How to find and reach your perfect audience

Reach customers with a better understanding of
who they are and what they want

Experian™
Marketing Services

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About the author

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Prior to Experian Marketing Services, he spent over 12 years working within digital marketing and advertising companies, helping to shape their client's content and advertising strategies. Most recently Giles was Director of Frommer's Unlimited which specialised in providing dynamic destination content and technical build services to the travel industry. He has also held roles at Teletext Holidays, part of Daily Mail and General Trust, where he managed relationships with major European Tour Operators.

Introduction

Marketing is getting more and more precise as greater and greater volumes of data are created by everyday people.

However, those same consumers expect a far greater level of customer experience. In fact, they demand it, and the pressure is on for brands to get their customer experience right. Giving the customer what they want and providing the most tailored experience is critical. A happy customer is a loyal customer and a loyal customer is a potential advocate. Similarly, in the modern world of feedback, reviews and instant public communications an unhappy customer is liable to shout their dissatisfaction from the rooftops.

According to The Loyalty Effect by Harvard Business School Press: "It costs 5 to 10 times as much to win a new customer as it does to keep a customer, and a 5 per cent increase in customer loyalty can translate into a 75 per cent increase in profitability."

The basic truth underpinning marketing is that brands need to be able to know who their customers are in order to find them, reach them and communicate with them more effectively. The same thing goes for existing customers as it does for prospects.

Understanding who people are is critical as it enables the tailoring of communications to better achieve a goal or convey a particular message – thereby providing that customer with the best suited experience.

What better way to do this than knowing who your perfect customers are, where you can find them and how you can reach them? Successful marketers delight customers with a real understanding of what they love.

This paper lays out the blueprint for how to do this in the modern data-driven world.

Start with the data

Modern marketing is all about data. Data-driven marketing enables accurate marketing campaigns based on real insights rather than intuition and instinct.

There are a multitude of channels available for use, each with its own characteristics and pros and cons. Social media, PPC, TV, SMS, email, and display advertising - to name but a few. However, the accuracy and efficiency of these channels is utterly reliant on the data that drives them. Having inaccurate or disparate data severely impacts the effectiveness of every channel. Essentially there's little point in investing in channels if the data you have driving them isn't of sufficient quality.

The crucial first step towards accurate and effective marketing is to start with the data. It's necessary to install an on-going and rigorous process that ensures data is as accurate and up to date as possible.

Linking first party data and third party data

A brand's first party data is incredibly important. It's now one of a company's most valuable assets. It indicates who customers are and provides a clear picture of how different people have interacted, where, when and how.

For first party data to be useful it needs to be of sufficient quality and quantity to enable the drawing of conclusions, patterns and trends. The aim is to build a strong view and understanding of all existing customers so that it is possible to start basing future marketing decisions on the profiles of existing customer groups.

Once the groups are defined you can look to understand where to engage them online and offline. Find new customers that visit your competitors or find customers who are interested in products you are developing. This of course relies on accurate and reliable third party data – just ensure what you are investing in is of the highest quality.

Understand your audience

The ability of brands to find and reach particular individuals and segments relies utterly on that brand's capacity to understand the characteristics and behaviour of their audience and the propensity of that audience to behave in a certain way.

In order to locate a specific type of person a brand needs to have a full understanding of them in order to be able to differentiate between varying customer types.

Of course, what a brand is looking for depends on what it's trying to achieve (see Planning) but the overall building blocks need to be there. In order to select groups and decipher patterns and trends based on behaviour, a thorough understanding of the many factors is required.

There are a multitude of signals to consider when measuring an audience. This data can be classified into four main types of signal. Who they are, what they say, what they do online and what they do offline.

All four should be taken into account when attempting to understand who customers are.

Who they are – Demographic data such as their age and location. Also includes household income, family situation and property.

Source - Consumer and demographic data.

What they say – Search history, channel preferences and responses to interactions.

Source/s – Web analytics; email responsiveness, social media signals

What they do offline – Lifestyle and attitudinal signals such as the types of brands they prefer or where they like to shop. Likes and dislikes – what media they consume (newspapers, TV stations).

