

Digital Marketing

Balancing Analytics and Privacy in a Connected World

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Afternoon Keynote - August 22, 2016

Outline

- Who am I?
- How did we get here?
- Where exactly is “here”?
- What does data-driven mean?
- What data is doing the driving?
- What is the current state analytics?
- What does the future hold?

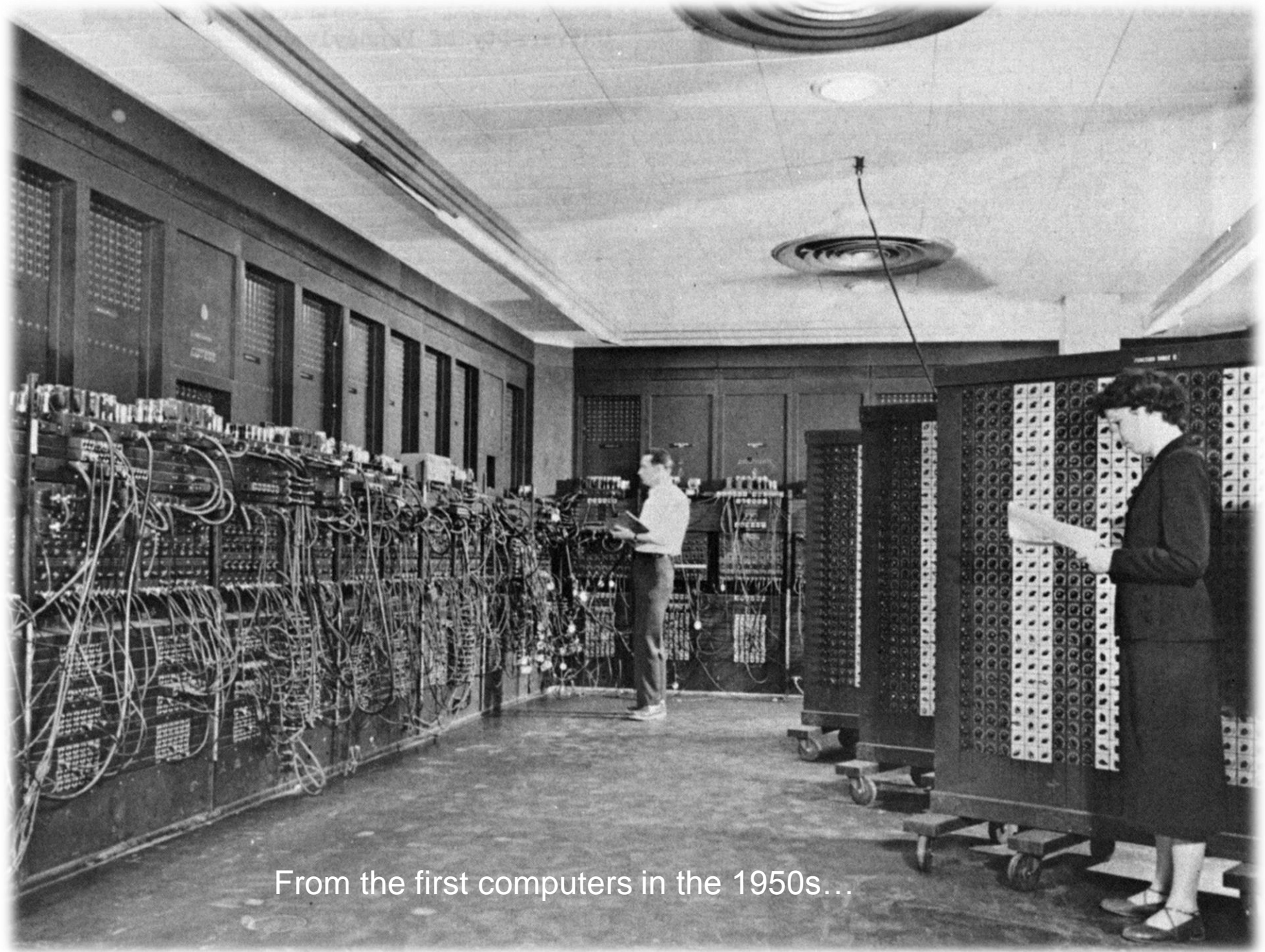
Who am I?





How did we get here?





From the first computers in the 1950s...



chiefmartec.com Marketing Technology Landscape

March 2016

Advertising & Promotion

Mobile Marketing
 6YXON BEVRY TANDROVER
 NETLOGIC HYDROK
 LEADSPOT
 Display & Programmatic Advertising
 VIANT
 COPILOT
 KOSKOS
 Search & Social Advertising
 AdSense
 Native/Content Advertising
 Video Advertising
 Print
 PR

Content & Experience

Mobile Apps
 Interactive Content
 Content Marketing
 Optimization, Personalization & Testing
 DAM & MRM
 SEO
 Marketing Automation & Campaign/Lead Management
 CMS & Web Experience Management

Social & Relationships

Call Analytics & Management
 Events, Meetings & Webinars
 Social Media Marketing & Monitoring
 Advocacy, Loyalty & Referrals
 Community & Reviews
 CRM

Commerce & Sales

Retail & Proximity Marketing
 Channel, Partner & Local Marketing
 Sales Automation, Enablement & Intelligence
 Affiliate Marketing & Management
 Ecommerce Marketing
 Ecommerce Platforms & Carts

Data

Audience/Market Data & Data Enhancement
 Marketing Analytics, Performance & Attribution
 Mobile & Web Analytics
 Dashboards & Data Visualization
 Business/Customer Intelligence & Data Science
 iPaaS, Cloud/Data Integration & Tag Management

Management

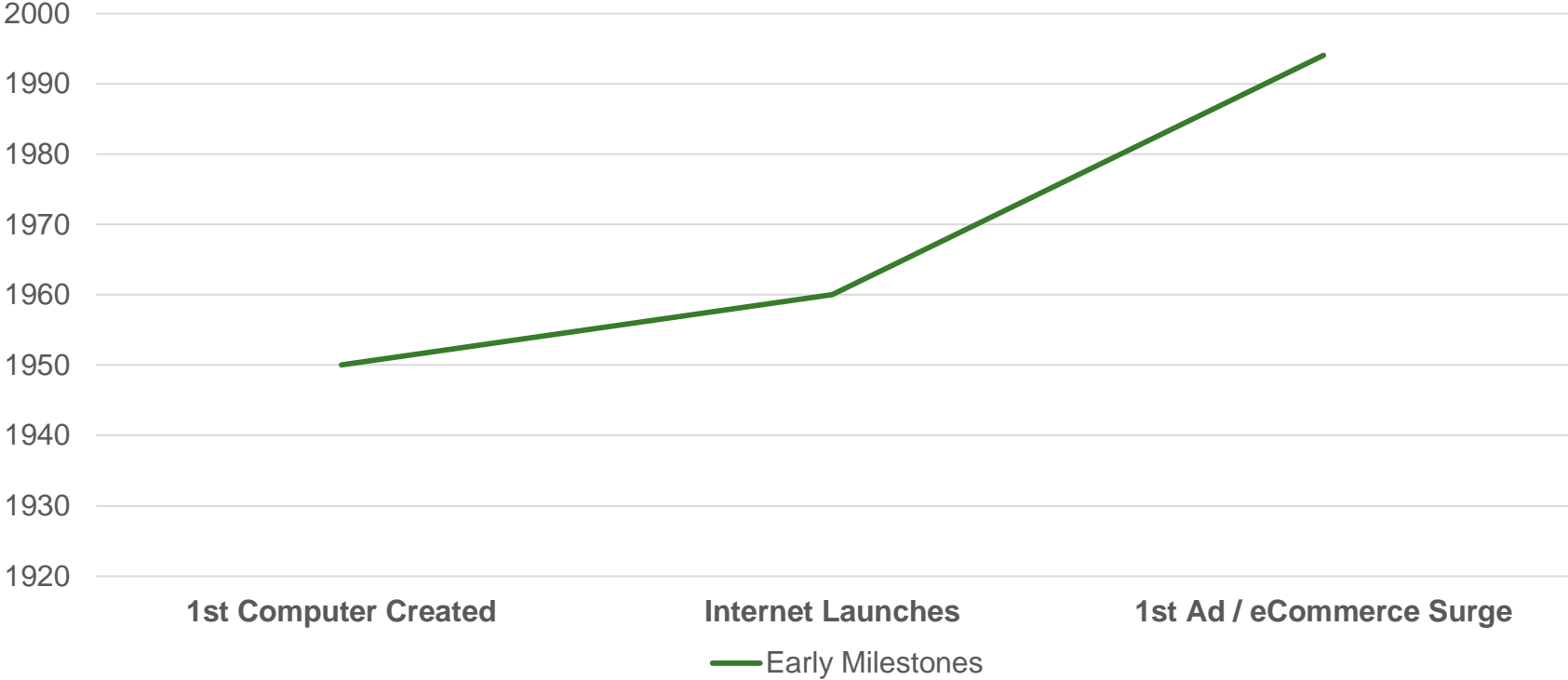
Talent Management
 Product Mgmt
 Budgeting & Finance
 Collaboration
 Projects & Workflow
 Agile & Lean Mgmt
 Vendor Analysis

