

Connecting the Dots of Consumer Identity

How identity resolution can transform the customer experience



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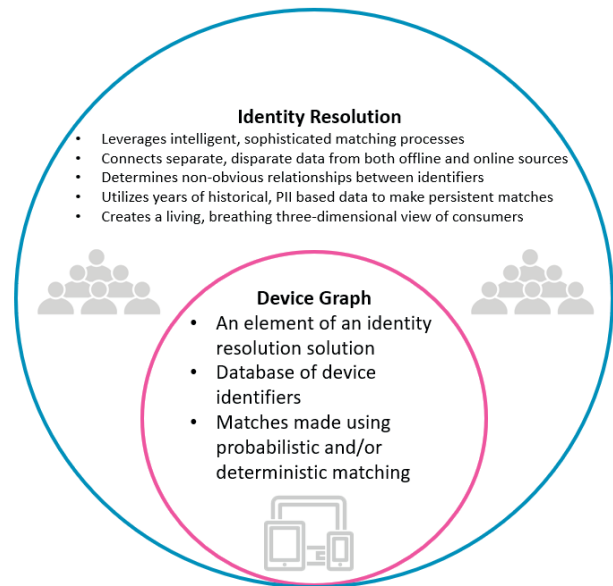
Part 1 - Identity is Table Stakes: The Importance and Definition of Identity Resolution

Identity. It may be a single word, but it's truly the foundation of any successful business in today's competitive business landscape. With a clear, persistent picture of customers and prospects as they navigate across both online and offline channels, with the right set of tools, companies have the power to deliver highly personalized experiences, relevant offers and timely messages that consumers both expect and demand.

In fact, according to Forrester Vice President and Principal Analyst Joe Stanhope, identity resolution should be one of marketers' top five priorities. "Identity resolution is a strategic imperative for brands," states Stanhope. "If our ability to target customers, to personalize for customers, to engage with customers, to understand our customers, is all based on identity, then fundamentally identity resolution is probably **the most strategic capability** marketers can develop to create great customer relationships."¹

95% of companies are looking to achieve single customer view.²

Since identity resolution is table stakes for effective people-based targeting and analytics, it's important to understand the concept clearly. To put it simply, identity resolution is the ability to stitch together and unify the names, addresses, emails, device IDs, cookies and other identifiers associated with your customers. The end result is a single, persistent and privacy-safe customer ID that can be used by your entire organization to generate insights and deliver meaningful interactions.

