Web

Used at point of capture to replace the old, manual data collection process. Staff across the business and channels could enter in a customer's address and immediately identify and correct errors. Using a bespoke and easy to use web-



form, additional data can also be captured, such as preferred communications channels, contact frequency and marketing opt-in/out.

QAS Batch with Suppression

Ensuring that the database would be constantly and rapidly checked, authenticated and cleansed against the most extensive, accurate and up-to-date databases available. The benefit of which would be that not only would duplicate records be deleted but 'gone aways' and deceased would be detected and where possible updated with the correct information, enabling the best possible communications with customers.

QAS Unify

Used to analyse P&O Ferries' database, identifying multiple entries for single customers who might have used different contact channels, for example, and merging them into a single and accurate customer record. It's a bespoke combination of solutions that allows P&O Ferries to gain a single view of individual customers, giving customers the messages they want, when they want them.

Results: Achieved within ambitious timescales; QAS Pro Web, QAS Batch and QAS Unify are fully embedded in P&O's data management and deliver a fully automated SCV; minimising demands on staff time and maximising returns. Today, up to date data is available for use within 24 hours of capture, transforming the previous 10 day turnaround.

“ Now, we have better visibility into individual customers and can deliver increasingly targeted messaging. And because the whole process is in near realtime, it means that highly time-sensitive marketing messages can be delivered for customers to take advantage of on their return trip. ”

Rani Tarumarajan, IT Project Manager, P&O Ferries



It's also saving time, money and effort, whilst adding brand value;

- P&O Ferries saves money by cutting out a third-party provider, and at the same time gains in house control.
- The bespoke web-form makes data collection faster and aligned to business objectives.
- Automated cleansing saves half a day of staff time per week.
- Messages reach intended recipients, maximising marketing returns and minimising wasted postage.
- All parts of the business can now access and harness customer data.
- Accurate, targeted and relevant communications build customers trust.

Rani Tarumarajan, IT Project Manager, said: "SCV delivers competitive advantage to P&O Ferries and Experian Data Quality has helped us at every step to realise its potential. The next stage is to capture more detailed customer comments; bringing our customers the experience they really want — and P&O Ferries an ever-growing base of satisfied and loyal customers."

How to synchronise data for improved performance

Marketers have to deal with many separate streams of data: their own customer data and other third-party data points that could include lifestyle characteristics and demographic, behavioural and transactional information. In the best case, customer data shows a person's name, age, email address, channel preferences, past online and offline purchase behaviour, and loyalty-card membership. Third-party information explores consumers' motivations, beliefs, interests and preferences. While all of these data points can be valuable separately, in order to deliver the intelligent interactions demanded by the consumer, marketers must ensure that they enrich their customer data to make their own CRM data work harder.

On one hand, marketers have a limited view of their customers that reveals only what they do within the physical and virtual walls of their business. On the other hand, they have descriptive data that they struggle to make actionable. Several key processes can resolve these differences using this data to connect consumers more effectively into actionable segments, enabling tailored marketing communications to specific types of customers, across channels.

- **Start with first-party data.** Marketers have incredibly rich data on their customers that tells them everything from what they've purchased to their purchase frequency and channel preference. They also commonly know which emails are opened and clicked on by time of day and device and which coupons their customers have redeemed. This data can be used to segment customers based on their behaviours, which is primarily leveraged for tactical marketing purposes.
- **Purchase frequency, for instance, drives direct-marketing tactics.** Website visit behaviour triggers retargeting tactics. Email inactivity triggers a reactivation tactic. While this data helps marketers react to consumer behaviour, marketers shouldn't stop here, as there are opportunities to unlock greater customer value and loyalty ahead. Consolidate and add key performance indicators (KPIs) such as revenue per customer, email responsiveness, product mix and purchase channel, remove duplications and create a Single Customer View.
- **Enhance and enrich the customer file using third-party data.** Key data points at the individual or household level provide the ability to enrich identities, making them actionable and addressable. Second- and third-party data assets connect the insights into who the consumer is and what motivates them to take action. The combined dataset provides marketers with a complete understanding of the consumer that can be used to identify segments unique to the marketer's customer base and make that data actionable across channels.



- **These data points can include things such as lifestyle characteristics, purchase influences, media habits and more.** Customer mindset and motivational data and other third-party insights — such as household composition, life events and discretionary spend — can be used for other trigger-based marketing campaigns. This step also ensures data is sufficient, thorough and strong enough to support enhanced segmentation that can drive personalisation and tell relevant brand stories.
- **Segment customer groups to focus on the best customers or the customers that represent the greatest opportunity.** When marketers are able to receive the types of insights from enriched data sets by successfully marrying their detailed consumer data to customer files to detailed consumer data, they can confidently design, plan and deliver superior brand experiences that deliver authentic interactions with the consumer.

To really connect with customers, to give them not only what they want but what they've come to expect, marketers need to append customer data with in-depth behavioural, motivational and lifestyle insights to activate the data and build an audience that comes to life. When done, the marketing strategy becomes more engaging, targeted and effective.



Case study:

Improve customer value with more effective merchandising through lifestyle-interest insights

Challenge: A retailer is experiencing a decline in its customer-retention rate.

Resolution: A drop into external data attributes indicated the retailer's customers have a high likelihood to participate in sports and fitness activities. When that data was matched back to customer transaction history, it revealed which customers had never made a purchase within that category, identifying missed opportunities for the retailer. The enriched data provided a new audience for a more targeted cross-sell promotion that prominently features sports and fitness products.

Bonus opportunity: Additional external data indicated children ages five to 15 are often present in their customer's home. The promotion for this customer could then be enhanced to feature related children's merchandise as well.

Data - the foundation for intelligent customer segmentation



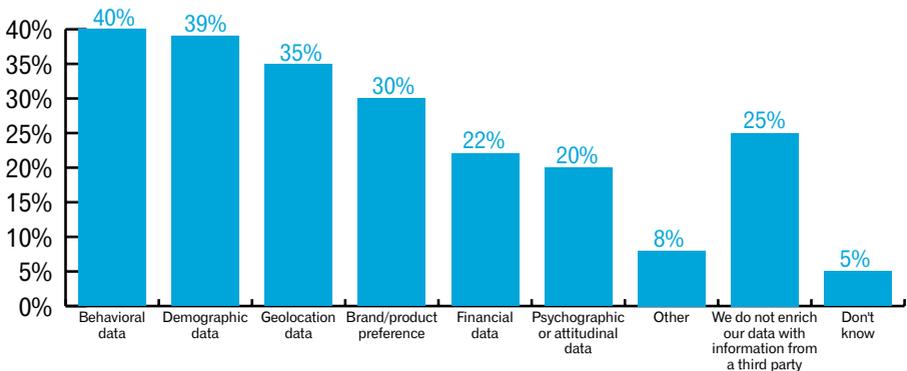
In today's day and age, people don't make decisions blindly. The days of buying a billboard and hoping that people see them are over. Everything demands return on ad spend, return on investment and before our clients are willing to make a decision, they need to understand how their particular customer is going to respond. So Experian Marketing Services provides me with the valuable insights necessary to build out a case for investments in their business, and our clients appreciate the additional homework before they make that investment.

— Dan Wallace-Brewster, Head of e-Commerce Strategy, Onestop Internet

There are a number of sources of data available to help discover new insights about existing customers, find prospects similar to the best customers or find new selling opportunities. Enriching customer information is a common practice among marketers today. According to our survey, 77 per cent of UK marketers are enriching their own data with some type of third-party data (compared to the global average of 75 per cent).

Customers move fast, which can prevent marketers from collecting all of the information they would like to gather during an initial interaction. However, third parties can provide intelligence that allows marketers to better reach consumers and provide a richer, more tailored interaction, without having to stop a customer in his or her tracks.

Third-party data used to enrich first-party data files



Source: Experian Marketing Services, 2015 Digital Marketer Survey



While marketing leaders in our survey said translating a deep knowledge of customers into relevant actions is a top priority in 2015, 29 per cent of respondents who enrich their data with third-party data only add one type of data. One-quarter of survey respondents are not using any third-party data to gather a complete view of their customer. It seems that companies need to do a better job of using other data assets to help personalise and tailor communication to their customers. There are several categories of data types. Different combinations of these data types allow companies to feed into a segment and profile their customers to create applicable audiences.

29% of respondents who enrich their data with third-party data only add one type of data.



Your customer

First-party data	Second-party data	Third-party data		
Data a company collects directly from its customers including contact information, transaction history, survey responses, etc.	Similar to first-party data, except the original company is sharing its data directly with a second party.	Data that is compiled by a company that isn't directly involved with the customer. Data is typically sourced from public records, registration-based data and other proprietary sources. Some compiled data is more expansive, including addressable identities for large populations providing greater amount of information about consumers at an individual and household level.		
Publishers and advertisers	Ad networks and search engines	Offline data providers	Online data providers	Data exchanges
Collected by the publisher or advertiser/brand itself about its customers	Ad serving data (clicks and views) Keyword search data through analytic platform	Collected offline then brought online through proprietary online data partnerships	Collected offline via relationships with publishers and portals	Online auction marketplace where advertisers acquire third-party data that helps them reach their target audiences better with display



Evaluating the type of data needed when enriching customer data will vary based on campaign goals. Organisations look to enrich data for many reasons, but some of key areas include:

- Improved customer understanding
- Real-time targeted messaging
- Superior lead routing

Each of these areas requires information to be enriched at different points of the customer journey. To improve customer understanding, organisations may add details in bulk to profile information and understand the large segments of their customer base better.

When looking at real-time targeting and lead routing, this enrichment should occur at the point of interaction. The reason is simple: the faster marketers can better understand the customer, the faster they can provide them with an enhanced experience and interaction.

In the case of targeted messaging, marketers may add certain data elements in real time to understand which profile a given consumer on the website fits. That information then feeds into a modelling system that serves up more compelling content based on that consumer's information. This can be as simple as geographic-related elements to a given individual's location, such as surf boards in Cornwall and rugby shirts in Wales. Likewise it can be as sophisticated as offerings for a single individual versus a family or certain displays based on gender or auto information.

Enrichment, when paired with accurate first-party data and a sophisticated modelling system, can make for an incredibly powerful combination that truly enables marketers to create actionable insights.





Strategic analysis exercise to truly understand the customers and improve email marketing campaigns

Challenge: A leading clothing retailer was struggling with a high number of inactive email subscribers. Although there were strong in-store email sign-ups for the newsletter, this brand had limited information on the person behind the email address. Its goal was to improve campaign responsiveness through segmentation.

Resolution: The first step was to use Experian Marketing Services' insights to identify who was behind the emails. With this key information, the retailer was able to see who on that list was making in-store purchases. Additionally, overlaying key demographic information allowed it to understand its buyer personas better and identify its best customers.

Results: When analysing the results, there were a large number of purchasers on the retailer's inactive email list that didn't fit its buying personas at all. In addition, it noticed that this group had a higher rate of email opt-out than other segments. Using additional first- and third-party data, it determined that this group was composed mostly of gift givers. With this insight, it changed its email frequency (reducing opt-outs), adjusted its messaging and drove specialised offers in the run up and during the Christmas period. This resulted in significant improvements and discovery of more gift-giver prospects.

Changed email frequency
reducing opt-outs



Drove specialised offers
around christmas



Data accuracy is a necessity for predictability and performance

The key to successfully enriching customer data hinges on quality third-party data to deliver invaluable intelligence that drives precision, predictability, performance and ultimately, more relevant customer engagement. As we've seen, 43 per cent of marketers cited poor data quality as a top challenge in creating a complete view of their customers. Data coverage and accuracy are KPIs to help brand advertisers understand third-party data performance across key predictive data attributes used in modelling.

Depth and coverage

Depth of coverage represents the number of records and contact quantities that are available from a third-party data provider and is a critical measuring stick for evaluating the penetration and effectiveness of a direct-marketing campaign. The greater the coverage, the more likely a campaign will be successful in reaching an optimal number of prospective customers.

Accuracy at scale

Accurate offline personally identifiable information (PII), compiled in compliance with consumer notice and choice, connects the marketer with actual customers across channels and enables more reliable measurement. PII data can be used to identify a larger audience of actual consumers who have a propensity to buy and use predictive data attributes, such as income, to confirm ability to purchase. Marketers can also build greater reliability into closed-loop measurement regardless of the channel(s) by matching customer sales information to the targeted PII-based audience.

Sustaining data accuracy means keeping pace with the consumer and requires even greater rigour and diligence around data compilation and linkage. That means systematically testing the quality and stability of data across all applications including model performance, on boarding for digital execution and response attribution. Securing data that is accurate on a large scale is an important performance indicator and can build predictability, precision and higher returns on investment for targeting and campaign execution.





Understand customer behaviours and preferences to optimise interactions

Smarter profiling

“Intelligent interaction to me, as a marketer, means that it's important to have as much information as you can about the target or the customer that you're looking to reach because you want to understand them, what drives them, what motivates them, what makes them tick, why it is that they might be more likely to be engaged in a certain category versus someone else, why they might respond more to one kind of ad or one kind of message than something else.”

