WTF
IS PEOPLE-BASED MARKETING?

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Digital marketing has a reputation–not totally unearned–for reducing people to numbers, segments and vaguely defined profiles.

These efforts are expensive and often ineffective. Marketers throw cash after impressions without knowing if they're really making "an impression." People based marketing offers marketers the chance to talk directly to real individuals, not to profiles or theoretical segments. In a world where audiences are increasingly fractured across multiple screens and devices the ability to connect with real people has grabbed the attention of marketers looking to cross the linear-mobile divide.

So WTF is people-based marketing? This guide digs into its origins, the platforms that support it and the technology that makes it possible.

ORIGINS

If the term "people-based marketing" feels aggressively friendly, there's good reason. The term is brought to you by the same people who introduced the "like," "friend request" and "poke:" Facebook.

The giant deserves full credit for popularizing the term and the tech, but both spun out of Atlas Solutions, an ad-serving platform that sprung up outside of Facebook's walled garden. Razorfish gets that distinction, having created Atlas for aQuantitive, which sold it to Microsoft, which in turn sold it to Facebook in 2013.

The term "people based marketing" debuted the next year. The now Facebook-backed Atlas promised the new tactic would allow marketers to target campaigns to individuals in Facebook's vast user database using their interests, characteristics and affinities—everything except their real names.

The product was billed as an imperative— consumers were quickly shifting away from television and desktop computers to mobile devices and platforms. Almost three years later, that imperative has been borne out. So it's no surprise that the term "people based marketing" has grown beyond Facebook's walled garden and been adopted by the wider industry. 👥

FIRST-PARTY DATA

Marketers have traditionally relied on third-party data, the little pieces of ourselves picked up by cookies and tracking pixels as we explore the web. Marketers use these bits and pieces, our preferences, habits, and identities, to form an incomplete approximation of who we are as consumers. Digital marketers have made great strides in distilling meaning from these fragments, but they still don't add up to a whole person.
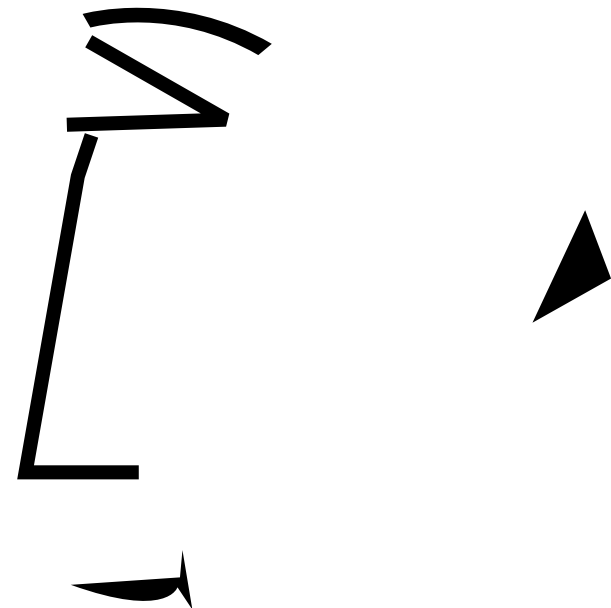
People based marketing goes a different way. Learn how persistent IDs, CRM data, and data marketers play a role in providing and shaping first-party data.

