FOUR FUNDAMENTALS OF SEAMLESS DATA DRIVEN CUSTOMER EXPERIENCES

ACHIEVE SUPERIOR RESULTS BY USING DATA-DRIVEN INSIGHTS TO CREATE SEAMLESS EXPERIENCES EVERYWHERE PEOPLE ENGAGE YOUR BRAND.

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CUSTOMER EXPERIENCE IN REAL LIFE

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Customers like to be treated like people. Hey, who knew? But to marketers today, customers can seem like phantoms—floating across countless channels and devices. Sometimes you see them clearly, often you don't.

This makes it tough to create customer experiences that are relevant, consistent and scalable.

Ones that are crafted for real people, based on their needs and desires, so they welcome your brand into their lives instead of tuning it out. Ironically, the factors raising the bar are the same ones impeding your efforts to reach it.

- **Innovation in marketing technology** has meant you can automate and analyze more interactions than ever before—but it's also made your view of the customer far more complex and fragmented.

- **New channels** have made it possible to meet prospects and customers in new ways and places—but they've also made customer experiences fragmented and inconsistent.

- **The explosion of new data sources** has given you more potential for insight than ever before—but connecting it all remains a major challenge.

All of which has led to an uncomfortable gap between what marketers know their customer experience should be and what it is today.

The good news, and the point of this e-book, is that data really can make your customer engagement more relevant in context, across a multitude of channels—if you grasp four fundamentals.

First, let's look at other obstacles to a data-driven customer experience.

OBSTACLES TO A SEAMLESS DATA-DRIVEN CUSTOMER EXPERIENCE

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FRAGMENTED DATA

Consumers desperately want brand engagement that's meaningful to them and makes sense in context. Different people with different purchase histories, demographics, etc., ought to get different experiences. You don't want your Aunt Sylvie's customer experience, you want yours. And if you're on mobile, let's say, you want engagement that works in the context of that smaller screen.

Although innovation in marketing technology has meant you can automate and analyze more interactions than ever before, it's also made your view of the customer a little, shall we say, blurry. Or fragmented, thanks to data scattered all throughout the enterprise, often unconnected and creating confusion, not clarity.

Most marketers struggle to tie interactions from different channels and data from different systems back to real people. As a result, they get an incomplete and often fractured view of the prospect or customer they're trying to reach.

For instance, let's say you wanted to make sure you avoid retargeting your customers with products they've already bought. Without a view of their purchase history from your CRM or point of sale systems, your retargeting campaigns can't meaningfully personalize their experience.

Data fragmentation is everywhere and the consequences are rampant. That's why the vast majority of marketing messages are still untargeted, irrelevant and wasteful.

INCONSISTENT MESSAGING

The explosion of new data sources gives you unlimited potential for insight. Again, however, connecting it all remains a huge challenge.

Whether they're interacting with your site, your display ads or your email marketing, any prospect or customer should be consistently recognized and treated as the same person. Because, well, they are.

But due to data fragmentation, different teams, channels and platforms have access only to certain information, thus they can only act on limited views of the same person.

They cross their fingers and hope they're avoiding "brand schizophrenia," not to mention total irrelevance.

Say you needed to make sure your existing customers didn't see "new customer" offers. Unless the cookies used by your site and banner ads tied back to the same identifier, your existing customers might see a full-price offer on your website and a new customer offer for 10% off on a publisher's site.

That wouldn't just be awkward—it would defeat the purpose of your on-site reach.

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These four fundamentals can help you overcome the obstacles and create seamless customer experiences consistently and at scale.

1 ENABLE PEOPLE-BASED MARKETING EVERYWHERE

2 AUGMENT CUSTOMER INSIGHTS THROUGH THE NEW DATA ECONOMY

3 BUILD YOUR OWN OPEN GARDEN

4 ENSURE ETHICAL DATA USE

1 ENABLE PEOPLE-BASED MARKETING EVERYWHERE

People-based marketing is exactly what is says: marketing to people. Real-live human beings.

But most marketers spend their budgets on campaigns that target devices and channels. And since people typically use multiple devices, marketers often serve more messages than they realize. It's not only inefficient, it can actually harm your brand by causing fatigue and customer frustration.