– Priscilla Moll, Advertising Effectiveness Research Manager,
Time Inc. (People en Español)

Once data is accurate and enriched to include a complete and clear understanding of each consumer, what's next? Many marketers struggle to understand how to make this multitude of data actionable, enabling real decisions about their marketing strategy.

Using a data-driven segmentation and profiling strategy is an integral step in any marketer's strategy, whether he or she is looking to build a brand, acquire new customers or retain his or her brand's most loyal fans. By using consumer data to find insights into the way target customers think, feel and behave, marketers will be able to make (and justify) smarter decisions about messaging and campaign execution. High-definition customer profiles, developed through rich consumer insights layered on top of transactional and behavioural data, are crucial not only to segment customers properly, but to understand the differences between customers who may even be in the same segment.

Of course, segmentation and profiling becomes more complicated as more variables and pieces of information are added to the model. In fact, 39 per cent of marketing leaders around the globe cite profiling as a top challenge.*

* *Experian Marketing Services, 2015 Digital Marketer Survey*



39% of marketing leaders around the globe cite profiling as a top challenge.

Despite how challenging it may be, marketers hoping to make smarter campaign decisions need to take a step back and really understand the types of customers they have and segment them accordingly.

Improving customer-profiling techniques does not need to happen overnight. In fact, there are three distinct profiling strategies — behavioural, lifestyle and high-definition — and as the strategy increases in sophistication, the marketer will be able to personalise and engage customers with more relevance. However, with more sophistication also comes more complexity as dynamic content requirements increase and more analytical capabilities are required.

The three most common profiling strategies are:



Behavioural profiles

Many marketers already have access to behavioural information in the form of transactional data. Creating profiles based on purchase behaviour and basic customer information can help explain customer segments by geography, product category, purchase frequency and spend amount.

Benefits

With behavioural profiling, marketers can use some level of personalisation to match creative and offers to a customer's past purchases. For example, if a customer just purchased a coffee maker, the marketer could follow up with a personalised offer for a new mug.

Limitations

Behavioural profiling fails to take into account purchase motivation, life stage, lifestyle or attitudes, all of which can vary significantly even between customers who made the same purchase. With this limited understanding of customers, each customer in the behavioural segment will receive the same message, even though they may have very different needs.





Lifestyle profiles

In using syndicated lifestyle profiles, a marketer can combine his or her purchase-behaviour insight with standardised consumer profiles that combine some level of life stage, demographics, attitude and behavioural data.

Benefits

Marketers using lifestyle profiles have a better understanding of how their customers may respond to different types of messaging. With this knowledge, the marketer can sub segment customers who may be in the same behavioural segment to receive different treatments based on the standard consumer lifestyle profile, increasing personalisation and relevance for each customer.

Limitations

Though they do provide informative insight, lifestyle segmentation profiles are aggregated representations of consumers and have limited ability to describe a brand's specific customer segment's attitudes, motivations and behaviours.



High-definition profiles

High-definition profiling combines purchase-behaviour insight with a large breadth of syndicated research and behavioural data to create customised profiles, which include life stage, demographics, attitudes, preferences and behaviours and the ability to monitor profile changes over time.

Benefits

With this level of detail, marketers can hone in on what truly differentiates customers in specific segments by motivations and attitudes, allowing them to create content with the most sophisticated level of personalisation and relevance.

Limitations

Like lifestyle profiles, the high-definition profiling strategy relies on syndicated data. A very sophisticated marketer may want to augment these profiles with additional data sets including custom research, third-party data or other data sets to get the most complete picture possible.

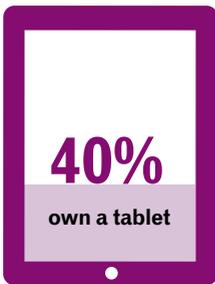


This full understanding of the customer is more important than ever as today's consumer is becoming more and more empowered.

Ninety per cent of all adults in the UK (around 57 million individuals) have accessed the internet on a computer in the past three months. 75 per cent of UK consumers own a smart phone, 70 per cent own a laptop and 40 per cent own a tablet.

In addition to 90 per cent accessing the internet on a PC, 62 per cent have done so on a smartphone and 45 per cent on a tablet. In total, 89% per cent have shopped online (regardless of device) at least once in a three month period.

57 million UK adults are now digital – 90%



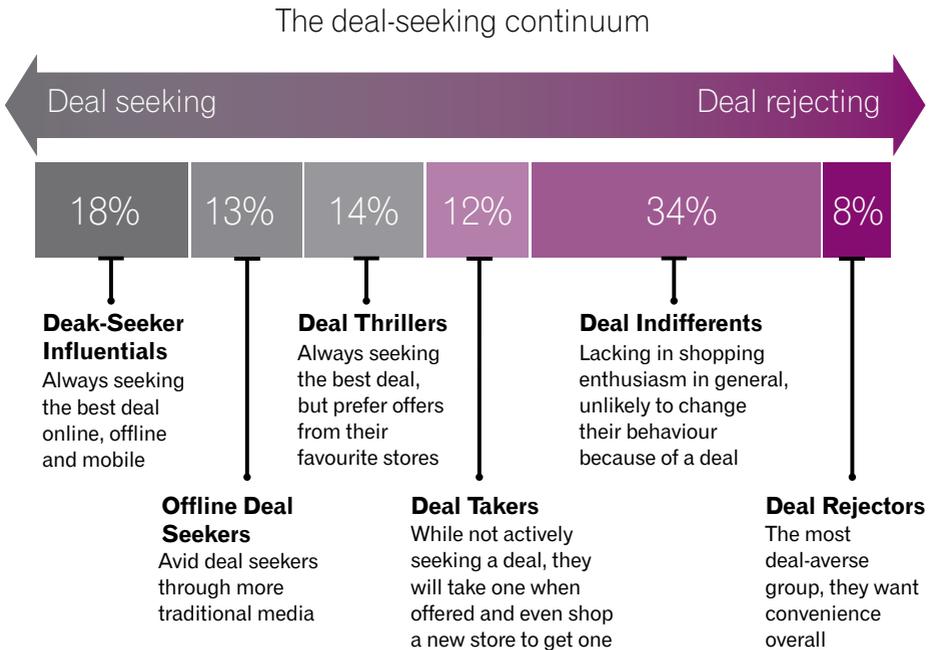
Mintel Digital Trends Spring - UK, March 2015

This easy access to information and brand interactions in any channel means that the consumer is evaluating the brand against key demands and deciding if he or she wants to continue the relationship constantly. If the brand doesn't deliver personalised, seamless interactions, he or she won't think twice about moving on. To deliver on these demands, marketers need to craft messages that specifically resonate with their target segments.



Segment consumers to match offers to purchase intent

Sub segmenting customers based on attitudes, behaviour and motivations can often reveal surprising insight that calls for a vast change in marketing strategy. As an example, many retailers provide discounts and deals to all of their customers, with the assumption that all customers are motivated by lower prices. According to research from Experian Marketing Services, however, deal-seeking behaviour exists on a continuum, and one size does not fit all. In fact, there are six distinct types of consumers, ranging from Deal-Seeker Influentials to Deal Rejectors. Digging into the purchase behaviours, motivations and needs of each deal-seeking segment can help inform the offers and discount strategies to be employed with each.



Source: Experian Marketing Services Deal Seekers Report

Deal-Seeker Influentials

Deal-Seeker Influentials tend to be younger consumers (41 per cent are between the ages of 18 and 34) who love shopping and are very interested in getting a good deal. In fact, 100 per cent of this segment agreed with the statement 'I am consumed with getting the best deal for a product or service'. One of the reasons this segment may be so deal oriented is that many in this group grew up during the rise of popular deal websites thus they not only enjoy coupons and sales but have now come to expect them.



For marketers looking to reach Deal-Seeker Influentials, couponing and sales are highly effective. Consider using social media as a platform to release special offers to top fans and encourage them with larger discounts if they share with friends and family.

Deal Rejectors

At the other end of the spectrum lies Deal Rejectors. These consumers are not only indifferent to deals, but actively avoid them as they value convenience, service and brand far more. They dislike shopping and are 26 per cent more likely to agree that when they do go shopping, they just get what they want and leave. They also lag well behind average in social-media usage, especially when it comes to interacting with brands. They are 59 per cent less likely to trust information they receive through social-media channels.

It may be no surprise that this segment skews male (58 per cent) and tends to be older, with 47 per cent over the age of 55. With its relative insensitivity to price, this segment is willing to spend its money on products and brands that offer quick and convenient shopping experiences.

Marketers hoping to reach these Deal Rejectors should not waste their resources on offering deals or coupons — in fact, doing so can deter these customers altogether. Instead, consider how to improve convenience and the overall shopping experience, perhaps offering special ‘fast passes’ to skip the lines or home delivery options.

Clearly, a marketer using mass-message tactics to reach both of these segments would find it difficult to appeal to both at the same time. In fact, offering deals to consumers who are either indifferent or rejecters lowers the price, and therefore revenue, when no price cut was even necessary. It is critical that marketers know who among their customers really wants a deal, who needs a deal and who outright rejects them. Knowing the difference will help in tailoring specific deals and discounts to meet consumers’ needs as well as increasing ROI by not giving deals to customers who don’t want them.

This concept isn’t limited to deal seeking. No two customers are alike, and there’s no use treating them the same. With smart profiling, it is possible to group customers more strategically and make better decisions about who should receive which message or offer.



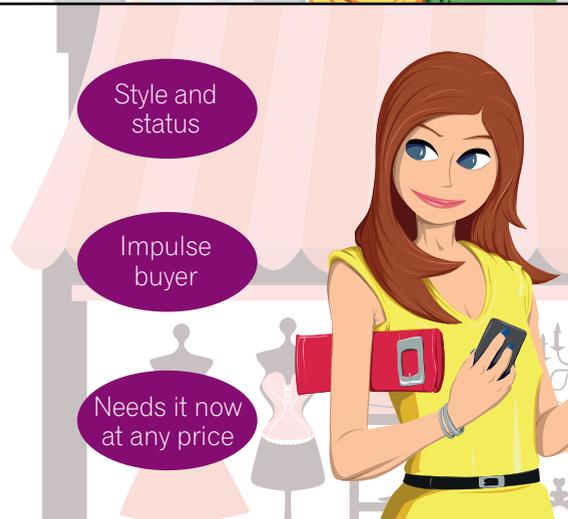
How high-definition profiling shapes decisions

As discussed, two customers may look identical from a behavioural perspective; for example, perhaps they both made the same phone purchase. Yet when a high-definition profile of each customer is revealed, two very distinct profiles emerge.

The first customer always has to have the latest gadgets. She routinely reads up on new and forthcoming tech products online and compares the features of the leading models so that she knows which one is the best. Once she decides to make a purchase, she seeks out the best price and often is among the first to buy after something is released.



The other customer is all about style and status and is often motivated on impulse to buy products based on what her favourite celebrities use. For especially "hot" items, she needs it now and at any price. Click-and-pick provides her with a fast track to getting an item in hand because even next-day shipping is too long to wait. Using a brand's mobile app, she checks out inventory levels at nearby stores, has the item set aside and picks it up on her way home from work with his or her trendsetter status intact.



These two customers are clearly different, and though they purchased the same product, the brand will want to tailor future communications very differently if it hopes to retain both as loyal customers.

Through high-definition customer profiles, marketers can determine the differences between their best customers so that they can develop messaging and marketing strategies that truly speak to each customer's needs and motivations.

Depending on the depth and breadth of the third-party data available, profiling can provide endless insight that will help create strategically compelling campaigns. It is possible to examine everything from customers' levels of education to their lifestyle choices to the television shows they watch, and when combined, these myriad insights can paint a very detailed picture of each customer that will help meaningfully group, develop content for and eventually execute on a distinctive strategy for each segment.



Customer value

- Moderate value
- Loyalty programme = N
- 1 stay in past 12 months
- Discounted weekend rates

- High value
- Loyalty programme = Y
- 5 stays in past 12 months
- Corporate rate

Demos

- 29 years old
- Female
- Married
- 2 kids
- Earns £50,000 per year

- 32 years old
- Female
- Single
- No kids
- Earns £80,000 per year

Attitudes

- Enjoys spending time with family
- Likes to go on holiday where activities are organised

- Money is the best measure of success
- When on holiday, only wants to relax

Behaviours

- Has traveled to Disney theme park in past year
- Visited Disney.com 4 times last week

- Has traveled outside the U.S. 3 times in the last year
- Visits Trip Advisor often

Receptivity

- Display advertising is influential
- Email offers influence purchases

- Mobile main information source
- Remembers ads
- Reading magazines
- Friends influence purchases

Timing

- Daytime and weekends

- Daytime

Messaging

- Value conscious
- Family-friendly
- Special deals
- Nearby attractions

- Image conscious
- Luxury
- Amenities
- Work and play



Design for the customer journey

In the era of the multi-channel consumer, the purchase funnel is gone, replaced by surround-sound purchase opportunities where the consumer gets to choose how, when and where he or she wants to discover, learn about and purchase products and services.