PERSISTENT IDS

The most prominent source of first-party data is the is persistent logins popularized by platforms like Facebook and Goo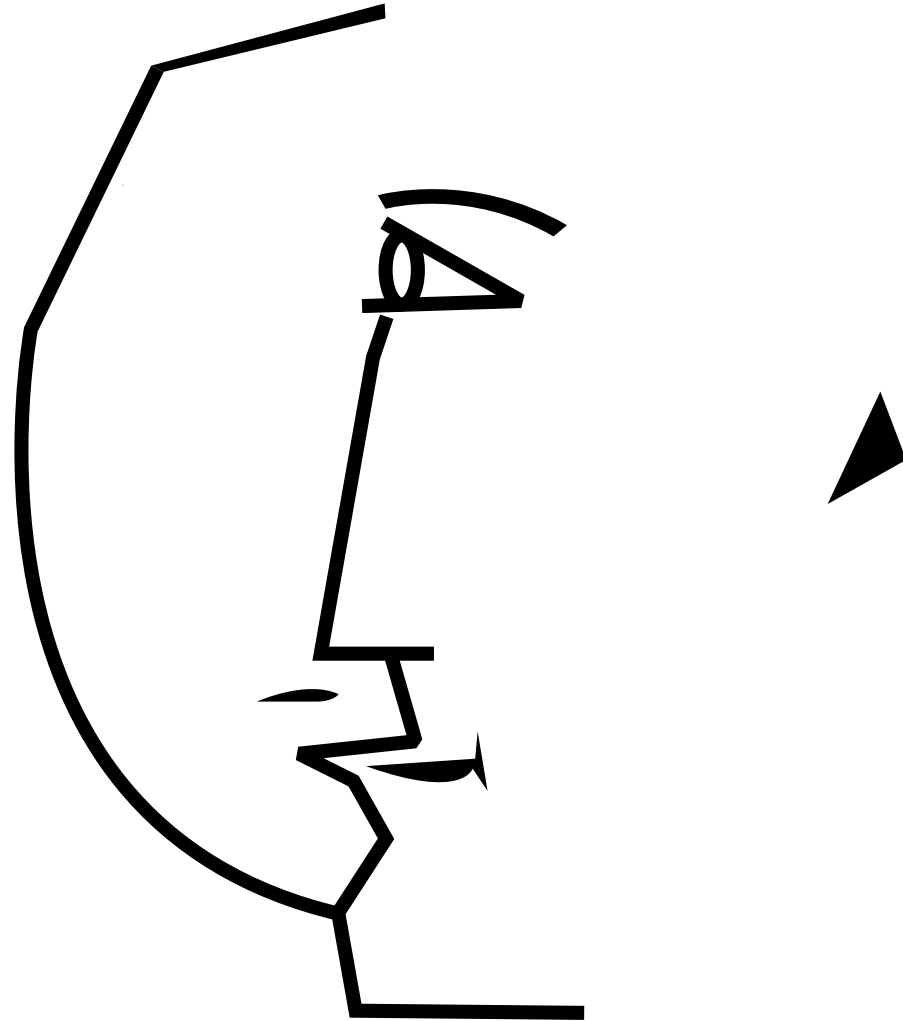gle. These identities have become progressively more enmeshed with the wider web as more apps, sites, services and tools allow users to log in through their social and email profiles. These logged-in encounters offer consumers' habits and behaviors across the web, but they're not the end of the story.

Tools like Facebook Custom Audiences and Google Customer Match also allow marketers to plug in existing data to run campaigns against their verified user databases. Marketers with access to extensive email databases, or self-reported survey data drawn from an existing CRM database can use these resources to build targeted campaigns or to build look-alike profiles to expand their existing audience.
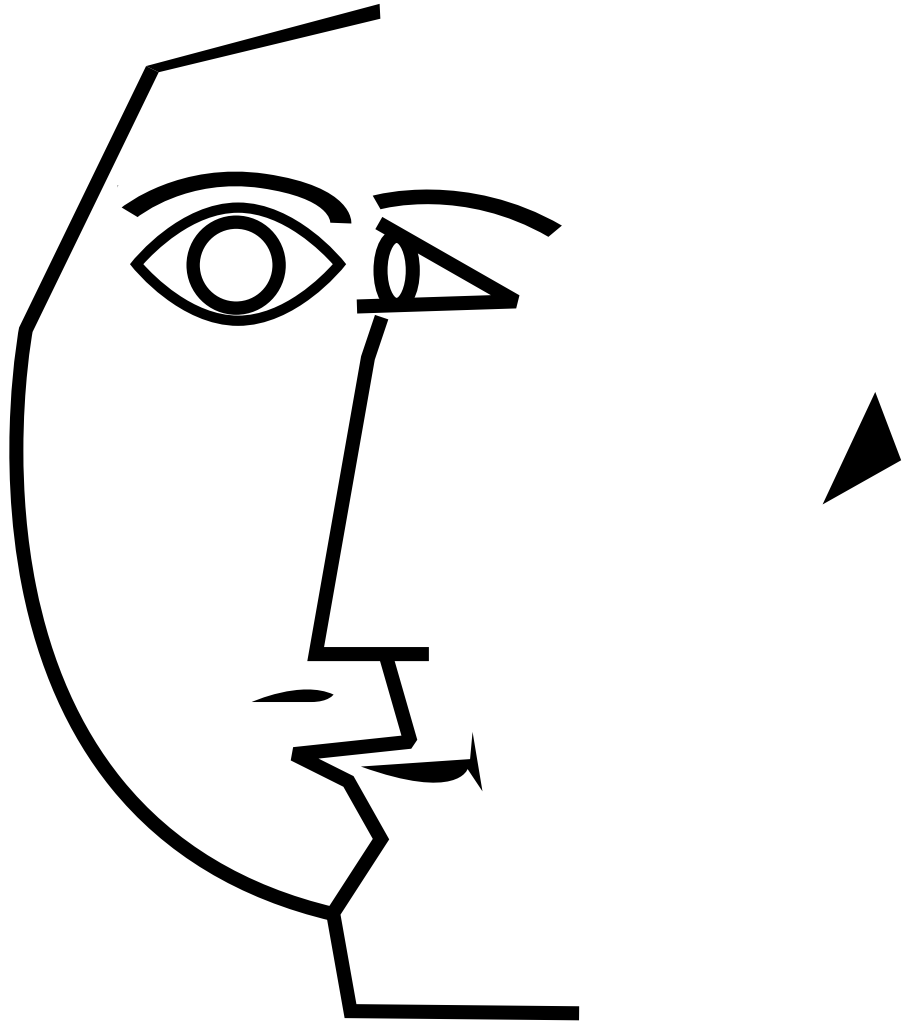
CRM DATABASES