Source - Consumer and demographic data.

What they do online – Online behaviour such as sites visited, actions and purchases on web pages.

Source/s – web analytics, email behaviour, device analytics and path to purchase data

Planning marketing activity

When a brand has a strong and reliable dataset and a thorough understanding of who its customers are it's time to create a detailed plan.

The planning stage is crucial because it is when the foundations are laid out as to what a brand is trying to achieve with its campaigns.

The ability to find and reach a particular audience is a fantastic benefit made possible by the sophisticated level of modern marketing techniques and technologies. However, it means a specific tailored approach is required for each type of audience being reached. It would be a huge waste if an audience is specified but the message deployed not wholly tailored to suit not only the type of person but also the goal being attempted.

To this end planning is integral to audience creation, market sizing and messaging. The same plan should drive both messaging and audience creation – with the goal of improving particular business goals. Market sizing needs to be considered across devices, channels and media – is your target segment too big or too small to achieve your goal? Where can it be reached in and in what volume to maximise efficiency? Being too specific could mean you're marketing to a really small group and the effectiveness of your efforts may be limited by audience size.

The flexibility of being able to pick and choose specific types of people means for incredibly accurate marketing. The key is to select attainable goals and to take a realistic and logical approach.

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Goals and objectives

Marketers in this day and age cannot simply market to everyone. We need an understanding of who we are marketing to and what we are trying to achieve.

There are limitless types of goals. Some of obvious examples include:

- How do I find more people who like a certain product?
- How do I reach people who like a particular hobby?
- Who are my competitors' customers?
- How can I reach my competitors' customers to take share away from them?
- How do I market a new product aimed at a new or existing customer segment?
- How can I reach customers who are more likely to make an individual large purchase?
- How do I reach customers in danger of never purchasing again?

Building the audience

When a brand has agreement as to the desired goal it's time to build the audience they wish to reach.

A clear understanding of existing customers (based on first party data) enables marketers to create customer segments based on behaviour. Depending on what outcome needs to be achieved the relevant patterns, trends and behaviours should be pulled out and the types of people who fulfil those types examined.

Using this methodology it is possible to understand the characteristics of a person a brand wishes to interact with to achieve the stated goal.

If a brand wishes to find more of its best fit customers it needs to be able to look thoroughly at its current highest value or most frequent customers and understand the similarities and patterns which link them together. This provides clear guidance as to the type of consumer they should focus on in future.

If the goal is to reach customers who are more likely to like a high end product (for example) the same process can be applied. Study the first party data and profile customers who have bought high end products in the past by behaviour and characteristics. Create patterns and trends until a view of the type of customer most likely to buy high end goods becomes apparent.

In the absence of first party data to base your customer segments on (i.e. you're launching a new product and have no relevant data) there's the option of building customer segments from additional sources. Competitor benchmarking will tell you a lot about the behaviour of your competitors' customers and should provide the basis for the insight required to build your new audience. However, it's important to ensure that you start building out that data and testing it in order to make sure your first party data is up to scratch further down the line.

We now have an audience group we wish to reach. A group we can be confident are more likely to behave in a certain desired way to a specific communication.

Depending on what outcome needs to be achieved the relevant patterns, trends and behaviours should be pulled out and the types of people who fulfil those types examined.

Reaching that audience

Once a brand has its audience highlighted it's time to go and find them with correctly tailored messaging.

Different products, industries and locations will be better suited to different channels.

Key factors to take into account are where the required audience are more likely to be found and which channels they are more likely to respond positively to. Of course with a clear view of customers a fully integrated cross-channel approach is possible with communications sent down the channels specific customer groups are most susceptible to – with each channel integrated and responding to each other.

The audience group provides a clear understanding of the type of person that needs to be reached – Who they are, what they say, what they do online and what they do offline –what's necessary now is the means to reach them.

1 Digital advertising

With the audience group clearly front of mind an understanding of the types of places they go should be fairly straightforward to attain. Teaming up with ad partners that have the ability to provide automated and accurate adverts to specific audience types on websites which the audience group frequents will allow for highly targeted ads to be displayed to the correct customer segments.