In fact, the majority of today's consumers use more than four different devices on a daily basis.

That makes the job of maintaining relevant and effective communications with customers exponentially difficult, yet many marketers still run campaigns channel by channel, as if nothing has changed. As a result, marketers increasingly find themselves either speaking when no one is listening or speaking in a disjointed manner.

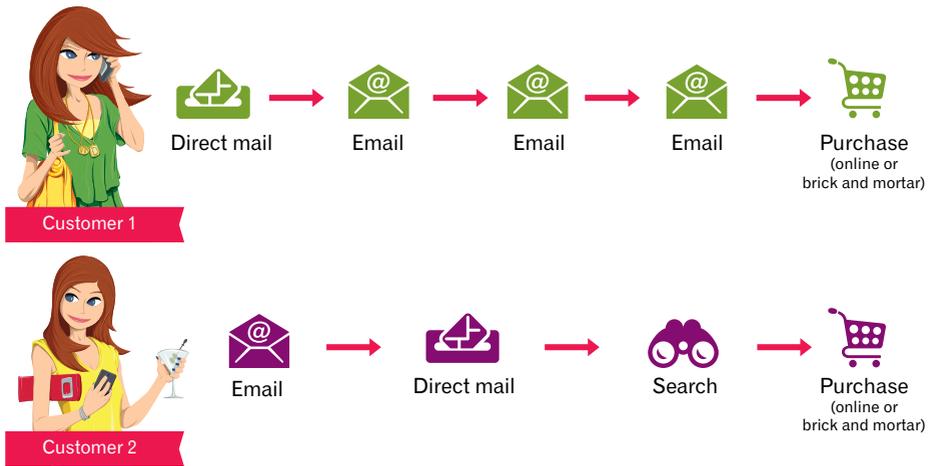
Number of media devices used in a typical day



Source: Experian Marketing Services: Smarter strategies for successful acquisition programmes (US)

In the survey, global marketers reported that their top priorities for 2015 include telling their brand story more effectively, building more relevant interactions and orchestrating interactions across channels. In order to have an authentic conversation with the consumer, marketers understand they need an integrated cross-channel communication strategy designed to let the conversation flow and follow the consumer wherever he or she is. Regardless of whether the strategy is to acquire more customers, transition the media mix to more digital spend or move into new markets, better planning starts with the customer journey.

The discussion of customer journey mapping is daunting for any marketer, so it's important to remember to prioritise key customer segments upon which to focus and that there will be a lot of learning along the way. Armed with high-definition customer profiles, marketers can begin to understand the behaviour, attitudes and preferences of their target customers' purchase journey. The simple example below clearly shows that not all customers follow the same journey. However, marketers can understand the journey of their key segments and ensure they are designing interactions and content to improve the customer experience and meet the customer where and when he or she engages the brand.



Whose opinion does their key segment of consumers trust, what media do they prefer, are they motivated by deals, do they like to purchase online or in a store, how much research do they typically do, when will the purchase cycle begin and end — all of these attitudes and behaviours are key to understanding the purchase journey. The customer journey has to take into consideration the size of the purchase, how the consumer discovers new products, how he or she educates himself or herself and how he or she purchases. Marketers need to match the engagement strategy and communications programme to align with this journey.

For example, integrating mobile into the cross-channel customer journey is critical to the modern day consumer, so learning how consumers will truly use this most personal device is key for every marketer. Consider the diagram on the following page as a prime example of how to build an engaging mobile experience that drives incremental conversions through the intelligent use of mobile messaging, links, forms emails and coupons.



Naturally, customers' lifestyle and preferences change all the time and for various reasons, as does the technology and media they use. To stay current, marketers need to update customer data with every new interaction and routinely assess customer segments to ensure that the customer journey is optimised. Messaging strategies must also be updated so the voice of the brand is fresh while remaining familiar.

1 User views in-store signage



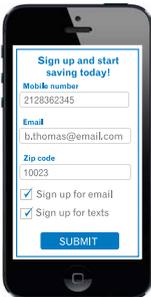
2 User texts keyword to short code



3 User receives an SMS response with link to mobile optimised profile form



4 User signs up on the mobile optimised profile form



5 User receives opt-in confirmation SMS OR user receives welcome email



6 User receives first broadcast message one week after enrolment



7 User clicks link in broadcast and receives mobile coupon



8 User scans coupon barcode at point of sale



Make it personal

In order for marketing to capture the eye and mind of a target customer, it must be relevant and speak directly to his or her personal needs and desires. Informed by a high-definition customer profile, marketers can create the necessary personal communication strategy to resonate with their target customer. By doing this, they create a meaningful and personalised connection with the customer leading to higher conversion rates and, ultimately, greater ROI.

The below two examples, building from the two profiles outlined in the previous section, illustrate the importance of identifying and delivering targeted content, personalised messaging and relevant offers to every shopper. In fact, doing so is a critical step in creating meaningful interactions with the modern day consumer.



CONTENT



64MB memory
or 32MB



Colour options to
match your
personality

MESSAGING



“Named ‘Best
phone of 2014’”

“50% better
battery life”



“The celebrity
phone of choice”

“Get it first:
pre-order today”

OFFERS



“£50 gift card
with purchase”



“Make your phone
‘ring’ with these
HOT accessories”



Of course this doesn't mean marketers need to design fully unique communications for each consumer, but it should feel like they have done. To maximise engagement, marketers should develop multiple versions of content, messaging and offers that are mixed and matched as appropriate accordingly to the target customer's lifestyle, interests, motivators, etc. The resulting interactions feel personalised and ultimately lead to great sales. They also lay the foundation for an enduring brand experience.

To be most effective, marketers must deploy personalised content, messaging and offers at each point of interaction, whether it's a display ad, an email, a direct-mail piece or even a television commercial. Doing so ensures that the business remains a familiar face and speaks to the customer in a recognisable and consistent voice. This also allows marketers to repeatedly demonstrate to the consumer that they understand who he or she is and what he or she wants, and that they value his or her business.

82% of respondents from around the world report that they are personalising their communications. *

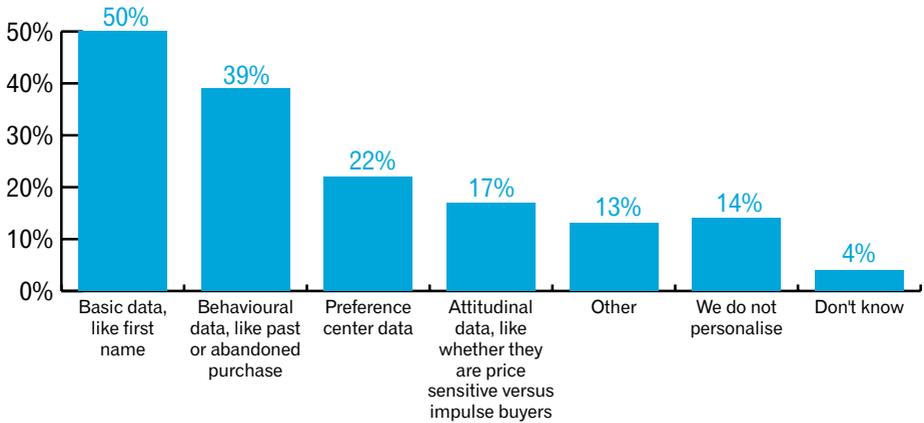
The degree to which marketers personalise communications varies. Half personalise using basic data, such as first name. Behavioural data, such as past purchases or abandoned carts, is the second-most popular data to inform personalised messaging, used by 39 per cent of marketers. These are important steps in personalisation that can generate real results. According to our email benchmark report, abandoned-cart emails that dynamically showed the actual customer cart had 25 per cent higher transaction rates than abandoned-cart emails that just linked back to the brand's website. Coupling behavioural data with basic data also can achieve results. When subject lines of the second or third mailing in an abandoned-cart series are personalised with the customer's name, series emails had 12 per cent higher unique open rates than series mailings without subject-line personalisation (36.1 per cent unique open rate with personalisation compared to 32.3 per cent without).**

*Experian Marketing Services, 2015 Digital Marketer Survey

**Experian Marketing Services, 2014 Q1 Email Benchmark Report

Source: Experian Marketing Services, 2015 Digital Marketer Survey

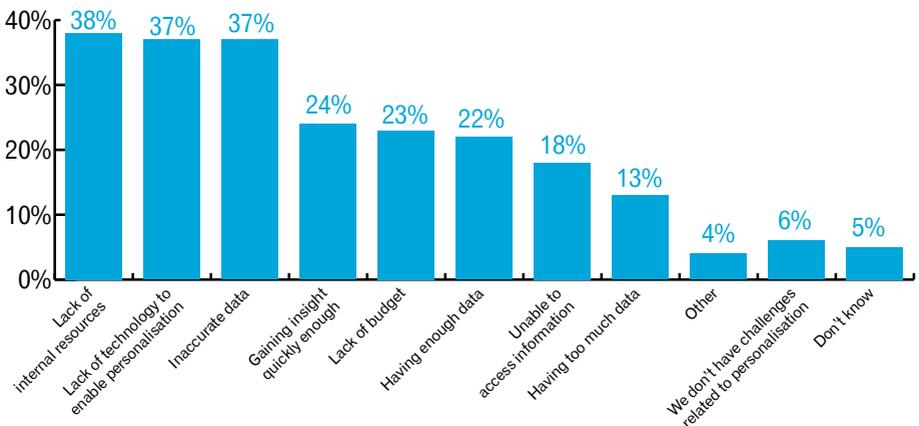
Degree to which marketers personalise communications



Attitudinal data, such as insights a marketer would realise from high-definition customer profiles, is used by 17 per cent of the marketers in our survey. We expect this to rise as marketing leaders make multi-channel consumers a priority and seek to engage them in relevant and unique interactions with their brand.

Sixty-one per cent of UK respondents are personalising basic data such as first names which is 10 per cent higher than the global average. However UK marketers seem to be flagging slightly in the more sophisticated areas such as preference centre data (11 per cent compared to global average of 22 per cent) and attitudinal data (nine per cent compared to global average of 17 per cent).

Top challenges to personalisation



Source: Experian Marketing Services, 2015 Digital Marketer Survey



The growing number of addressable media channels

The number of people who have integrated a digital device into their lives represents an unprecedented opportunity for marketers to understand how, where and when their customers can be reached. It also represents one of the biggest challenges for marketers as they face a huge array of media and channels that they need to coordinate to acquire and maintain customers. There are more ways for marketers potentially to waste money by targeting less valuable prospects, overexposing others and failing to effectively coordinate multi-touch campaigns across channels for maximum impact. For this reason, it's important that marketers leverage the growing number of addressable opportunities that exist across both traditional and emerging media channels.

When marketers think about addressable media, the original channel that comes to mind is direct mail. Direct mail continues to be popular in some sectors however email is currently king - it's estimated marketers sent nearly 300 billion emails in 2013, and that number is only going to have increased in the years since.* In addition SMS and mobile push messages are proving to be highly reliable addressable mobile channels.

As more address channels come online and even extend to traditional channels, such as television, marketers are able to develop truly coordinated and targeted strategies.

Media companies offering addressable advertising campaigns to advertisers today typically have a large universe of users and the ability to target these individuals or households at a one-to-one level. Online platforms offer custom audience-targeting capabilities, while some publishers enable direct-matching mobile campaigns. Not to be left behind, some television operators deliver on household-level addressable advertising, meaning a consumer may see a different commercial than his or her neighbour, even though he or she is watching the same programme.

In order to best leverage addressable-media channels, it's important for advertisers to work with companies that protect the privacy of consumers and are well versed in privacy laws and regulations. They must also understand how to help develop effective consumer segmentations that can be deployed across channels for a coordinated experience.

The art and science of targeting that marketers have developed in the addressable direct-mail space for the past four decades is now becoming ever more possible thanks to new addressable advertising options. Marketers with both large and limited budgets are able to leverage various data sets, including the marketer's

* Forrester Research Email Marketing Forecast, 2014 to 2019 (US)



own CRM file, for precision one-to-one-level targeting. With technological advancements safeguarded by privacy-compliant methodologies, marketers and media companies can now work with privacy-focused, neutral third parties, such as Experian Marketing Services, to get more mileage out of campaigns through addressable media.

This growth of addressable media, combined with programmatic media buying, means there has never been a better time for marketers to align their media plans with their customers' channel preference. Marketers can also synchronise their media plan with their customer journey so that they can deliver the right content, messages and offers at the right time, in the right channel.

Through addressable advertising, marketers can better use first-, second- and third-party data in a privacy-compliant manner to increase the precision of cross-channel marketing and achieve a higher return on ad spend while also providing a better customer experience.

Build an acquisition strategy starting with first-party data

Marketers often work with media companies to define an ideal audience. A media buyer, for example, may work with multiple publishers to execute a campaign targeting males over the age of 45 who also have an estimated household income of more than £50,000. In this scenario, a marketer must ask himself or herself: 'Is each media company I'm working with using the same user universe and data set to define this audience?' Surprisingly, the answer will always be a resounding 'no'. To consider a strategy like this to be truly 'coordinated' is not accurate.