Many brands have been collecting verified first-party information on consumers for years, either for research or customer service purposes. Many brands have been collecting verified first-party information on consumers for years, either for research or customer service purposes. This data, stored in customer relationship management databases, is being repurposed by marketers to fuel people based campaigns targeting existing customers. These databases can contain a trove of information including customer contact information as well as known product and service preferences allowing marketing teams to tailor specific messages to audiences composed only of likely consumers. 👥

DATA MARKETERS

Brands that haven't built their own library of data aren't out of luck. If you don't have data you can buy it. As investment in people based marketing has scaled research, survey and email marketing, firms have found a new market for the verified personal data they've collected over the years. An emerging class of data marketers are selling these data packages to brands looking to populate an audience for people based campaigns. These firms promise to provide the seeds from which brand marketers can grow a healthy audience of their own. If the numbers are anything to go by, then the future looks bright for data vendors. Eighty-two percent of marketers increased their spending on first party data in 2016. 👥

INDUSTRY RESPONSE

Growth has been steady for people based marketing campaigns since its introduction. In 2014, 65 percent of marketers surveyed reported that they either had already invested in people based campaigns or planned to in 2015. Of those who had already dabbled in people based marketing 77 percent planned to increase spending in 2016.
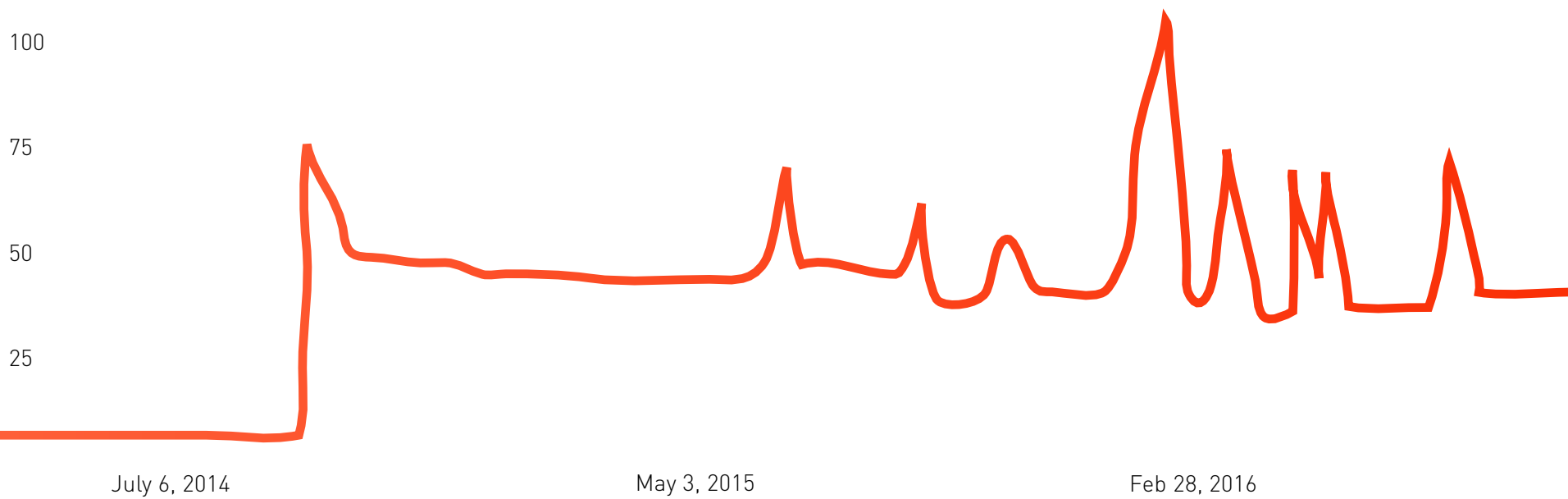
In 2016, 48 percent of media buyers reported that spending on people based advertising campaigns was growing quickly. Another 44 percent said that the practice of people based advertising was either growing steadily or slowly. Only seven percent reported no change. A healthy prognosis for the technology as marketers look to build brands and drive actions like app downloads and mailing list signups as well as those running loyalty campaigns.