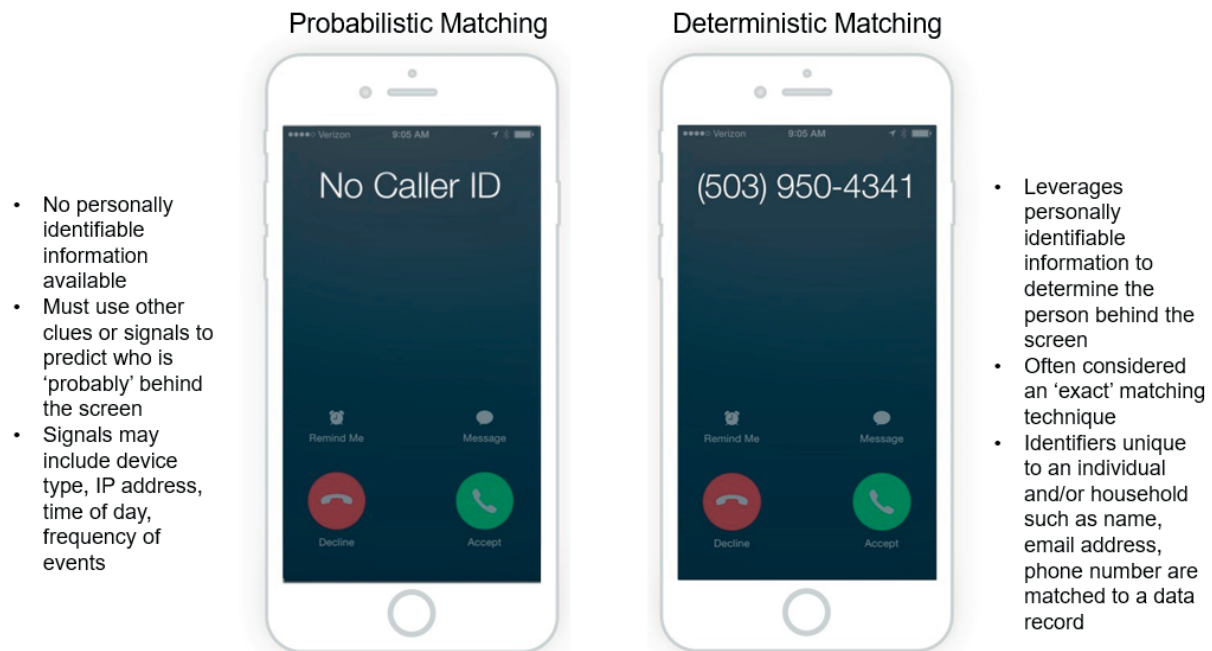


Visual representation of how a device graph is only part of Identity Resolution

For companies on a quest for a single customer view, it's not just about a database of identifiers—it's about connecting consumers to those identifiers with confidence and precision. In order to resolve these identifiers, marketers typically employ a linkage management strategy highlighted by deterministic, probabilistic and hybrid matching methodologies. A deep understanding of these terms and proficient implementation of these resolution techniques is critically important for marketers striving to deliver a positive and meaningful customer experience.

¹<https://www.gigya.com/blog/forrester-vp-joe-stanhope-customer-identity-resolution-is-a-top-5-martech-capability-for-a-brand/>

²<https://www.edq.com/single-customer-view/>



Types of identity matching

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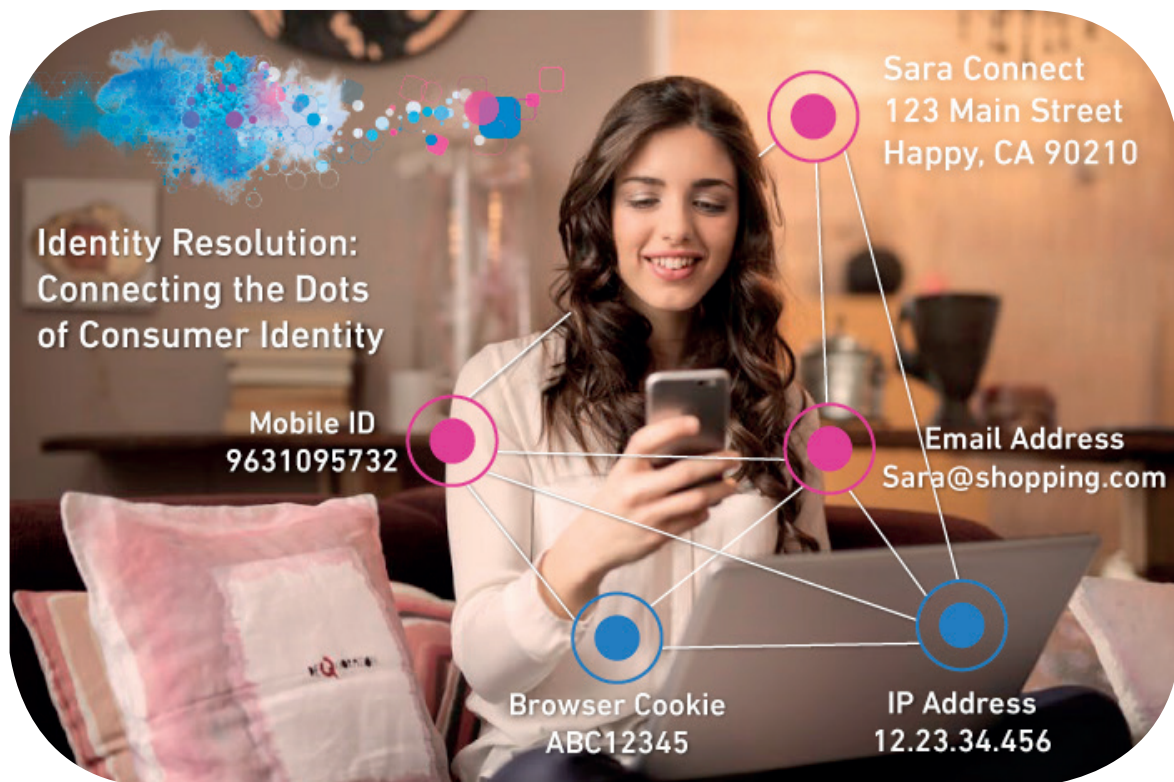
Part 2 - The Always-On Consumer: We Leave a Trail of Data in Our Wake

