Turning Big Data into Smart Data

For your Programmatic Campaigns
Introduction

Display advertising has changed dramatically. Once a realm of irrelevant pop-up banners and bulk-distributed ads, it has shifted and evolved in recent years thanks to the introduction of programmatic media bidding and the increasingly intelligent ways data can be harnessed for effective and sophisticated targeting at scale.

Running a successful programmatic media-buying campaign relies heavily on the use of data; but the amount of existing data – including first-party, second-party, third-party, audience lists and website behaviour – presents a challenge to marketers and agencies trying to craft cost-efficient, consumer-relevant campaigns.

There’s no doubt that media is becoming increasingly digital. From standard digital household items like radios and Televisions to smart devices that seem to consume our daily lives, individuals are connected almost all of the time meaning the amount of data available to advertisers is growing exponentially. Big data is already poised to have an important impact on digital marketing globally, but the question remains: how can we put it to good use? How do we cut through the data noise? Big data is “big” right now, and its impact needs to be addressed.

This whitepaper will look to explore: How do advertisers transfer and integrate big data in order to provide cohesive, relevant and actionable information? How does big data become “smart data” that can be customised to your business needs? And what platforms are available to advertisers to harness this power?

Why Data is Important

In Adobe’s 2016 Digital Trends Report optimising the customer experience was found to be the top opportunity for businesses in the upcoming year, with personalisation and targeting as additional areas of priority.

All three areas require a certain level of data collection in order to achieve effective results, however, the sheer amount of data that advertisers and marketers have access to can often be overwhelming; to reach a stage where analysis can fuel quality personalised advertising, a lot of manual data work is required, particularly when sources are incompatible and inconsistent.

With the focus now shifting towards the customer experience, rather than individual marketing channel performance, a chain reaction has been set off; there is a distinctive push towards data-driven advertising strategies, attribution modelling and data analysis that provides actionable customer insights, resulting in a better understanding of each customer persona. Placing the customer at the core of all activity ultimately leads to higher engagement, an improved return on investment, and the continued delivery of quality advertising.
Data Types

There are three different types of data: 1st, 2nd or 3rd party. Which is the best option?

First-party data is owned by the company and is collected directly from the company’s customer base. Examples include CRM data, remarketing lists, loyalty programs, mobile apps and blog subscriber lists. First-party data is often the most reliable source because of its origin and it can be used to determine aspects such as popular purchase items, product and brand loyalty, and spend per visit. As it is geared towards individual business priorities, it is usually best used for upselling - for example, airline apps often offer an option for seating upgrades. First-party data is most powerful when it is collected and repurposed for future customer interactions; it is used to hone and recall customer preferences, however, it can sometimes lack scalability and is limited in its ability to expand customer reach.

Second-party data is similar to first-party, except it is purchased directly from another publisher or brand – whichever source has the most relevant audience data for your business. This type of source is beneficial for those who want to expand their targeting and reach new customers, however, data can often be inaccessible as the most relevant data for your business will typically sit with direct competitors who won’t want to lose their competitive advantage by sharing insights. Many publisher have started requesting for this to be included within any PMP deals, usually at a premium.

Third-party data is owned by companies who specialise in buying and collating customer data such as VisualDNA, Blukai, Oracle, eXelate and Lotame. The data purchased by these providers comes from multiple and disparate sources, such as credit card and insurance companies, and tracks interactions across both online and offline touchpoints. It is used by businesses on a paid-for basis, and is often the grounding for building customer profiles and segments due to the comprehensive insight it gives; insight from third-party sources is typically rich as it offers an understanding of a consumer’s wider buying habits, alongside accurate demographic information for instance current fiscal situation. Using third-party sources is a way of enriching and expanding campaign reach and is typically used for upper-funnel customers. It is a behavioural source and should be used as a lens to focus your targeting strategy, allowing you to reach the most relevant new consumers at scale.

Turning Big Data into Smart Data

Know Your Online Marketing Goals: Understanding what you hope to achieve from your marketing activity and defining the appropriate success metrics are key to using data effectively. Your goals will determine what data you collect and in which way you repurpose it for your campaign. For instance, are your goals performance or branding based? These require their own unique strategies and KPI’s.

Collecting & On-boarding Data: It is highly recommended to collect as much first-party data as possible. This is the most reliable source of action based data (i.e. purchased) and comes with the added benefit of being free to acquire. There are several different ways to collect data including placing tags on your website, newsletter sign-ups, loyalty cards, events, call centre tracking and through any other way you receive customer information.
Website data is easy to integrate into campaigns through tagging solutions, whilst CRM and offline sales data will need to be on-boarded. You will need to have an on-boarding partner who can match the data supplied (email address, phone numbers, etc.) with user cookie or device ID.

**Organising:** Once data has been acquired it needs to be placed into manageable audience lists. These lists can be created based on a combination of user behaviour, demographics, or actions but should ultimately be linked to your KPI’s. For retailers who look to achieve a performance based KPI such as sales or revenue, creating an audience list of those who abandon their basket can allow for re-targeting and re-engaging further down the line. For businesses with a branding-based KPI, audience lists might instead focus on time on site, people who have bounced or customers who have viewed more than a certain number of pages in one session.

It is best practice to create numerous audience lists that follow the consumer path to conversion.

**Testing:** Campaign testing allows advertisers to generate a very actionable source of first-party data; by running split or multivariate tests advertisers can test campaign aspects such as creative messaging and optimise accordingly in line with results. On-site testing can also be conducted across various site locations i.e. product pages in order to determine customer engagement rates.

**Top Tips for Making Use of Data:**

The data you’ve collected has a variety of use cases, and how you utilise each source all depends on your business priorities and KPI’s. Here are a few tips for using data in programmatic display campaigns:

- **Retargeting:** Data can be used for retargeting existing and potential customers in numerous ways depending on the outcome you would like to see from the campaign – it could be brand re-engagement, upselling, driving loyalty or increasing basket re-visits from previous abandoners.

- **Seasonality:** During the peak holiday season, data can be used to find customers with an intent to purchase gifts. Take the example of a business who sells perfume – using third-party data this business can find a male audience who are in relationships and serve them advertising content that focuses on gifting for partners, highlighting a purchase-related call to action.

- **Audience Exclusion:** Audience lists do not always have to be inclusive; they are most useful when they are filtered and dynamic, and exclude customers where advertising spend would not be effective. For instance, advertisers can use data to exclude customers who have already converted in a campaign, or can exclude a certain website location such as a careers page when re-targeting site visitors for ecommerce purposes.
• Data Integration: Internally, there is still a lingering inclination to keep marketing channels in silos; many brands still aren’t sharing data and insight across channels which often results in inefficient campaigns. Taking a cross-channel approach to data analysis such as attribution ensures holistic and real-time insights that can be fed across all campaigns, but this is only feasible when data is shared openly in a business, with limited barriers to access.

• Innovative Sources: Consider integrating with external API’s such as the weather channel or TV signals to improve the innovative way your campaigns target customers. For example, weather information could be used for a business who sell outdoor clothing; when rain is forecast banner ads can promote rain jackets and boots.

Conclusion

• Digital marketing is now part of a business’s core marketing strategy; brands can no longer solely rely on traditional blanket advertising. In order to utilise digital channels effectively, companies must continually evolve their approach to data in line with rapidly shifting customer behaviour trends. If used intelligently, businesses that action data insights will improve efficiency, increase brand awareness, and showcase innovative methods for marketing their products with minimal media wastage.