Sources: Cabinetm (http://cabinetm.com), Captara, G2 Crowd, Google, Growthsense, LUMA Partners, Siftly, TrustRadius, VBProfiles — see http://chiefmartec.com/2016/03/marketing-technology-supergraphic-2016/ for details. Created by Scott Brinker (@chiefmartec).

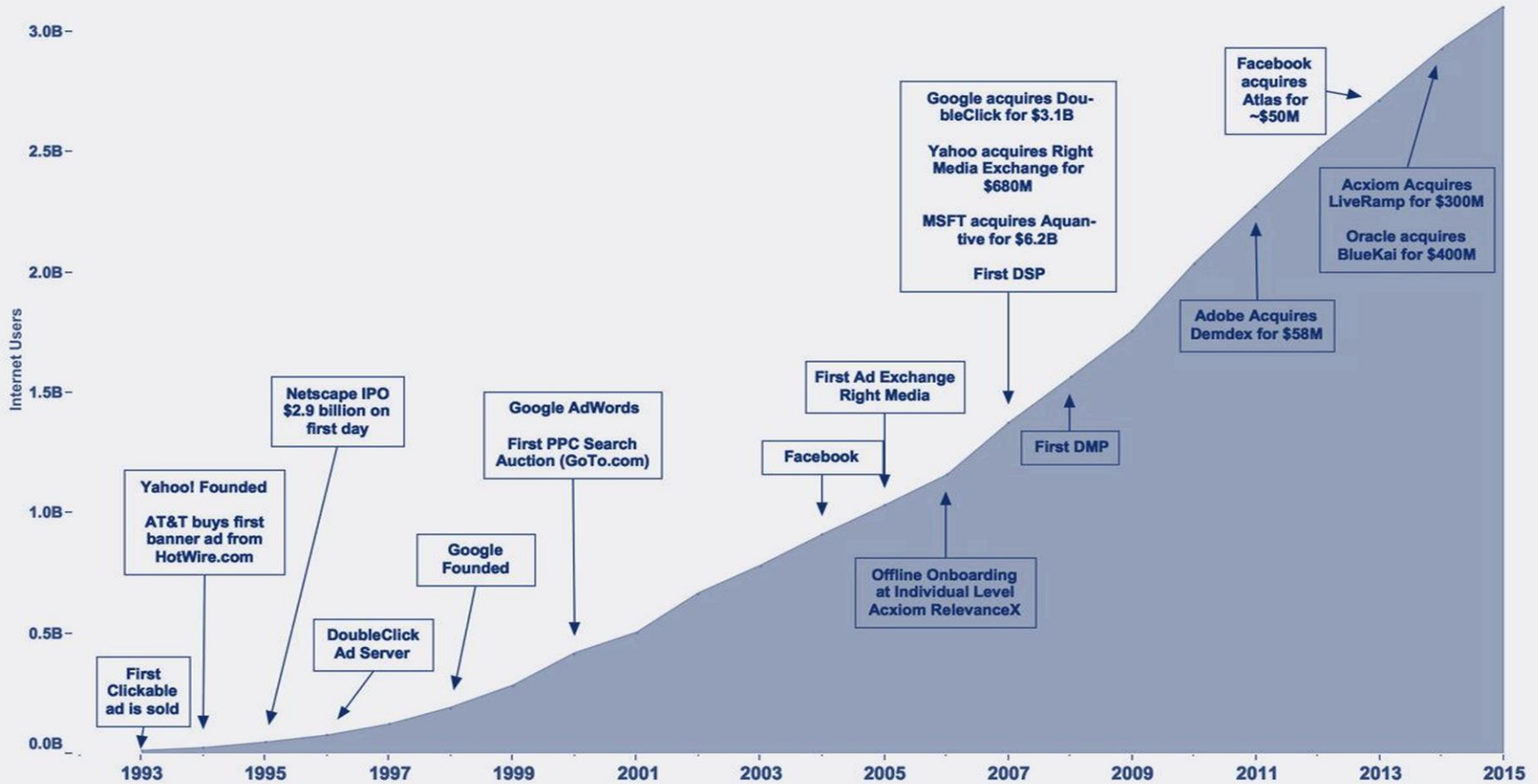
To the massive interconnected Marketing Technology Landscape that exist today.

How It All Began

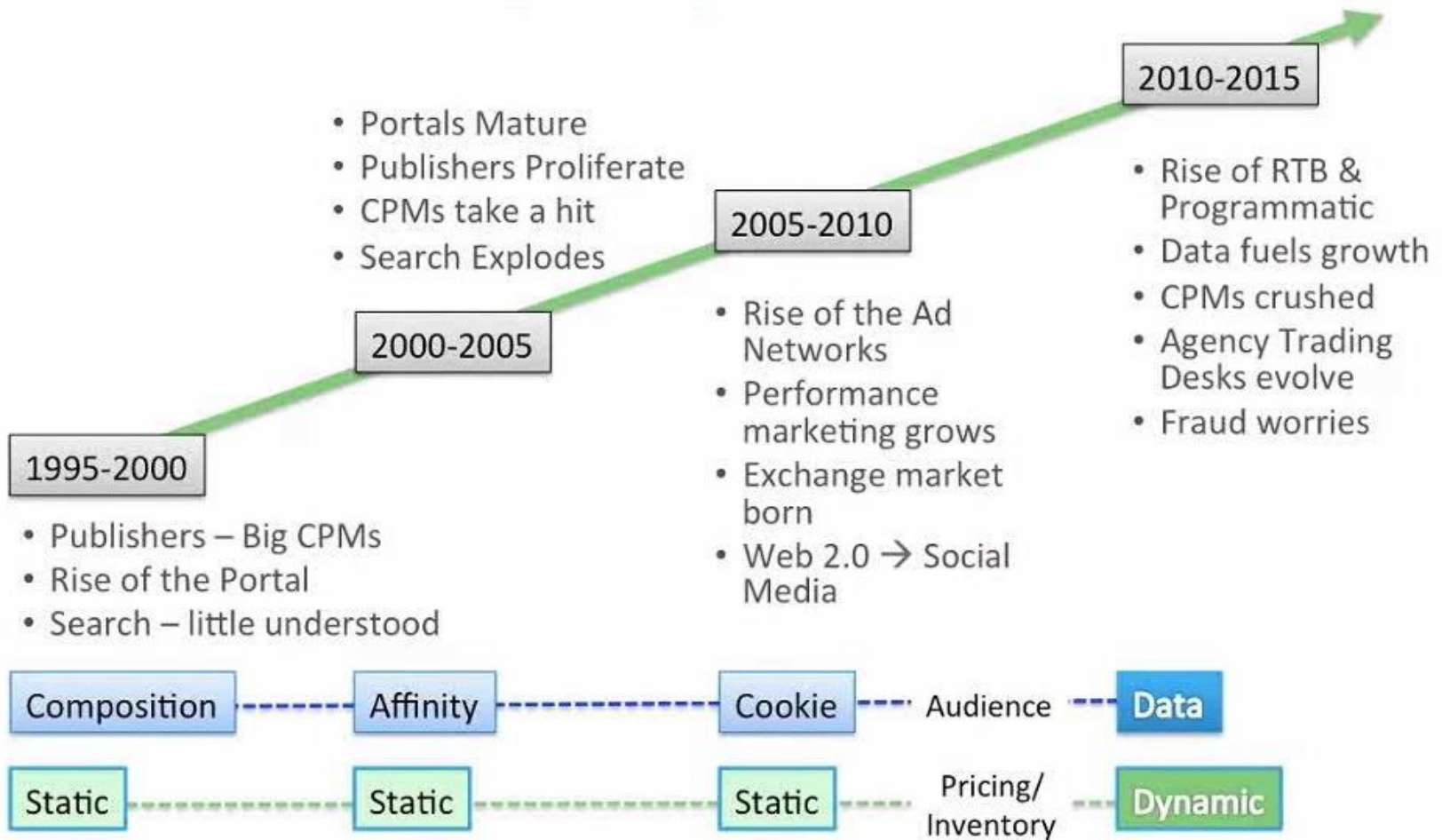
Early Digital Timeline



A More Recent Timeline



A Brief History of Digital





Where exactly is “here”?