Retargeting and display ads are a similar prospect. With the specifics desired as indicated by the audience groups it should be fairly easy to find the desired audience and ensure that the right messages are put in front of them.

Example

A brand that sells extreme sports 'experiences', such as white water rafting and mountain biking, wants to reach more of its best fit customers. It has a decent understanding of the basic demographics of its customers based on a number of assumptions. It has tried pay per click targeting and has paid for a number of display ads on websites it thinks are relevant.

Over the course of a number of years the company has built a fairly extensive, yet fragmented, pool of customer data. The company enriches its data using a third party and then analyses the pool of customers to ring fence its best customers based on how frequently they use the service, advocacy and the amount of times they have interacted with the brand.

Using this template they do some online analysis to discover the sort of websites this customer group are most frequently found on. They find that the customer type in question spend a lot of time on motoring websites and motoring forums as well as some sports discussion websites. Two in particular stand out as having a high proportion of the right type of customer.

They negotiate deals or bid for inventory on the websites in question and reap the benefits of having their adverts in front of more of the type of customer they want.

2 Content marketing – on page and off page

Creating content is an integral part of modern day marketing. The saying goes that content is king – however the most important, yet often overlooked, factor with content is context. It has to be the right sort of content to achieve business goals. With a clear understanding of a particular audience it is possible to tailor content to suit particular groups aligned with business goals. What's more if done right it's content that the audience actually wants to consume because it's based on what is known about them.

On page content should be relevant and interesting to the audience. Online analytics tools can tell brands what certain customer groups are interested in based on how they search for products, offers and topics of interest. Using this insight efforts then need to be made to create high quality content suited to them.

Off page content creation and marketing should follow a similar approach and be tailored to the desired customers' wants and needs. However, an additional factor is the choice of places to concentrate its promotion. If the audience group tends to populate a specific website or type of website efforts should be focused in forging relationships with those third parties in order to get the tailored content in front of the desired people. Likewise, social media preference is a factor and the decision to promote content on particular networks should be taken based on insights on the audience – do they prefer Twitter, LinkedIn, Pinterest, YouTube or Facebook? The answer to this question indicates where efforts should be focused.

Example

A company that sells tickets to sporting events wants to strengthen its presence and increase the volume of organic traffic it receives. In addition, it wants to improve the effectiveness of its content as what it is currently producing is barely being consumed and has high bounce rates and few people follow the calls to action. They suspect their content is not attracting the right type of person or that it is not appealing to what they consider their best fit customers.

The brand carries out a content audit and at the same time analyses its customers based on what is known about them from demographic, online and offline signals. This enables them to create a number of customer types. Using an online analytics tool they then decipher who these people are and the sorts of websites and content they are interested in.

They discover that they are focusing on the wrong topic areas in their content and that the type of content is not what their best fit customers are after. What they are currently producing is match reports and interviews with players while their competitor analysis and search demand indicates there is more appetite for statistical-driven analysis, infographics and comment around betting odds.

They tailor their content to reflect this and are soon creating content based on actual user demand. Content which their desired audience is actually interested in.

3 Email marketing

Email marketing remains a powerful tool in the digital marketer's arsenal. When in possession of an accurate and specific audience type - finding lookalikes is the next step. Third party sources should be able to provide reliable data to use. It's especially important that the email data purchased can be relied upon, not just for legal reasons (opt in etc.), but also because if the quality of the email data isn't sufficient the benefits of the specificity of the audience will be undermined.

Once a list of likely matches has been crafted and verified, email communications specifically tailored to the group and conveying the relevant message should be sent. It is important at this stage that enough thought has gone into the message and that it is in line with the original plan and objective. Reaching the right type of person is only half of the solution – the correct and relevant message, tone and timing has to be understood. Without it all the hard work defining the audience and reaching them will be wasted.

If the customer type highlighted is one thought to be likely to be interested in a particular offer or product then the message has to convey that clearly and in a way that will appeal to the customer. Perhaps an additional incentive can be applied, after all these are people who have been identified as highly-probable purchasers.

Example

A travel company wants to promote three new holiday locations but understands that the destinations; Corfu, Barcelona and Marrakesh, are drastically different and will be appealing to different people.