"Facebook is increasingly the first dollar spent in any digital campaign," said Michael Beach, co-founder of Targeted Victory, a data oriented political marketing consultancy. "Most of that is going to reaching individuals through things like custom audiences."

Just how is it being used? Facebook and others are selling people based marketing as a fantastic driver of direct response for app downloads, mailing list signups and loyalty campaigns. And yet, 33 percent of buyers said clients most often used people based marketing for brand campaigns. Loyalty and retention campaigns follow closely, with 31 percent of buyers tapping that category. Cross-selling, customer acquisition and reactivation campaigns, split the difference, according to the most recent data. 👥

The industry has widely embraced both the concept and the term, making it easy to track growth.

Source: Google

July 6, 2014	May 3, 2015	Feb 28, 2016

TECHNOLOGY

Like every iteration of digital advertising before it, executing on a people based marketing campaign would be impossible if it were not for new technologies. In this case it's massive platforms like Facebook and Google that allow for direct targeting of verified individuals, while mobile technologies extend those campaigns beyond traditional television and desktop computer screens to create comprehensive messaging experiences. Likewise, it would be impossible to execute this type of campaign without a DMP capable of managing the moving parts required.

CROSS-DEVICE ID

When it comes to the fragmenting of audiences, mobile devices are the biggest culprit. In order to execute a true people based campaigns, marketers have to be able to reach the same verified individual no matter what screen they're using.

The verified identities established on social platforms or in CRM databases need to be linked to mobile devices like smartphones and tablets. Cross-device identification makes this possible by knitting together deterministic data (logged-in interactions, device ids, email addresses) with known individual data and with probabilistic data, which links together known data points with educated suppositions.

A 2016 survey found that 56 percent of marketers plan to increase spending on cross-device campaigns in 2017, another 33 percent plan to maintain spending at current levels. Similarly, an informal survey of ad tech providers found that most were developing or enhancing products that would allow marketers to more easily execute cross-device campaigns. People based marketing relies not only on the ability to find verified individuals, but also to reach them where they are regardless of which device or screen they're currently using.

