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"People-based marketing," and the technology that underpins it — identity resolution — should be on every CMO's radar. Don't just take my word for it — Forrester recently called identity resolution "the next competitive battleground" for marketers, implying that those who get it right will thrive, and those who don't, won't. This shouldn't come as a surprise, as these practices and this technology promise to unlock the holy grail of marketing — creating a true omnichannel view of the consumer, and activating this knowledge across digital and offline channels to create natural, seamless interactions with your brand. At LiveRamp, we've been amazed by the capabilities this technology has unlocked for our customers, which include many of the world's leading brands. We hope you enjoy this issue of *Forward* and are inspired by the potential of identity resolution to create a truly customer-obsessed organization.

— JEFF SMITH,
CMO at LiveRamp

PEOPLE-BASED MARKETING AND IDENTITY RESOLUTION

WHAT CMOS NEED TO KNOW **CONTRIBUTED BY JEFF SMITH**

As an idea, "people-based marketing" may not sound all that groundbreaking. In an address at the Massachusetts Institute of Technology 50 years ago, advertising legend Lester Wunderman noted that mass-marketed products are "produced without orders for unknown customers," replacing "traditional, individualized" service. He predicted and then led a counter-revolution in which brands reached out directly to consumers who fit a profile of a likely buyer. He called this "direct marketing," but the concept is similar to people-based marketing — understand exactly who you are talking to and apply context to each and every interaction. The key difference, however, is that this can now be done at massive scale through both advertising and marketing channels, and in both the digital and offline world.

With the explosion of digital media and data over the past 20 years, however, and the technical challenges it introduced, the entire marketing ecosystem veered away from people-based principles. Marketers, caught up in the excitement over opportunities created by the always-connected consumer, lost sight of the fact that they were no longer marketing to people, but to approximations of people — cookies, mobile IDs, and a host of other digital identifiers. Unable to definitively recognize the person on the other end of the device, marketers' ability to

track the customer journey and use that knowledge to create meaningful interactions with consumers took several steps back — in some sense marketing had reverted back to the 1960s.

Facebook was the first to shake the industry back to its senses when, at Advertising Week in 2014, it coined the term "people-based marketing." The social network reminded advertisers that if they brought their media budgets to Facebook, they could recognize their customers and prospects on their digital devices and apply context — not just based on digital behavior, but on advertisers' offline data as well — to create meaningful interactions with those consumers. Facebook called this service Custom Audiences. Google quickly followed suit with its own people-based offering, Customer Match, and it's hard to argue with the results they've seen since. (My company, LiveRamp, helps our customers extend these same capabilities beyond Google and Facebook, which allows me to provide some perspective on exactly how this works.)

2 EXAMPLES OF PEOPLE-BASED MARKETING

When it comes to people-based marketing, the possibilities are endless. Here are a few examples of what's possible today.

Suppressing Ads with People-Based Search
The dark side of retargeting efforts is peppering a customer with ads for a product she's already purchased. It's not a good customer experience. What's worse is when that customer gets served an offer on something she already owns when she's searching for something similar.

In the insurance business, for example, a brand might have new offers on certain policies, such as home insurance, that it doesn't want pushed to people who already have them. One insurance company is using people-based search to adjust its keyword targeting for existing policyholders through Google Adwords.

This way, it can suppress the ads for policies its customers already own and offer them upsells on complementary policies instead — saving a bunch in media spend, too.

People-Based Addressable TV
Media buying used to be about demographic insight. If a brand were buying a spot on TV, it needed to know which shows 18- to 24-year-olds watched. One cable TV network is taking this insight to a whole new level.

It's using identity resolution to tie its media-buying customers' first-party data to third-party consumer data on stuff like car lease expiration dates. That means it can tell media buyers precisely which shows the people on its lists are watching — and where to spend its money. These are segments that can be addressed on TV and are likelier to convert. This is people-based targeting. For TV.   — *J.S.*

A PEOPLE-BASED FUTURE
Underpinning the ability to identify target consumers across myriad devices and digital platforms, and connect that understanding to offline and digital data related to that consumer, is a construct commonly referred to as an identity graph. Simply put, an identity graph is a very (very) large spreadsheet that maps the connections between data, people, and devices. Think of it as a Rosetta Stone for all of the different people-based identifiers and consumer data points that exist in the digital and offline worlds. There are a lot of different ways to make these connections, but one of the simplest to understand is an email address.

