



# Leveraging Identity Graph Intelligence to Find and Reach Your Best Customers

*How to use your identity graph to identify your best customers, deliver customized campaigns and optimize results*

# Today's Biggest Marketing Challenge: Maximizing ROI

Return on investment is the Holy Grail for marketers. It lets you justify your marketing spend... understand if your campaigns are truly driving sales... and turn your marketing operations from a cost center into a profit center.

The bottom line is that optimizing return on investment (ROI) all comes down to one question: How do I most effectively find and win my best customers?

In recent years, a key marketing tool has emerged to help marketers better identify their customers: the identity graph. As a marketer, you're probably familiar with identity graphs. Identity graphs connect key online and offline customer identifiers such as name, physical address, email and mobile IDs, and other data in a privacy-compliant manner to give you a unified view of your customer.

But in today's omnichannel world, simply identifying your customer is no longer enough. Marketers need to know exactly which messages and channels are driving customers to buy. And, that job is becoming increasingly difficult in a world where a whopping 73% of consumers use multiple channels in their buying journey.

That's why a new form of identity graph has emerged to help marketers go beyond simple customer identification. Today's more intelligent identity graphs give you a truly comprehensive view of your customer by using privacy-compliant methods to link emails, physical addresses, and mobile IDs to information on demographics, financial status, media and technology usage, buying behavior and more.



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Today's intelligent identity graphs help you:

- Precisely **identify** your customer based on behaviors, beliefs and their readiness to buy;
- **Deliver** the right message to each customer when and where they want to be engaged; and
- Measure and **optimize** your customer engagements across channels.

In this white paper, we'll explore what an intelligent identity graph is – and how you can use it to maximize your ROI.

# What Makes an Identity Graph Intelligent?

An intelligent identity graph doesn't just help you identify your best customer – it helps you make the right connections so you can more effectively engage that customer and drive sales.

It's about accurately linking customer identity and behavior to purchases – so you can understand not only who your best customer is, but also how and why that customer buys. It's about linking data on anonymous website or in-store visitors to an actual person – so you can identify anonymous visitors and understand who they are, how they're engaging and what influences their decision to buy.

It's about connecting consumers with their preferred buying channels – so you can easily deliver a marketing campaign across multiple channels. And it's about measuring your campaign as it runs – so you can optimize your ROI.

An intelligent identity graph doesn't just resolve a customer's identity. It helps you answer the business questions that let you get the most out of every marketing dollar you spend.

## The Highest Def Profile of the Consumer



The Claritas Identity Graph ties over 5 billion data points monthly to digital behaviors and devices

# IDENTIFY: Know More About Who Your Best Prospects and Customers Are



**At its core, the purpose of an identity graph is to create a unified profile – combining both online and offline identifiers – of each customer. And, many identity graphs will help you fill in the holes in your existing customer relationship management (CRM) database.**

**But an intelligent identity graph goes beyond just building customer profiles and filling in holes in your CRM. An intelligent identity graph lets you:**

- 1. Understand your current CRM audiences better:** You can use the graph not only to fix errors in your current customer database, but also to add new behaviors, demographics and purchasing data that gives you in-depth insight into your existing customers.
- 2. Identify anonymous audiences:** Combined with website pixel and mobile location (geofencing) data, an intelligent identity graph allows you to identify anonymous website and store visitors so you can retarget those prospects.
- 3. Find new customers that look like your best customers:** You can use the intelligence in your graph to develop a model of your best customer and build a “look-alike” prospect list filled with individuals who are highly likely to buy.

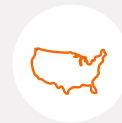
Always remember that when choosing a graph, it's important to ask specifics about what kind of customer insight you are really getting – and how trustworthy the data is (see sidebar).

## Does Your Identity Graph Look Like This?

When it comes to data quality, not all identity graphs are equal. A high-quality identity graph:



Contains mainly first-party data, owned, collected and managed in-house by the graph vendor.



Has a wide geographic reach, covering a large percentage of U.S. consumers...including the fastest growing segment of the population, multicultural consumers.



Uses accurate deterministic data that directly links a consumer to identifiers like email addresses, physical addresses and mobile IDs along with key demographic information.