DELIVER SEAMLESS EXPERIENCES EVERYWHERE AND TIE THEM BACK TO REAL RESULTS

What's needed is a way to tie devices and channels back to real people, so you can accurately target people everywhere they want to engage; measure your impact based on actual sales results; and make improvements going forward because you know what worked and didn't. True people-based marketing goes beyond advertising on a single channel. It takes an omnichannel approach to targeting and measurement—at the level of real consumers.

By reaching people across your online and offline channels, you can create a more personal and seamless experience and tie it back to real results.

Of course, you can't do any of this unless you can recognize people accurately and consistently, no matter where they are. On your website, in your store or when they dial your call center.

Which brings us to the critical matter of **identity resolution**. As we'll see, it's at the core of people-based marketing and twenty-first century commerce itself.

IDENTITY RESOLUTION

The ultimate obstacle to making your marketing more relevant is being unable to recognize consumers each time you target them.

Consider the common case of someone who saw your product online and then bought it in-store. Your banner ads will see an anonymous user on a publisher's site. Your website will see an unregistered user browsing product categories. Your point of sale system will see a person who bought a product with no prior marketing touches. And your retargeting system will see someone who didn't buy anything at all.

This sort of tunnel vision is the reason one person gets treated like four. To fix this, marketers need technology that ties a person to interactions with brands across all channels—from mobile to in-store or even in-car.

It's called identity resolution—a term you'll be hearing a lot. Resolving customer identities means matching the different IDs stored by digital and offline channels, systems and data sources so you can tie them all back to the same person.

It's a way to reconcile your data fragments and create a single, privacy-compliant view of a person. The online and offline worlds throw up unique challenges for identity resolution, so let's examine each realm in detail.

OFFLINE IDENTITY RESOLUTION

The data stored in your offline databases or CRM is hugely valuable. In the example on the previous page, your offline point of sale system had arguably the most valuable insight—the fact that someone bought something.

That information will determine what your next offer to that person is and when you should make that offer. As data goes, that's rich.

Even when this information is stored offline, it needs to be connected to the right individual. Traditionally, companies have relied on "fuzzy matching" to do this. You're more or less asking a computer to decide if Mary Smith of 1 Any Street, Dallas is the same person as Mary Brown of 2 New Street, Houston, based on their "similar" data—the same first name. You can see how hard it is to match data with real accuracy.

Identity resolution uses an identity graph—a database with all the known identifiers that correlate to individual customers—to solve this problem by matching a wider set of data related to a person over time. It's holistic and, done properly, updated frequently to reflect the latest information as people move through life.

Offline identity resolution, like its digital counterpart, lets you recognize the real person behind the data points.

DIGITAL IDENTITY RESOLUTION

The mushrooming growth of online channels and marketing platforms makes identity resolution in the digital world complex. (Understatement of the year.)

Not only are you dealing with a host of different identifiers from numerous digital channels, you're also accounting for multiple browser and device touchpoints, each of which will likely yield another duplicated fragment of someone's identity.

Here, you need to match all these different cookies and digital IDs—in privacy-compliant ways that protect your audience's anonymity—to support an omnichannel approach to people-based marketing. Crucially, you also need to account for the limitations of cookies. For instance, people clear their cookies from time to time and mobile browsers are often set to not accept cookies as a default.

This calls for links to online identifiers that are constantly refreshed to ensure your digital platforms and channels have a consistent version of the same person— one that's de-identified to maintain their privacy. More on the latter point when we look at the fourth fundamental.

PROBABILISTIC VS. DETERMINISTIC MATCHING

It's important to understand the difference between probabilistic and deterministic matching. The former aims for reach over accuracy, relying more, as the name suggests, on probability. It's the "fuzzy" in fuzzy matching.

The latter is far tighter, using personally identifiable information (PII) to relate different identifiers back to the same individual, just as you would in the offline world. Deterministic matching provides the key to people-based marketing, because it allows you to recognize customers accurately and tie data back to real people.

2 AUGMENT CUSTOMER INSIGHTS THROUGH THE NEW DATA ECONOMY

To achieve greater relevance, you need broader, more varied data. Data from countless sources. And as we've noted, that complicates your job.

Consider this: around 15 years ago, customers made multiple visits to a car dealership before buying. Today, it's more like one or two[1]. The rest of the buying journey happens online, where people consult websites, industry experts and other drivers.

