Simplifying identity:
Your guide to choosing an enterprise-wide identity solution

ACXIOM

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The case for enterprise identity

Delivering great customer experiences is what marketing is all about. And it's top of mind for marketers, who know that even tiny incremental improvements in customer experiences can make a huge difference to a brand's bottom line.

But delivering great customer experiences is only achievable if you actually know who your customers are and how they are engaging with you across channels.

Identity for marketing means recognising your customers every time they interact with you, whatever device or channel they're using. When you can accurately and ethically tie together data to identify customers, you can deliver relevant and timely experiences with personalised offers or content that provide real value, while also respecting their privacy preferences. And you can measure the impact of those interactions to drive continuous optimisation.

But choosing the right identity solution can be a complex process. This guide is intended first to help you ensure your organisation is prepared for enterprise identity, and then to choose a solution to meet your unique needs.

There's no point in waiting until the defective cookie finally disappears to make that change. Now is the time to invest in an enterprise identity graph.

Resolving the cookie question

For many brands, interest in identity resolution has been sparked by the impending deprecation of third-party cookies. Without these identifiers – so the theory goes – brands will find it harder to reach and connect with their audiences.

But the truth is cookies were never designed to enable the personalisation and decisioning use cases we attempt to use them for today. They simply don't work. Those still relying on cookies are likely to be experiencing very low match rates, unworkable latency, a lack of visibility between browsers, extremely limited measurement capabilities, and difficulties with privacy compliance.

While it's clear marketers will need to lean more heavily into first-party data signals in a cookieless world, there's no point in waiting until the defective cookie finally disappears to make that change. Now is the time to invest in an enterprise identity graph, however the cookie saga ultimately resolves itself.

If you need further convincing of the need to reduce your reliance on cookies right now, check out our **procrastinator's guide to digital resilience**.

What enterprise identity is (and isn't)

You might hear the term "identity" in relation to a variety of marketing technologies, from walled gardens and onboarders to customer data platforms (CDPs) and customer relationship management (CRM) tools. This is because these applications all need some form of identity to support their functionality. But these aren't enterprise identity solutions, and on their own they won't enable you to connect all disparate data points across all channels and improve customer experiences.

What every business needs is a first-party identity graph that continually associates new and changing data with an ever-changing identity profile to maintain identity and build real relationships over time.

Some of the identifiers included might be ⟶
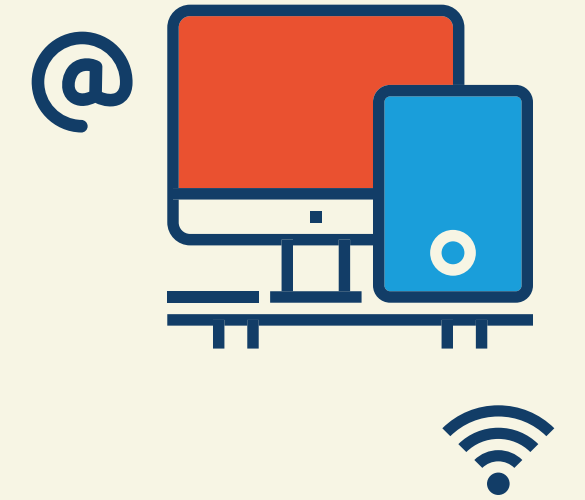
- **Mobile IDs**
- **Browser IDs**
- **Addressable and connected TV IDs**
- **Internet of Things (IoT) IDs**
- **Location IDs**
- **Email addresses**
- **Names**
- **Postal addresses**
- **Phone numbers**

Marketing applications such as CDPs and onboarders will integrate with this identity solution, and you may want to use them alongside your graph for other purposes – it's not a case of either/or. Your graph will make them work more effectively, and they can be swapped in and out without impacting its effectiveness.

Your first-party enterprise identity graph forms a permanent backbone for your business that delivers a 360 degree view of the customer, accurately resolves contact points to those people, and consistently connects identity across touchpoints, devices, and channels. It should ideally use third-party referential graphs that provide important information to inform and improve identity resolution.