We Live In a Connected World



Our computers



Our bodies



The cars we drive



Our homes

And... adoption is *FAST*.

Smartphone ownership grew from 10% to 60% of U.S. population in only 5 years.

How Consumers Want to be Engaged is Evolving...

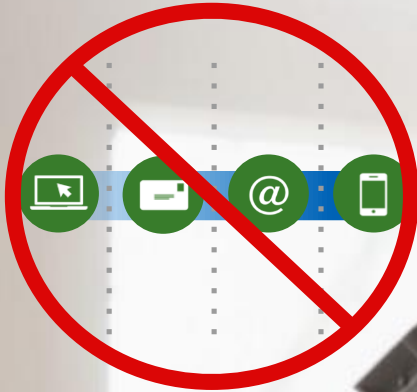


61% of online adults are using at least 3 internet-connected devices from multiple different locations, multiple times a day.

...and now they are always *addressable*.

All About Consumer Experience

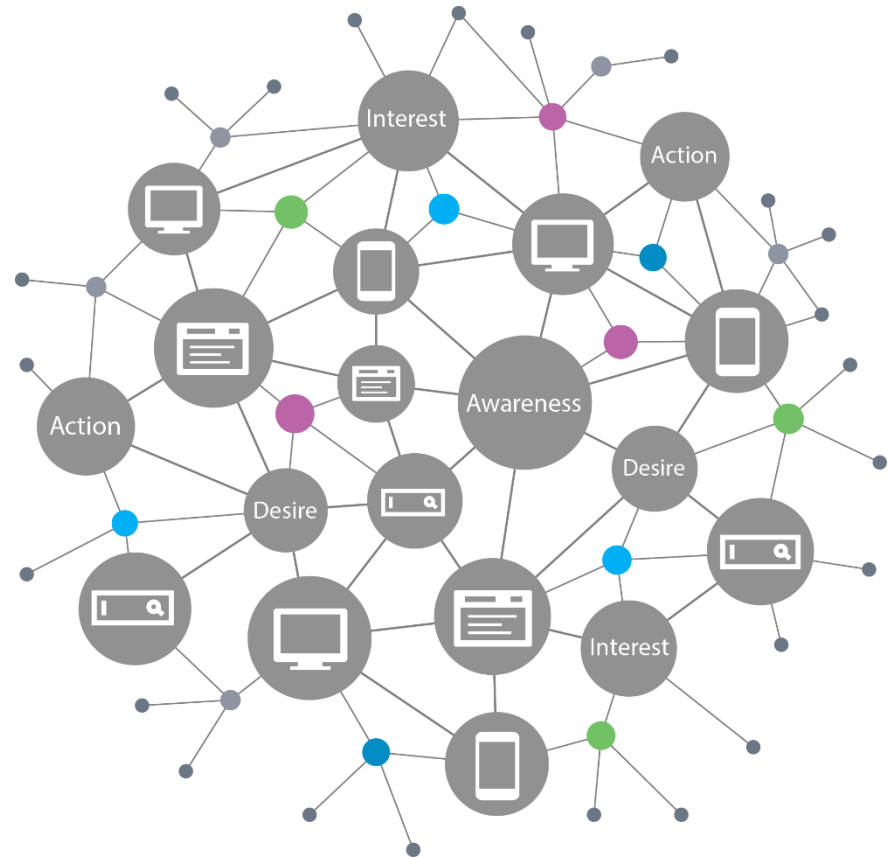
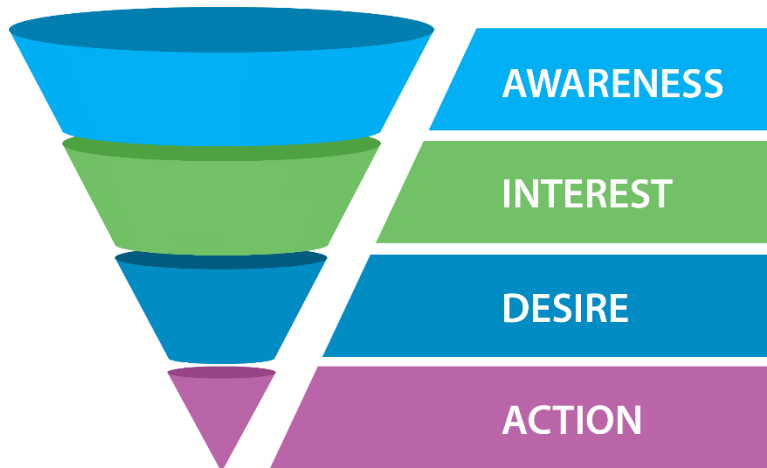
MARKETING TO CHANNELS



MARKETING TO PEOPLE



The Old Marketing Funnel is Gone



Mobile First with Focus on Need States



I-want-to-know moments

65%

of online consumers look up more information online now versus a few years ago.²

66%

of smartphone users turn to their phones to look up something they saw in a TV commercial.³



