

WHITE PAPER

# Contextual Marketing in the Increasingly Anonymous Era

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In Partnership with Tealium



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# Introduction

Today's marketers are neglecting the majority of their audience.

Anonymous website visitors and mobile users are treated as a homogenous group, even though they are innately diverse. Rather than seeing what is most relevant to them, they all see the same content.

Recent studies<sup>1</sup> show that while consumers across categories are researching and browsing products before purchase, less than 10 percent are clicking on advertisements, subscribing to emails, or engaging with a brand on social media. Simply put, web and mobile engagement must change in the same the way that email marketing has evolved: from "batch-and-blast" to segmented and personalized communication.

With the right technology, today's marketers can understand, segment, and engage their anonymous audiences, enabling them to significantly grow leads, increase conversions, and even decrease future churn.

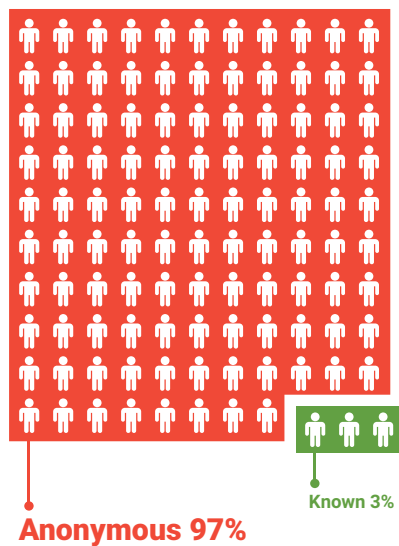
<sup>1</sup> Nielsen, 'Global Connected Commerce Survey.'

# Missed opportunity

The vast majority of website visitors are anonymous—97 or 98 percent, according to different studies.<sup>2,3</sup> That is, for most companies, only 2-3 percent of visitors share an email address or other identifying piece of information that qualifies them as “known.”

## Significance of anonymous data

In spite of this staggering figure, today's marketers focus most of their efforts to engage the tiny minority of known prospects via email. Marketers may be running retargeting ads or onsite personalization for anonymous visitors, but these are often based on limited, siloed data. The result is that most visitors—all but a small minority—are ignored or imprecisely targeted and lost forever.



Anonymous data plays an important and direct role when it comes to contextual marketing experiences, not only enabling more relevant experiences for visitors in an unknown state, but also known ones. By providing greater context about the interests and preferences of visitors and users—regardless of whether they are known or unknown—user profiles are ultimately much richer and accurate than ones based solely on other data.

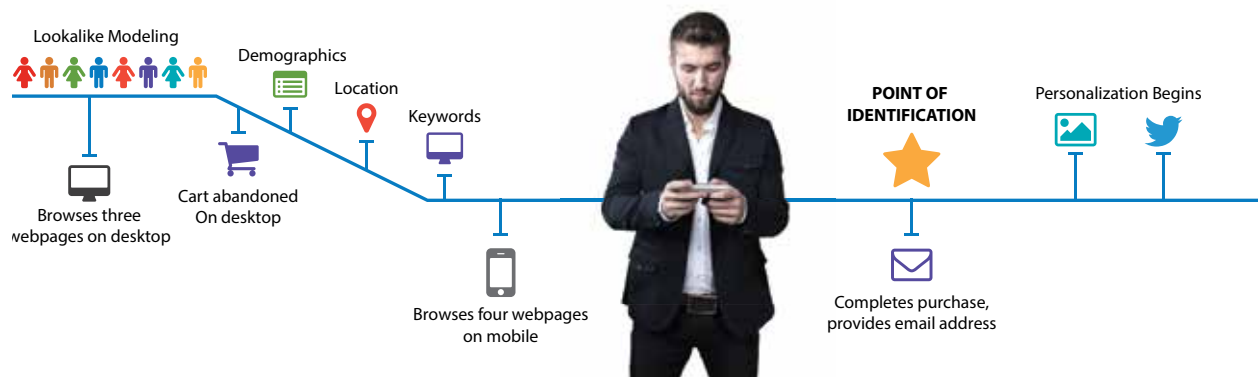
## Building historical context

That so many visitors are anonymous should not come as a shock; this is not a new concern, after all. But in order to improve the engagement with this ‘unknown’ audience, companies have historically focused on getting visitors to self-identify as quickly as possible.

Anonymous data, for its part, has typically been used to make generalizations about the audience composition and probable interests. For example, what type of organization do they come from; what search terms brought them to the site; and what lowest-common-denominator products are they most likely to be interested in? But the opportunity is much greater, as anonymous data can be used to understand the specific interests of individuals rather than merely directional observations.

<sup>2</sup> Act-On, Website Visitor Tracking Datasheet.

<sup>3</sup> Marketo, ‘Unmask Inbound Visitors.’