While your identity graph will be built on first-party customer data, it should also incorporate high-quality third-party data attributes to give a more complete picture of your customers. It's probably as useful for you to know that your customer is a homeowner, a parent, and a musician, for example, as to know which city they live in.

Investing in identity in turbulent times

Justifying the investment in an enterprise identity graph isn't always easy in a time of economic uncertainty. To help you make the case we'll look to Forrester's report, 2023 Planning Isn't Business As Usual, which recommends:

- Investing (or protecting your investment) in tech that improves the customer experience.

- Investing in generating reliable, real-time customer insights that help you shift budget to high-yield tactics at a time when previous assumptions are worthless.

- Cutting costs on underperforming data and segments.

Identity informs all of the above. An enterprise-wide identity solution helps you recognise high- (and low-) value customers in-the-moment, so you can meet their immediate needs and deliver exceptional experiences.

Four steps to assess your brand's current identity state

So you've made the decision to invest in enterprise identity? That's great news! But before you start comparing providers and their solutions, there's important work to be done internally.

Understanding what your business needs from an enterprise identity graph, and ensuring you are well-placed to implement one, is vital to make sure you select the right solution. These four steps will set you on the right track:

Step one:
Prioritise your identity goals and use cases

The chances are you'll want your identity solution to serve more than one purpose, and an enterprise identity graph should be able to deliver on a variety of use cases. But attempts to service multiple purposes from the start can sometimes lead to decisions that support one need while directly conflicting with others.

Common use cases for identity resolution include →

Personalisation

Engage high-value audiences with personalised offers and engagements, based on a holistic customer view across all channels. This includes next-best offer, website personalisation, and look-alike audiences.

Measurement

Enable highly accurate, closed-loop measurement across all channels and devices as well as multi-touch attribution.
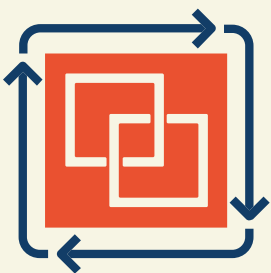
Compliance

Ensure you can comply with a continually evolving regulatory landscape, with the ability to authenticate identity, look up, and remove customer data.
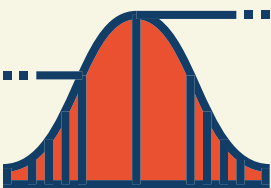
Optimisation

Make better use of your existing marketing technologies and analytics environments by integrating them with an identity graph.

Defining your most pressing problems, prioritising the use cases that will best resolve these, and setting strategic goals along an identity roadmap, means you will derive quicker value from implementing an identity solution.

Step two:
Consider your needs for reach, speed, and precision

An enterprise identity solution will need to balance a variety of needs, including speed of resolution, reach, and precision. While the solution you ultimately choose should be able to deliver on all of these, there may be a need to increase emphasis on one at the expense of another.

Speed of resolution

Depending on your initial use cases you may need real-time identity resolution. Being able to instantly recognise who your customer is, and then use that information to deliver a great experience using the information you already know about them, is vital for use cases such as website personalisation, next-best offer, and improved call center service.

Response time, also referred to as latency, is a major factor in solution pricing and complexity. Many identity providers offer options to cover both high- and low-latency needs and should be able to explain the potential tradeoffs between the two.

Reach versus precision

Each identity graph must be configured to balance the somewhat opposing needs of precision and reach. In a nutshell, digitalisation has expanded the need for identity solutions to achieve a broader reach, while financial and operational usage models have pushed for greater precision.

Before selecting and configuring an identity solution you may need to determine your brand's unique approach to balancing precision against reach, taking into account the inevitable misses that can occur no matter how good your data is.

Misses happen in one of two ways:

Undermatching can result in the same individual seeing the same message multiple times, which can create negative brand perceptions. Overmatching can result in consolidating multiple individuals into one – leading to missed opportunities.

For some use cases you may be willing to accept lower match rates to increase your reach, while for others you may feel precision is more important and you need the highest possible match rates. You'll need to consider what the right balance between reach and precision is for individual use cases.

Step three:
Know where you're engaging customers

Understanding where you are currently engaging customers, from both a channel and a geographic perspective, is essential before you start your search for an enterprise identity solution.