Combines deterministic and probabilistic data to analyze consumers and their behavior to solve more complex business problems.



Sources and manages its data in a privacy-compliant manner.

# IDENTIFY: #1 Understand Your Current CRM Audiences Better

Chances are your customer database has a lot of missing information and outdated data. If so, you're not alone. According to Salesforce, **91%** of customer relationship management (CRM) data is incomplete, and **70%** of data becomes obsolete each year.

In fact, inaccurate and poor-quality data costs U.S. businesses around \$611 billion annually, according to a report by The Data Warehousing Institute. Dirty data is a big problem for businesses. The right identity graph can help solve that problem. Most identity graphs will help you update your customer contact information – and thus reduce the cost of undeliverable emails and incorrect physical addresses. But an intelligent identity graph doesn't stop there.

An intelligent identity graph also unifies digital and physical data, so you can target a single consumer both online and off – via email, social media, direct mail, television, website display ads and more. It gives you information on whether a particular customer is a Facebook fan, a TV football fanatic or an email junkie, so you can target that customer more effectively across multiple channels.

Finally, it provides a host of demographic and other data to help you understand and target the customer segments that are most likely to engage with you and buy.

## IDENTIFY IN ACTION: Big Box Retailer Updates its CRM for Greater Customer Insight

Say you're a home improvement retailer with an outdated, incomplete CRM database. You may have some information on website visitors, such as a visitor's IP identifier and browsing habits, but no information on that surfer's actual likelihood to buy. You might have point-of-sale data on in-store customers that tells you an individual's name, purchasing information and physical address, but no email address. And you may have a CRM file that lists email addresses – but contains many emails that were abandoned years ago. An identity graph can help you update and integrate all that online and offline customer data, giving you a unified view of each customer. Even better, you can append data on buying preferences, demographics and channel preferences to the database so you can more effectively market to your customers.



**JOHN THOMPSON**



Age: 34



123 Elm street



Has a Twitter acct



Plays golf



Drives a Ram Truck



Married with 2 kids



Financial Planner



HHI \$85K



Views Twitter on  
iphone, sporting  
websites on desktop



## IDENTIFY: #2: Identify Anonymous Audiences

A whopping 90% of website visitors remain anonymous. And that represents a lot of untapped revenue – because these consumers could be a potential revenue goldmine for your business. They already know you. They've engaged with your brand. And targeting them can be one of the easiest ways to drive new sales.

90% of your website visitors remain anonymous. That's a lot of revenue left sitting on the table.

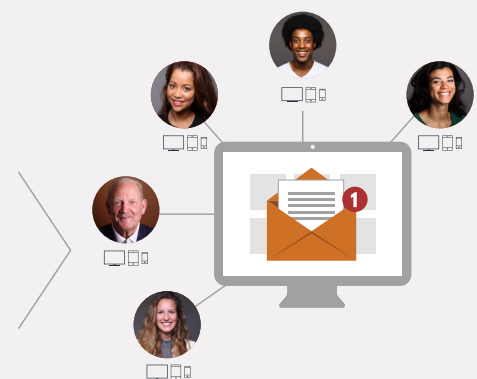
An intelligent identity graph can help you turn anonymous website visitors (and anonymous store visitors) into identifiable, targetable prospects. The first step is identifying these visitors using website pixels – or identifying them using geofencing (geographic indicators) as they walk into stores.

Once the visitors are identified, the graph provides even more insight on those previously anonymous visitors by linking those visitors to other identifiers such as their email addresses, household addresses, social media preferences, demographics, buying behavior and other key data. If you're successfully using segmentation models as part of your audience targeting strategy, a graph should be able to align your anonymous visitors with those pre-defined segmentation attributes as well.

This not only helps you target those individuals with personalized messages across multiple channels, it also helps you identify which of these formerly anonymous visitors are the most likely to engage with your brand. And it allows you to weed out those who may be engaged in your site but aren't good prospects – like the 18-year-old who likes to surf luxury car websites but doesn't have the income to buy one.