I-want-to-go moments

2X

increase in "near me" search interest in the past year.⁴

82%

of smartphone users use a search engine when looking for a local business.⁵



I-want-to-do moments

91%

of smartphone users turn to their phones for ideas while doing a task.⁶

100M+

hours of "how-to" content have been watched on YouTube so far this year.⁷



I-want-to-buy moments

82%

of smartphone users consult their phones while in a store deciding what to buy.⁸

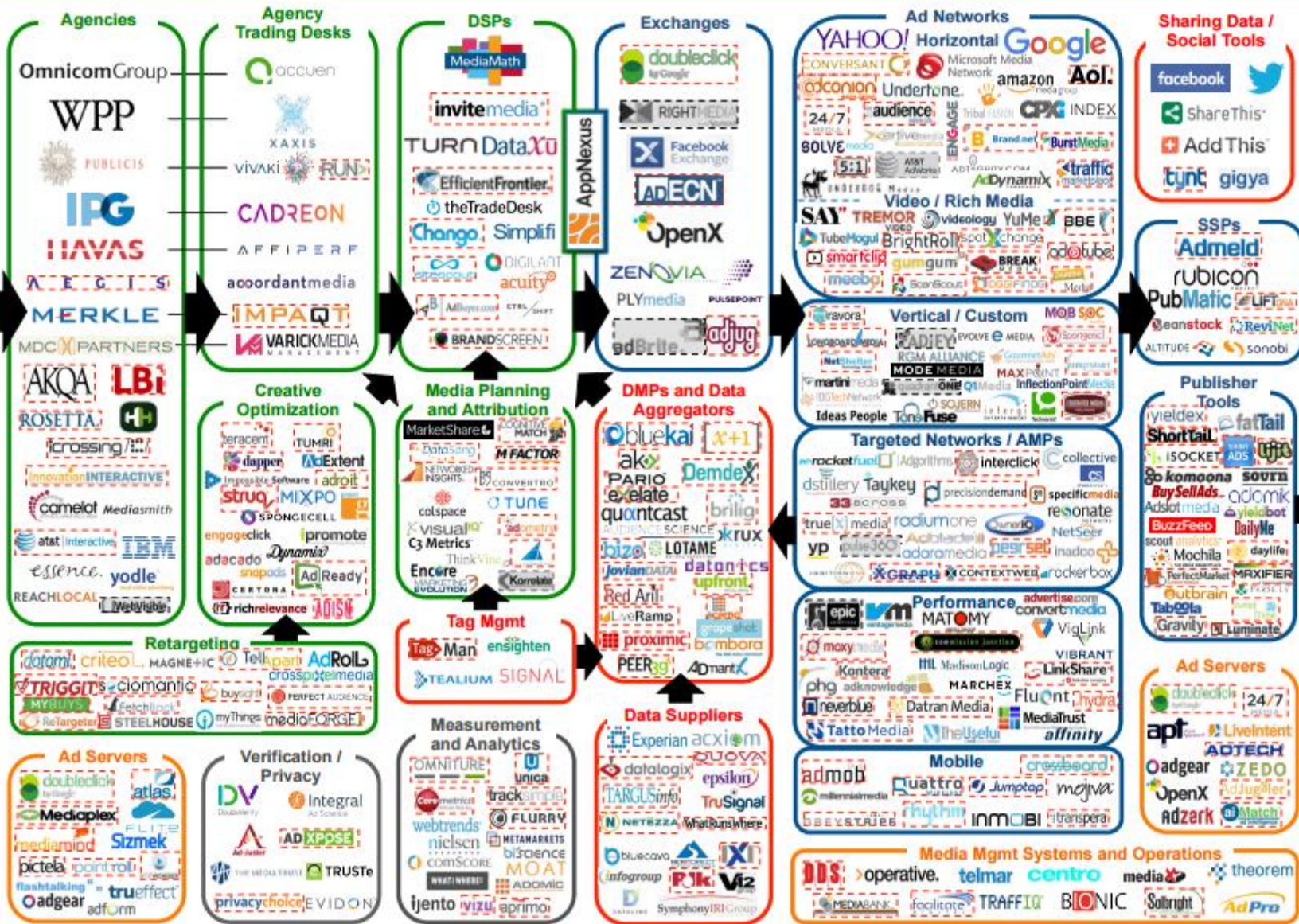
29%

increase in mobile conversion rates in the past year.⁹

DISPLAY LUMAscape

MARKETER

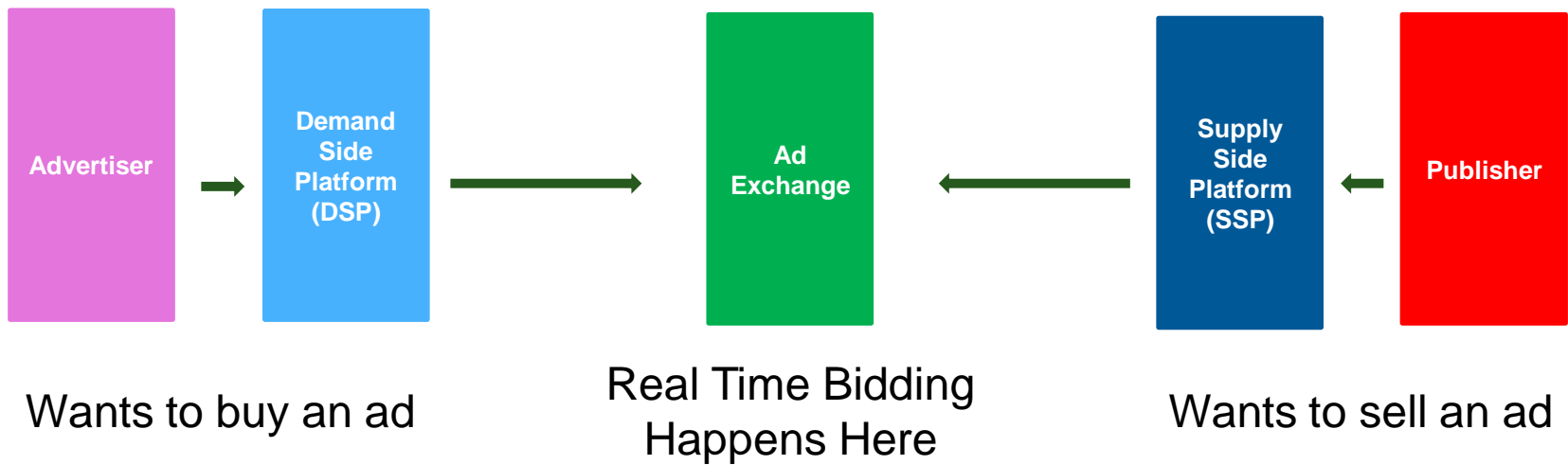
PUBLISHER



Denotes acquired company Denotes shuttered company



Basic Version of Ad Sales



How Do Digital Ads Work?

The screenshot shows the Entertainment Weekly website. At the top, there's a navigation bar with categories like TV, TV RECAPS, MOVIES, MUSIC, BOOKS, VIDEO, and SUBSCRIBE. Below this, there's a main article titled "FIRST LOOK 'Once Upon a Time': Meet Maleficent, Cruella de Vil, and Ursula". To the right of the article is a red advertisement for Toys R Us with the text "gifts made easy at the World's Greatest Toy Store". Below the ad is a "Top Stories" section with several headlines.

AD SERVING CRITERIA

- Cookies
- Browser Type
- Time of Day
- Weather
- Content on the page
- User Geo-location
- Data modeling
- Predictive modeling
- Demographics
- Exposure to other ads
- Device Type, version
- Carrier (if mobile)

Ad Blocking

- Browser extensions that prevent ads from loading.
- Use of mobile and desktop ad blocking software grew by nearly 50% in 2015 (Q2 2015 - 45 million Americans; 198 million users globally)



It is argued that widespread ad blocking results in decreased revenue to a website sustained by advertisements where blocking can be detected.

A 2015 report, by Adobe and Pagefair, estimates the cost to publishers in 2016 alone could be as much as **\$22 billion**.



**What does data-driven
mean?**



Current Data-Driven Marketing

More than ever, data is driving...

**Customer
Insights**

**Real-Time
Decision
Making**

**Intelligent
Ad Delivery**

**Accelerated
Optimization**

The Power of Data

What is “Big Data”?