Spanning digital and offline spaces

It's likely your brand is engaging customers via a variety of both online and offline channels. As data from all of these channels will need to feed into your identity graph it's important to understand what they are, what data they generate, where it is currently stored, and how it flows between systems.

While your identity graph will be based primarily on first-party data, this can be enriched and improved with ethically sourced second- and third-party data. What's more, a third-party referential graph will be vital for connecting identity across the digital and offline realms.

With a few exceptions, handling data and identity in the digital space comes with heavily scrutinised privacy considerations and the necessity to process very large volumes of sparsely populated data.

Offline channels generate smaller volumes of data on which to make timely, smart decisions. But it is generally more complete, meaning there is a significantly higher expectation around precision.

Effectively managing identity is difficult in each space independently, and the complexities only increase when you add movement between digital and offline realms. And whatever volume of data you are handling today, you can be sure this will increase exponentially in the coming years as the number of IoT-connected devices used across the globe doubles, and immersive, metaverse-style experiences become mainstream. Strict controls must be implemented, particularly when moving online data offline.

Doubling down on devices

Statista forecasts the number of IoT-connected devices in use worldwide will nearly double by the end of the decade, rising from 15.1 billion in 2023 to 29.4 billion in 2030.

Just imagine the vast volumes of customer data signals these devices will generate.

2023 — IoT devices worldwide **2030**
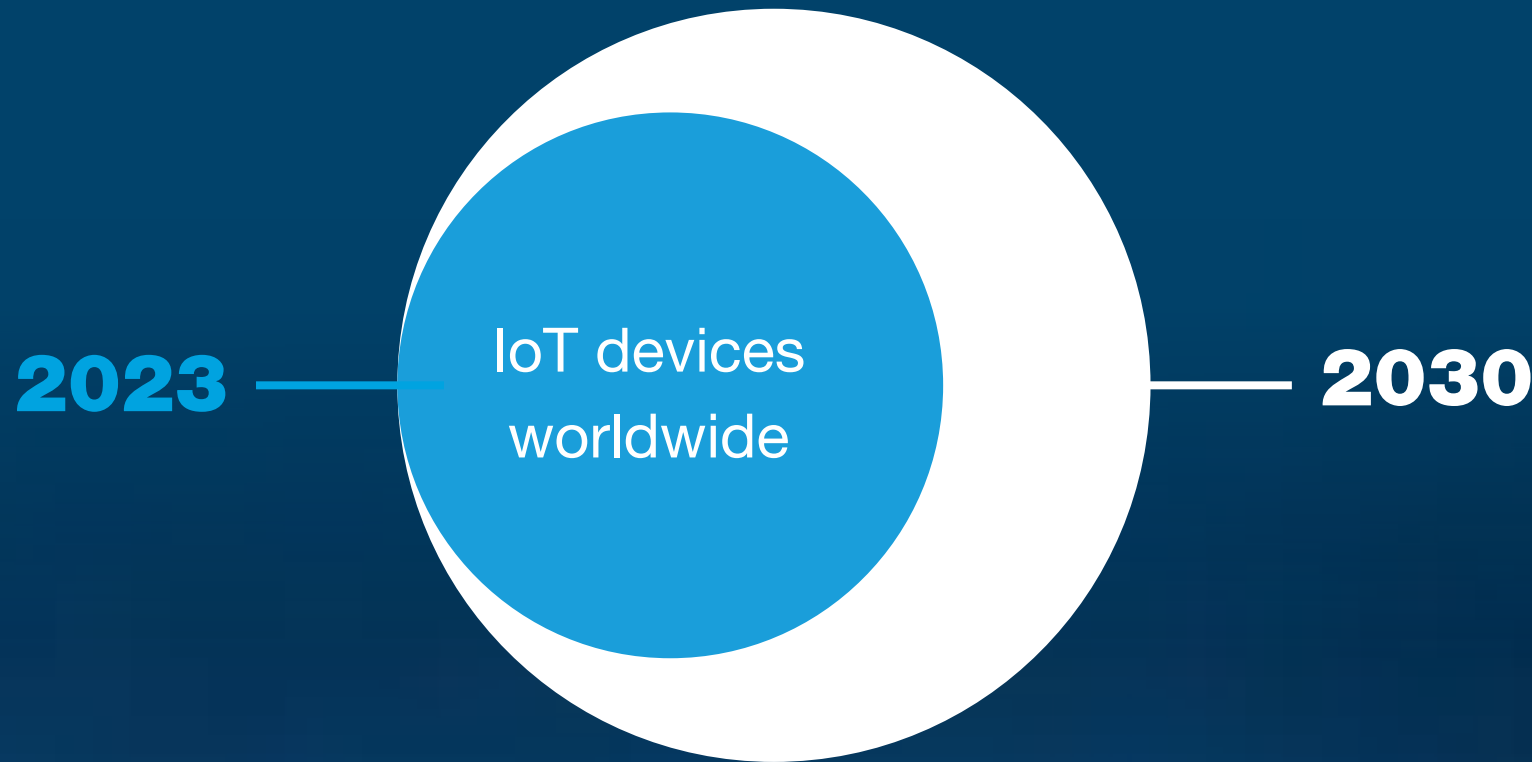
Complying with regional regulations

