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Data Onboarding:

The key to a successful marketing kingdom

Contents

Introduction

Digital marketing continues to grow in importance and sophistication. It's changing the way marketers are doing business and revolutionizing business models.

However, organizations shouldn't solely rely on online channels. The key to marketing success is to leverage digital channels, as well as traditional marketing vehicles. Yet marketers are just beginning to use their rich offline Customer Relationship Management (CRM) data and prospect data to improve their digital marketing efforts.

To bridge the gap between online and offline marketing strategies, marketers must adopt a more integrated view of online and offline data. This includes embracing data onboarding, the process of connecting offline CRM data to digital marketing applications. This powerful tool not only gives marketers access to greater consumer insight, it unlocks new opportunities to help businesses improve customer relationships and empowers them to make their marketing more impactful.

The kingdom:
a wealth of CRM data

Leverage your CRM data to maintain and grow existing customer relationships.

For years, most major brands have made a massive investment in building a rich CRM database, including data such as purchase history, contact history, and even custom models.

That data has become a core tool for offline marketing campaigns. For example, consider your favorite retailer. A store associate encourages you to register for a loyalty program, and you receive a loyalty card. Every time you buy a product with that card, your purchase is logged into the retailer's CRM system, enabling the company to develop a rich profile of your preferences and purchase behavior.

"By analyzing this information, the retailer can better understand which products you are likely to buy, what types of offers you may find appealing, and how to best use available media to communicate with you," says Kerry Morris, SVP, Product Development, Online Solutions, Epsilon. "This kind of 'omnidata' approach is the key to effective omnichannel marketing."

Marketers have poured billions of dollars into developing algorithms and applying analysis on top of this data. As a result, a large marketing database industry was developed to help companies leverage CRM data. Data measurement companies have engineered solutions to help manage CRM data, enrich and analyze it, and activate it across many offline channels, such as TV, radio, direct mail, and email.

"Using CRM data to advertise effectively across channels is essential for marketers who want to reach their target audience multiple times with engaging, relevant, and consistent messaging," says Auren Hoffman, CEO of LiveRamp.

By partnering with data onboarders, marketers have the ability to develop more sophisticated campaigns. For example, retailers can target high-value customers and prospects with timely, relevant offers. Meanwhile, CPG brand marketers can target customers who demonstrate certain purchase patterns by measuring that activity through loyalty cards. In the financial services sector, data onboarders can assist with cross-selling or up-selling initiatives. For example, if a customer has a 401K account with a bank, that bank can pitch its other services via online display ads.

Despite the recent growth in online channels, offline channels still boast some of the smartest algorithms, deepest data, and largest budgets in marketing.

CRM:
the lost kingdom

While CRM data has become one of the most critical marketing assets for most major brands, marketers have been limited to using this data for direct mail and email marketing. In 2014, marketers expect to spend $21.2 billion dollars on online display advertising, up 19.5% from last year, according to eMarketer[1]. Since browsers are inherently anonymous, marketers have had trouble finding their users online and have generally been unable to use their rich data to tailor display ads appropriately to their audiences.

For the past 15 years, companies have searched for the Holy Grail of marketing— the ability to use CRM data in online advertising. But as they seek to leverage their powerful CRM data online, they face a variety of questions.

Questions to Consider When Leveraging CRM Data Online

►► How can I bring my CRM data online in a way that respects consumer privacy?

►► How do I transform my CRM data to be useful online?

►► Is there enough scale in any solution to provide meaningful impact? Can my CRM data be matched accurately online? What are the tradeoffs between accuracy and scale?

►► Can I integrate this data with existing campaigns and solutions?

►► How do I ensure that my CRM data is secure throughout the onboarding process? What are the security and privacy concerns I need to consider?

Until recently, the answers to all of these questions have been unsatisfactory. This has created a void and has detached the rapidly expanding digital marketing world from the deep insight the database marketing world can provide.

"The digital marketing landscape is still largely wild and untamed. Today's data-driven marketer wants a solution that can seamlessly, accurately, and securely get its CRM data into all of its digital platforms, a solution that puts the marketer back into the driver's seat. LiveRamp's partnership with Epsilon provides that much needed solution."