Using their first party data the brand compares all three destinations to existing holiday destinations of a similar ilk. They analyse the types of people who choose the three different holidays and start to build a picture of the audiences for the new destinations.

They then use online web analytics to analyse competitors who are already offering holidays to the three locations and build audience profiles based on their first party knowledge combined with this competitor insight.

Having created their relevant audience profiles the brand purchases email addresses of people who fit their three now quite specific customer types from a third party. With the customer groups very well defined they tailor the content of the emails to suit each customer group. Some of the groups prefer quiet breaks while others want more of a party atmosphere.

These insights are used to not only reach new prospects but to power and improve messaging to existing customers, making it more relevant, useful and interesting.

The brand then goes one step further and uses retargeting to follow up the individuals who received and opened the emails with adverts on a selection of websites their online intelligence shows they are more likely to be found on. The brand also inputs the addresses into social media and where possible advertises to the addresses which have associated Facebook accounts.

4 Partnerships and affiliates

Strong partnerships and affiliate deals are part and parcel with modern marketing. Creating such mutually beneficial relationships is a great way for marketers to allow another group to do some of the grunt work for them.

When considering a partnership, whether it's high traffic product aggregator, price comparison website or an ad network, it's important to ensure that the outfit being considered is capable of providing the right level of accuracy to do the data insights justice.

After a detailed customer analysis process and with an audience group defined it makes little sense to then throw advertising spend into a black hole which isn't targeted to the appropriate level. You will need to analyse the audience profile of potential partners to ensure they will be able to deliver consumers that are highly likely to be interested in your products and therefore convert. Likewise, most ad networks will be able to cater for specified customer groups and while it probably costs more, the returns for tailored and targeted advertising should vastly outweigh the spray and pray method.

In addition, tailored advertising helps the consumer and the publisher. The browser gets adverts which they are actually interested in and the website gets happier browsers. As for the advertiser? They get a better return on their spend.

Example

A financial services firm wants to better focus its advertising for a high end credit card with a high credit limit.

Knowing it's not a form of credit that everyone will be interested in or, more importantly, be eligible for, the brand creates a customer profile of the type of person most likely to be eligible and interested from a careful study of its first party data.

They hand this profile to an affiliate ad network and agree to bid high for this specific type of customer. While they end up spending more money per advert shown the likelihood of that person clicking then being eligible and going on to make a purchase is much higher.

Separately the financial services company then goes on to create applicably specific customer groups for a number of its other products and passes this information on to the same ad platform. Now they have specific ads being served directly to the people with the highest propensity to be interested in each product.

5 Social media

On social media it is possible to fairly selectively choose the types of person who will receive ads. Using the audience groups they have created, marketers can refine their audience targeting to a fairly respectable degree. Twitter and Facebook allow for location and like-based targeting and LinkedIn, with a heavy lean towards B2B business, provides an accurate company size and job title filter.

However, it's possible to use third party data sets to find people online based on their characteristics and behaviours and then reach out to them on social media – rather than going straight through the social networks' targeting tools.

Sophisticated platforms that plug in to social platforms and utilise external data sources are capable of being extremely accurate in finding specific customer types using information outside the social network and combining it with that provided by the advertising features. This way highly-specific ads can be placed in front of the relevant consumers – not just people who like a page or live in a certain area.

Example

A fashion retailer wishes to reach more people through social media. They analyse their first party data and pull out three customer types of people they feel are their best fit customers based on loyalty and purchase frequency.

They purchase email data of people who match these profiles from a third party. They create an email campaign with three different messages applicable to the three customer types.

At the same time they use the email data to find social media (Facebook and Twitter) accounts for these people and show them equally applicable adverts.

If an individual opts out or makes a purchase they are no longer shown the adverts. Opt outs are instantly removed from the system while purchasers are then moved into a new pot of existing customers and are shown upcoming deals, loyalty rewards and new products.

6 Media buying

Media buying works in a similar way. Whether it's adverts from a particular ad platform or website or even more traditional TV, print or radio advertising, the same principles have to be applied. The audience segment has been created to focus a particular message of the brand. If the specifics of the audience cannot be accommodated then it's a waste of the insights that you have and any tailored message will not be anywhere near as effective.