In addition to online versus offline considerations, you'll also need to understand where you are engaging customers from a geographical perspective.

Regulations around the use of data and identity vary around the world and are evolving rapidly. Brands doing business globally will also need to comply with regulations for different regions, such as Europe's GDPR.

Your chosen identity solution provider should provide a framework to help you maintain compliance with all global data privacy regulations, no matter how frequently they change and how much your business expands. But understanding which countries you're engaging customers in will be useful when you're starting out.

Step four:
Assess your current identity capabilities

It's likely your organisation is already doing some degree of identity management, and you can use the information collected in the previous steps to assess the current state of your capabilities.

Combining an understanding of your strategic use cases and your existing data and tech with an analysis of your identity management capabilities will get you one step ahead on your identity journey.

Questions to ask internally include:

- What identity solution are we using?
- Is it accessible and in use across the enterprise?
- Do we have all the people in our targetable universe?
- Are we accurately resolving to a person?
- Do we know all the people in the households?
- Do we have an accurate view of relationships between people?
- Do we have all the contact points to reach people?
- Are they valid, high-quality contacts?
- What is our reach?
- Will we reach who we intend to reach?

Having a true picture of where you are succeeding in identity management and where there is room for improvement will help you select the right solution.

Key considerations for an enterprise identity solution

Once you've assessed your organisational readiness, you'll be in a far better position to begin your search for the right identity solution. Asking providers the following seven questions will help you differentiate between those that will deliver a substandard solution and those that will truly drive your business forward.

Q1:
What matching and maintenance do you provide?

In the identity space there are two broad types of matching – deterministic and probabilistic. Ideally an enterprise identity solution will combine both capabilities in a hybrid approach that enables both reach and precision. For instance, it may take a deterministic approach but also use external third-party identity reference graphs in combination with first-party data.

With a hybrid solution you should have visibility into matching confidence so you can adjust precision based on your use cases and achieve the required accuracy and scale. Be wary of solutions that emphasise probabilistic matching but don't offer these configuration capabilities.

Two matching methods

Deterministic matching (also known as explicit matching) relies on a definite match between two identifiers, for instance an email address, a name, a phone number, a driver's license number, or a device ID. Because an exact match is required, false negatives can sometimes occur.

Probabilistic matching (also known as implicit matching) considers a wider range of attributes and weighs the probability that a match is true or false, scoring it as a match, no match, or a possible match. It is considered a looser match than deterministic and is more likely to result in false positives.

Of course, data matching is far more effective with clean and accurate customer data, so maintaining the data that feeds an identity solution should be a priority for any provider.

Contact data decays at around 2-3% a month, so over a third will need refreshing each year, but data maintenance should take place far more frequently than that – it should be a continuous process.

Make sure your identity solution provider can deliver data hygiene and maintenance services to:

- Improve data accuracy to enable resolution into an optimised customer view

- Validate, correct, complete, and standardise customer contact data

- Clean and validate email addresses to optimise digital marketing campaigns

- Minimise redundant and duplicate data for optimisation of infrastructure, storage, communications, and processing

Q2:
Is your solution configurable?