90% of website visitors are anonymous



Know more about your website visitors so you can effectively retarget more effectively

# Can Your Identity Graph Do This?

## WEED OUT THE “JUST BROWSING” WEBSITE VISITORS... AND IDENTIFY THE POTENTIAL BIG BUYERS

An intelligent identity graph lets you delve deeper into demographics – so you can weed out those who may have engaged with your brand but aren’t good prospects. This allows you to reduce acquisition costs by focusing your marketing efforts on those who are most likely to buy.

Say your website pixels identify two anonymous website visitors, Browser Brian and Surfer Sarah. Both clicked on multiple different pages to research Land Rovers on one of your dealer websites. Both are showing a lot of engagement. So both are great prospects, right?

Not necessarily. After tapping into identity graph data, you discover that Brian is a college student whose only income comes from mowing lawns in the summer. Obviously, Brian can’t afford a Land Rover – so you don’t want to target him (at least not yet).

Meanwhile, the identity graph data shows that Sarah fits the profile of your best buyer. So you use that identity graph to personalize your campaign and target her via multiple channels – such as her preferred social media channel, display ads on her favorite website or communications via email or direct mail.



### Who Exactly is Browser Brian?

Age 18

Profession: Student

Does not own a house

Currently drives a used Kia



### Who Exactly is Surfer Sarah?

Age 41

Profession: Attorney

Kids attend private school

Household income of \$300,000

Owns house in the suburbs worth \$1.2 million

Shops frequently at REI

Avid Facebook User

Drives a BMW

# IDENTIFY IN ACTION: Uncovering New Leads

## WIRELESS SERVICE PROVIDER IDENTIFIES 300,000 NEW PROSPECTS

Metro, a prepaid wireless carrier owned by T-Mobile US, Inc., wanted to focus more on digital marketing. To do that, Metro decided to:

- Identify the anonymous individuals visiting its website
- Find out more about them (age, income, devices preferences, media preferences, etc.) and
- Target “look-alike” anonymous customers that share key characteristics with their best current customers

First, Metro placed pixels on its website to tag its anonymous customers. It then identified those customers – with data such as IP address, physical addresses, devices used, email addresses and demographics – by appending data from an intelligent identity graph.

At the end of the process, the identity graph had identified 300,000 new promising prospects from Metro’s anonymous website visitors – and provided up-to-date emails for 82% of those prospects.

Even better, a campaign targeting those prospects achieved a 3.82% activation rate, **more than THREE TIMES Metro’s typical acquisition rate of 1.24%.**

## WEIGHT LOSS COMPANY REDUCES COST-PER-ACQUISITION BY 42%

Weight loss service provider Nutrisystem wanted to gain insights into its anonymous website traffic and identify the best prospects for retargeting. After using pixels to identify its anonymous website visitors, the company used identity graph data to segment these potential customers according to a variety of characteristics, including website engagement and actual spending habits.

Nutrisystem then identified three specific segments as potential big buyers and retargeted them with an email marketing campaign. The result? By retargeting only the audiences likely to buy, Nutrisystem reduced **its cost-per-acquisition by 42%.**



**42% Reduction in Cost-Per-Acquisition** as fewer emails needed to be sent to achieve their acquisition goal



# IDENTIFY #3: Find New Customers That Look Like Your Best Customers

Identifying new prospect audiences is a key part of growing your business – and an intelligent identity graph can help you accomplish that in just a few easy steps:

- STEP 1** Analyze your existing customer data to identify a list of customers who buy the most from you.
- STEP 2** Use your identity graph both to connect online and offline data on those customers to understand exactly how they're engaging and buying – and to attach more behavioral and demographic data to that customer list. This can include what social media they use, their income, what other services they buy, and more. This lets you develop a complete, in-depth profile of your “best” customer.
- STEP 3** Use this best customer profile to create a new customer prospect list full of “look-alike” customers that look remarkably similar to your best customers. Identify segmentation models that mirror the attributes of your best customers to complement this.
- STEP 4** Target those “look-alike” prospects with, for example, a personalized email campaign or a campaign on a relevant social media channel and turn them into your next best customers.