GEOLOCATION

By tracking a customer's geolocation marketers can target shoppers with relevant offers when they are in or near stores, hitting them when the path to purchase is least resistant. By tracking a customer's geolocation marketers can target shoppers with relevant offers when they are in or near stores, hitting them when the path to purchase is least resistant. Mobile device apps make this possible.
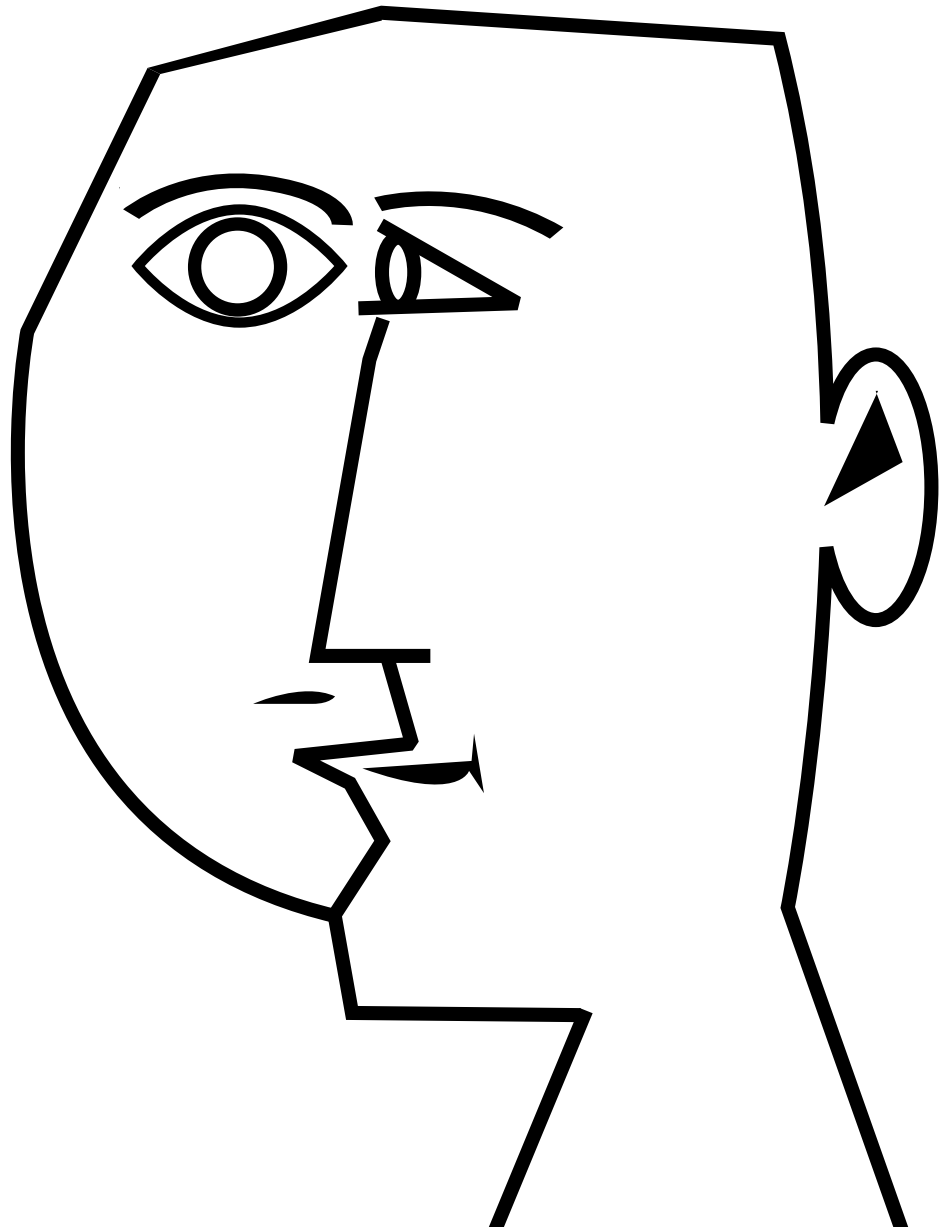
"Consumers are staying logged into apps that share their location data," said Carla Rippon, a member of the IAB's platforms group. "That's a huge opportunity for marketers to harvest that location data and serve people ads for stores they're close to or even visiting."

In an omnichannel world part of addressing the individual is going beyond the simple fact of the screen and hitting them where they live...and shop... and eat out. Marketers are learning more about each consumer's physical journey through the world as well as their journey through the marketing funnel. With a verified individual at the other end of their messages advertisers have a chance to directly serve consumers savvy millennials who have turned away from linear television. Like many of its peers, Cheddar operates in direct competition with broadcast and cable networks like CNBC, Bloomberg and Fox Business.

"Consumers are staying logged into apps that share their location data. That's a huge opportunity for marketers to harvest that location data and serve people ads for stores they're close to or even visiting. "