Let's look at an example. John Consumer is a 47-year-old man who has a household income of £60,000. According to the marketer's target audience outlined above, John is a perfect fit for the type of consumer with which the brand would like to engage. During the campaign setup process, one publisher that is part of the marketer's media plan has accurately categorised John to be a 47-year-old male, but it believes his income is below £50,000 because of the online behaviour he exhibits. Another publisher in the media plan believes John is a male who makes more than £50,000 but estimates his age at 37 because of faulty survey data. In this scenario, a great prospect is not targeted because of inaccurate and disparate information.

This example illustrates the importance of defining an audience up front using a consistent data set and addressable media in order to execute a coordinated cross-channel campaign. By doing so, a marketer ensures that the individuals he or she engages through one channel are the exact same ones that he or she is interacting with in another channel.



The best place for a marketer to start defining a focus for an addressable campaign is with his or her own data. First-party data is one of a brand's biggest competitive advantages because it often consists of PII from the brand's CRM file. By bringing this proprietary information to the targeting table and working with a trusted third party, marketers are able to unlock additional data elements of their customers that were previously unknown and leverage addressable media to 'light up' those customers as well as identified prospects across a growing number of channels, enabling an integrated cross-channel strategy.

To do this, marketers must share their PII with a trusted third party — often they can begin with the same file that they already use for email or direct-mail campaigns — which anonymously matches those individuals to the audience IDs of the cross-channel media company. Instead of just communicating with customers through email and direct mail, marketers can then leverage additional addressable media to communicate with their customers through display ads online, mobile devices, preroll or postroll online video ads and even television commercials. This communication also increases both reach and impressions to those individual targeted customers using a coordinated and consistent message strategy.

First-party data is an important foundation, but it is often not enough, in and of itself, to maximise success. Marketers must understand when and how to combine and enrich their first-party data with second- and third-party data. Working with agencies and data companies, marketers can gain access to important information about their customers' behaviours, attitudes and purchases that take place outside the brand's domain. This information makes their campaigns directed at existing customers more engaging thanks to a deeper understanding of their preferences and motivations, but it also can be used for enhanced segmentation and targeting. For instance, if an insurance company is targeting its automotive-policy holders for a cross-sell campaign for either homeowners or renters insurance, it needs to know whether each of those customers are owners or renters. By purchasing this information from a third party and layering it onto his or her own CRM file, the marketer will be able to offer each customer the add-on policy that is best suited for him or her, generate greater ROI and provide a better experience.

Marketers can use first-party data to develop custom lookalike models to find more consumers who resemble their best customers for prospecting purposes. Sophisticated data companies will be able to run a lookalike model against a consumer database to identify individuals to target in acquisition campaigns, while anti-spam regulations prevent them from reaching these individuals through email, marketers still can engage consumers directly through ads targeting them through other digital addressable media as well as traditional direct mail.



Challenge: A leader in the online soft-goods space refused to accept the high cost per action (CPA) and below-target ROI it was getting through its traditional acquisition campaigns. Having invested heavily in developing a 360-degree view of its customers, the company's marketers felt that a lot of that in-depth insight was going to waste when converting targets to geodemographic and behavioural surrogates for media buys. The marketer wanted the precision of direct marketing in the digital world and beyond at scale.

Resolution: Trusting that a true one-to-one targeting approach in its cross-channel acquisition campaigns would help the company meet its aggressive goals, the marketers sought a way to deploy targeted ads to known individuals rather than 'best match' proxies. Selecting Experian Marketing Services, which has established relationships with a vast array of media companies as its digital advertising partner, made that possible.

The marketers began by identifying individual acquisition targets through sophisticated lookalike models that were based on the high-definition profiles of the company's best existing customers. The marketer was then able to leverage Experian's advertising partner's cross-channel media relationships and expertise in privacy regulations to perform a series of direct database matches between the acquisition targets and various publisher audiences. This made it possible for the publishers to deliver their advertisements directly to those identified individuals — and only those individuals.

When it came to digital display, the marketer ensured that the ads were highly personalised and relevant to each target customer. Informed by the marketer's high-definition profiles, Experian passed instructions to the publisher as to the specific mix of products, messaging and offers to feature in its dynamic creative ads. Furthermore, the marketer developed a pixel strategy to ensure that as individual targets converted into customers, they were dropped from the campaign.

Results: The marketers not only met aggressive CPA goals, but also saw a significant boost in performance KPIs. In fact, by switching to an addressable tactic, the marketer registered a lift of more than 25 per cent over the company's previous acquisition campaign benchmark.



Factors to consider when building your audience

Before a target audience can be pushed out and media planning can begin, marketers must consider several factors relating to the size of the audience and the best method of audience creation.

Size of audience

Determining the right size of the target audience is important. Having a precisely-defined target may increase conversions, but if the audience is too small, the marketer won't be able to reach his or her goal. Marketers must ask themselves if they will be able to achieve their targeted store visits, purchases, test drives, etc. with the audience they have selected. Marketers may also have a difficult time meeting the minimum spend requirements of media vendors if their audience is too small, restricting their ability to try more advanced targeting, optimisation, measurement and creative techniques.

On the flip side, if an audience is too large, it may be impossible to meet the expected conversion rate. A larger audience results in greater reach, but marketers should prepare for a higher cost per acquisition. Working with a trusted data provider and adjusting the declines within the target segment or model can help get past a 'Goldilocks' sizing issue of too small or too large.

Actual versus modelled

Including only consumers that match actual qualifications in a target segment is ideal but often will not scale efficiently. For example, if the strategy involves sending a follow-up message regarding a specific offer, targeting only users from the original email distribution list makes sense. However, if the strategy is to gain new customers, modelling a new segment off of an existing email list would allow the marketer to gain new users and scale a campaign while being more efficient with his or her media. Most brands will use both methods to achieve different strategies — actual is more often employed for retention and cross-sell campaigns, while modelled is used more for prospecting and acquisition.

Household or individual level

The primary determining factor whether a prospect should be limited to an individual or a household is the product or service being sold. Is it something commonly selected or used by all members of the household, such as food, paper towels, insurance, etc.? There are products that apply to more than one member of a household, even if only one person made the purchase. If the purchase could be selected by one member of the household but purchased by another (e.g., the kids choose which chocolate bars they want, but a parent makes the purchase), a household targeted media buy would be applicable.

On the other hand, most products are selected and purchased by the same individual. For example, woman's shoes would likely only resonate with the females within the household. Likewise, celebrity-gossip magazines may be of interest only to younger members of a household, even if it is possible to share among all residents. Pharmaceuticals can be very tricky. While things like asthma control are used only by certain members of the household, it's not uncommon for spouses as well as children and parents, especially in multigenerational households, to influence or even make medical decisions for other household members.

The media selected could determine whether it's possible to target an individual level or the household. Addressable television, for example, can get to the household level at most, while mobile devices are consistently restricted to individual-level targeting.

Targeting based on cookies

In the digital space, the term 'on boarding' typically refers to the idea of on boarding offline data into the online space via cookies in an aggregated, anonymised manner. Today, cookies are still the common currency for audience targeting, outside of the direct-matching capabilities previously outlined in this section. Because cookies remain the common language spoken between parties within the ad-tech ecosystem — including advertisers, publishers, data providers, data-management platforms (DMPs), demand-side platforms (DSPs), supply-side platforms (SSPs) and the on boarders themselves — cookies provide advertisers with enhanced targeting capabilities and flexibility when working with ad-tech vendors to achieve their marketing goals.

If an advertiser is looking to work with a specific digital ad-tech company who does not offer direct-match-audience capabilities, cookies provide a great alternative to lighting up offline data for effective targeting. However, cookies do have their limitations. Let's take a look at both the pros and cons of a cookie-based audience targeting and analytics strategy.



Cookie-based audience targeting and analytics strategy

Pros	Cons
Ability to activate offline data for online targeting	Limited match rates on initial audience (15 per cent to 35 per cent)
Powers site and email retargeting campaigns	Cookie drop-off when transferring a segment from on boarder to a targeting platform
Personalised user experiences with better ads and on-site content	Duplicate cookies set on a single individual across devices and browsers
Flexibility working with various companies	Limited mobile capabilities
Users can easily control cookie settings and history	User cookie churn and deletion
Ability for marketers to measure impact of online display on in-store purchases	Closed-loop analytics rely on targeting platform to provide complete and accurate exposure data
Onboarder strips PII to maintain privacy compliance	Additional on boarding costs for marketers
Enable marketers to monetise their own data and sell it across channels	Some networks block various types of cookies
Can be powerful when overlaid with additional third-party data-targeting parameters	Process may take weeks, so data may become stale during the on boarding setup

Each marketer needs to look closely at the pros and cons of the cookie ecosystem to determine if that approach will help them achieve their campaign goals. In campaigns with a larger starting audience size, a cookie on boarding approach should work adequately. However, for a brand that is looking to target a much smaller, niche audience, the limited match rates and vulnerability of the cookie space may drive them towards utilising an audience match process with a media company that does not require the use of third-party cookies.

Addressable media, leveraging privacy-compliant processes to match PII-based consumer targeting data to the audience universes of addressable-media companies, empowers today's top marketers to target and reach their most valuable customers and prospects more effectively. Furthermore, this approach not only enables marketers to deliver one-to-one messaging, but also measures campaign impact through closed-loop reporting. That means advertisers can tie campaign exposure data directly back to both online and offline sales in order to truly understand the ROI of their marketing dollars. The end result is an efficient, engaging cross-channel strategy.



Intelligently interact with customers across channels

The time for addressable advertising is now

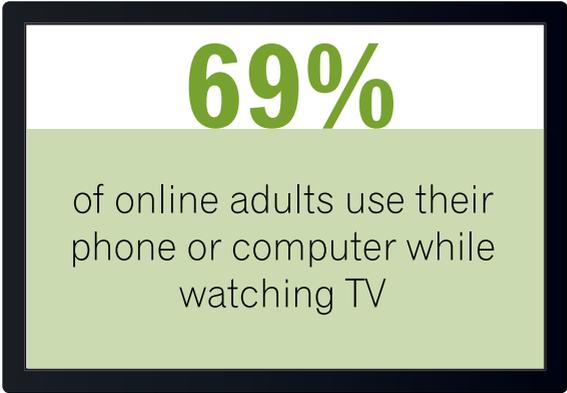
Marketers are well aware that the explosion in media channels continues, and customers are moving fluidly across them. The smartphone is becoming an increasingly important part of that mix, having surpassed the home computer in terms of daily reach and is quickly closing in on television.

In fact, Experian Marketing Services found that mobile devices in the US account for 30 per cent of all internet browser traffic and 50 per cent of Millennial smartphone owners are mobile dominant - meaning they access the internet more through their phone than a computer.

Mobile devices now account for 30 per cent of all internet browser traffic and 50 per cent of Millennial smartphone owners are already mobile dominant.

With the constant bombardment of advertising across channels and devices, marketers need to respond to those demands not only to engage consumers, but to give them a reason to pay attention in the first place. One of the best ways to do this is through addressable advertising. With messages, content and offers tailored to the lifestyles, mind-sets and preferences of individual customers and best prospects delivered through the addressable media channels those consumers use and to whose advertising they are most receptive, consumers will naturally lean in. In addition, even if an audience doesn't take note of an ad right away, addressable media's ability to activate a true cross-channel strategy to engage a marketer's targeted individuals across the media landscape with a consistent campaign is more likely to capture the attention and interest of even the most ad-weary consumers.





Source: Experian Marketing Services, [Smarter strategies for successful acquisition programs](#)



Thomson Sport acquires new customers and engages the right audience segments with Experian's Alchemy Social Facebook ads manager platform

Challenge: Thomson Sport, a member of the TUI Travel PLC Group of Companies, was the exclusive provider of World Cup packages for the 2014 FIFA World Cup in Brazil. With football becoming increasingly 'social' and nearly three million fans of the England team's Facebook page, Thomson Sport needed to maximise the potential of social media. Key requirements were to:

- Identify the correct target market for their World Cup packages
- Find and reach these potential customers on Facebook
- Maintain a low CPA while driving potential customers to the Thomson Sport Website
- Validate the resulting customers for further targeting

Resolution: Thomson Sport decided to incentivise individuals who matched their ideal customer profile to provide their email address in return for the chance to win a free trip to watch FC Barcelona train. This activity also provided the opportunity to register interest in 2014 World Cup packages. The success of the campaign relied on being able to target only those individuals that matched the perfect customer profile.

They worked with Experian Marketing Services to profile their data against two types of segmentation models, Mosaic UK and Financial Strategy Segments. This information enabled Thomson Sport to have a deep understanding of their perfect customer, their demographics, lifestyle, preferences and buying behaviours.