Example

A luxury car brand wants to try print advertising to push one of its top end cars. Using its first party customer data it can quite easily create a portrait of its best fit customers, where they live, what their interests are. By utilising third party online analytics tools they can then define the types of website and hence content this audience consumes in the highest volume and frequency.

Using these insights they scout a title which most closely represents the interests of their target audience as well as match up the title's distribution with what they know about the likely location of the target audience.

They settle for a particular magazine and pay for adverts for a particular edition which is distributed to the sort of area their desired customers are most likely to live.

In this way they have managed to target their offline advertising using online insights beyond traditional methods (most print and broadcast media rely on ABC targeting).

A joined-up approach

Having gone through the key channels available for sophisticated audience outreach it's imperative to reference the benefits and need for a joined-up approach. With a sophisticated understanding of a particular audience, and the detailed data that supports it, a clear 360 view of those consumers should be evident. With that level of visibility it makes no sense to employ a disjointed and siloed strategy when in fact a cross-channel integrated strategy will yield far better results.

Based on audience insight it's probable that the brand at this stage knows which channel customers are most active on and most receptive through. However – consumers don't only use a single channel so communicating with them across channels with one message (with an emphasis on their preference) is the most effective strategy.

All these channels are far from mutually exclusive. In a number of the above examples different channels were joined up to create a cross-channel approach powered by each brands' understanding of their desired audience. The key however, is that it is a consistent set of messages to the same customer group which is conveyed, regardless of channel.

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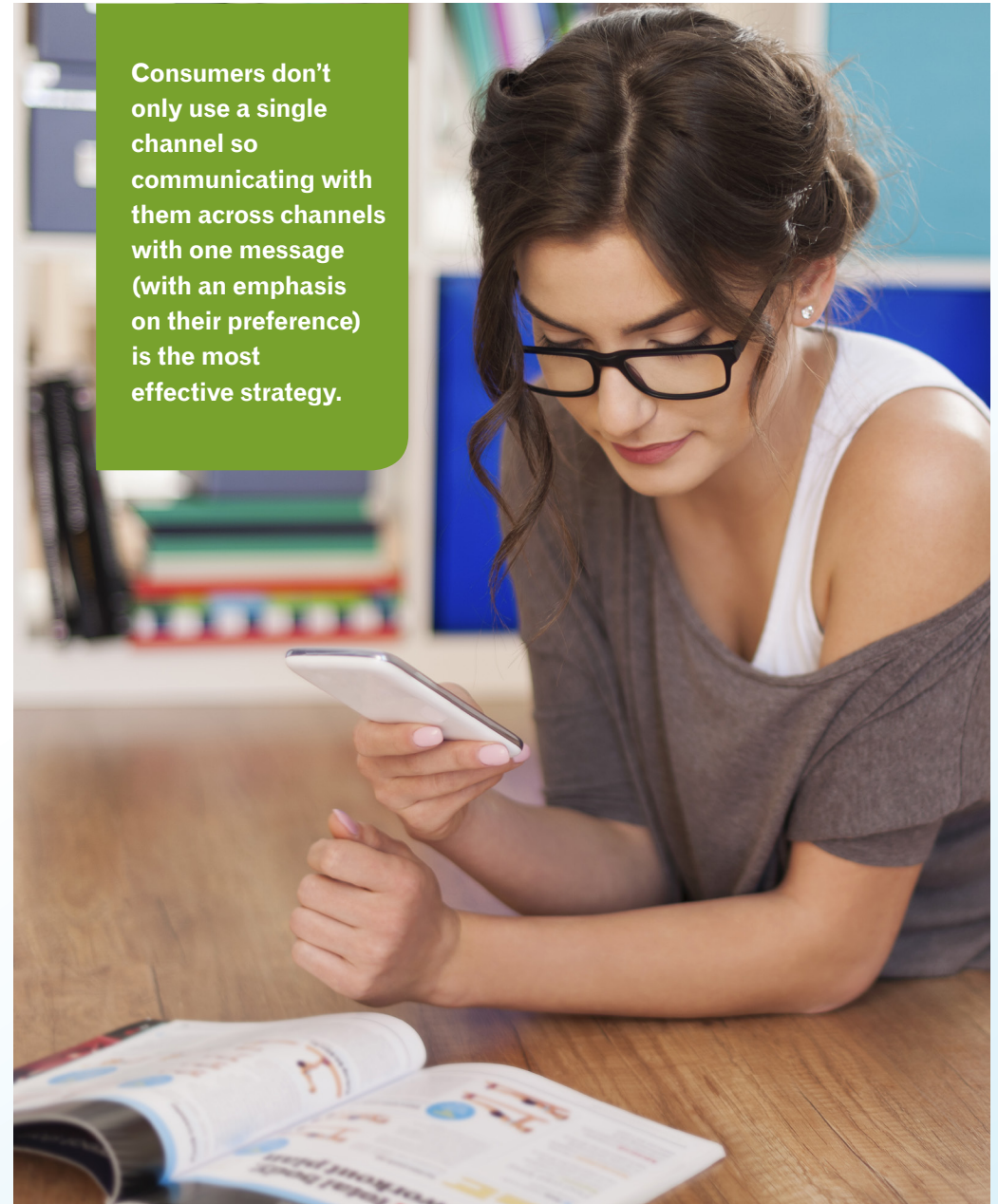
The perfect audience?