Auren Hoffman, CEO, LiveRamp

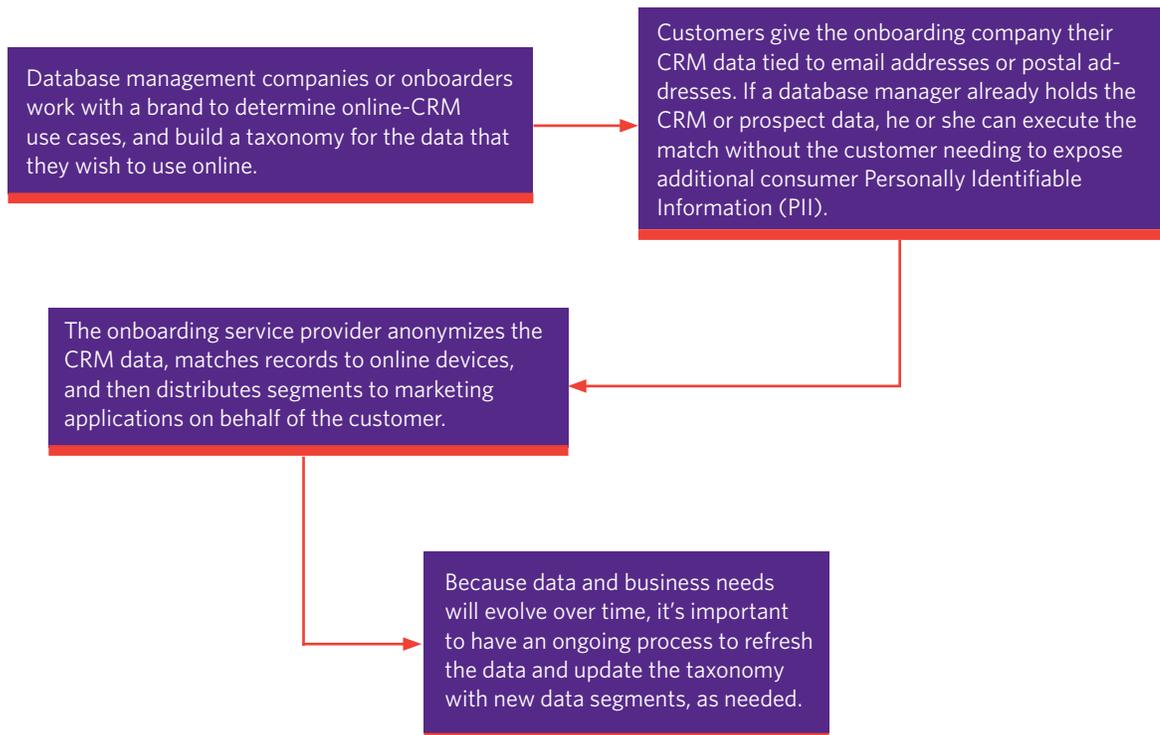[1] **eMarketer Programmatic Buying Roundup**, June 2014

Matching data:
the key to the kingdom

In the past year, integrated solutions have emerged that allow marketers to onboard CRM data in digital marketing channels while ensuring accuracy, reach, security, and consumer privacy.

This new technology enables matching offline CRM data to online browsers, at scale and in a privacy-compliant way. Companies can begin executing quickly with basic onboarding techniques and then increase their sophistication level.

"Many marketers will start onboarding a small data set for a specific campaign or attribution study, and learn to expand their onboarding platform over time," Morris says. "That gives marketers the flexibility to add new data elements to support more advanced use cases."

Here's how it works:

Database management companies or onboarders work with a brand to determine online-CRM use cases, and build a taxonomy for the data that they wish to use online.

Customers give the onboarding company their CRM data tied to email addresses or postal addresses. If a database manager already holds the CRM or prospect data, he or she can execute the match without the customer needing to expose additional consumer Personally Identifiable Information (PII).

The onboarding service provider anonymizes the CRM data, matches records to online devices, and then distributes segments to marketing applications on behalf of the customer.

Because data and business needs will evolve over time, it's important to have an ongoing process to refresh the data and update the taxonomy with new data segments, as needed.

Privacy and security

A key part of the matching process is ensuring that consumer data is managed securely and is handled in a privacy-compliant way. It's important that marketers look for a data onboarder that is a trusted database manager, has proper onsite security for its servers, and gives consumers notice and choice.

Top data onboarding companies have often been involved in developing privacy best-practices for matching, and will be a member of self-regulatory organizations (such as the NAI, DAA, and IAB). They will have implemented processes to ensure that PII is not associated with cookies. They do not mix data across customers, and always give consumers the opportunity to opt out. Their data hosting facilities are SAS 70 Type II (or similarly) certified.