Using Experian's Alchemy Social Facebook ads manager platform, the Experian team leveraged this deep customer insight across three stages:

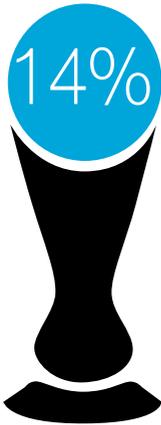
- **CRM:** Using Facebook custom audiences, the segments were uploaded into Facebook to find existing customers likely to purchase a 2014 package. The creative message was tailored based on the Experian segment the individual fell into.
- **Acquisition:** Once these segments were in Facebook, look-a-like audiences were created by matching key characteristics against Facebook data. This stage delivered new customers for Thomson Sport that matched the profile of their perfect customer.
- **Overlaying Facebook targeting:** By filtering the lookalike audiences with Facebook targeting options such as 'English football fans', the target audiences were further refined, increasing the likelihood that they would be both interested in the packages and able to afford them.



Results: The Experian Marketing Services team was able create multiple messaging options for multivariate testing at scale, quickly optimising data sets and creative mix to ensure they were hitting the best performing audience segments.

Using the new email addresses captured in response to the campaign, Experian further profiled the data to validate it against the intended audience segments. This information can now be used for cross-channel marketing campaigns or further targeting via Facebook custom audiences.

- 14 per cent of the targeted audience registered an interest in the Brazil World Cup, higher than the other channels used as part of the campaign
- The match rate between Experian's data and Thomson Sport data was 99.75 per cent, providing Thomson Sport with an extraordinarily detailed view of its customer base
- Analysis following the campaign showed that those individuals who registered interest in the 2014 World Cup packages were nearly 2.5 times more likely to fit the Mosaic profile that Experian defined, validating the accuracy of the targeting strategy



registered an interest
in Brazil World Cup



99.75%
match rate

between Experian's and Thomson Sports' data



↑ 2.5X
more likely

to fit the Mosaic profile that Experian defined

Programmatic is the future of digital advertising

Marketers may have heard the term 'programmatic advertising' but not everyone is 100 per cent clear on what it entails. Programmatic on its own means 'automated' or 'run by machines'. Programmatic advertising, on the other hand, has more of a specific definition – 'automated bidding across many types of ad space on many websites simultaneously'.

To put it simply, there are brands that want to advertise, and media publishers that have traffic and want brands to buy ads on their websites. With that premise, it comes down to the two sides optimising all the ways ads are bought and sold.

It's in both parties' interest to get these ads working as well as possible. The brands want more leads and the publishers want brands to have successful campaigns so that they keep spending money. However, brands want to spend less while publishers want them to spend more, but to spend more, they have to be successful. What has evolved in the gap is a whole range of ad agencies, networks and brand representatives that specialise in optimising ad campaigns for both publishers and brands.

Programmatic advertising throws this on its head. It uses machines and algorithms to buy ads in real time. In the past, when a specific type of customer appeared on a site, the ads shown to that person were predetermined, depending on who had bid what. But with programmatic advertising, an algorithm calculates the relevance of an individual user in real time. It then calculates how relevant that user is to the brand and bids accordingly. It will bid again if it is outbid and continue to do so until the amount being spent on the bid is more than the estimated worth of that user.

In addition, messages can be tailored in real time to take advantage of specific events (sports tournaments, seasonal holidays, birthdays, etc.), behaviours and times. This means different ads can be shown to different people depending on what is known about each user, thereby tailoring the message to the individual in real time.

For marketers, programmatic advertising means identifying their highest-value customer segments, personalising the message and learning what works and what doesn't, extremely quickly.

Programmatic technology will play a huge role in the way marketing is performed. In all likelihood, we will see a marked shift from a narrow focus on separate channels or audience segments toward a customer-centric view across all of them.



The emphasis will be on knowing the customer, not knowing the channel.

The marketer's role will continue to shift, leading to the need for skills that are more data-driven. This brings us to the crux: programmatic advertising lies at the intersection of data and technology. The technology is there, but without the data, it is powerless.

Brands with the correct level of high-quality customer data and that are able to manipulate and analyse that data sufficiently will be better equipped to adapt to a programmatic future. Brands without clear insights into their audience will be unable to make the most of programmatic advertising, as they will not be able to segment their best customers sufficiently. However, there is still plenty of time — as we have discussed, programmatic advertising is the future — and it's still possible for brands to make sure they are ready.

Creative digital display formats

Digital creative formats have opened a whole new world for designers to create ads customised to users and ads that encourage consumer interaction. The following are some of the most common digital formats as well as a few questions that marketers should ask themselves to determine if each format is right for their campaign.

Dynamic ads

Dynamic ads have been around for nearly 10 years and are increasingly more and more sophisticated. Fortunately, dynamic ads are available in rich media and video formats, so marketers don't have to choose one or the other if both are a fit for their strategy.

How many products are being showcased? If a marketer's product list stretches into the hundreds or even thousands, they should probably consider dynamic display ads. Dynamic ads allow the right product to be selected for the particular consumer at the time of the ad call. Instead of designing a generic ad that may appeal to large groups, dynamic ads can be customised to showcase the exact product most likely to catch that user's eye. While this technique most commonly is used for site retargeting, showing the user the last product he or she viewed on the website, it also can be used very effectively in prospecting. If the ad is being displayed to a 27-year-old man in Manchester, for instance, an optimisation algorithm can comb through a list of products and select the item that has shown the best performance for similar consumers.

Is localisation important? Dynamic ads are a good idea for running geographically large or even national campaigns with the goal of customising the ads to the consumer's community. For example, a national insurance provider

can run an efficient national media buy but expose consumers to an image and contact information of their local agent. Retailers can also customise the store location and offers based on the consumer's location.

Is creative testing being performed? Since dynamic ads are essentially made of puzzle pieces that can be changed out easily mid campaign, they are ideal for creative-testing programmes. This is perfect for seasonal campaigns that require rapid changes (e.g. football messaging quickly transitions to Christmas, then to New Year's and back again to football).

Is there limited flexibility for changing creatives? Some brands try dynamic creative optimisation simply to try new technology. If a marketer put a very limited number of variables into the process, they are not likely to see any improvement in performance. A large number of potential unique ads need to be possible in order for dynamic ad engines to make optimisations or truly personalise an ad for a consumer.

Be sure to include conversion data when making dynamic creative optimisations. There is nothing worse than showing someone an ad for a lamp he or she purchased two weeks ago. Displaying a complementary product will prove much more effective, reducing wasted ads and a negative customer experience.

Mobile ads

Mobile advertising has grown more than any other format in recent years and accepts many of the same ad formats as desktop digital platforms, including dynamic ads, rich media and even video. Before trying to reach users on the go, however, make sure it is a good strategic fit.

Is the website optimised for mobile? A good brand experience can quickly turn negative if its website is not optimised for mobile. If a user is exposed to a mobile ad and attempts to engage with the related website on his or her mobile device, the last thing the marketers wants is for the user to come away frustrated from a lack of mobile functionality.

Is the right mobile-media provider in place? Can the mobile-media provider meet the targeting and post-campaign analysis needs to coordinate with other techniques being used? Much of the digital industry is reliant on cookies for tracking and targeting, but since cookies frequently don't function on mobile



devices, many mobile campaigns are not well-targeted and are measured based on click-through rate (CTR), which is a relatively poor metric given that more than 40 per cent of mobile clicks are accidental or fraudulent. Given that fact, a post-campaign analysis measuring sales (cross-device or in-store) is preferred for evaluating a mobile campaign's performance.

Don't be distracted by bad metrics. Many brands believe it can't hurt to optimise their campaigns to two metrics: Conversion rate and CTR. Optimisation engines are similar to a GPS — they can only be moving toward a single location, or goal, at a time. If a marketer is optimising a campaign toward CTR, they are not optimising to conversions. If a metric is needed for 'learning' before there are enough conversions, consider engagement or site visitation.

Video ads

Video is more important than ever with a record number of customers cutting the cord and getting most, if not all, of their video content from online sources.

Video still has the ability to tell a story better than most other formats, so it may perform well.

Is the goal direct response? Online video advertising can be expensive, relative to display ads. If the campaign strategy is lower funnel with a tight conversion goal, video may not be the best fit. For campaigns aiming to increase awareness, well done video units can have a similar impact to television with a lower price tag, better optimisation and post-campaign analysis capabilities.

Is there enough video content? Many online video viewers tend to 'binge watch' online content, taking in multiple episodes at a time. This could result in a consumer seeing video content multiple times during his or her viewing session. This can be good if multiple creative variations are available, creating a richer brand experience. It also can quickly result in creative fatigue if the consumer is exposed to the same content over and over again, resulting in lost focus or a negative brand experience. If only one piece of video content is available, consider enabling a frequency cap to expose the viewer only once or twice to the video, but follow up with display or rich media ads elsewhere online.

For prospecting or acquisition campaigns, make sure to keep the search budget balanced appropriately in the media mix. Imagine a user sees a video, rich media or display ad for a product he or she is interested in. He or she doesn't have time to click immediately but later conducts a search and is presented with plenty of options — from the competition. Reducing the search budget to increase the prospecting budget is a delicate balancing act. If unbalanced, it could be driving leads a competitor's website.



Executing a cross-channel strategy

When executing a cross-channel strategy, marketers must select media channels not only based on their target customers' habits and preferences, but those that are best at delivering the message tied to each stage of the customer's journey.

According to a Forrester Consulting study, current rates of channel integration fall short of what is needed for true cross-channel marketing.

“Even a mature, effective channel such as email had limited integration — only 54 per cent of respondents said email was integrated with search retargeting, and that was the most of any channel. On average, any two channels are integrated by only 45 per cent of respondents.”

The study suggests that marketers prioritise channel integration and start with email.

“Identify where email is most relevant and influential in the customer's path to purchase and then incorporate additional channels along that path that tie all the communications together.”*

54% of respondents said email was integrated with search retargeting, and that was the most of any channel .

With that in mind we've put together a few examples of tactics to engage with customers throughout their life cycle. These include best practices for automated welcome emails, transactional emails and cross-channel reactivation campaigns.

Welcome emails

Welcome emails are a great opportunity for marketers to set the tone of the brand-to-customer relationship and gain more information about their customers to personalise future interactions via email and other channels. Our experts highly recommend sending a series of welcome emails before inserting a customer into a brand's promotional stream. This helps set expectations for the type of content and cadence of communications the customer will receive in the future. Recent Experian Marketing Services' data shows that although promotional emails perform well, informational or 'thanks for joining' messages drive significantly higher transaction rates and revenue per email. What's more, welcome emails triggered in real time versus a batched method received 10 times the transaction rates and revenue per email.

Source: Experian Marketing Services, [Welcome emails best practices guide](#), 2014

* Forrester Consulting, *The Road To Cross-Channel Maturity*, August 2014.



Transactional emails

The engagement process does not end when a customer makes a purchase, opens an account, etc. There are plenty of opportunities to drive more business after a transaction. Thank you emails have delivered as high as eight times the revenue per email compared to regular promotional emails, and e-receipts (receipts sent via email) have double the unique open rates of regular promotional mailings.

Enhancing e-receipts with features such as a simplified navigation bar, dynamic products or location information significantly improves performance rates. What's more, they offer the opportunity to expand engagement to additional channels like mobile or social.

Experian Marketing Services' clients sending enhanced e-receipts have achieved:

Up to

↑600%

increase in clicks

Track package



Up to

↑125%

increase in
transaction rate



Up to

↑360%

increase in revenue
per email



Cross-channel reactivation

Reactivation is the process of defining and identifying inactive customers, followed by marketing efforts to re-engage them. These kinds of campaigns represent one of the highest ROI opportunities with low associated cost. Past buyers open, click and transact at much higher rates than non-buyers. In fact, transaction rates for buyers are almost double compared to non-buyers. In addition, having a large number of inactive email subscribers can pose great deliverability and ROI concerns, such as:

- Poor engagement rates
- Low inbox placement rate (IPR)
- Risk of old data converting to spam traps
- Internet service providers (ISPs) reclaiming accounts over time

Marketers can use a variety of reactivation tactics to stand out against competitors.

Make them an offer: Sending inactive customers an enticing offer is a proven tactic. In a recent Experian Marketing Services' study of 44 clients sending reactivation email campaigns, those including an offer in the subject line boosted engagement rates for almost all campaigns. Brands that don't have a discounted offer available should consider offering free services, a download or an upgrade.

Create a series: It's important to remember that inactive customers most likely will not click on the very first email sent, so it is wise for marketers to consider sending reactivation emails in a series, such as in the example below. The language used can become increasingly more direct and urgent as the series continues. Our research shows campaigns sent once per quarter had the highest open, click and transaction rates.

Be mobile: According to recent Experian Marketing Services' data, more than 50 per cent of consumers check and read their email on mobile devices and this number continues to increase. It's therefore extremely important for marketers to make it easy for customers to click through reactivation emails or take advantage of a brand's offer through a mobile interface.

Go cross-channel: If a customer is unresponsive by email, there is a chance that he or she may have deactivated his or her account or is using a different email address that isn't on file. Sending a direct-mail piece in addition to an email is one way brands can leverage another channel to increase the chances of reaching and re-engaging unresponsive customers.