Let's look at the role identity plays in the real world. You're a retail marketer and your ideal prospect is on her Instagram app. She's viewing an Instagram story from one of her favorite fashion influencers whom you have paid to promote your new fashion line. She swipes up, visits your site and hunts down the trendy new dress she just saw. She then decides she would rather head into your nearest store location to try on the dress later in the evening. As she is watching the latest episode of *This Is Us* later that day, she sees your commercial reminding her of your annual blowout sale - and that fantastic dress she meant to hunt down! She pauses the show, grabs her keys, drives to your store, takes a few Snapchats in the dress and decides to make the purchase. Was her brand experience and shopping trip a success? Yes! You did a great job as a marketer meeting her at the optimal time and place. But was her path to purchase also a long and winding road possibly making it difficult for you and the rest of your marketing team to understand

which tactics worked most effectively? Yes! And could identity resolution solve this issue in the future? Absolutely!

As consumers, we are leaving a trail of data in our wake. Between smartphones, laptops, connected TVs, game consoles and even wearables, each digital consumer now owns 3.2 connected devices.³ Layer on the fact that we fluidly switch between apps and in-store shopping experiences, and it's clear that identity resolution is a marketing requirement that isn't going away anytime soon.

So exactly what types of data can an identity resolution solution seamlessly unify? For advertisers, it could be as simple as connecting your CRM database to your email subscribers - all without relying on a loyalty program to make that linkage. Or perhaps you are a media company with a network of mobile apps and you'd like rich offline insights about your users - far beyond their in-app activity. Connecting the exact data that matters to you and your business is entirely possible through identity resolution.



³ <https://blog.globalwebindex.com/chart-of-the-day/digital-consumers-own-3-point-2-connected-devices/>

Part 3 - Identity in Action: How Identity Resolution Impacts Customer Experiences

Solving for identity, especially in an age when so many identifiers can represent a single consumer, is at the core of every activity for people-focused brands. Organizations that recognize the value of identity resolution and establish it as the foundation for downstream marketing activities experience greater impact every day. Let's take a look at how today's savviest marketers are leveraging their single customer view.

- **Analyze:** A clear consumer identity, especially when enriched with third party data, helps analytics teams answer the big questions like, "Who are my best customers and ideal prospects? What consumer segments are showing growth or declining? Which campaigns, audiences and channels are driving results?" It can also fuel strategic company decisions including product development, store location selection or strategic partnerships. A holistic identity strategy focused on both precision and scale is truly the bedrock for impactful analysis, model creation, omni-channel attribution and critical decision making.
- **Activate:** Every marketer wants to reach the consumers that matter to them, wherever they may be. With a single customer view, onboarding and targeting audiences across channels in a privacy compliant manner is possible. Better yet, you ensure the right message is reaching the right people – those who actually desire and can afford to purchase your product. For example, without a clear identity, a retailer looking to advertise their appliance sale may want to reach new homeowners who are looking to maximize their budget. Instead, the retailer ends up reaching their son, a college-student still renting a room from mom and dad, with no budget or interest in the latest refrigerator sale. With identity, marketers avoid this scenario, deliver a better consumer experience and launch marketing that performs.

- **Personalize:** According to a recent consumer survey, "Shoppers expect brands to remember who they are, whether they're on a digital channel or in-store"⁴. This in turn drives increased revenue by increasing impulse purchases, reducing returns, and increasing loyalty⁵. By connecting multiple data sources, like in-store and online purchases with email subscribers, brands can easily customize their email content in a more meaningful way for their customers. But **personalization** doesn't happen without understanding and connecting data about the **person** first, which starts with an accurate centralized identity.

Organizations that have not established identity resolution as a foundational component of their strategy are likely feeling the effects today.