## IDENTIFY IN ACTION: Utility Company Achieves Email Open Rates of 56.7%

Cobb EMC, a U.S. electric cooperative, used identity graph data to launch a new electronic vehicle service to members. Using the graph data, it identified three prospect segments that might be highly interested, uncovered the marketing channels these groups preferred and even tested messages to see which performed the best. The email campaign was highly successful, achieving open rates as high as 56.7% and click-thru rates as high as 9%. And another portion of the campaign, driving prospects to the group's landing page, resulted in 300 additional site visits every day.



## IDENTIFY IN ACTION: Food Producers Increases Sales 300% in One Year

A food producer wanted to increase sales for a product line that the company believed would appeal to both Hispanic and Asian American communities. It used identity graph data to help its retailers identify the most likely buyers – and to deliver the right inventory and messages to those consumers based on which specific multicultural communities shopped at each store. The result? Sales grew 300% in just one year.

# DELIVER: Know More About How to Engage Each Person Online and Offline



An intelligent identity graph makes its data actionable. What exactly does this mean? It means it lets you easily turn your customer data into an effective marketing campaign – one that delivers the right message to your best customers across multiple channels, when and where they want to be engaged. It helps you connect the dots between customer identity and campaign delivery in three key ways:

1. **Connect physical insights to digital ecosystems:** It links the critical physical insights of your ideal audience segments (such as their household addresses and income) to their digital behaviors (such as the devices they engage with, their favorite social media apps and their favorite TV shows).
2. **Target multiple consumers in a household:** It allows you to deliver engagements to different people in a household with accuracy.
3. **Reach audiences within walled gardens:** It has the intelligence to help you reach the right audiences across multiple “log in” environments and social media apps.

An intelligent identity graph lets you truly understand your prospects and how they are likely to behave – both now and in the future. It gives your company a proprietary understanding of people, places and behaviors to drive a better ROI, both online and offline.

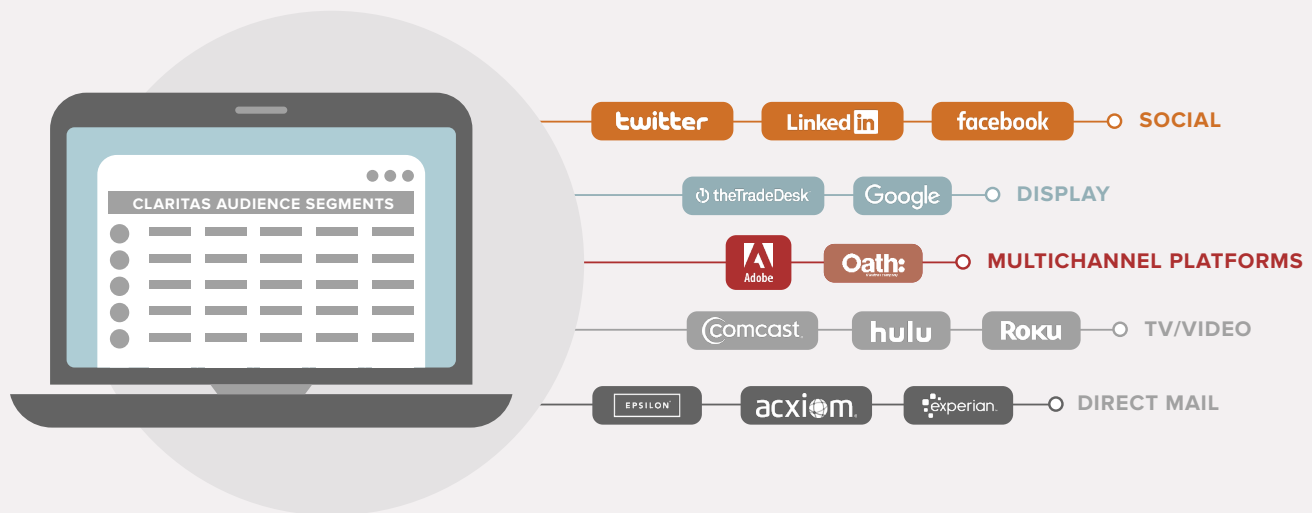


# DELIVER: #1: Connect Physical Insights to Digital Ecosystems

ROI is generated by real consumers taking real actions – actions that are dominated in today’s environment through digital channels. So it’s not enough to just identify your best customers. You need the ability to easily reach those best customers through their preferred buying channels – so you can be present when and where they choose to engage.