Welcome them back: If and when customers do re-engage, thank them for coming back. Remember, welcome emails garner 86 per cent higher open rates than regular promotional mailings. Marketers can pique returning customers' interest by telling them what's new and reintroducing them to their brand.

An email consortium: By performing a PII-based match to a third-party database, marketers can determine the activity level of an email address across a large number of other brands. If an email address is actively being used for a subscriber who just isn't responding to a brand's email, they at least know that the address hasn't been abandoned. In addition, leveraging insight from across the industry, the marketer can understand the frequency and type of email programme to which that consumer is responding and plan their engagement strategy accordingly.

Experian Marketing Services, Reconnect with your inactive subscribers, 2014.

Experian Marketing Services, [Email reactivation best practices guide](#), 2014.

Experian Marketing Services, [Q3 2014 Email Benchmark Report](#), 2014. An Experian benchmark and trend report.

Mobile integration in cross-channel campaigns

Based on our 2014 state of cross-channel marketing survey of marketers from more than 100 of the world's leading brands, the number of brands leveraging mobile marketing is increasing the fastest year on year compared to other channels. However, the tactics being employed vary, and few brands are capitalising on the full range of mobile tactics available, meaning there is even more room for growth.

Thirty-one per cent of brands surveyed are sending SMS or MMS messages to customers. The most popular campaign types are promotions and discounts. Eighty-six per cent of brands surveyed have a mobile app, and 42 per cent of those send push notifications. Sixty per cent do so once a month and 35 per cent send at least once per week. The number of brands with mobile sites has reached 71 per cent, an increase of 10 per cent year on year. It is expected that this number will soon near 100 per cent as brands become more adept with mobile optimisation. In addition, brands are 31 per cent more likely to have a mobile site than a mobile app, indicating that mobile-site development is a higher priority for brands.

The number of brands with mobile sites has reached 71 per cent, an increase of 10 per cent year over year. In addition, brands are 31 per cent more likely to have a mobile site than a mobile app, indicating that mobile-site development is a higher priority for brands.

Mobile as a channel may be continually on the rise in terms of reach and time spent, but the medium has not enjoyed a comparable boost in ad spending. In fact, marketers are still devoting a much smaller share of their marketing budget to mobile than the audience reach and time spent would suggest. That is due mainly to the breakneck speed at which consumers have flocked to mobile, leaving marketers racing to catch up. While television still commands the lion's share of ad spend, mobile budgets are growing rapidly as spend shifts to match engagement. (Note: See chart on the following page for mobile growth.)



Media reach and time spent versus ad spend

	Seven-day reach	Seven-day time spent*	Budget
Television	97.1%	28 hours 2 minutes	38.1%
Desktop	78.3%	27 hours 36 minutes	18.4%
Mobile	69.4%	20 hours 36 minutes	9.8%
Newspaper	66.9%	2 hours 22 minutes	9.3%
Magazines	64.7%	2 hours 54 minutes	8.4%
Radio	85.0%	6 hours 43 minutes	8.6%

*Time spent among device users • Note: Budget does not show 7.5 percent of budget allocated to other media
Source: Experian Marketing Services (reach and time spent); eMarketer, June 2014 (budget)

Analysis for driving the customer strategy

Customer-centric marketing puts the customer at the centre of everything they do to create passionate brand loyalty, resulting in better business performance. This requires a balance between traditional campaign analysis and optimisation and metrics that represent the true value of customers. To enhance the customer experience while achieving desired marketing ROI, marketers must understand their customer, know the metrics that matter - to acquire and service the customer effectively and profitably - and evolve the customer strategy accordingly. Achieving customer centricity is no small task given that many organisations still operate in silos and do not have a consolidated view of their customers.

While marketers want to lay out a strategy for measuring customer value, they also want to ensure that they're focusing on improving programme effectiveness by considering the metrics that truly drive value for the business today.

Customer-centric marketers fundamentally need to understand the value of their customers in order to lay out a strategy for how they plan to focus their investments in the products they offer, their pricing model and how they will service customers. It's hard to imagine a premium automotive brand selling exclusively online without a high-touch showroom experience, or a discount retailer offering free shipping to every online customer. Establishing KPIs for measuring and analysing performance against customer strategies is critical to ensuring that the strategy has been effectively implemented and that the business is headed in the right direction.



While revenue and profit is the ultimate arbiter of success for any business, customer-centric marketers should use the following metrics to guide their customer strategy:

- **Recency, frequency, monetary value (RFM)** — Recency of purchase, frequency of purchase and total value of purchases is a traditional direct-marketing measure for understanding customer value to guide near-term investment.
- **Customer lifetime value (LTV)** — This is a key metric to understand the investment needed to acquire and serve customers. It measures, in present value, the total potential revenue of a customer over his or her lifetime minus the total cost to serve that customer.
- **Customer loyalty** — While many marketers have adopted the Net Promoter Score as a means of determining customer loyalty based on a customer's likelihood to recommend their brand, it is just one metric for understanding the value of a customer. Customer-centric marketers might also consider share of wallet as another key metric to understand customer value by gaining insight into how much of a customer's business they are commanding compared to their total spend in a category.

Implementing a process for establishing and measuring these KPIs will help drive better investment decisions across the business and better align the organisation to stay focused on the customer.

Performance-driven marketers who truly desire programme optimisation based on customer-centric strategies rely on deep and accurate insight into how their programmes are performing. They are the ones who consistently evaluate their programme against monthly, quarterly and annual goals based on not only industry benchmarks, but, more importantly, their own organisation's specific KPIs. It is important to remember that each channel will, and should, have its own metrics for measuring performance against key customer segments. For example, metrics for email include deliverability, bounce and unsubscribe rates, open rates, and engagement. Each channel needs to maintain specific metrics or risk becoming invaluable or irrelevant to the customer journey. Every marketing tactic is striving to make that magic moment — a conversion, purchase, etc. — happen.

We know that depending on the product or service, the customer journey looks very different, and each journey has a different level of complexity. Buying toothpaste



may seem quite transactional for the average consumer, but we know marketers spend millions of dollars in advertising and promotion to establish differentiation and to secure that purchase. On the other hand, making a big purchase, such as for a house, is very complex and involved from a consumer perspective but is highly localised with a minimal amount of marketing spend by the actual seller.

While we can argue about the relative value of a click or tap in various channels, the performance expectations of branding versus direct response or the value of engagement in social media, it's crucial to remember that customers don't care. They only care about getting what they want, when they want it.

With more consumers using digital channels to facilitate their customer journey, marketers have fantastic opportunities to understand the impact of each channel. They are also able to monitor the health of each channel through its performance data and benchmarks to ensure it continues to deliver value to customers and their journey with the brand.

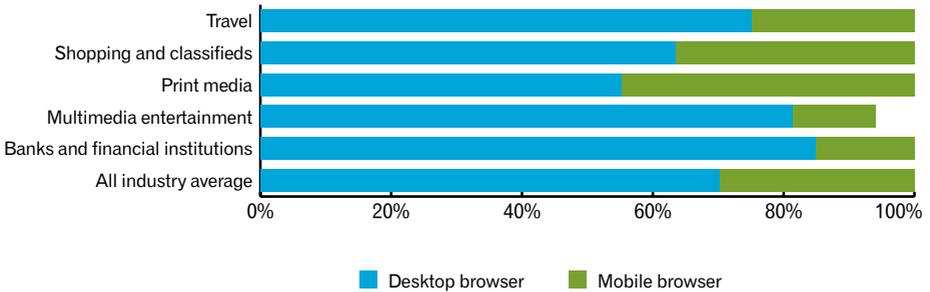
What follows are some key benchmarks and trends to consider for optimising key digital channels used by today's connected consumer.

Optimising those crucial customer interactions

Mobile: key benchmarks and trends

Smartphones are so ubiquitous and unlike traditional mass communication, such as television, they are always on, instant and highly engaging on a personal level. It's not so much a channel as it is a consumer's universal device by which all media is delivered.

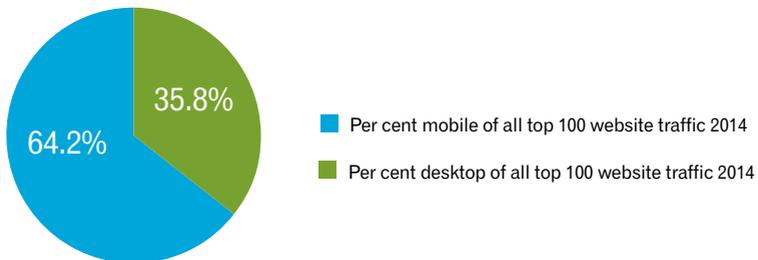
Mobile versus desktop Website traffic



Source: Experian's Hitwise Online Intelligence Platform – four weeks ending December 27 2014, US

While the overall 'shopping and classifieds' category shows a higher percentage of mobile traffic than the overall average, when looking at the top 100 retailers, the percentage of mobile traffic is flipped, with more than 64 per cent of traffic coming from mobile devices. Given the trend of major retailers implementing a mobile-first approach with mobile-friendly websites using responsive design, strong email programs, social media and search, mobile will continue to be the major channel for shopping.

Mobile versus desktop internet traffic to retail top 100



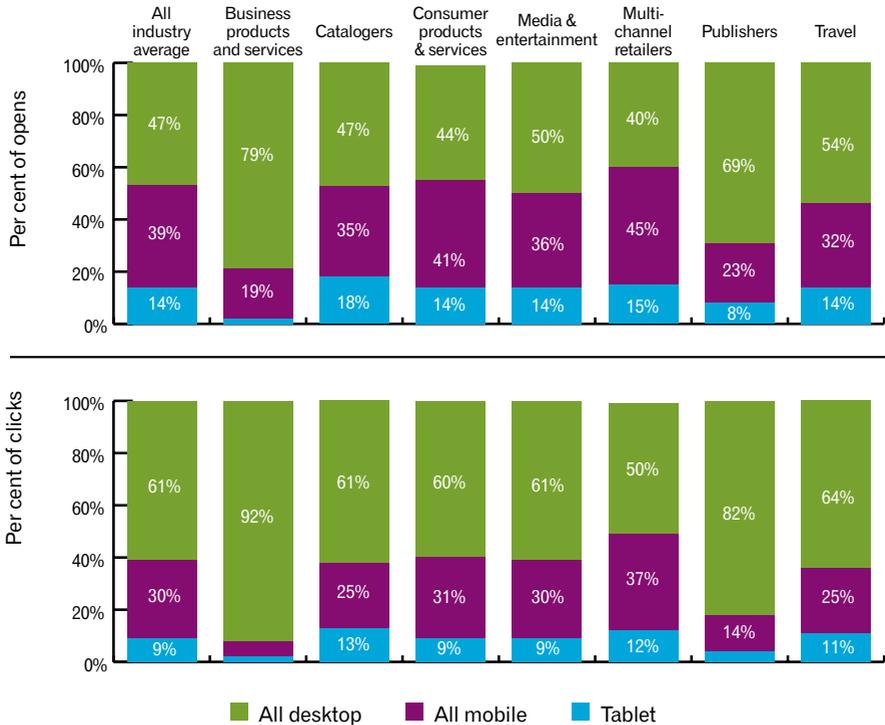
Source: Experian's Hitwise Online Intelligence Platform – four weeks ending December 27 2014, US



Email: key benchmarks and trends

Fifty-three per cent of total email opens occurred on a mobile device in Q3 2014, a 48 per cent increase from the previous quarter in 2014. While 60 per cent of opens occurred on a mobile device for multi-channel retailers, customers continue to show their multi-channel behaviour with an equal number of clicks occurring between desktop and mobile devices.

Email opens and clicks by platform – Q3 2014

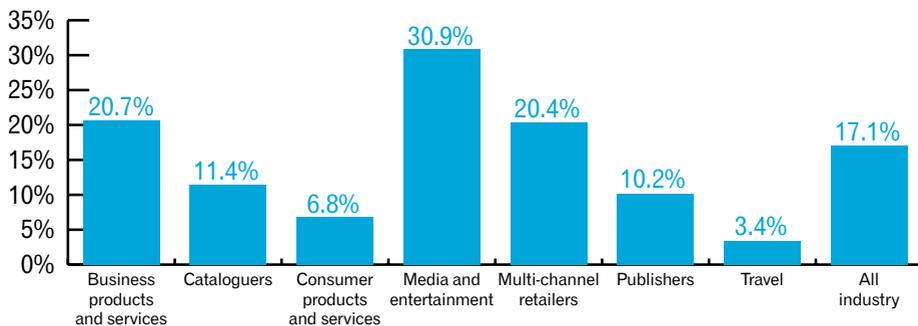


Source: Experian Marketing Services, [Q3 2014 Email Benchmark Report](#), 2014

Email volume increased 17.1 per cent year on year in the third quarter of 2014. Media and entertainment showed the largest volume increase, while only 50 per cent of brands increased mailing during that time period. While multi-channel retailers showed a significant increase of 20.4 per cent compared to 2013, the increase was fairly broad, with 66 per cent of brands increasing mailings year on year.