All the buying signals and intent data that were available in a showroom—when someone strolled in and asked "What's the lead time on delivery?" or "Does it also come in jade green?"—are now in the digital space, strewn about a multitude of channels and identifiers.

You need to find your prospects wherever they happen to be. This means being smart in how you source the right data to meet your needs and put it to use.

START WITH YOUR FIRST-PARTY DATA

First-party data is data you collect, either actively or passively, from people who interact with your company. And it's tremendously valuable. Not just because it's quickly available and "free." It's data on real people who have purchased from or engaged with your company somehow. Real data on real people—you can see the implications for your people-based marketing.

ADD INSIGHTS WITH THIRD-PARTY DATA

Third-party data is data you purchase from outside sources, for instance, a data supplier or a brand that makes its data available to different buyers. This is data on user lifestyles, demographics and behaviors and offers useful insight into buying propensities and intent—especially when you're prospecting or your first-party data is light. It's also invaluable when you're trying to find people who resemble your best customers.

In fact, this is precisely the type of data direct marketers (who were actually the pioneers of people-based marketing) relied on to understand their audiences more deeply. It's still hugely relevant and valuable—and there's more of it than our marketing forebears could possibly have imagined.

FIND NEW AUDIENCES WITH SECOND-PARTY DATA

Second-party data is getting a lot of attention these days. It's when two brands agree to share their first-party data in a privacy-compliant way. This type of partnership is typically exclusive, with brands sharing specific data to be used for specific purposes.

Second-party data can yield opportunities for crafting highly relevant campaigns that resonate with consumers. For example, an apparel company sharing data with an automotive brand might discover that customers of quality outdoor wear are more likely to respond to an offer for a 4x4 truck than a compact car. By the same token, truck owners might be more likely to buy a Gore-Tex jacket or a pair of high-end hiking boots.

ENGAGE EXPERTS TO HELP YOU CREATE IDEAL AUDIENCES

With each passing year, more data is created and available for marketing use. To simplify and improve your campaigns, it helps to find a partner who can guide you on the most effective data and audience creation strategies.

For instance, if you're a company selling car insurance how do you find new prospects? One way: work with a partner to gain data on families with teenagers about to reach driving age. Families with more than one kid in that group would be excellent targets.

In evaluating a partner, ask about their expertise in digital and offline marketing. Insist on objectivity, plus deep knowledge of and strong relationships across the marketing and ad tech ecosystem. Perhaps most important, find a partner willing to be an extension of your team. When you need support for modeling and creating ideal audiences, that kind of commitment is essential.

ACTIVATE ALL THAT DATA ACROSS YOUR MARKETING STACK

It isn't enough to unify and gain insight from first-, second-, and third-party data sources. To improve the customer experience and increase your marketing ROI, you also need to use that data to reach top prospects wherever they happen to be.

For instance, it's good to know how many people own your competitors' SUVs. But it's a lot more valuable to target those owners with relevant messages.

This requires delivering audience data to each of the tools you use to engage consumers across channels and devices. Identity resolution and integrations that support the movement of data are key to making this happen.

3 BUILD YOUR OWN OPEN GARDEN

Most marketers use technology from dozens of vendors to engage customers across offline and digital touchpoints. No single platform comes close to meeting the full range of marketer needs. This is unlikely to change any time soon as innovation continues to outpace consolidation in the market.

It's hard enough to drive integrated campaigns across the mainstream channels that exist today. Few marketers have mastered connections across mobile, video, email, search and display. And the difficulty factor is only rising as new channels constantly pop up. Addressable TV, chatbots, virtual reality, wearables and the broader internet of things may become regular parts of the marketing mix before we know it.

So how can you navigate the complexity of a fragmented marketing stack, make everything you own work together better and put yourself in the best position to be ready for the future?

CONNECT EVERYTHING AT THE DATA LAYER AND GAIN THE FREEDOM TO WORK WITH ANYONE

The answer is to better connect your marketing ecosystem. And speaking of data, the data layer is the only place to do that.

This approach involves creating what's called an open garden. It's a more open approach to building your own ecosystem of data, technology and services partners where you're free to choose the best of breed solutions you need—and still maintain law and order by enabling everything to work from the same set of data.