- **Unreliable and incorrect data:** IBM estimates that poor data quality costs the US economy approximately \$3.1 trillion dollars annually⁶. Identity is only one element of this big data problem, but a critical one, especially for businesses focused on consumers. If a piece of data, such as a purchase or email sign-up, is connected to an incorrect identity, the data variable not only becomes ineffective, but it can make the eventual analysis and output invalid, leading to wasted time and dollars.
- **Wasted media spend:** According to a report by the Association of National Advertisers, poor quality ads cost US marketers \$7.4 billion⁷. And this figure simply represents only digital marketing ads that were not shown to a person, let alone the right person. What about the waste associated with showing your ad to someone who is not in-market, or even eligible for your product? Direct mail is still an important marketing tactic for many omni-channel marketers, but if the marketing piece arrives at the wrong address or is addressed to the wrong person, it's a drain on your marketing budget, not to mention the waste associated with consumers that receive the same message dozens

⁴ <https://www.forbes.com/sites/shephyken/2017/10/29/personalized-customer-experience-increases-revenue-and-loyalty/#375a0ba74bd6>

⁵ <http://grow.segment.com/Segment-2017-Personalization-Report.pdf>

⁶ <http://www.ibmbigdatahub.com/infographic/four-vs-big-data>

⁷ <http://adage.com/article/digitalnext/groupm-s-rob-norman-headline-cost-ad-fraud-viewable-ads-real-cost/308634/>

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of times due to inefficient frequency management. Identity can prevent wasted spend and poor experiences – across channels.

- **Poor customer experiences:** According to a survey conducted by Segment, 71% of consumers express frustration when an experience feels impersonal, 76% when a brand gets their name wrong in a brand communication. Those frustrations turn into negative

revenue impact when a customer is less likely to make purchases from the brand in the future, shares their negative experience with others, or unsubscribes from brand emails or social media updates. Everyone who has ever received a coupon valid only for “first time buyers” from a brand where you have dropped many a paycheck can understand this frustration.



How Marketers Across Verticals are Putting Identity in Action



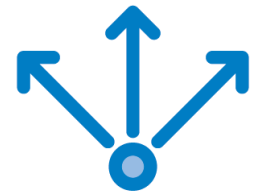
"Retailers rely on identity to connect diverse online communications, and activities in-store. Shoppers expect that items added to their carts online will be visible in their app, and available for pickup when they visit a store location. And that email coupon should pre-load when they swipe their loyalty card at check-out. 'Omni-channel' is no longer a goal, but an expectation."

"Travel brands use identity to create a single customer view and better understand different types of customers. From choosing their destination, searching for the best deals, booking their trip, and even at the point when they get on the plane, train, or automobile, consumers are leaving breadcrumbs about the type of traveler they are. By stitching together that data, travel marketers can better identify future prospects who will be interested in particular types of travel."



"Financial institutions rely on identity to build highly effective models. By connecting data about their most valuable customers and identifying key trends, they can identify valuable prospects without compromising consumer privacy or sacrificing the use of highly valuable data."

"Marketers from distinct verticals often co-market together in order to bring their customers greater value, increase brand loyalty, and maximize revenue. By combining loyalty program data with financial marketing data, travel brands can encourage travelers to shop using co-branded credit cards in order to earn points toward their next vacation."



"Automotive advertisers understand that big media investments require high quality post campaign analytics. This measurement is reliant on identity to connect media exposure like direct mail communications, TV ad exposure, and digital campaign activity, with test-drive activity or even vehicle purchases."

"CPG advertisers activate high quality third party data to maximize their targeting efficiency, reaching only customers likely to test their product. Demographic data can help marketers identify consumers that make household purchase decisions for large growing families, versus empty nesters that are unlikely to buy items in bulk."



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Part 4 - How to Choose a Partner: Qualities and Capabilities of a Good Identity Resolution Data Provider

Identity resolution can bring powerful capabilities to your entire organization, from richer analytics for the data science team, to precise targeting for the media buying crew, to omni-channel attribution for the marketing analytics group. And those benefits are magnified when you select the right partner to work side-by-side with you on your quest for a single customer view.

Whether you are simply exploring the industry or gearing up to make a substantial investment in identity resolution products or services, it's important to ensure you are evaluating potential partners equally and consistently. Consider utilizing the following checklist to help guide your conversations. These questions will help you focus on some of the most important points that a great, long-term partner should bring to the table - including solid data, accuracy, speed and privacy expertise.

Top 10 Questions to Ask a Potential Identity Resolution Partner

Accuracy

- Do you create persistent IDs or do they change over time?
- Do you leverage deterministic or probabilistic matching?
- What are your typical match rates?