Volume variance year-over-year by industry – Q3 2013 to Q3 2014

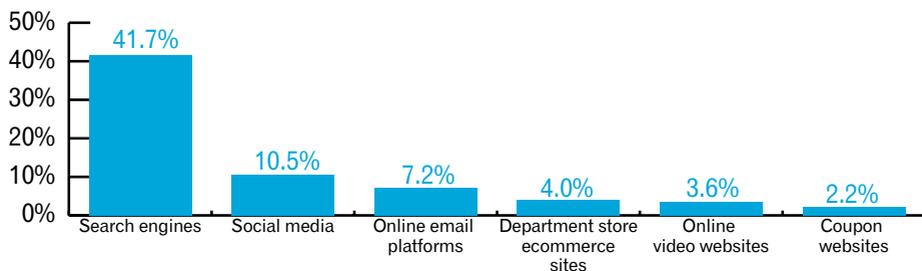


Source: Experian Marketing Services, [Q3 2014 Email Benchmark Report](#), 2014

Search: key benchmarks and trends

According to a recent IAB Internet Advertising Revenue Report conducted by PricewaterhouseCoopers, search advertising continues to dominate both overall digital advertising formats as well as mobile advertising formats, capturing 39 per cent and 51 per cent of ad spend, respectively. It's not surprising that search continues as a most critical format because of its unique position in nearly every stage of the consumer purchase journey. In fact, for the top 1,000 retailers, search engines deliver 41 per cent of their website traffic — significantly higher than any other source.

Top sources of website traffic to the Internet Retailer Top 1000



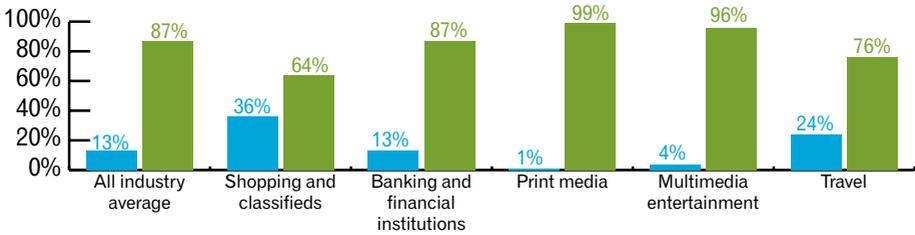
Source: Experian's Hitwise Online Intelligence Platform – four weeks ending December 27 2014, US

As in the past, however, paid traffic still represents only 13 per cent of overall website traffic. Not surprisingly, retail and travel derive the most traffic from paid search as they seek to capture consumers in active purchase cycles.

16 Interactive Advertising Bureau, IAB Internet Advertising Revenue Report conducted by PricewaterhouseCoopers, 2014.



Paid versus organic search traffic



Source: Experian's Hitwise Online Intelligence

Platform – four weeks ending December 27 2014, US

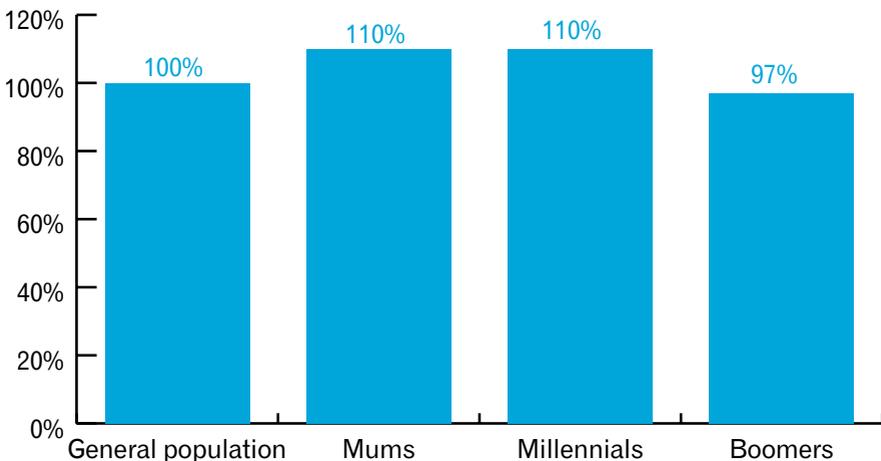
■ Paid search traffic

■ Organic search traffic

While paid search is important in highly competitive industries, with 87 per cent of traffic derived organically, managing to optimise one's site for search as well as developing a content strategy to make the site discoverable is critical to the success of every marketer. To do that, marketers need to focus on their target audience and ensure the balance of their content and keyword portfolios align to their audience's interests and search behaviour.

For example, one Experian online media client found that Millennials and mums used more detailed long-tail searches, including five or more words, when looking for electronics. In fact, these two key audiences were 10 times more likely to use long-tail searches than the overall population.

Long-tail (five or more terms) search index



Source: Experian's Hitwise Online Intelligence Platform – four weeks ending December 27 2014, US



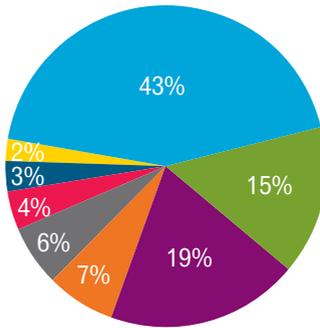
The online media company also found that there are differences in the content that each of these audiences is interested in. Mums are much more focused on comparing prices while looking for specific devices and accessories as compared to Millennials, who are just looking for deals on mobile phones and plans. With that insight, the client developed a content plan to address these specific audiences and capture more of their search traffic.

Advertising: key benchmarks and trends

Internet advertising continues to grow with mobile advertising increasing in share among various formats. According to the IAB Internet Advertising Revenue Report, the overall internet advertising year on year growth in 2014 was 15 per cent. Interestingly, mobile-search and mobile-display formats make up 98 per cent of all ad spend in mobile, representing a shift in screen size for the dominant ad formats but not a change in advertising strategy. Overall, the report indicates growth in all ad formats with the majority of the share still going to search and display when mobile formats are included.*

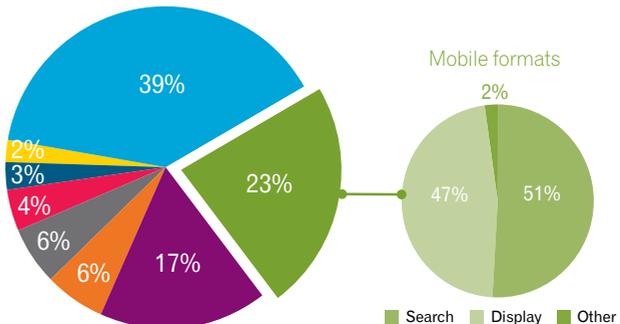
Internet advertising revenue FH2013–FH2014

Ad formats –
first half 2013
Total – £13.58 billion



- Search
- Mobile
- Banner
- Digital video
- Classifieds
- Lead generation
- Rich media
- Sponsorship

Ad formats –
first half 2014
Total – £15.68 billion



Source: [IAB Internet Advertising Revenue Report, 2014](#)

*Interactive Advertising Bureau, IAB Internet Advertising Revenue Report conducted by PricewaterhouseCoopers, 2014.



While internet advertising continues to grow, there are certainly performance differences that need to guide marketers' investment. According to Google DoubleClick, click-through rates for both standard and rich media ad formats between September 2014 and November 2014 have been 0.07 per cent. Interaction rates with rich media were 1.47 per cent with 9.35 seconds of average interaction time spent with the ads, while video completion rates were 64.06 per cent and 38.89 seconds of average time spent with the video.

Mobile versus desktop ad performance comparison



Mobile format: 300 x 50

0.11%

Click-through rate



1.56 sec.

of interaction time



Desktop format: 300 x 250

0.05%

Click-through rate



9.65 sec.

of interaction time

Source: Google DoubleClick, www.richmediagallery.com, September 2014–November 2014

However, when comparing mobile performance to desktop performance, we see a marked difference in performance. While mobile ads have twice the click-through rate, the average interaction time spent is about one-tenth of desktop. This isn't surprising given that the placement of many mobile ads near navigation buttons often create false clicks.

18 Google DoubleClick, Rich Media Gallery Display Benchmarks, 2014



Social media: key benchmarks and trends

Social media went through a significant transformation in 2014 following the IPOs of the past two years. The monetisation of the huge audiences these platforms built through ad sales is in full swing. At the same time, smartphone adoption is beginning to change the industry as photo-sharing-based social apps such as are wildly popular, especially among younger consumers. Video-based social networks are evolving to video-content delivery platforms for professional, ad-supported content with social-media personalities being courted by Hollywood and television networks.

The biggest trend in social media is growth in viral-content sites that facilitate social sharing of news and other stories. These sites leverage the large-scale social-media platforms to facilitate sharing news, entertainment and content for the curious who can't resist clicking or sharing a headline such as, "28 People Who Learned The Hard Way That Tattoo Errors Are Forever. #4 Is So Dumb."

The need for accurate revenue attribution

Gathering accurate data, profiling and understanding customers, and targeting and engaging customers across all channels are all important steps for marketers to take toward creating highly effective communication. However, as consumer behaviour constantly changes and expands across channels, marketers too must constantly adjust their strategies. To make the most informed decisions, marketers need to measure their efforts across channels regularly and determine which efforts — campaigns, pieces of content, media outlets — are driving the most revenue and highest ROI.

It used to be that a lift in sales directly could be attributed to a single campaign — say, a television spot — solely based on the run dates and a control group. However, as technology continues to introduce more devices and channels, the task of attributing revenue to marketing efforts has become much more challenging. The likelihood of a single marketing activity being the sole influencer in generating a consumer outcome is fading rapidly. Instead, consumers are interacting with brands almost constantly through email, mobile, display advertising, television — the list goes on and on. The marketer increasingly is tasked with prioritising budgets and justifying investment decisions by determining the extent to which each campaign, channel or touch-point plays a role in a buyer's journey, resulting in a need for a cross-channel attribution service that can provide clarity among the mix of tactics.

Since developing proper attribution models can be overwhelming, it's easy to understand why many marketers are using limited forms of attribution.

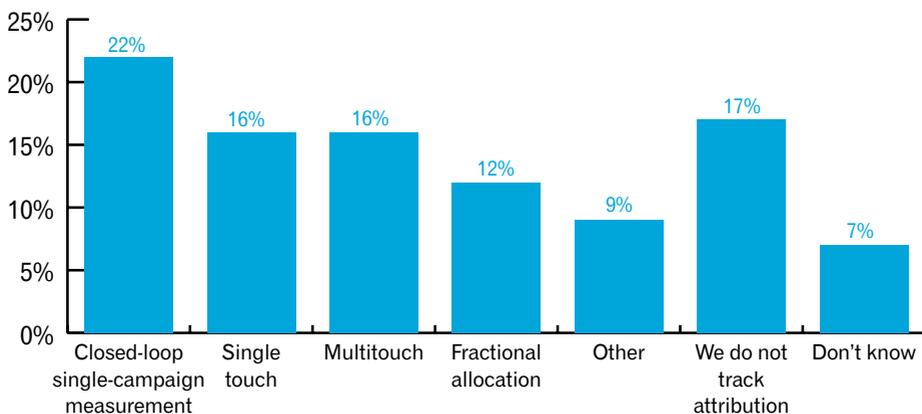


22%

of the marketers in our global study use closed-loop single-campaign measurement and 17 per cent don't track attribution at all.

Sixteen per cent use first-touch or last-touch attribution. The same number of marketers report using multi-touch attribution, attributing equal revenue to each touch, which results in overstated sales.

Revenue attribution process



Source: Experian Marketing Services, 2015 Digital Marketer Survey

Eighteen per cent of UK respondents said they currently do not track attribution – compared to 15 per cent in the US and 17 per cent on average globally. With the majority using first-touch or last-touch attribution (28 per cent, the global average is 16 per cent).

In France, Japan and Brazil, the numbers are nearly double — 32, 31 and 29 per cent, respectively.

Marketers in Spain and France are more likely to use closed-loop single-campaign measurement: 46 per cent and 35 per cent of marketers, respectively.

Getting started in revenue attribution

Employing a meaningful measurement and attribution strategy is key to transforming an organisation to be more customer-centric.

Through well-crafted allocation strategies, marketers can quantifiably justify marketing spend, allocate resources, and inform brand strategies and product development.

More importantly, proper attribution can abolish data silos, favoured-channel biases and gut-based decisions, replacing them with a data-driven understanding of the entire buyer journey.

Of course, there can be surprises and growing pains with any new form of measurement. Marketers who may have previously overstated their influence on sales may find more realistic attribution jarring. However, it's this truthful insight that will enable them to make smarter marketing decisions and reach their customers in more meaningful ways. Marketing attribution can push an organisation to improve in many areas, such as:

- Greater transparency into marketing-operations effectiveness
- Movement away from channel centrism to customer centricity
- Diminution of favourite-channel bias
- Fairer compensation for employees, and impact on marketing budget
- Incentive for siloed-channel/campaign owners to work together

The benefits of a sophisticated attribution program are clear. Yet many marketers, despite knowing the importance of proper allocation, still struggle with implementation. There are a variety of factors that can act as barriers to accurate and meaningful attribution.