Facebook, as an example, has an email address for every consumer on its platform. It can also associate a browser cookie or a mobile ID with each email address. When a marketer shows up with a list of customers or prospects to target on Facebook that includes email addresses, Facebook can use those addresses to help recognize the person behind the digital identifier and apply context the marketer has on that person to the interaction. Called identity resolution, this process is what enables people-based marketing.

According to a recent survey commissioned by LiveRamp, about 79 percent of marketers are taking advantage of the opportunity to leverage Facebook and/or Google's identity resolution capabilities to execute people-based marketing campaigns inside these walled gardens. However, the study also highlights that many marketers are not taking advantage of the opportunity to extend their people-based marketing beyond Google and Facebook to the rest of the digital ecosystem.

Nor were marketers using identity resolution to its full potential — namely, to implement omnichannel marketing campaigns. In other words, moving offline data into the digital world (a process sometimes referred to as "onboarding") to better target and measure in digital channels, and moving this data across digital channels to create more seamless experiences for consumers (think frequency capping or sequential messaging) or moving data from the digital world back into the offline world to improve marketing programs there. For example, using a non-logged-in customer's behavior on one's website to inform a direct mail campaign.

The biggest miss, however, and why CMOs should be thinking about this: the study identified that identity resolution capabilities, when implemented enterprisewide, could help marketers capture all of these interactions with their brand. Another way of saying this is that marketers were missing an opportunity to create an omnichannel view of the consumer and leverage that to build both stronger relationships with consumers and a customer-obsessed culture in their company.

It's no wonder that Forrester, in its report "The Strategic Role of Identity Resolution," went so far as to call identity resolution "the next corporate battleground." Companies that get this right at an enterprise level are going to thrive. Those that don't are going to die.

Here are a few ways to get started.

PEOPLE-BASED TARGETING

Many marketers start by using identity resolution to target customers on premium publishers and in programmatic display channels, using data from CRMs or other offline systems (purchase data, for example) to inform the creative served.

But why stop there? Marketers should consider syncing their display advertising, mobile advertising, and addressable TV campaigns with the offers they email to their subscriber lists. Other popular tactics include delivering ads for a free trial to consumers who look like customers as part of an acquisition campaign, or running a re-engagement campaign targeting customers who haven't dropped by in a while.

Just as important as figuring out who to target is figuring out who a brand should not want to see its advertising. It may sound counterintuitive at first blush, but audience suppression — the process of excluding a particular audience from receiving a marketing message — can be extremely beneficial. As a consumer, purchasing a new pair of shoes at full price only to have ads for those shoes follow you around the internet — with an offer for 10 percent off or free shipping — is annoying. Marketers can avoid this by uploading a list of recent customers and suppressing them from the campaign. This not only improves the consumer experience, but also delivers big savings on media costs. A win-win for the CMO and CFO.

Whether targeting a specific group or suppressing messaging from reaching another, the ability to recognize consumers in digital channels means that marketers can get as granular — or not — as they want. This gets really interesting when one starts thinking about use cases for specific industry verticals. For example, some of the biggest automotive companies are using this capability to greatly improve the efficacy of the recall process, onboarding their offline data to reach people who own recalled vehicles. By targeting those affected — and excluding those who are not — automakers can ensure the recall message reaches those who need to see it, and that they are not advertising the defect to everyone else.

Whether running a brand awareness or performance marketing campaign, targeting existing customers, or seeking new, high-value prospects, identity resolution is the key to recognizing consumers in digital channels and delivering a relevant message.

PEOPLE-BASED MEASUREMENT

Identity resolution and people-based principles also need to be foundational components of any measurement or attribution system. Identity resolution allows every consumer touchpoint with a brand (i.e., digital ad impressions, email opens, website visits, in-store foot traffic, offline purchases) to be tied back to an actual person. If marketers are not using identity resolution, their mix models or attribution algorithms can go materially off base — unable to connect the different digital identifiers and data points,

what might equate to multiple touchpoints with a single consumer are interpreted as touchpoints with different consumers, breaking the model.

For this reason, most marketers start by integrating identity resolution capabilities into their measurement and attribution systems. One of the key underlying processes this supports is the ability to create people-based test and control groups, which are critical to measuring the effectiveness of a campaign. The ability to ensure a clean control group greatly increases confidence in the measured outcome.