Privacy

- What experience do you have hosting, anonymizing and safe-guarding data?
- Are the IDs you create unique to my organization or are they shared with other clients?

Data

- Do you offer linkage and matching based on PII?
- Do you leverage historical data for improved accuracy and match rates?
- Can you connect offline data, online data or both?

Speed

- What limits do you have on the volume of data you can process?
- Do you process data via batch process, real-time APIs or both?

Top 10 Questions You Should Expect from a Potential Identity Resolution Partner

Current View

- How well do you understand the single view of your customers?
- How well do you understand the single view of your prospects?
- What data sources do you rely on today to understand customers and prospects?
- How well are you able to understand people interacting with your brand anonymously?
- How well are you able to understand cross-device users and multi-screening behavior?

Use Cases

- How are you currently leveraging your customer data for campaign targeting and activation?
- How well are you able to perform audience analytics and create audience extension models in order to increase reach?
- How are you currently measuring the effectiveness of your campaigns?
- How are you attributing sales to multiple campaigns across channels?
- Which groups or teams across your organization will find value in having a single persistent customer identity?

Identity Resolution Provider Scorecard

After initial discussions occur, use this scorecard to determine which vendors are the best for your needs. Evaluate which questions of greater or lesser importance for your organization, referring to our Identity needs guide. After evaluating multiple vendors, score each one, and add up the resulting scores.

Topic	Evaluation Criteria	Important for Brands: Excellent (+4)	Very Good (+3)	Satisfactory (+2)	Needs Improvement (+1)	Non-Existent or Poor (0)		Identity Needs
Data	Foundational Offline PII Database							Online Transactions
	Access to Historical PII Data							In-store Transactions
	Access to Online Identifiers							Uses 3rd party data
	Ability to Connect Offline Data							Email Marketer
	Ability to Connect Online Data							Branded App
	Household Level IDs							Essentials
	Individual Level IDs							Sensitive Data (EX: Financial, health, etc)
	Ability to Conduct a Match Test							
	Ability to Append 3rd Party Data							
	Ability to Enable Audience Modeling							
	Ability to Upload Batch Files							
Privacy	Ability to Upload Data via APIs							
	Ability to Resolve Site Visitor Identities							
	Experience Managing Data							
	Safe Haven Matching Capabilities							
	Ability to Anonymize and Hash Data							
Distribution	Persistent IDs Over Time							
	IDs Unique to Your Company							
	Integrate Data in Customer Platforms							
	Activate Audiences for Digital Campaigns							
	Activate Audiences for TV Campaigns							
	Activate Audiences for Offline Campaigns							
	Safely Share Data with Your Partners							
	Distribute Audiences for In-House Measurement							
	Ability to Conduct Campaign Measurement							

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Part 5 - Maximize Your Investment: Best Practices to Implement an Identity Resolution Solution

Investing in an identity resolution program is about more than simply opening your checkbook. To ensure your entire organization benefits from your investment and your single view of the customer, there are a number of best practices that you should plan on implementing.

Ask Your Audience to Participate

One of the best ways to ensure your identity resolution solution helps you accurately identify your audience across screens is simply by asking them to participate! Have an app? Let your audience know and encourage downloads. Have a perk you're willing to offer new website registrants? Share the message with your audience and outline the benefits they will experience –especially in terms of customized messaging and offers. By growing your footprint of authenticated users, you will increase the scale of your known audience.

Collect and Connect the Data

We live in the era of big data. Data is everywhere – both inside and outside your four walls. But data that is not unified seamlessly is as useless as no data at all, not to mention, underutilized data effectively becomes a cost center. That's why it's important to kick off your identity resolution initiative by taking inventory of the various data sources you have access to across systems, locations and departments. After taking stock, it's important to prioritize their integration based on two factors: ease of accessibility and business impact. To get you started, here are a number of data sources you should think about connecting with your identity resolution partner.