The title of this paper is slightly misleading. While it is certainly the author's hope that readers find use in the techniques explained to make their marketing more effective at reaching the right people, the important factor that must never be forgotten is that it is the brand which should be striving to provide the perfect service.

The customer comes first and it is this mantra that drives the desire for tailored, personalised and seamless experiences. Of course, brands benefit from doing so but only because the customer is satisfied, happy or ecstatic.

Brands that are able to build greater connections with their customers through powerful insights will provide the best experiences and will success.

Key takeaways

Finding and reaching the perfect audience is every brand's dream and while it may seem like an intimidating and potentially expensive process the benefits are real. To help, please consider the below steps as the stepping stones towards being able to communicate more effectively and efficiently with the customers you want to.

- **Start with the data – get your house in order**
  - First party data is crucial as it forms the basis of all customer insights
  - If data is not complete, enrichment, linking and validating processes should be considered
- **Understand your competitors customers**
  - Build a detailed understanding of the audiences that engage with your competitors
  - What proportion of an audience is shared or exclusive
  - What product does each audience search for and then purchase

- **Create an attainable goal based on business objectives**
  - The goal should be something tangible and quantifiable
- **Keep the plan front of mind at all times**
  - Content creation, messaging and timing should all be aligned to help deliver on the goal/s
- **Build customer groups based on those goals**
  - Use first party data to understand patterns and trends in relation with your brand
- **Use those customer groups to create personas of the type of consumers you wish to reach**
  - Analyse and group by demographic, behaviour and customer journey
- **Reach the desired lookalikes using a sophisticated and joined-up approach across channels**
  - Use trusted third party data sources to find the relevant consumers
  - Support campaigns across channels to provide a seamless experience
- **Ensure messaging is aligned with what is known about the audience and in line with the goal**
  - The messaging needs to be tailored to what is known about the consumer
- **Work with experts or ensure you have in-house expertise**
  - Data has changed the face of marketing and brands now need their marketers to have access to advanced analytical skillsets
  - If this process is not done accurately or an individual area is inadequately implemented the whole process (and therefore its efficiency and effectiveness) will be undermined
- **Measure success based on KPIs and audience definition**
  - Pre and post campaign and across channels

Introducing Experian's AudienceView.

Richer and more powerful consumer insights to help marketers to create superior brand experiences for the benefit of the customer.

Experian Marketing Services is the leading global provider of consumer insights, targeting, data quality and cross-channel marketing. We help organisations intelligently interact with today's empowered and hyper-connected consumers.

By helping marketers identify best customers, find more, and then coordinate seamless and intelligent interactions across the most appropriate channels, Experian Marketing Services can deepen customer loyalty, strengthen brand advocacy and maximise profits.

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