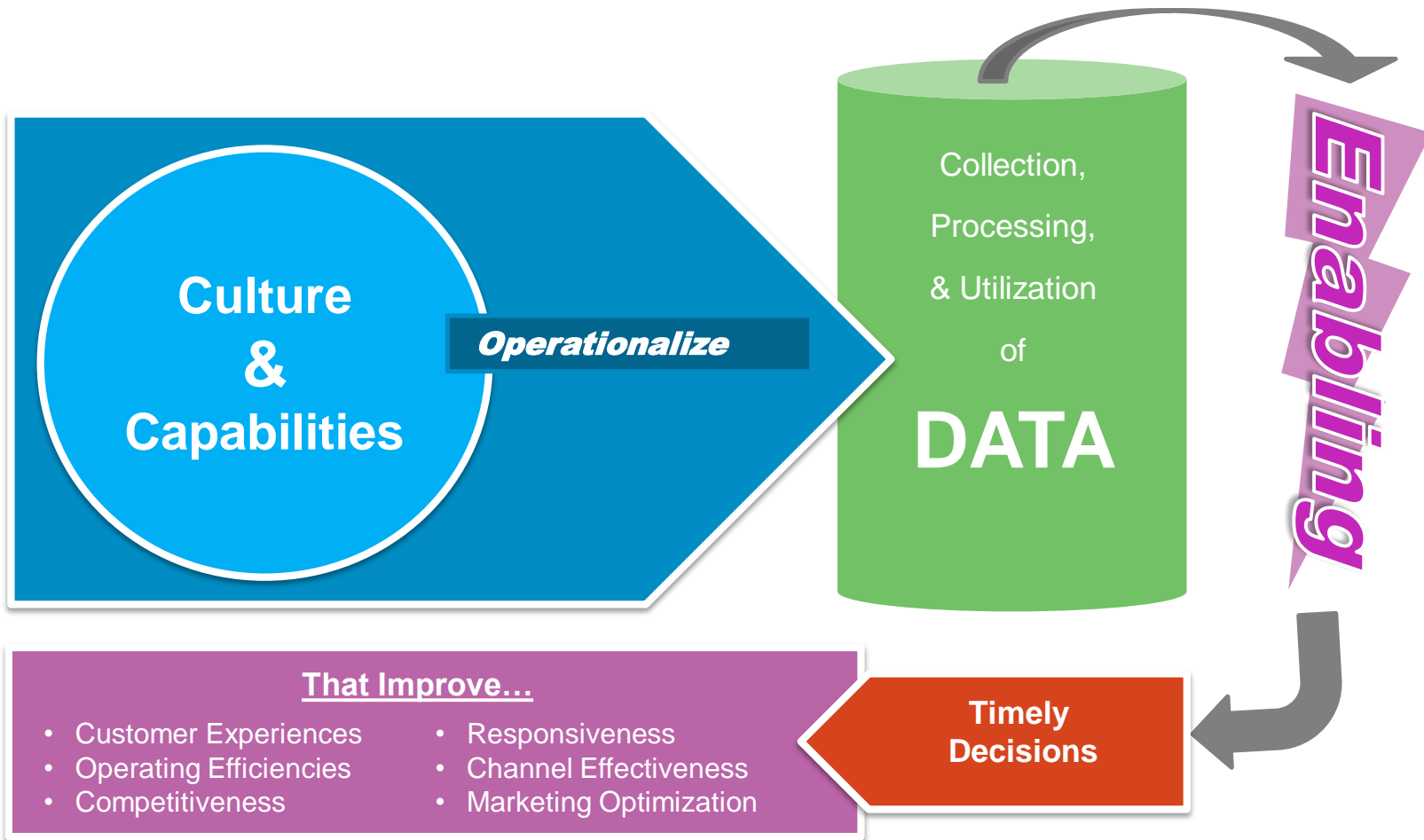
A large collection of data from traditional and digital sources that represents a source for ongoing discovery and analysis

Volume / Velocity / Variety / Veracity / Value / ...

Two-fold power of data: Marketing & Analytics

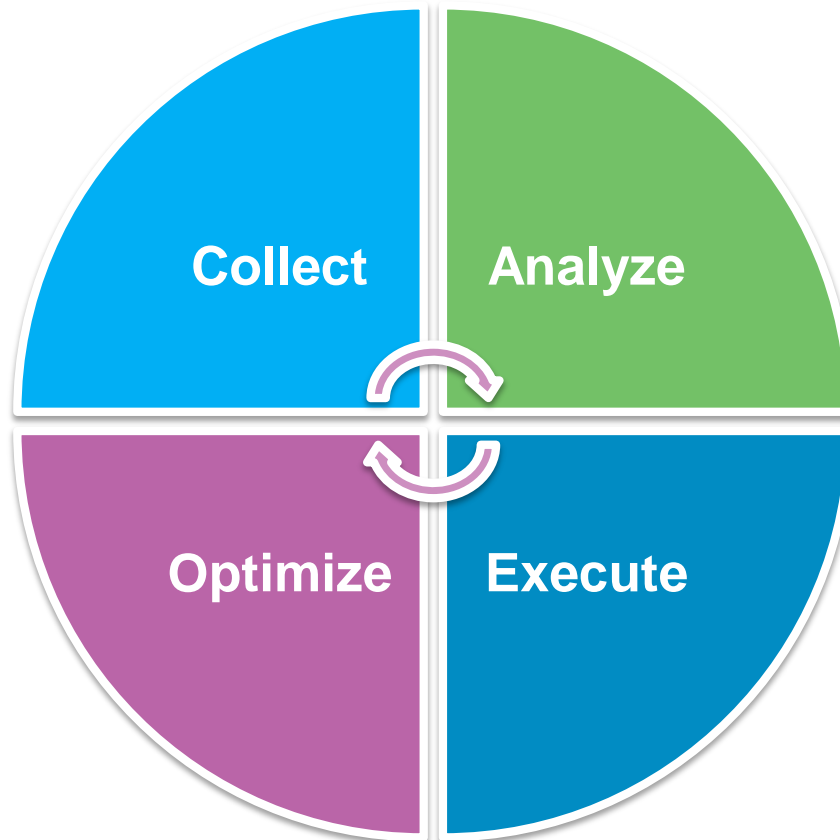
Personalized experience
Targeted ad spend
Closed loop measurement

Being “Data-Driven”



How Does it Work?

- Sources
- Insights
- Patterns
- History



- Channels
- Messages
- Targeting
- SVOC

- Segments
- Pathways
- Offers
- Responses

- Delivery
- Compliance
- Preference
- Personalization

Collection



Collect

- Sources
- Insights
- Patterns
- History

- What sources of data will you / can you collect?
- What customer insights are most important to you?
- What patterns have you observed or would like to observe?
- How much program / campaign history do you have on your customers?

Analyze

- Have you segmented your customer data? Which segments are most likely to convert?
- Will your segmentation schema drive better understanding of pathways to engagement?
- Which offers are right for which segment? How do your offers differ in terms of revenue contribution? Or in terms of contribution to profit?
- How are you connecting response data (clicks, visits, interactions, email opens, call center inbounds, etc.) to your customer insights?



Analyze

- Segments
- Pathways
- Offers
- Responses

Execute

- By what means do you plan to deliver your customer segments into your advertising channels?
- What steps have you taken to appropriately anonymize your customer data to adhere to modern privacy standards/laws?
- When current or prospective customers respond, by what method will you gather and store their preferences for communications from you?
- How will you leverage preference data to personalize your customers' experiences?

- Delivery
- Compliance
- Preference
- Personalization

Execute

Optimize

- Channels
- Messages
- Targeting
- SVOC

Optimize

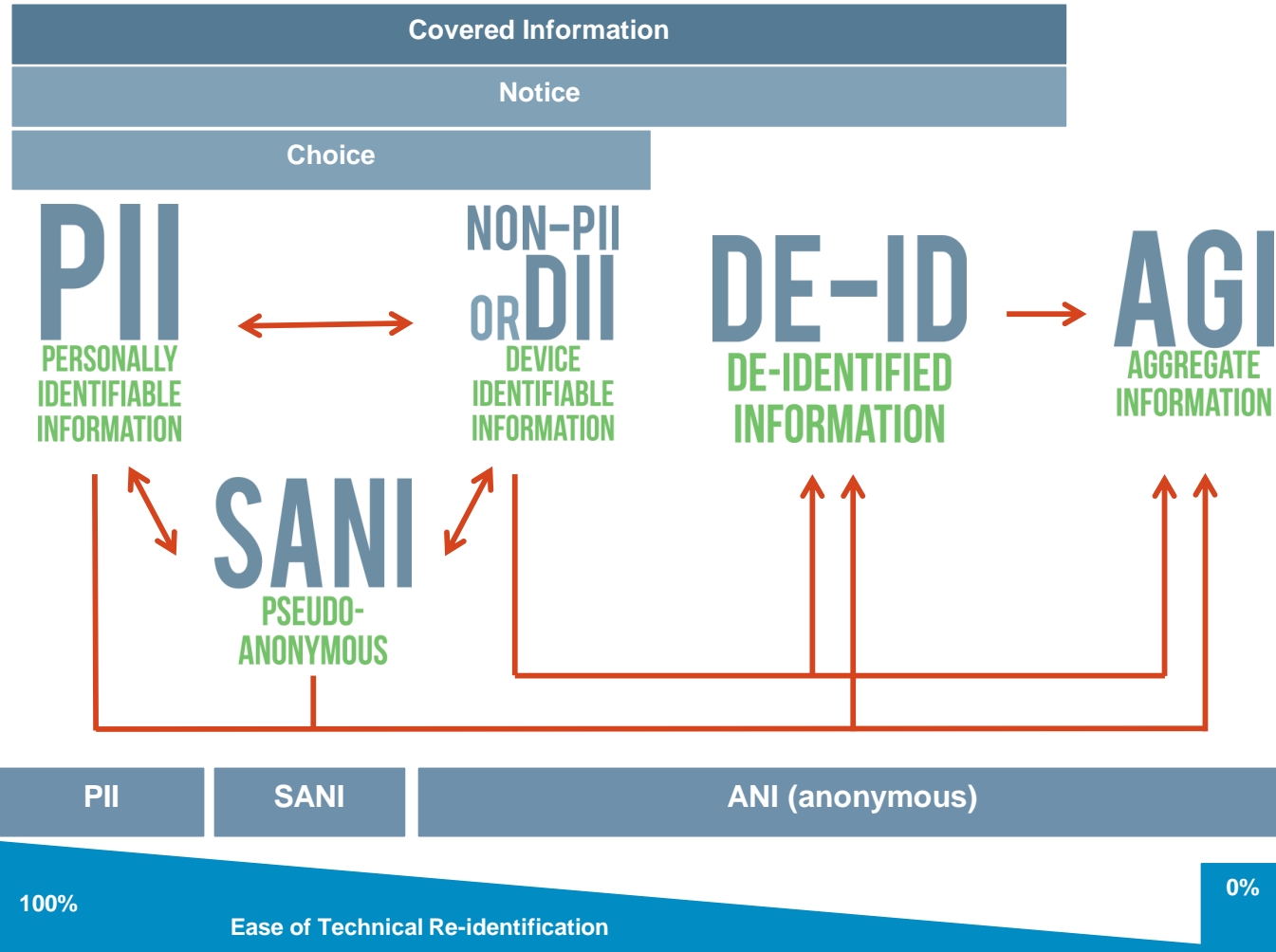
- How do you plan to attribute sales/acquisition credit to each channel you utilize? How will you optimize your channel choices?
- How will you leverage customer data to alter the content, the look & feel, the offer, or the frequency of the messaging you use?
- How will insights from your customer data drive an effective AND efficient targeting methodology? How will targeting methods vary by channel?
- Will your data-driven strategy allow you **a single view of customer** so that optimization decisions are fact-based – (i.e., not based on intuition/guesswork)?