Work Across Teams

After you have prioritized the data that is going to be most impactful from the start, it's likely that you will quickly realize that it's not an adventure you can charter alone. It will take a number of team members, and even vendor partners of yours, to prepare, automate and distribute the required data assets. To ensure you are able to move quickly, consider the following tips:

- Secure senior leader sponsorship
- Host a kick off meeting with all key stakeholders to share the benefits their team will experience by participating in this initiative
- Assign a project manager to coordinate work across teams and partners
- Work with your identity resolution partner for clear instructions on data delivery
- Determine the volume and frequency of updates required for each data source
- Outline a single, clear initial use case you are driving towards as a quick win

Set a Realistic Timeline

Achieving a single view of your customer doesn't happen overnight (although a great partner with accurate data, sophisticated matching algorithms and easy-to-access platforms can help make it fairly painless!). Work with your identity resolution partner to identify a number of "quick wins" you can achieve together within the first 30 to 90 days. But also, have the realistic expectation that it may take you up to a year to fully integrate all of the data sources you desire. By setting a realistic timeline with measurable milestones, you will be among the few organizations successfully achieving a 360° customer view.



Fuel Your Single View of the Customer with the Right Data

Offline Data	Online Data	Third Party Data
<ul style="list-style-type: none">• CRM Database• Marketing Automation System Data• Loyalty Program Members• Historical Campaign Response Data	<ul style="list-style-type: none">• Email Subscribers• SMS Subscribers• Registered Users• Device IDs• App Users• Website Traffic• Webinar Attendees• Ad Exposure Data	<ul style="list-style-type: none">• Demographics• Financial Data• Lifestyle Segmentation• Spending Behaviors• Channel Preferences• Predictive Models

Part 6 - Conclusion: The Long-Term Benefits of Identity Resolution

The quest to establish identity resolution in your organization is a bit akin to advancing your education. The investment of time and resources upfront doesn't feel natural in our fast-paced advertising world; we don't tend to favor initiatives that involve delayed gratification. However, delaying the inevitable will only put your team further behind the competition in the race to make your marketing people-based. Similar to the world of advanced education, in four years you can either have your degree or not have your degree, but four years will pass either way!

Without identity as the backbone of your organization, how can you activate data to learn, understand, and communicate with your customers and prospects more effectively? In other words, how can your efforts be truly people based without understanding who the people are? Once a solid foundation of identity is in place, all activities become better informed, more efficient, and best of all, have the ability to delight customers, build greater loyalty and ensure your company's success!

In a world of always-on consumers, an explosion of devices and stiff competition, savvy marketers can no longer ask themselves *if* they should invest in an identity resolution solution, but *when*.

Part 7 - Bonus: How Experian Marketing Services Can Help

Solving for identity is at the core of every marketing activity – from analytics to activation. And to foster a more seamless and personalized omni-channel customer experience, it is critical for advertisers, agencies, data owners and media companies to accurately identify consumers by linking together otherwise disparate data and identities. That's where Experian Marketing Services' solution, MarketingConnectSM, comes into play.

MarketingConnect is how Experian delivers companies the single customer view they want and need to grow their business. With MarketingConnect, you can:

- Leverage our identity graph to resolve fragmented consumer identities

- Create persistent, privacy-compliant customer IDs ideal for analytics and targeting
- Append demographics data to build a complete customer view
- Measure multi-channel campaign results

We are passionate about helping companies maximize every interaction with their customers and prospects. And with MarketingConnect, that is possible. What makes our approach to identity resolution and management so unique?

- **We know data.** With over 40 years of historical PII at our fingertips, over 1000 consumer data attributes, the ability to process large volumes of data and a rich, deep graph of offline and online identifiers – we ensure our clients the ability to link and manage identities with accuracy and at scale.
- **Privacy is in our DNA.** MarketingConnect produces persistent, single common IDs. Not only are they stable over time, but they are unique to your company. You can confidently utilize your IDs, run analytics, build models and share audiences knowing the entire process is 100% privacy compliant.
- **Activation is made easy.** Simply linking data is one half of an identity resolution solution. The other half is making it actionable. From enriching audiences to activating them for omni-channel campaigns to analyzing campaign performance, our IDs empower your entire organization to benefit from a single customer view.

For more than 40 years, Experian has been committed to responsible security and usage of data. Our tools help you put people at the heart of your business, and ultimately deliver better marketing campaigns and solutions. With access to the most robust set of consumer attributes and offline and online identifiers, Experian has established a leadership position in identity management.

For more details about how MarketingConnect can help you connect the dots of consumer identity, you can reach us at (877) 902-4849 or experianmarketingsolutions@experian.com.



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