When you're choosing an identity solution, it's important to understand how it can be tailored to your needs. Flexibility and scalability are important as your identity requirements change over time and you explore additional use cases.

Specific questions might include:

- Can I customise grouping logic and business rules to optimise reach versus precision?

- Can I have different views of identity for operations, marketing, and data governance?

- Can the solution support multiple groupings, such as individuals or households?

- Can the solution provide the best customer view without destructive merging of data?

- Can I ethically connect anonymous and known data across devices and channels?

- Can the solution mesh with our existing systems and improve their performance?

Q3:
Can you offer real-time resolution?

As discussed earlier, some identity use cases require rapid identity resolution. This supports relevant real-time conversations between your business and your customers through personalisation and real-time decisioning, delivering the best possible customer experience.

Alongside traditional batch solutions with longer turnaround times to support less time-critical use cases, many providers offer real-time or low latency models. If the solution you're considering offers low-latency models, make sure you check whether there is any tradeoff in the quality and accuracy of results compared with longer turnaround times.

Q4:
Can you comply with evolving privacy regulations?

In the privacy-first era, any identity solution should provide a framework for compliance with privacy regulations that give people more control over their personal data. To maintain customer trust you'll want to meet, and ideally exceed, the requirements established by these regulations.

Capabilities to look for include:

- Resolving versions of personally identifiable information (PII) and multiple identifiers to a common identifier.

- Responding to customer access requests and verifying the identity of those customers.

- Honoring opt-outs and requests to be forgotten or deleted.

Make sure the solution you choose is flexible enough to evolve in line with future changes and that it can comply with global regulations, not just local laws. You may not think you need global capabilities at this point, but having them in place now can help you to mitigate risk further down the line.

Q5:
Is your solution affected by cookie deprecation?

Third-party cookies are one of the many identifiers used within enterprise identity solutions. But, as explained earlier, they were never designed to be used for this purpose, and no identity provider should be over-reliant on them at this point. If they are, they will be experiencing low match rates, latency, and issues with privacy compliance.

When you are choosing an identity solution, check how dependent your provider is on cookies and what their plans are for the cookieless world. Ideally the solution should already be able to function effectively without third-party cookies.

Q6:
What kind of output and data visualisation do you deliver?

When you're comparing identity solutions, you'll want to know about their reporting features – including what dashboards and standard reports will be generated.

Different teams across your organisation may want different views and reporting for different use cases, so make sure reporting can be customised. Ask if there are interactive capabilities to explore and dissect the data.

Q7:
How do you make identity actionable?

In the digital realm, the output from your identity solution will often need to be sent directly to other martech or adtech systems for activation. Find out what data is returned from prospective identity solutions, how it is returned, and if it can be easily integrated with the systems you already have in place, either natively or using APIs.

This level of integration will enable you to act on identity in real time and deliver personalised, relevant messaging to engage your customers with exceptional experiences across a variety of channels. It will also enable you to continually measure and optimise those interactions.

Getting support on your identity journey

Setting out on your enterprise identity journey can be overwhelming, especially as the variety of channels and devices your customers use to interact with you continues to increase, and the regulatory landscape continues to evolve.

Leaning on the experience of industry experts can help you assess your organisational readiness, establish an identity strategy that works for your business, and select the right solution.

ABOUT ACXIOM

Acxiom partners with the world's leading brands to create customer intelligence, enabling data-driven marketing experiences that generate value for people and for brands.

Acxiom's Customer Intelligence Cloud (CIC) brings it all together, combining data, technology, and expert services so brands can acquire the customers they'd love to have, grow trusted and valued customer relationships,and retain their best customers for today and tomorrow.

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Meet Real Identity™

Acxiom's Real Identity™ enables the world's biggest brands to accurately identify and ethically connect with people anytime, anywhere to create relevant experiences.

Tap into more than 50 years of industry expertise to help define your brand's strategic objectives and use cases and ensure successful integration and adoption of enterprise identity.

Find out more →