Carla Rippon
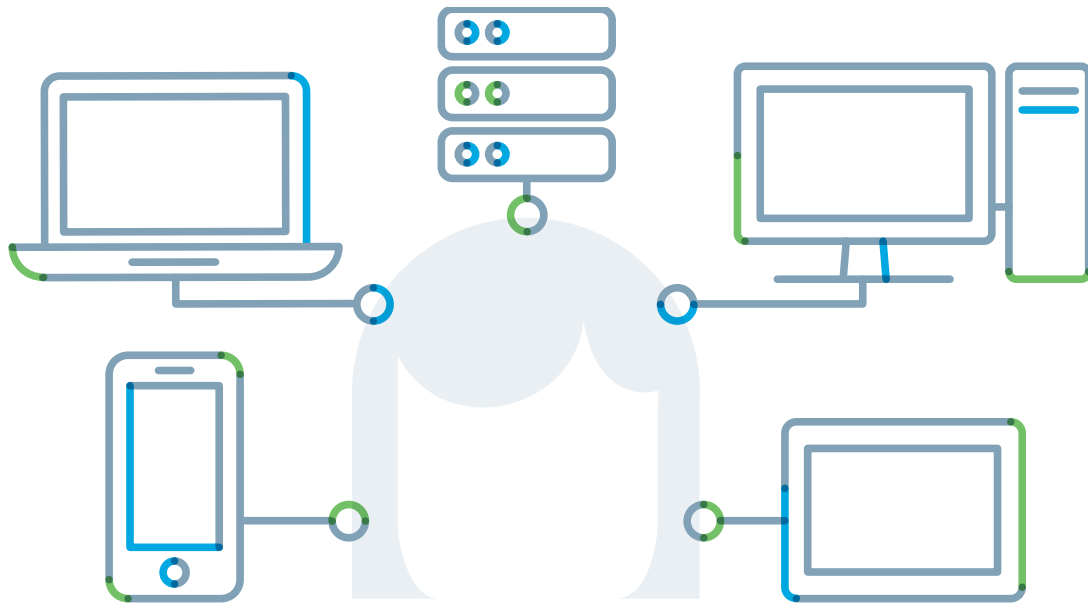Member of the IAB's platforms group

DATA MANAGEMENT PLATFORMS

In order to execute a true people based marketing campaign marketers need to cook up a persistent ID for every individual they plan to reach. That ID is composed of the first party data verified by the customer including email addresses, social platform data and other information collected from the consumer himself. This data is matched with information from third party sources that is probabilistically related to the consumer in question. Combining these two elements allows marketers to forge a persistent ID that allows a campaign to follow the individual across screens and devices. The furnace in which this ID is forged is the DMP or data management platform.

DMPs are platforms that allow marketers to gather, analyze, manipulate, and update the sets of data they collect about prospective consumers. Without a DMP capable of managing large quantities of frequently changing and updating data it would be impossible to create the persistent IDs that power people based campaigns. 👥

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People-Based Marketing Starts with Identity Resolution

What is Identity Resolution?
Check out our SlideShare
to find out.

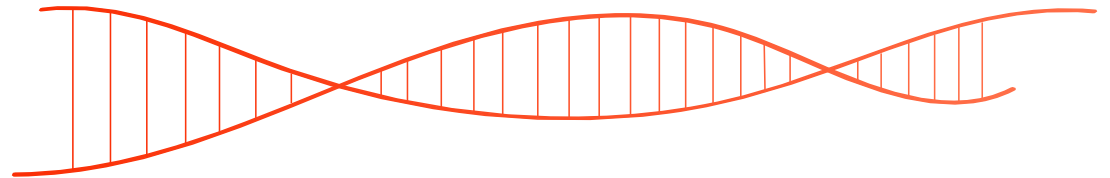**Learn more now**

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CHALLENGES

Like any new technology, people based marketing faces challenges. In order to execute a people based campaign marketers need access to types of data they haven't relied on before. Accessing that information may skirt the boundaries of privacy regulations, and sorting and maintaining an an up-to-date warehouse of first-party data can be a serious technical challenge.

DATA ACQUISITION

The digital marketing industry has been collecting third-party data for more than a decade using a variety of tactics—cookies, tracking pixels, and other proxy tools. By comparison, first-party data is in rare supply. Facebook and Google have provided tools that allow marketers to target individuals within its sizable walled gardens. But outside of those platforms, it's difficult to launch a people based marketing campaign without access to some source of first-party data.

"Brand marketers don't always have the big reserves of verified info, like email addresses that you need to kick off a campaign like this," said Michael Beach co-founder of digital strategy firm Targeted Victory.

Many brands maintain robust CRM databases to track interactions with their past and current customers. These customer files can be a foundation for their first foray into people based marketing. For brands that haven't been actively building a reservoir of first-party customer data it may be necessary to acquire similar data from a repository in order to begin building an audience of their own. 👥

PRIVACY

A key barrier to the growth of any marketing practice that relies on personal data is privacy. Despite enjoying the benefits of a more targeted ad experience many consumers are hesitant to share identifiable personal information with digital platforms.