What data is doing the driving?



Types of Data



It's a Data Party!

1st Party – Relationship Driven Client Data

2nd Party – First Party Data from Other Companies

3rd Party – Outside Data, Collected by Providers

Third Party Data Suppliers

Ancillary Data: Typically not about a customer... can include current weather, or geo-specific data such as elevation or ZIP Code

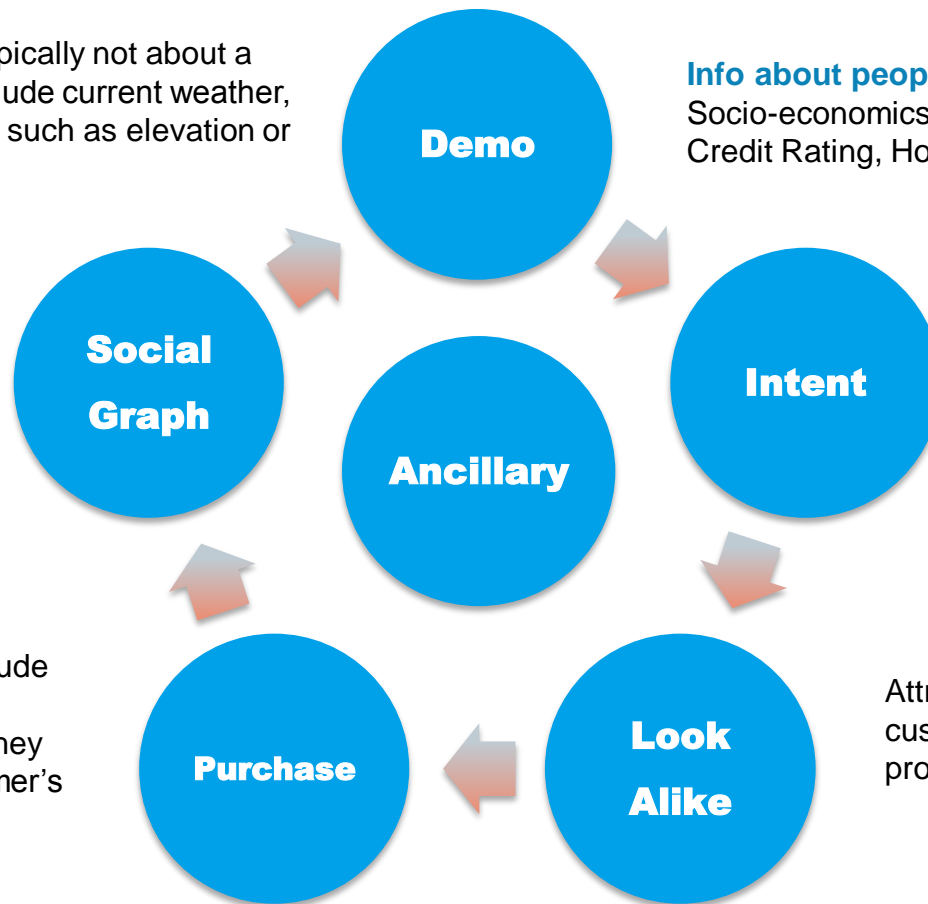
Info about people:
Socio-economics, Age, Gender
Credit Rating, Homeownership

Using **social media data**, a person's interests can be inferred based on what their friends are interested in

Demonstrated in-market readiness to buy something, like a car or vacation, or to do something – like fill out an insurance quote request

Purchase data can include information about prior purchases or products they own, predicting a customer's next purchase