An intelligent identity graph not only gives you critical insight into your audience so you can understand that audience better, it also connects your audiences to the digital channels and devices they prefer. This enables multichannel message delivery at the most meaningful moments in the buying process.

An intelligent identity graph goes beyond identity resolution... and lets you connect the dots so you can deliver an effective marketing campaign.



Plus hundreds of media platforms, DMP, mobile, TV and publishers. All accessible via  
LiveRamp, Nielsen Marketing Cloud and Oracle BlueKai



# DELIVER IN ACTION: Athletic Shoe Company

## ATHLETIC SHOE COMPANY REDUCES AD FATIGUE IN MULTICHANNEL CAMPAIGN

An intelligent identity graph allows companies to deliver customized marketing campaigns that increase engagement without creating ad or email fatigue.

For instance, consider an athletic shoe company, which may see a longer sales cycle for higher-end SKU's where message awareness and reinforcement is important.

The company may expose a particular household to a television ad during an NCAA basketball game on one day. A month later, it may target that same consumer on Facebook. Two months later, the shoe company might try a display ad on ESPN.com. After that, it might send that consumer a 10% discount offer via email.

An intelligent identity graph allows you to control frequency and maximize reach by using messages across different media to engage your targeted consumer. This reduces ad fatigue, which can adversely affect your brand's image.





## DELIVER: #2: Target Multiple Consumers in a Household

An intelligent identity graph gives you insight into household behavior that allows you to target multiple consumers in a household – and connect a specific household to a specific purchase. By connecting an IP address with a postal address, and then tying multiple device IDs, or multiple email addresses to a particular household, you're able to more intelligently build targeted campaign execution strategies.

For example, an intelligent identity graph lets you engage both the 18-year-old who might be looking for new athletic shoes and the mother of the household, who will be paying for them. It tells you when a household that received your catalog made a purchase on a mobile phone or laptop two days later. It helps you understand when a digital advertisement viewed by Tom was followed by an in-store purchase by his wife Sarah the next week. It means understanding if your latest television advertisement caused an individual in that household to visit your website and buy.

## DELIVER: #3: Reach Audiences Within Walled Gardens

One big challenge marketers face is how to better control the campaigns they launch through so-called “walled gardens”

– the log-in environments operated by digital giants like Google, Facebook, LinkedIn and Twitter.

While social media remains a critical channel for companies – accounting for over 25% of total digital spending – companies still lack the information they need to make sure they are targeting the right audiences within these walled gardens. Having intelligent identity graph data can help you better reach the consumers behind the walls. For example, say you have a customer named Tom Smith in your customer database, and you want to identify his Facebook account so you can engage him via that social media channel.

You can find the right Tom Smith by matching the email address you have for Tom Smith in your identity graph to the address he uses to connect with Facebook account. This allows you to target Tom using the customer data you already have – and to more easily integrate a social media campaign targeting Tom with your marketing efforts across other channels.