The growth of key people based marketing tactics like geolocation have been slowed by consumer privacy concerns. Time and familiarity haven't done much to assuage those fears. In 2010, 38 percent of consumers surveyed felt that loss of privacy from shared location data was a serious concern. In 2015 the number of consumers concerned about personal data privacy had risen to 61 percent. However, web savvy millennials and Gen Z consumers, who have seen the most benefits from this type of data sharing, are the least concerned about protecting the location data.
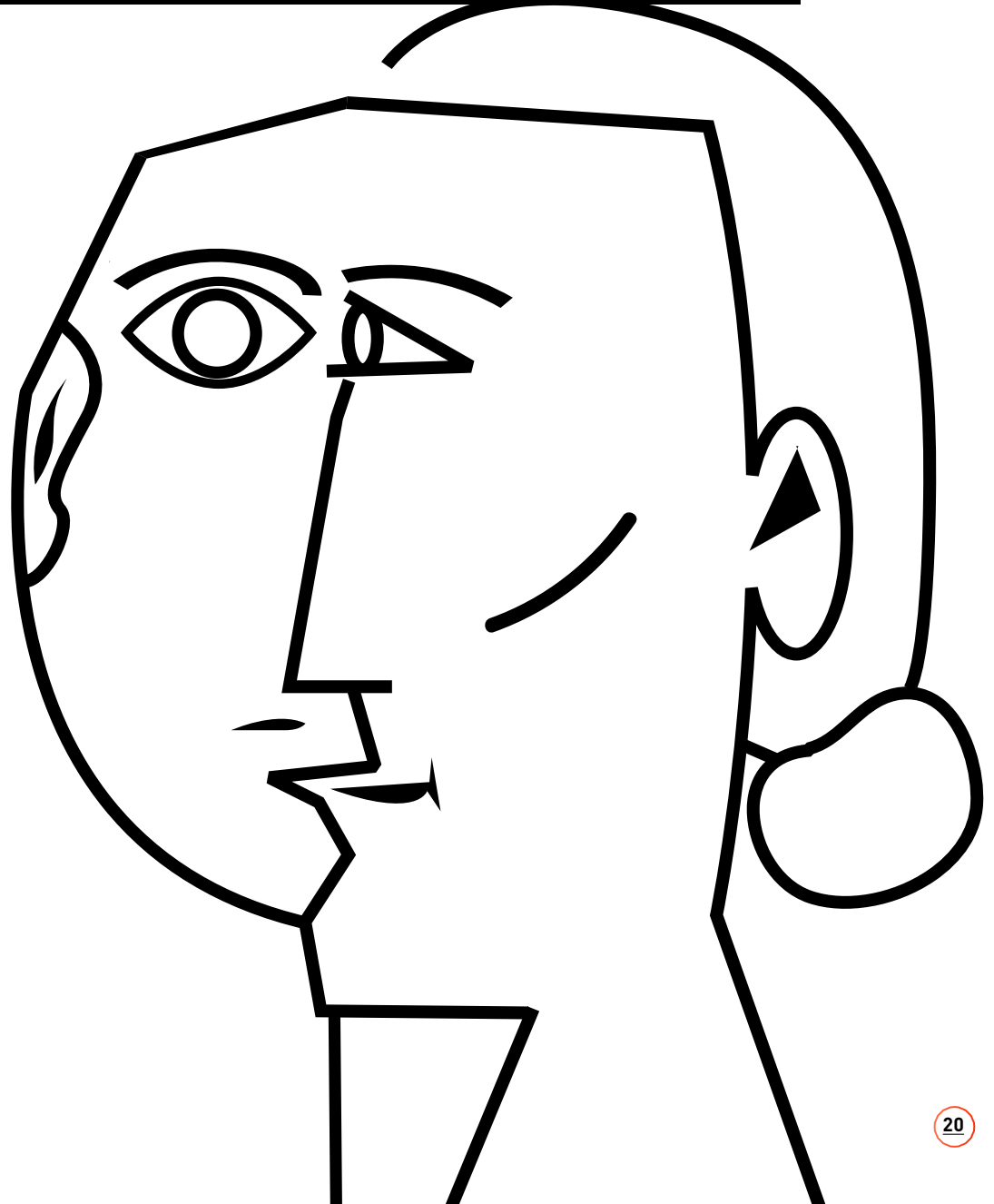
This consumer reluctance has made certain markets more challenging for people based marketers. In European markets like France and Germany, strict laws govern the collection and retention of personally identifiable information. Even data that consumers consent to provide to platforms that they utilize can only be retained for a limited period of time. Data privacy statutes in the United States are more lax, but even info giants like Google have run afoul of regulations that preclude the collection of personal data from private communications like email.

"Those laws aren't going to change unless people see value," said Drew Wahl, general manager of AKQA Media. "If we can show them that this is marketing that better serves them as a person, restrictions will ease."