Attributes of current customers predict prospective customers



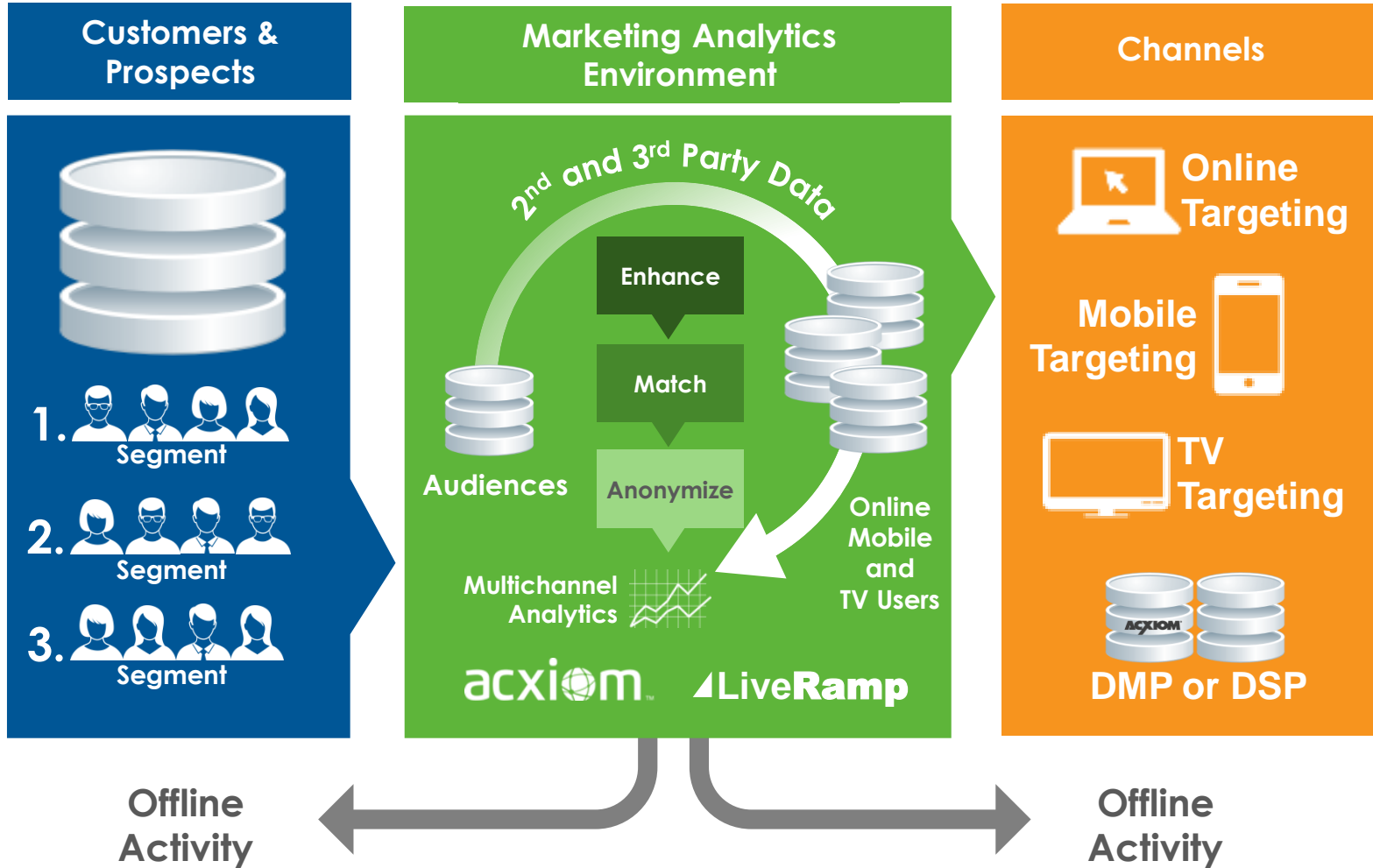
Second Party Data Providers

- Shaping up to be both the biggest opportunity and challenge for the industry
- Limited buy-in (9% in US)
- Privacy and security control questions must be addressed to unlock potential

Social Media: “Closed Gardens”

- All major social properties have a proprietary advertising platform
- Method to buy on Facebook: Ads Manager
- **Highlights of Facebook Ads Manager:**
 - ✓ Built in data targeting capabilities leveraging FB data - location, demographics, interests, behaviors, connections
 - ✓ Ability to create, discover and target ‘similar audience’ to previous FB campaigns
 - ✓ Ability to upload existing customers emails or place FB pixel on your website and FB will perform lookup and hashes, delivering to you a look-a-like audience you can target your campaign to
 - ✓ Ability to upload your prospect contact list to Ads Manager and target

Vendor Neutral “Open Gardens”



LiveRamp/Acxiom - 2nd Largest

OFFLINE RECOGNITION



ONLINE RECOGNITION





What is the current state of measurement and analytics?

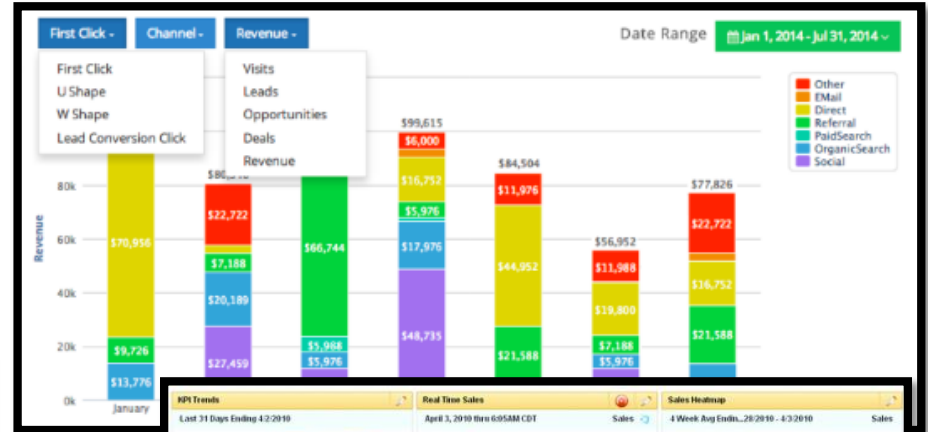


Measurement & Analytics

In the beginning, Marketing Analytics looked exclusively backwards...
....And rarely did the findings change the road we were on

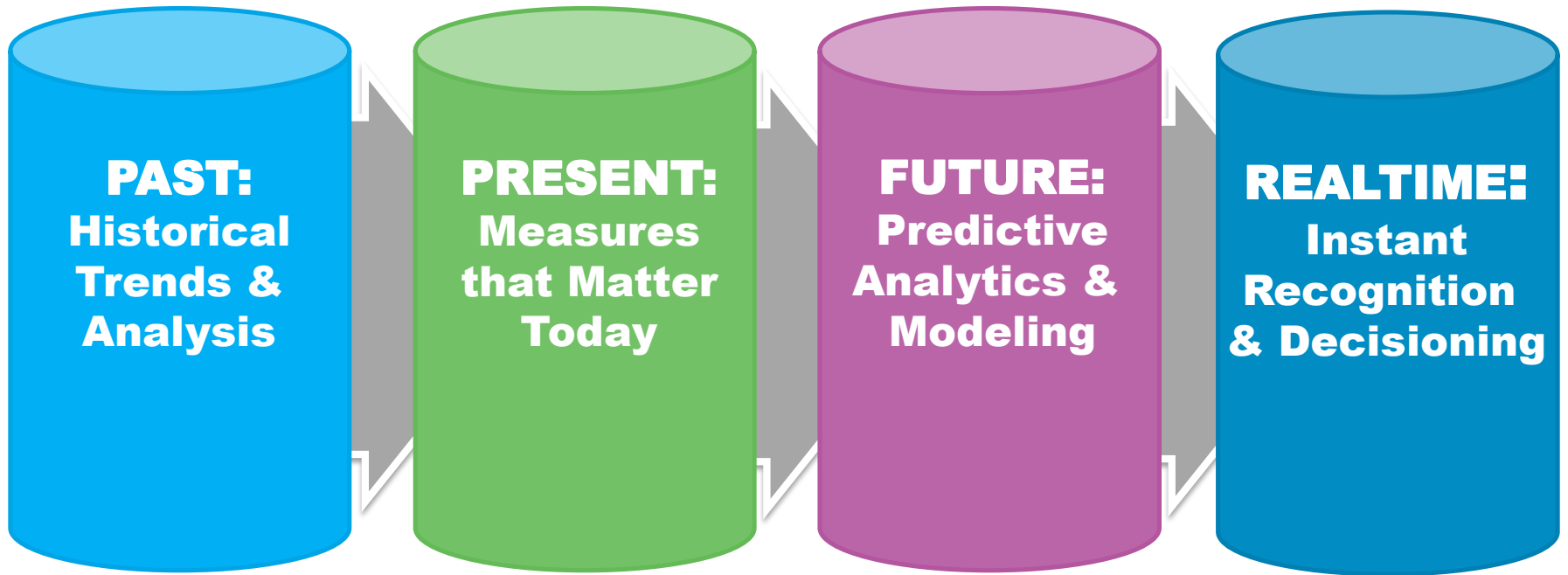


Measurement & Analytics



Today, Marketing Analytics functions much more as a navigational tool.

Temporal Dimensions for Analytics



Temporal Dimensions for Analytics



**PAST:
Historical
Trends &
Analysis**

Historical Trends/Analysis looks at “Historical” Data

- Answers the question “what happened?”
- What events, factors, measures are correlative to the result? Can cause and effect be isolated?
- Were we measuring the right things?
- History can be a guide: What conclusions can we make from what this campaign or program yielded in terms of results?

Examples of Historical Analytics

- Last years’ web traffic trends by consumer segment versus seasonality
- Email interaction by customer type: Lapsed, Infrequent, loyal, etc.
- Facebook “likes” driven by various mobile apps versus segments

Temporal Dimensions for Analytics




Analytics that are “In the Moment” – The Here and NOW

- Think alerts, triggers, if/then decisions that marketing analytics can assist
- Today’s numbers are not guaranteed to be any better or worse than yesterday’s, but if you have a view into them they can be changed for tomorrow
- What conflation of factors are contributing to the present situation? What immediate tweaks or switches can we make to change it?

Examples of “Measures that Matter Today” Analytics

- Today’s Click-through rate is down 50% versus the average – what’s unique about the dynamic banner creative today?
- The email open rate for today’s “Fashionista” segment emails is unusually high – let’s go find out what’s so compelling about the subject line

Temporal Dimensions for Analytics



**FUTURE:
Predictive
Analytics &
Modeling**

Future-term Analytics are “Predictive” in Nature

- Predictive analytics make use of current data to forecast future probabilities of events and outcomes within a certain range of confidence.
- Statistical models (typically built from Regression processes) are assembled, predictions are made and assessed, and then the model is validated.