# OPTIMIZE: Know more about what's working and improve what isn't

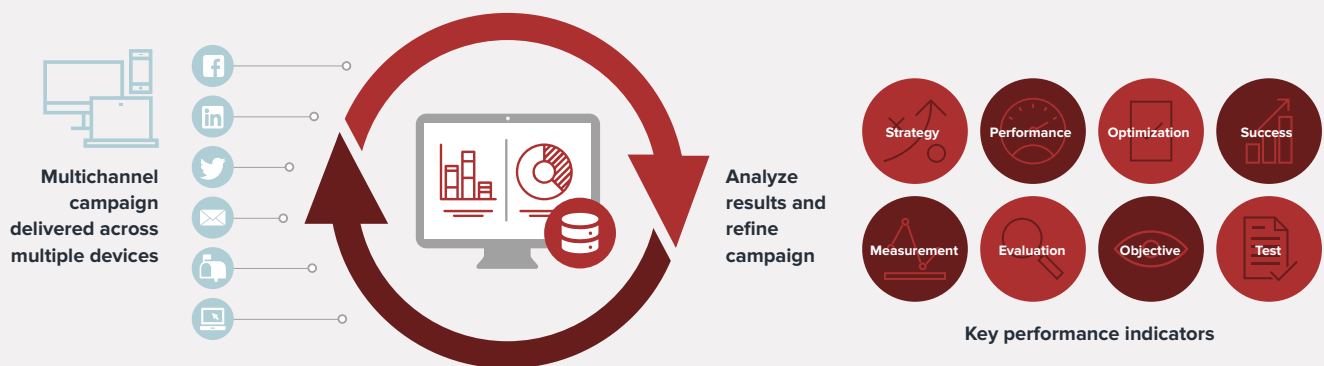


Measurement and optimization is one of the biggest challenges marketers face. Only 25% of marketers today are highly confident they can measure ROI, according to a report by Nielsen.

In the days of zero-based budgeting, calculating an accurate marketing ROI can mean the difference between a generous budget or no budget at all. Fortunately, an intelligent identity graph can help you calculate ROI across all segments of your omnichannel campaigns, right down to the partner, device, message and channel level.

An intelligent identity graph measures performance in two key ways:

1. Connect exposures to conversion for true multi-touch attribution: It allows you to connect the dots in a customer's purchasing journey, so you can analyze and understand how multiple online and offline engagements with the same customer actually contribute to a sale.
2. Use "lift analysis" to isolate conversion by channel, device, message or partner: You can use identity graph intelligence to isolate and measure the effectiveness of a particular channel, device, message or partner in your campaign – even when an offline campaign results in online buying or vice versa.



# OPTIMIZE: #1: Connect Exposures to Conversions for True Multi-Touch Attribution

An intelligent identity graph allows you to connect the dots by feeding all data into one customer record. This allows you to use analytics to break down the buying process and truly understand exactly how multiple touchpoints with the same customer – both online and offline – actually contribute to a sale.

So, for instance, you can determine if your direct mail campaign led to conversions on your website. Or if your television ads caused someone in the household to buy. Or if your online display ad drove customers to your store. The right graph will collect exposure data (both online and off) and connect that to conversion data (both online and off) to determine which channels and audiences are performing the best.

It can even collect data from multiple tags placed on creative messaging to determine which messages are performing better – filtered by channel, audience segment and partner. Then you can use that data to obtain a holistic view of a customer's entire purchasing path in near real-time. This is a critical step in achieving multi-touch attribution, which allows you to more precisely measure how each customer touchpoint contributes to the buying decision – and adjust your omnichannel campaigns accordingly to maximize ROI.



# OPTIMIZE IN ACTION:

## Auto Dealerships

### AUTO DEALERSHIPS ACHIEVE \$33.82 IN ROI FOR EVERY DOLLAR SPENT

An auto company (representing 225 car dealers selling multiple automobile brands) wanted to develop a multitouch marketing campaign to reach an audience of potential “in-market” individuals who were ready to buy. Their goals? Identify the right “in-market” audiences, reach those buyers and measure to prove ROI.

The auto company relied on identity graph data to build complete, privacy-compliant profiles of “in-market” individuals using a number of key data points, including service and warranty histories, household information, purchasing behaviors, geographic location, credit score and additional demographic variables.

The campaign took place over a series of six months. Because the auto company relied on an intelligent identity graph to match prospects to sales, it could directly link the campaign to actual revenue made – even when a digital communication led to an offline sale at a dealership.

Each dealer spent an average of \$10,200 and made \$346,000 on average, driving more than \$82 million in trackable sales. The average dealer ROI per dollar spent was a whopping \$33.82.

Even better... those dealers that measured results to fine-tune their campaign, and thus optimize their spend, had a **50% better average return** than those who did not.

### FITNESS RETAILER FINDS BETTER WAY TO MEASURE DIRECT MAIL ENGAGEMENT

One fitness retailer sent out a direct mail campaign and measured a 2% conversion rate using traditional methods such as QR codes and vanity URLs.