Marketers then often graduate to extending their definition of marketing effectiveness beyond the reach of their advertising (i.e., a GRP or its digital equivalent) by mapping exposure to online or offline sales. For example, tying data from an addressable TV campaign back to in-store sales. From there, marketers can harness additional offline insights like in-store traffic and location data to better understand what led to the sale in the first place, and start to decipher the path to purchase. Over time, as marketers build a collection of these paths for any given consumer, they can take the next step, weaving these together to create an omnichannel view of the consumer — the holy grail for any marketer.

That's what people-based measurement is all about: allowing brands to use identity resolution to better understand their customers and build truly customer-centric organizations.

THE PEOPLE-BASED JOURNEY

People-based marketing is a journey, not a destination. There are simple ways to apply this approach today to produce an immediate return. Starting with basic targeting use cases, like audience suppression in mature digital channels such as display and search, can help to show an immediate ROI, and make the justification to invest in more complex applications and expand into additional channels, such as mobile, digital radio, and addressable TV.

Of course, the journey doesn't stop there. From the Internet of Things to virtual reality to chatbots, new channels and technologies will only continue to emerge. The pace of change will also likely increase, making an already complex ecosystem of channels, technologies, and consumer behaviors even more difficult to decipher. Given this, forward thinking marketers are already in the process of implementing identity resolution as an enterprisewide capability. For those who are not, the risk is being buried under a mountain of unusable data and left in the rear-view mirror by their people-based competitors. For those who are, the rewards are enormous — a world where every interaction with a brand is relevant, recognized, and enriches the marketer's understanding of the consumer journey.

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People-Based Marketing Starts with Identity Resolution
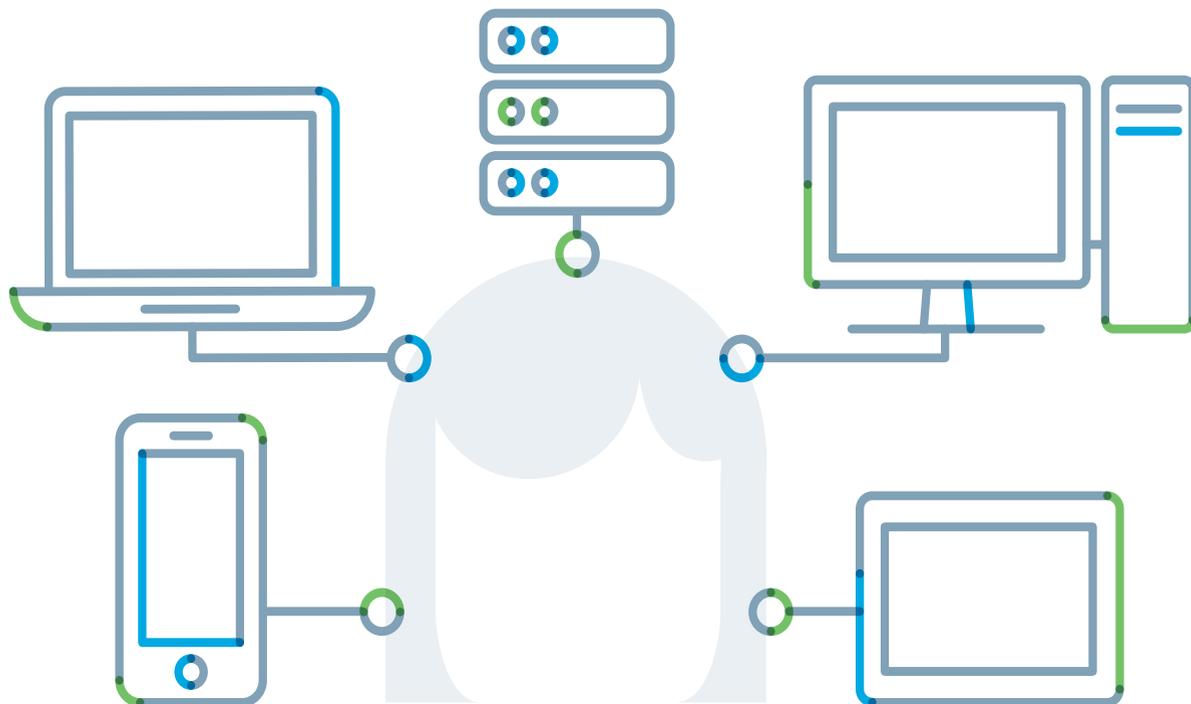
What is Identity Resolution?
Check out our SlideShare to find out.

To learn more visit
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