Examples of Predictive Analytics Applications

- A telco company wants to create a model to predict the precise combination of messages that will “save” a customer from canceling
- An eCommerce company wants to predict the exact frequency of display ads required to inspire purchase of an item previously placed in the shopping cart
- A hotel chain builds a model to predictively estimate bookings based on a special deal they’re planning to offer in three weeks

Temporal Dimensions for Analytics



Real-Time Analytics are the Wave of the Future

- Real-time analytics are executed by computer systems (often referred to as artificial intelligence or “machine learning) to make split-second decisions based on observed data at the moment of delivery
- Real-time analytics are by nature quick and nimble – Latency is minimized, and the need for time-consuming batch ETL is eliminated

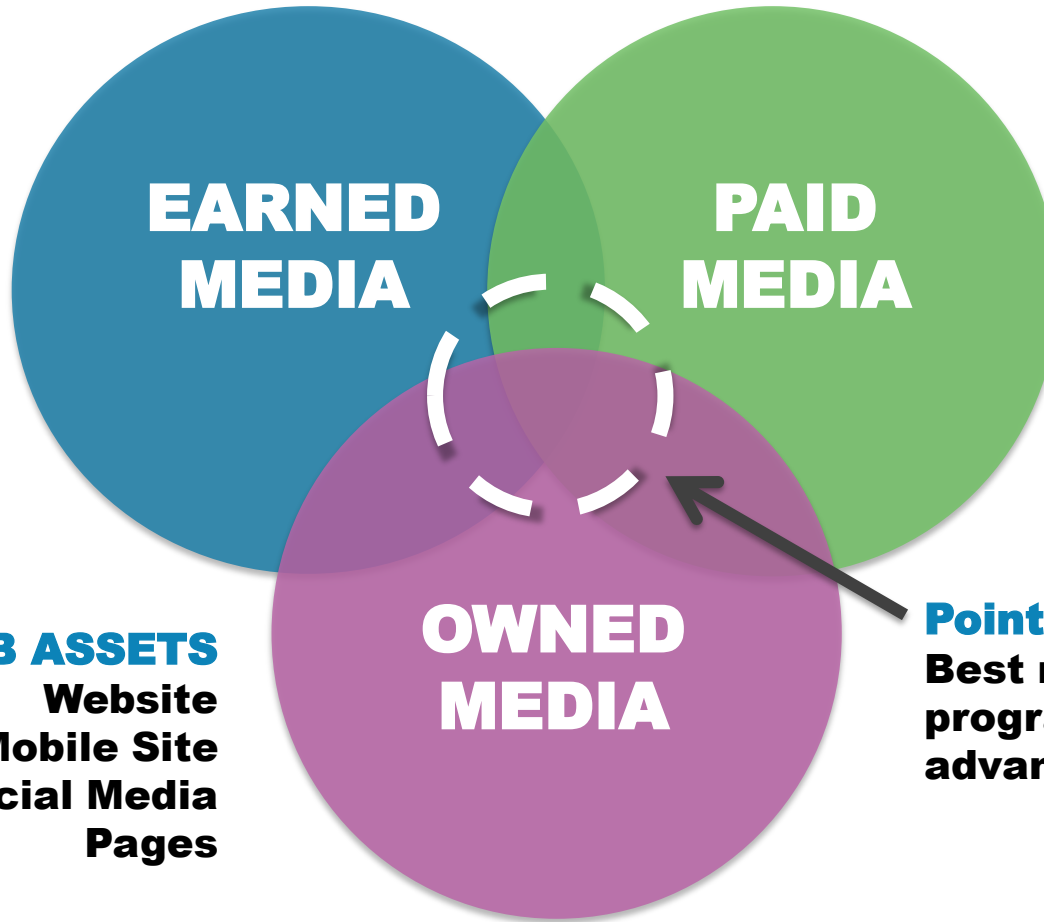
Examples of Predictive Analytics

- An ecommerce company wants to predict the next book you’ll buy by instantly accessing your purchase history, account details that will allow them to consider your demographics and using predictive modeling to present that perfect title
- A social gaming company wants to test the value of a new feature that users must pay for – Real-time analytics allows hyper-fast reporting of success or failure based on preset benchmarks/expectations

A Conceptual Model for Media

SHARING

Mentions
Posts
Forwards
Reviews



ADVERTISING

Display
Retargeting
Paid Influencers
Paid Content
Social Ads

WEB ASSETS

Website
Mobile Site
Social Media
Pages

Point of Convergence:

Best marketing
programs take
advantage of all three

Source: Titan SEO Blog - <https://www.titan-seo.com/newsarticles/trifecta.html>

Measuring Each Media Vehicle

PAID MEDIA

Metrics under analysis:

- **Clicks vs. Impressions**
- **Engagement**
- **Viewability**

Typical Partners:



doubleclick
by Google



Integral
Ad Science



Brandwatch



social studio

EARNED MEDIA

- **# Shares**
- **Social Media “Mentions”**
- **Propagation Mapping**
- **Reviews**

OMNITURE®

Google Analytics
Anywhere. Anytime.



OWNED MEDIA

- **Website Visitation**
- **User Flow at the Site**
- **Conversion Metrics based on traffic source**

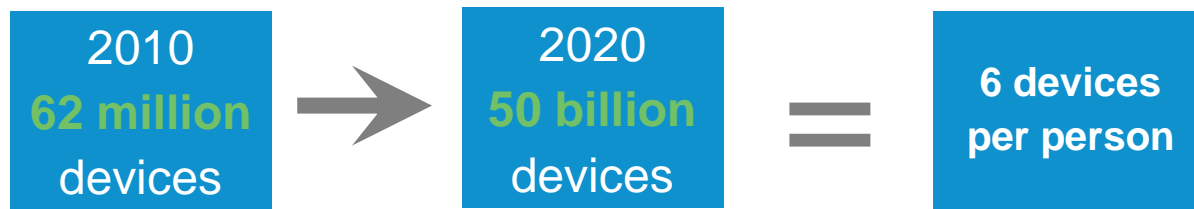


**What does the future
hold?**



Growth of the Internet of Things

We are living in a world in which virtually any and every thing can be connected to the Internet.



By **2018**, M2M devices are projected to account for more than **40 percent** of connected devices in the United States, as compared to **19.7 percent** globally.

The sheer amount of data being captured and capable of being analyzed is staggering.

Towards a New Digital Ethics

Giovanni Buttarelli – Euro. Data Protection Supervisor

- The fundamental rights to privacy and to the protection of personal data have become more important for the protection of human dignity than ever before.
- Technology should not dictate values and rights, but neither should their relationship be reduced to a false dichotomy.
- In today's digital environment, adherence to the law is not enough; we have to consider the ethical dimension of data processing.
- These issues have engineering, philosophical, legal and moral implications.

Big Data Protection Ecosystem

1. Future-oriented regulation of data processing and respect for the rights to privacy and to data protection
2. Accountable controllers who determine personal information processing
3. Privacy conscious engineering and design of data processing products and services
4. Empowered individuals



User Awareness / Access / Control

Control your Google ads

<https://www.google.com/settings/u/0/ads/authenticated>



Ever wonder what kind of information determines the ads you see or the offers you receive? You've come to the right place. About The Data brings you answers to questions about the data that fuels marketing and helps ensure you see offers on things that mean the most to you and your family.



ORACLE® | bluekai

The BlueKai Registry – putting consumers in control of their digital footprint.

<https://www.facebook.com/ads/preferences/>

Your Ad Preferences

We show you ads based on things we think you care about. Your preferences include information from your profile as well as actions you take on and off Facebook. Add or remove preferences to see ads you'll find relevant. [Learn more.](#)

Something to Ponder

According to a recent Ascend2 survey:

81% believe the success of their data-driven marketing is above average compared to their competitors.

(<http://www.marketingdive.com/news/study-70-of-marketers-say-personalization-is-their-top-data-goal/423170/>)



Thank you. Questions?