REAL TIME DATA INTEGRATION

The thing about people based marketing is that people are complicated. They change all the time. People change their preferences, their interests, their address, and--multiple times a day--their device. In order for people based marketing to be effective, it has to account for all of these very human changes in real time. A targeted campaign based on outdated information can quickly become irrelevant.

Even if marketers have a comprehensive consumer profile in their data warehouse they need to be able to constantly evaluate, attribute and integrate new information in order for a personalized campaign to run smoothly. That means constant data gathering and analysis is critical. Custom records may need to be updated multiple times a day based on the consumer's interactions with the brand as well as other self-declared inputs gathered from v
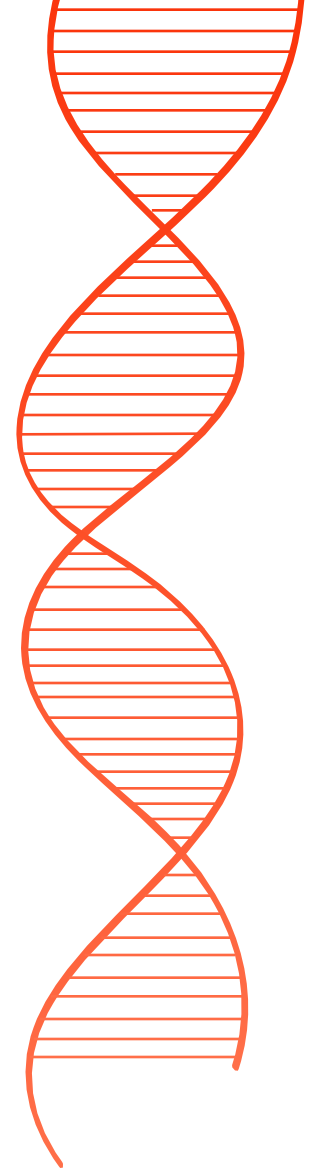
THE FUTURE

In 2016 the audience is mobile. It's plugged into a range of devices and and it's attention is constantly shifting. More importantly, that audience is made up of people rather than profiles or segments. People based marketing gives the industry a chance to meet those audiences where they live and serve them ads that might actually affect what they buy.

Marketers are optimistic about the future of people based digital marketing. Advertising technology has risen to the challenge of matching consumers' cross-device habits and use of mobile technology. Mobile spending is expected to account for nearly 70 percent of all digital ad spending by the year 2018. Current estimates suggest that at least 51 percent of spend has already moved to mobile in 2016, topping $100 billion or the first time. Marketers are increasingly adjusting their approach from engaging with segments to engaging directly with individual consumers.

"It's not enough to guess anymore," said Michael Beach, of Targeted Victory. "When the stakes are high, marketers need to know who they're reaching and where to reach them. We're going to spend more on campaigns that do that."

Marketers will continue to move past the world of cookies and other third-party data sources as consumers come to expect a more targeted and personalized experience. The ongoing shift of consumers' attention to mobile will fuel the need for cross-device and cross-screen campaigns all of which can be supported through a people based approach. It's not an overstatement to say that people, and marketing campaigns geared toward them rather than toward proxies, are the future.

GLOSSARY

CRM: Shorthand for customer relationship management, refers to the technology and tactics used by brands to analyze their interactions with customers. In many cases CRM databases contain email addresses and other verified personally identifiable information that can be used to build a people based marketing campaign.

Cross-device ID: Technology that allows marketers to follow consumers as they move from one device to another. This is accomplished by matching multiple app logins and other deterministic data with probabilistic data collected by third-party platforms.

Deterministic ID: A type of cross-device ID created using first party data. These IDs are used by platforms with verified user information and made available to advertisers in an anonymized form useable on those services.

Geolocation: Using the GPS location attributes of mobile devices to track consumers movements in the physical world and serve them marketing messages based on and relevant to their location.

First-party data: Data collected directly from the source. This includes information that consumers volunteer about themselves via surveys and social media profiles. This data is easily resolved to an individual verifiable identity making it key to a successful people based campaign.

Third-party data: Data collected from outside sources about a consumer. Consumers don't directly actively contribute to third-party data but can passively provide information by visiting websites and and downloading cookies that track their actions.

Probabilistic ID: A cross-device ID made up of a number of anonymous pieces of non-personally identifiable information. Multiple third party data points are fed into algorithms with produce a high probability of matching an existing profile.