"A marketer's data is its key proprietary asset," Hoffman says. "It's necessary that a data onboarder has both secure data facilities and strict policies in place to protect all data."

Selecting an onboarding partner

When considering an onboarding partner, marketers should think about the following areas:

- **Scale:** Look for the company that has the largest scale of the existing match networks. A typical customer will be able to match 30% to 40% of its CRM to online devices through top onboarding companies.

- **Accuracy:** Companies that can do a 1-to-1 exact user matching through an extensive proprietary match network are ideal. Make sure that the data onboarding company does not infer or model matches so there is little doubt you have the most accurate solution in the industry.

- **Security, Compliance, and Privacy:** Choose a data onboarder that major brands trust to handle data securely and adhere to consumer data privacy standards.

- **CRM Expertise:** Make sure that the onboarding provider has expertise in using CRM data to help enable clients to execute sophisticated campaigns across channels.

- **Interoperability:** A data onboarding company should be integrated into all of the major ad networks, Demand Side Platforms (DSPs), Data Management Platforms (DMPs), and online measurement tools. So once a match occurs, marketers can use the associated CRM data within any online marketing platform they desire. These should ideally be deep integrations that allow fast updates, known as "server-to-server integrations."

- **Speed:** Top data onboarding companies have engineered systems to onboard data within hours. Marketers should be able to consistently and seamlessly update their online audience as new data comes in.

"Like any new marketing tool, it is important to involve the stakeholders who will actually be using the onboarded data. By working with the people who will actually be buying targeting media or conducting analytics, you can better understand their needs and ensure the data is provided in a way that can easily be used."

Kerry Morris,
SVP, Product Development,
Online Solutions, Epsilon

CRM data in digital campaigns: the return of the king

The capability to integrate offline data into online marketing campaigns has led to an explosion of new possibilities for marketers.

Some of these use cases include:

- **CRM Retargeting.** Use existing customer and prospect lists to build a display campaign. For example, a financial services company can cross-sell its existing customers on other products that may interest them. An auto company may run a campaign targeted at people whose leases are up for renewal. A hotel might target its high-value rewards members to advertise a vacation getaway.

- **Cross-Channel Campaigns.** Target an identical audience through multiple channels. For example, a retailer can run a campaign to the same audience simultaneously via direct mail, email, and now display—generating higher response rates in each channel.

- **Cross-Channel Attribution.** Evaluate the offline or in-store impact of online advertising campaigns. For example, if a telco company runs a display advertising campaign, and a customer who sees an ad converts in-store, attribution platforms can include the offline conversion in the measurement algorithms.

- **Campaign Planning and Optimization.** Integrate offline CRM data into the campaign planning process. This enables companies to build models to target new customers that look like their current high-value customers.

CRM data

Onboarding

Ad networks

Attribution

DMPs

Site customization
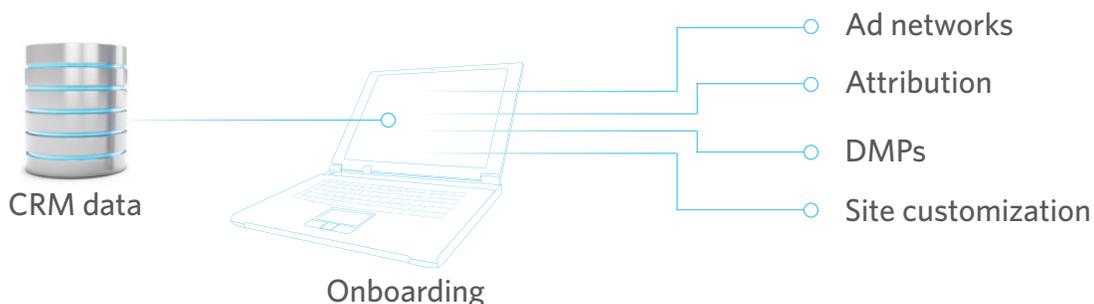
Epsilon and LiveRamp recommend

As the importance of data onboarding becomes more apparent, marketers need to find data and matching partners that are experts on both the matching process and privacy concerns. Adhering to privacy standards while maintaining the quality and accuracy of consumer data is vital. Cash in on consumer insight and follow privacy regulations by considering the following five recommendations when looking for a data provider or data onboarding partner.