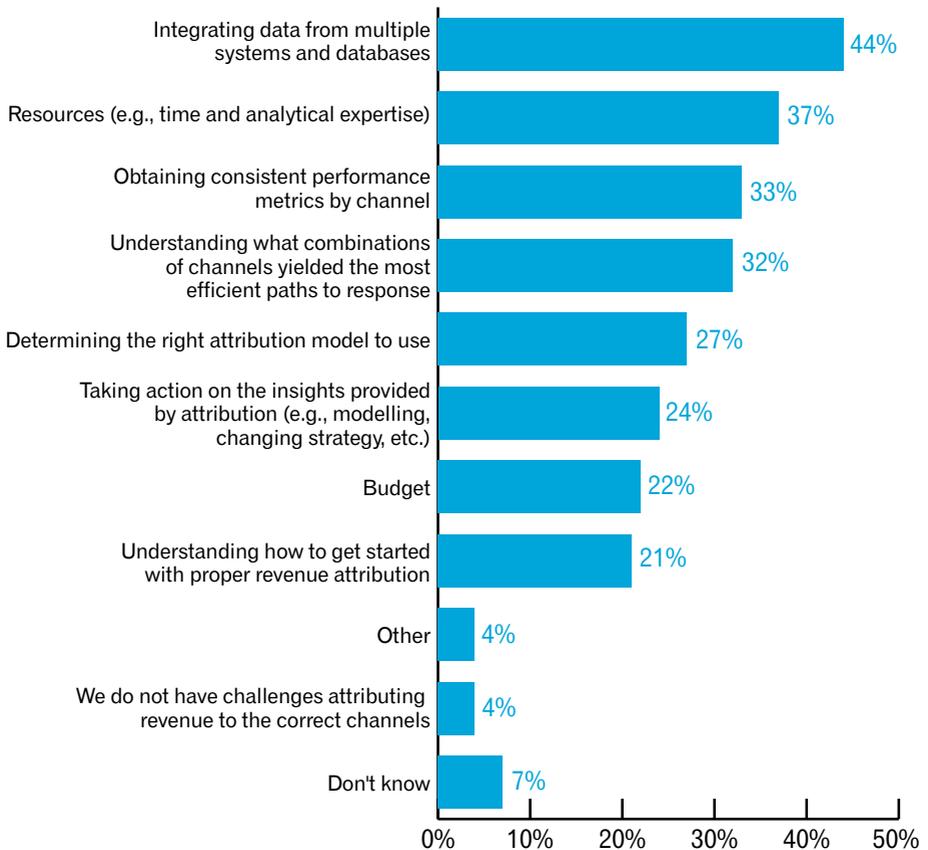
89% of marketers have revenue-attribution challenges.

The top barriers to proper attribution are integrating data from multiple systems and databases, followed by resources (time and analytical expertise) and obtaining consistent performance metrics by channel.



Integrating data from multiple systems is the top barrier to using accurate revenue attribution to optimise marketing spend.

Biggest barriers to accurate revenue attribution



Source: Experian Marketing Services, 2015 Digital Marketer Survey

Time and analytical expertise was particularly challenging in Australia/New Zealand (45 per cent) and North America (42 per cent), whereas in the UK the biggest barrier was integrating data from multiple systems and databases (also 42 per cent).



Marketers in France (24 per cent) and Brazil (30 per cent) weren't as likely to cite this as a top issue. Marketers in Brazil were more likely to cite budget as a top barrier (33 per cent).

Interestingly, marketers in Japan are having the hardest time getting started. Thirty-one per cent said understanding how to get started with proper revenue attribution was a top challenge, and 39 per cent are unsure of the right attribution model to use. The Japanese marketers in our survey also disproportionately struggle with taking action on the insights provided by attribution (33 per cent).

More than one in five marketers in our survey said that not knowing how to get started with proper allocation was holding them back from using accurate revenue attribution to optimise their marketing spend.

The single most important first step toward proper cross-channel marketing attribution is gaining internal support.

Key stakeholders within the organisation need to be prepared for a complex, ever-improving process and the often surprising truths that come with it. Often securing buy-in is half the battle.

Once the marketer has convinced the organisation to move toward smarter attribution, it's okay to take things slowly. If no method of attribution is currently being used, start by measuring a single campaign. Once comfortable with this form of attribution, data sets can be expanded to include more channels and adopt a simple fractional allocation programme. Continue to test and refine until legitimate insights are consistently achieved; this can take upwards of six months, so be patient. The end goal is to apply these refined, rule-based weights to a full algorithm-driven process that constantly updates and optimises performance.

It's important to realise that the most refined forms of attribution cannot be implemented overnight. In our survey, 27 per cent of marketers stated that a top barrier to using accurate revenue attribution was determining the right attribution model to use. Any form of attribution is better than none at all, as long as the marketer understands the limitations within each strategy. For this reason, we will explore three different types of attribution, ordered from most simple to most sophisticated. Depending on the organisation's current strategy and available resources, each one may increase the understanding of marketing efforts and their impact on the bottom line.



- **Single channel measurement/optimisation**

The most logical way for marketers to begin their attribution efforts is to focus on a single channel. Within a single channel, brands can start by completing closed-loop analyses of single campaigns, measuring how customer responses were influenced by a single campaign or touch point.

To take the next step, marketers who primarily engage customers through a dominant channel can begin optimising their attribution methods across campaigns (but still within a single channel). In this level of attribution, the marketer properly attributes responses during a fixed period of time to prior campaigns from that channel. Responses are linked to campaign histories at the individual level through appropriate matching keys such as name, address, email, phone and cookies. To decide which campaign should receive credit for the response, marketers most commonly use first- and last-touch attribution, in which full credit for the customer response is given to the customer's first or last interaction with the brand. As marketers become more sophisticated, though, they can begin allocating credit to different campaigns with a fractional model, weighting each campaign to control for its level of influence.

Single-channel attribution is a logical starting point before embarking on a full-fledged cross-channel attribution program, serving as a baseline and special case to more sophisticated attribution offerings. Data and organisational issues uncovered with single-channel attribution can also pave the way toward true cross-channel attribution.

- **Fractional channel attribution**

As organisations become more sophisticated, they can utilise fractional attribution across more than one channel. This method more realistically recognises the consumer environment and the many touch points that are involved in customer purchase journey. In fractional attribution, each channel is allocated a weighted value based on its importance toward affecting a particular consumer activity. For example, many marketers give the last touch before a purchase a higher weighting than the second-to-last touch, as it seems to have a more direct influence on the final behaviour. Weighting scores can also be determined by variables such as frequency; channel preferences, response lag, etc., and are up to the discretion of the marketer. These weights can be constantly tested and refined for accuracy as time goes on, creating a true (though labour-intensive) way to measure each channel's effect on the outcome.

It's clear that fractional attribution offers a more realistic and helpful analysis of the different touch points that make up a customer's brand interaction. However,

as marketers become more advanced and include more channels, campaigns, interactions and data into their strategy, it becomes more challenging to manually manage channel weightings. What highly effective and sophisticated marketers need is a more precise, automated and data-driven algorithm to determine weighting scores and adjust them as time goes on.

- **Marketing strategy optimisation**

The most sophisticated form of attribution, marketing strategy optimisation, relies on touch point attribution, which takes the fundamental principle of fractional attribution and automates it. This strategy offers a fully-programmed algorithm that combines all data across all channels and brand touch points to precisely recognise and assign credit across a brand's entire marketing ecosystem and close the loop on attributing revenue.

Where fractional attribution uses manual weighting and trial and error, touch point attribution starts at the customer-event level, incorporates data from every channel and online and offline interactions (even those among non-converting paths), and automatically assigns weights based on the estimated incremental impact of each touch. Even in channels where individual data isn't collected, such as digital advertising, a customised attribution product can marry the aggregate campaign-level data with individual data gathered through other channels. Depending on the breadth and depth of the data it's fed, this method of attribution can help marketers find hidden correlations and causations within their individual marketing efforts and calculate the likelihood that specific channel elements prompted the customer response.





Major telecommunications provider accurately attributes ROI across channels for effective channel investment planning

Challenge: A major telecommunications provider sought to improve its media-mix allocation but struggled to rise above campaign-level measurement and gain market visibility across channels on major programme efforts. Lack of data integration, organisational resistance and lack of a sound attribution product contributed in varying degrees to this quandary. Consequently, channel-level budget decisions largely had been made based on educated guesses and ad hoc processes.

Resolution: Working with Experian Marketing Services, the company was able to overcome this cross-channel marketing challenge by developing a customised attribution methodology that correlates the response volume of active channels with the cumulative effect of individual campaign touches across each of those channels. The process was designed to accommodate a mix of data granularity across different channels where channels such as direct mail and email have individual-level data while digital campaigns have aggregate channel-level campaign data.

Results: Upon implementing, the company, for the first time, was able to attribute ROI across each of its major marketing channels. Additionally, it has the ability to evaluate the effectiveness of its past channel investment decisions and conduct what-if analyses for short- and long-term channel budget allocation in the future.

Conclusion: The future of marketing is here

Consumers are already cross-channel regardless of whether the brands that cater to them are structurally or technologically built to support cross-channel engagement. While data linkage, technology and organisational structure present big barriers for marketers looking to execute true cross-channel campaigns, as seen in this report, they also presents many opportunities.

The intelligence behind a brand's interactions with customers will truly differentiate it from another in the mind of the dynamic, connected and empowered consumer. Brands that put the customer at the centre of everything they do will be the ones to win.

In this new arena, marketing organisations need to triumph in three key areas:

1 | Identify:

Marketers must be able to accurately identify a customer regardless of the channel through which he or she engages with the brand.

As the data in this report shows, information collection today is usually partial. It's designed to lessen barriers to conversion. This may increase the quantity of information collected, but affects a brand's ability to link profile information across channels. Only 24 per cent of companies say they have a Single Customer View and the leading cause is poor data quality. Without the ability to cleanse contact data and accurately identify orphan customer data (an orphan email address or phone number, for example), marketers will struggle to create true cross-channel campaigns. As connected devices and channels proliferate, this problem will only compound. Marketers must take ownership of cross-channel identity linkage and look for trusted third-party referential data to help accurately link disparate first-party customer data for both prospects and customers. This is the most effective and powerful way marketers can truly create seamless and coordinated customer experiences across all channels.

2 | Know:

Not only must marketers know who customers are, they must have the intelligence to understand what customers want and how to reach them with messages that will evoke responses.

Marketers need to look forward instead of backward in order to stay ahead of the competition. This manifests in the marriage of business intelligence with campaign management. Beyond better connected first-party data, marketers must seek to enrich or complete records with third-party demographic, psychographic, attitudinal, channel preference and behavioural data. Something that one-quarter of marketers say they are not doing, and 29 per cent of those who do only enrich with one type of data. Enhancing records with this deep intelligence gives marketers the necessary ability to gain insights to understand their customers and their behaviours in order to create intelligent interactions, in the right channel, with each customer.

Today, 17 per cent of marketers say they do not track attribution, and the majority of those who do, 29 per cent, report on what has already happened, often in the form of campaign reports on single communications within a single channel. As channel proliferation continues, marketers need the ability to see interactions across channels and understand, fractionally, how communications influenced a final purchase. Marketing attribution is core to understanding customer engagement, allowing marketers to align organisations around final outcome rather than focusing on individual channel success.

3 | Engage:

Finally, marketers must be able to action intelligence and consistently deliver coordinated and engaging interactions with customers, every time.

The concept of campaign management will become replaced with contextual interactions management. To deliver true cross-channel campaigns, marketers must look beyond coordinated push campaigns to understand the customer's attitudes, behaviours and preferences, and anticipate his or her needs while listening to the responses of previous interactions to deliver the proper communication at the appropriate time. More than ever, marketers will need to react to and be proactive with both inbound and outbound interactions, in real-time, across channels.

Methodology

The survey this report was based on was deployed to 11 regions from November 10 to December 7

- 1,012 responses collected
- Global totals included within this deck have been weighted against GDP
- Regions/countries include:
 - US
 - Canada
 - UK
 - France
 - Germany
 - Netherlands
 - Spain
 - Brazil
 - Australia
 - New Zealand
 - India
 - Japan
 - China
 - Hong Kong
 - Malaysia
 - Singapore

The Sir John Peace Building
Experian Way
Nottingham
NG80 1ZZ



0845 234 0391
www.experian.co.uk/marketingservices



Intelligent interactions. Every time.

Experian Ltd is authorised and regulated by the Financial Conduct Authority. Experian Ltd is registered in England and Wales under company registration number 653331. Registered office address: The Sir John Peace Building, Experian Way, NG2 Business Park, Nottingham, NG80 1ZZ.

© 2015 The word "EXPERIAN" and the graphical device are trade marks of Experian and/or its associated companies and may be registered in the EU, USA and other countries. The graphical device is a registered Community design in the EU. All rights reserved.
04/15 | www.experian.co.uk/marketingservices