But when the fitness retailer dug a bit deeper, it found the direct conversion rates didn’t tell the whole story. By using an intelligent identity graph to link IP addresses/mobile IDs to the physical addresses of households that received the mailer, it discovered something quite interesting. About 6% of the households that received the physical mailer used their online devices to either research or purchase from that brand after receiving the mailer.

So, the percentage of customers who engaged after receiving the mailer was actually **three times higher than the response linked directly to that mailer.**



## OPTIMIZE: #2: Use “Lift Analysis” to Isolate Conversion by Channel

You can also use an intelligent identity graph to calculate conversions using a technique called “lift analysis.” This technique lets you isolate and measure the effectiveness of each channel, device, message or partner in your campaign – even when an offline campaign results in online buying or vice versa. A lift analysis is made possible by combining identity graph data and a unique control group methodology to precisely measure specific marketing campaign segments. For instance, you can use it to measure exactly how effective one portion of your campaign – such as television spots or billboards – are in getting people to buy.

It works by using identity graph data to compare an “exposed” group, which is made up of people who have been exposed to the campaign, to a control group, which is made up of people who look exactly like the exposed group but haven’t seen the campaign. As the campaign runs, you measure the “lift” – or the difference between the conversion rate of the exposed group and that of the identical control group. That tells you the true conversion rate of the campaign. This technique is highly effective in measuring offline campaigns that result in online conversions – such as whether billboards or another type of out-of-home (OOH) advertisement caused a consumer to buy.

### MOBILE BILLBOARD COMPANY PROVES IT INCREASED CLIENT’S SALES BY 20%

Wrapify, a provider of out-of-home (OOH) advertising services, allows companies to easily promote their products and services on hundreds or even thousands of vehicles “wrapped” with a specific advertising message. When Wrapify launched its unique wrapped ads service, it soon found that brands were not satisfied with traditional outdoor advertising metrics such as number of impressions. Instead, Wrapify clients wanted data that showed them exactly how effective the wrapped ads were in getting consumers to buy. So Wrapify began leveraging identity graph data to conduct lift analyses for its clients to prove campaign results. For instance, Wrapify used lift analysis to calculate the effectiveness of a campaign it conducted for Alaska Airlines, which advertised flights from Hawaii to San Francisco. The lift analysis showed that the campaign caused online bookings for these flights to **increase nearly 20%**.



Wrapify

# Making the Right Connections With an Intelligent Identity Graph



As a marketer, finding your ideal customers can be tough. But in today's omnichannel world, determining which messages and channels are influencing their purchasing decisions is even tougher. As a marketer, you need intelligence that allows you to connect the dots and understand not only a customer's identity but why and how he or she buys – and how you can improve customer engagement to boost your bottom line. An intelligent identity graph lets you do all this and more. It lets you more fully identify your best customers by:

- Updating and appending your current customer database;
- Identifying anonymous audiences who are ideal for retargeting campaigns; and
- Finding “look-alike” prospects similar to your best customers who are highly likely to buy.

Then it helps you deliver the right message to your best customers across multiple channels, when and where they want to be engaged by:

- Linking critical audience identifiers (such as their household addresses) to digital behaviors (such as their favorite social media apps);
- Delivering engagements to different people in a household with accuracy; and
- Reaching the right audiences across multiple “log in” environments and social media apps.

Finally, an intelligent identity graph helps you optimize ROI across segments of your omnichannel campaigns by:

- Connecting the dots within a customer's purchase journey to analyze and understand how multiple online and offline engagements with the same customer actually contribute to a sale; and
- Measuring the effectiveness of a particular channel, device, message or partner in your campaign.
- Use your measurement analysis to inform ongoing optimization across audiences your targeting, channels your using in your campaigns and creative messaging, to drive more strategic and effective marketing.

The Claritas Identity Graph was custom-built with proprietarily sourced, deterministically linked, privacy-compliant data. It reaches 100% of U.S. consumer households representing 270 million consumers and 900 million connected devices – all of which can be linked to 8,000 highly predictive demographic and behavioral consumer indicators. This powers the Claritas closed-loop solutions which help marketers:

- **IDENTIFY** their best customers with precision
- **DELIVER** multi-channel engagements where and when it matters most; and
- **OPTIMIZE** campaign performance through robust measurement tools to drive optimal ROI