▶▶▶ **1 Start with what you know – CRM data:** Ensure you have accurate and relevant points of contact for your customers. Leading companies understand the value of capturing customer data at every opportunity. Correct contact information is a crucial element in customer engagement and retention. A viable name, email address, physical address, and phone number are essential tools you need to understand who your customers are, and to develop accurate customer portraits and consumer segments.

▶▶▶ **2 Use existing customer segmentation to personalize digital advertising:** Bring your offline consumer segmentation strategy online and identify not only how best to reach your consumer, but know what they want and need before they do. Pair audience segments with the consumer lifecycle, and develop a more targeted, cost effective marketing plan that shows a higher Return on Advertising Spend (ROAS).

▶▶▶ **3 Leverage the flexibility of digital marketing channels:** Use both short-term (individual campaigns) or long-term (all data and/or monthly maintenance) onboarding strategies to meet your objectives. The online display ecosystem is massive, complicated, and can be overwhelming when first bringing offline data online. Give it time and don't be intimidated.

▶▶▶ **4 Make privacy a top priority:** While you may not be a leading privacy expert, your data provider, and onboarding company should be. Ensure that companies that offer scale, accuracy, security, interoperability, and speed also have expertise in, and adhere to, applicable privacy standards. Choose providers who are trusted database managers and have earned international privacy security certification.

▶▶▶ **5 Use online matching to simplify attribution:** Digital marketing channels provide consumer-action metrics that direct marketing does not consistently provide. Use the new, more detailed online metrics with offline metrics and understand what consumer touch points were pivotal and which were unnecessary. Developing an omnichannel attribution strategy will not only streamline marketing spend, but it will break down the silos between marketing channels and give you a 360-degree view of your customer.

Conclusion

Imagine a world where marketers have fine-grained control of their entire advertising campaign. They can carefully segment customers according to demographics, purchase history, and propensity to buy. They can design billboards, print ads, TV spots, emails, and banner ads to target prospects that match the profile of current high-value customers. They can execute a campaign and reach specific customers with the same personalized message across many channels, all while protecting consumer privacy. And when the campaign concludes, marketers can measure the impact of each message and channel, through both online and offline conversions.

That future is not so far away. The keys to the kingdom are here, and it's up to marketers to take the next step and unlock their CRM data in the online world.

With joint data provider and onboarding company-integrated data onboarding solutions, marketers can use the wealth of their CRM data in both offline and online advertising to gain greater consumer insight, develop strong campaigns, and use that knowledge to their competitive advantage.

Epsilon solutions

Epsilon offers top-quality campaign management services to help you gain insight from CRM data and maximize its marketing potential. Epsilon created SecureConnect, a seamlessly integrated solution that lets you use CRM data in digital marketing channels while ensuring accuracy, reach, security, and consumer privacy through its partnership with LiveRamp. SecureConnect is interoperable with all of the leading online advertising platforms. Users that have an existing demand-side platform, ad network, data management platform, trading desk, or other platforms can add CRM data into their existing campaigns and analysis tools. Together, Epsilon and LiveRamp have the data onboarding expertise and integration into the online display network to offer a 360-degree view of your customers and help you maximize the return on your marketing efforts. For more information, please contact Jessica Carney, Business Development Manager, Epsilon, at 469.262.1299.

LiveRamp solutions

LiveRamp specializes in onboarding offline data to online marketing applications. LiveRamp's data onboarding solution ensures high reach, 1-to-1 exact matching, and a rapid turnaround time.

LiveRamp seamlessly integrates into more than 100 leading attribution, data management, media, search, mobile, site optimization, and analytics platforms.

About Epsilon

Epsilon is the global leader in helping clients create customer connections that build brand and business equity. A new breed of agency for a consumer-empowered world, our unique approach harnesses the power of rich data, world-leading technologies, engaging creativity and transformative ideas to ignite connections between brands and customers, delivering dramatic results. Recognized by Ad Age as the #1 U.S. Agency from All Disciplines, #1 World Largest CRM/Direct Marketing Network and #3 Largest U.S. Digital-Agency Network, we employ over 5000 associates in 60 offices worldwide. Epsilon is an **Alliance Data** company. For more information, visit **www.epsilon.com**, follow us on Twitter **@EpsilonMktg** or call 1.800.309.0505.

About LiveRamp

LiveRamp connects data across more than 100 digital marketing applications. By onboarding customer data into the measurement, targeting, and personalization applications developed by our partners, we help leading brands eliminate data silos and run more efficient marketing programs. For more information, please visit **www.liveramp.com**.

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