

Becoming an Adaptive Marketer

Drive Meaningful Customer Experiences Using Behavioral Data

Lytics



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The rise in apps, programs, and devices that enable consumers to personalize how they interact with brands, media, their friends, and the world, has led to a higher expectation that everything in life can be tailored to suit individual preferences. Marketers have been dreaming about personalized marketing for decades. Finally, consumers are ready and demanding it.

Yet, only 13% of businesses today admit that they can target a recognized audience segment and measure results. This is primarily due to their challenge in gathering and activating the necessary data points to deliver personalized experiences that are meaningful to the audience.

Database segmentation is a popular attempt to batch together and reach out to fragmented, rapidly evolving groups of people based on basic demographic information. The challenge is that demographic data has very little to do with the likelihood that an individual will buy your product. Consider two mothers living in the same town, both in their 30's and with children of similar ages, but each with very different tastes and preferences. No longer do marketers need to rely only on limited data sets when targeting an audience.

Staying ahead of your customer's preferences in a constantly shifting world goes beyond an email based on user preferences, gender, or occupation and looks to behaviors and actions that people take before they're ready to buy. Adaptive marketers know that they must better align demographic, psychographic and behavioral data with technology to

connect with customers in relevant ways that leave a lasting impression.

Considering that the average person sees more than 5,000 marketing messages each day, you can bet that most of those messages aren't contextual, relevant, or standout in any way. Around every corner, brands and organizations are blasting people with mostly unwanted information they hope will inspire consumers to choose their product or service. The companies that earn attention and interest are those that seek to understand their audience members and to develop relationships with them. This is the point where marketing efforts become useful and welcomed, rather than quickly muted.

Creating these relationships starts with both gathering data to better understand your audience as individuals and monitoring predictive data points to stay ahead of your customer's next move. Let's explore the value in various data sets and how to turn knowledge into action.

DEMOGRAPHIC DATA

Within the last decade, marketing plans were largely targeted on basic demographics such as age and gender. South Park was primarily viewed by young adult males, so brands like Taco Bell would include that program in their media buy. The "demo" for Males 18 to 24 was clearly defined and easily bought based on Nielsen journals and other data tools.

Today, marketers have access to an abundance of declared demographic information which helps build audience segments with a higher degree of accuracy. Social profile data, for example, is easily tapped into and can offer a

goldmine of useful information that goes beyond gender and age to include relationship status, occupation, and location.



Marketers can rest assured that the information gathered from social profiles through registration and passed into their databases represents real people with real attributes since people tend to be transparent and truthful here. While some may exaggerate about their work to people they meet on vacation in Bermuda, they won't get far stretching the truth on LinkedIn as soon as co-workers read their profile.

While not the end-all when it comes to valuable insights, demographic data allows marketers to narrow an audience based on a number of data points that can be obtained directly from the individual.

PSYCHOGRAPHIC DATA

Aspirations and dreams aren't typically found in account setup forms, and not many people would share that information just to sign up for your newsletters. To marketers, however, this information is highly valuable as it can indicate whether someone holds future promise to buy.

While what a person believes, likes, and values can imply interest, many companies can place economic value in a Facebook "Like" that may not indicate much more than peer pressure or a fleeting whim. If someone sees their friend

Like yoga, and they've had interest in trying it out, a Like action may imply an aspiration. But there are also examples of vegetarians Liking bacon when they were invited to do so from meat-loving friends, and others Liking a restaurant ad because they know someone who works there, more than 1,000 miles away. Not every Like comes with buying potential.

Smart marketers invest their resources in programs targeting customers most likely to buy -- but that strategy begins in analyzing data to find people with future buying potential. Fully understanding the true value of these insights is critical. Psychographic data can be utilized to start early-stage nurturing for someone who may not be aware of your business, product, or service. They may not be ready to buy, but have the propensity to do so someday if you move them through the buying stages while continually earning their attention.

Seventy-six percent of marketers don't utilize behavioral data in either segmentation analysis or targeting, but they certainly see the value in doing so. As consumers interact with companies across multiple channels, they are leaving behind a rich trail of behavioral data that highlights their genuine activities.

Examples of high-value behaviors that demonstrate interest to buy include:

- *Length of time on site*
- *Frequency of site visits*
- *Number of brand-specific social channels followed*
- *Level of content engagement (across channels)*

Knowing something as simple as someone's preferred channel or time of day for interacting with your brand can develop into a campaign delivered at exactly the right moment. When the right message with the right offer is delivered



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in the right channel at the right time, your audience is most likely to engage. Behaviors that indicate readiness to buy enable marketers to predict the most optimal time to target customers.

Data-driven marketing using solely demographic or psychographic information tends to limit marketers' chances of success. Adaptive marketers develop a full view of their customers by utilizing multiple data sets, gathered and activated across different channels and touchpoints. By doing so, they are well-positioned to create meaningful experiences that happen in-the-moment to initiate relationships.

ACTIVATING DATA TO DEVELOP RELATIONSHIPS

While marketers can certainly dig into their analytics software or Facebook insights to measure much of this information in aggregate, what is missing and of most value is the ability to access this behavioral information on an individual level. This is where the promise of truly useful and contextualized marketing experiences becomes a reality.

It's no secret that marketing executives strive to focus their budget on acquiring the right customers when they're ready to buy. Combining and analyzing cross-channel data that certainly includes behavioral data allows them to target on the behaviors that best predict interest level, down to the individual level, for greater impact and results.

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their marketing plans than last year, the retail team needed to take a different approach to holiday planning. This approach - focused on predicting the segments of their audience base that will produce the biggest returns - and then allocating their time and marketing dollars to reach these more valuable audiences.

The team has predicted four valuable audience segments that they want to target.

1) POWER USERS

These consumers have shown frequent interactions with the brand - across email, mobile, social and email - and have spent considerable time researching and browsing for children's clothes. By identifying this group of high-value customers, the team is looking to acquire similar customers through Facebook lookalike ad targeting.



Goal: New Customer Acquisition & Optimized Ad Spend

2) CONSISTENT USERS

Similar to #1, these consumers have shown the most frequent interactions with the brand - only through email and the website. The team determined that a unified experience across email and website - with specific offers and product recommendations consistent across email and website builds a better consumer experience and will drive more conversions.



Goal: New Customer Acquisition & Consistent 1:1 Experience



3) DORMANT USERS

The team identified a large segment of their audience with high lifetime values who's activity has decreased over time making it unlikely that they will purchase this season without an added incentive. Therefore the team is creating a special incentive program for this group and delivered a consistent incentive through Custom Audiences in Facebook, dynamic website content and email. Although the team's goal is to reduce special incentives and offers this season, they believe this group (and the next group below) are great candidates for this type of offer.



Goal: Increase Lifetime Value & Cross-Sell/Upsell

4) AT RISK TO CHURN

This audience segment has had virtually no interaction with the brand across all touch points - email, mobile, social and the website. This audience is still within their target market (they have children under the age of 12) but believe this audience is going to competitors. Therefore the team

is creating a special 'come back' incentive program for this group and delivered a consistent incentive through Custom Audiences in Facebook, dynamic website content and email.



Goal: Increase Lifetime Value & Cross-Sell/Upsell

LEVERAGING DATA FOR THE WIN

Marketers armed with cross-channel data are certainly far down the path towards personalization, but without the right platform to view individual user data rather than segment aggregates, and the ability to activate this data, marketers will only scratch the surface of 1:1 campaign potential. Adaptive marketers successfully connect demographic, psychographic, and behavioral data to their existing programs and applications to effectively influence their fast-evolving consumer.