Many marketing integrations happen at the application layer, generally through APIs or custom-built connectors. But with this approach, as your systems multiply, integration becomes a tangle and data that relates to the same person goes unmatched.

When you connect at the data layer, you create customer portraits centrally, using Identity resolution to match records in a data environment you control, ingesting data from each system for analysis, modeling and segmentation—and then delivering data back to each to execute campaigns. The constant motion of data allows you to target, measure and optimize in a continuous cycle of improvement.

AN OPEN ARCHITECTURE GIVES YOU MORE FLEXIBILITY AND CONTROL

When you build your open garden, you maintain direct relationships with your customers and take control of your data and partnerships. You actively manage your marketing environment and control your marketing destiny.

When suppliers (platforms, devices and channels) work together well, and when marketers do the same, customer experiences follow suit. Put another way: when you bridge offline and digital, adtech and martech, you name it, you jump-start your ability to deliver relevant, seamless experiences everywhere.

4 ENSURE ETHICAL DATA USE

Consumers do business with brands they trust. As a marketer, you need to use data ethically to protect your customers, the trust you've earned and your brand reputation. Remember, just because you can do something doesn't mean you should.

This isn't just about mitigating brand risk, avoiding lawsuits and staying out of the headlines. It's also about growing your brand through relevant, hassle-free marketing.

When users provide their information, they expect to enjoy a satisfying experience. If they feel their time is wasted with offers that don't matter they may vote with their feet by taking their business elsewhere.

Putting the right protections in place is key, so you can focus on building lasting relationships with consumers.

GUIDELINES THAT CAN HELP

What we're talking about is "ethical data governance by design." It means baking smart data protection practices into everything you do. Make privacy a priority—don't just bolt it on to a new service as an afterthought. Build it into your platforms, processes, policies and even your training and certifications.

So... how? Here are some rules of thumb that can help.

Maximize transparency and choice. When you post privacy policies, be extra clear about the use and sharing of customer data for marketing purposes.

Classify data and mitigate use risks. Classify your marketing data to identify different types of risk. Be proactive in mitigating your risks. For example, whenever possible anonymize marketing data.

Limit downstream risks. Since your data is often shared several times by intermediaries before reaching the intended user, have contracts with downstream users that spell out how data will be used appropriately, prohibiting discriminatory marketing practices, as well as the use of marketing data for eligibility purposes (credit or insurance, for instance).

Help enforce ethical practices across the marketing community. Assist the right authorities— whether a self-regulating entity or a regulator—by reporting bad actors. Make sure you are digitally responsible by design.

Educate customers about common marketing practices. Lift the curtain. In common sense ways, talk to your customers about how you market and why. This will help them make choices they're comfortable with—and solidify trust in your brand.

FROM DATA TO PEOPLE TO REAL RESULTS

Once you grasp the fundamentals outlined in this e-book, you can set your data free to do great things. Like what? Like increasing reach, revenue and ROI, thanks to the simple fact that people find you more relevant to their needs and lifestyles.

It comes down to unlocking the power of data by learning to do a few things well:

> **Unify your data.** Create a single view of the customer that helps you execute omnichannel campaigns, model ideal audiences and measure the real impact of marketing on sales.
>
> **Validate and enhance your data.** Ensure your data is clean, complete and up to date. Enhance it with additional insights, so you can reach the right audience with the right message in the right context.
>
> **Activate your data.** Press the go button on your data and make it portable across your marketing stack, so you can deliver seamless, relevant experiences across channels and devices.

There are massive gains for marketers who overcome fragmentation and complexity to build a relevant, consistent and seamless customer experience—all in ways that respect and safeguard customer privacy.

You'll be ready to tackle the biggest challenges in marketing today. Most important, you'll stop looking at all those trillions of data fragments and start to see them as the real people they are.

ABOUT ACXIOM

We provide the data foundation for the world's best marketers. We enable people-based marketing everywhere through a simple, open approach to connecting systems and data that drives seamless customer experiences and higher ROI. A leader in identity and the ethical data use for more than 45 years, Acxiom helps thousands of clients and partners around the globe work together to create a world where all marketing is relevant.

Let's Talk!

Visit **acxiom.co.uk** or email **ukenquiries@acxiom.com** to get started.