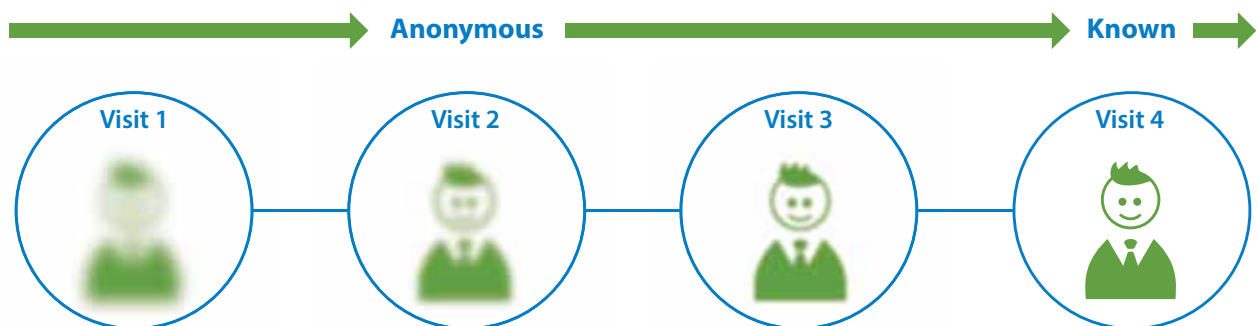
### Insights available through anonymous data

Anonymous visitors share a lot of data about their interests and intent through their browsing behavior—what they click on and download, how long they spend on certain pages (or how little they spend on others), how often they return to the site, whether they start and abandon the payment process, etc. In sum, these hundreds of micro-actions can accurately portray details like product preference, funnel stage, and propensity to convert.

For example, a marketer at an online retailer might learn details such as these about a visitor before he or she ever becomes “known”: a visitor looks at medium-sized men’s shirts that are on sale. The shirts are for running, and light in color. They put two shirts into their cart, but ultimately leave the site without purchasing anything.

These insights can be used to provide more contextually relevant marketing, whether via retargeted ads or more relevant products when the visitor returns. And while traditional retargeting is based on limited data—possibly done for a specific product put into the shopping cart, for example—a profile built over the course of multiple visits and actions can facilitate more accurate and effective retargeting.

### Progressive Profiling: Learning Over Time



# Data Distinctions

Not all data is created equal. In order to achieve success with leveraging anonymous data, it's imperative to understand not just the differences between 'anonymous' and 'known' data points, but also the distinctions between first and third-party data.

## "Anonymous" vs. "known"

It's counter-intuitive, but an "anonymous" visitor or user profile can be far more detailed than a "known" one. Browser, device, and behavioral details can impart location, weather, gender, marital status, product interest, intent to purchase, and literally thousands of other data points, all while a profile remains technically "anonymous." On the other hand, a profile that includes an email address qualifies as "known," yet might include little other information.

In short, "known" does not equate to better or more complete.

Beyond the comparison of anonymous and known attributes, it's also important to distinguish

between first-party and third-party data. While known data is inherently first-party, anonymous data can be either first- or third-party—and there are important differences between the two.

## First-party vs. third-party data

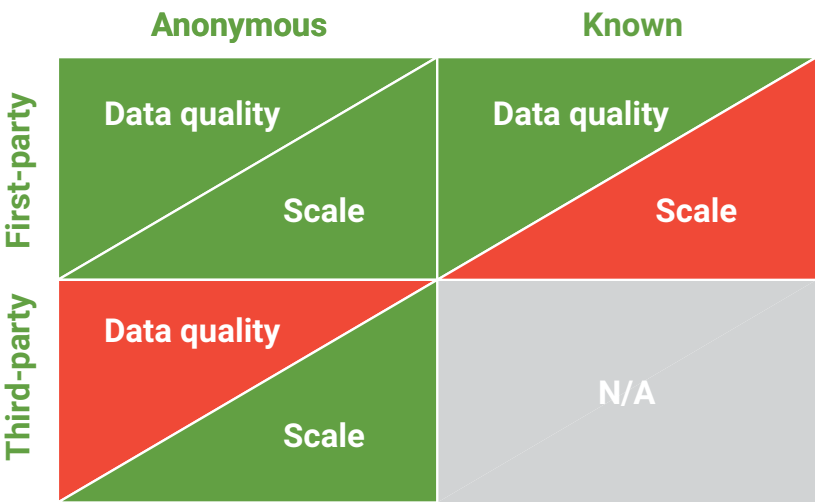
Third-party data is commonly used, especially for advertising. However, marketers have increasingly questioned the quality of third-party data in recent years.

The challenge is this: third-party data attributes, like gender, are almost entirely probabilistic. That means they amount to a bunch of "best guesses." Compounding this problem, third-party data provides

no clue as to its accuracy. If you're relying on someone else's "best guess," you want to at least have an idea about how accurate it's likely to be. Gender, for example, has been shown to be wrong up to 50 percent of the time, according to recent reports.<sup>4</sup>

First-party data, on the other hand, is reliable—it's your data, after all. Even if you make some assumptions of your own with regard to anonymous first-party data, you know exactly what factors go into determining a data point like gender. And not only is first-party data more accurate and transparent, it also provides insight specific to your website or app in a way that aggregated third-party data cannot.

<sup>4</sup> Wall Street Journal, 'Marketers Question Quality of Ad-Targeting Data Providers.'



First-party, known data quality is very good, but suffers from lack of scale. Third-party, anonymous data has tremendous scale, but is questionable in quality and transparency. First-party, anonymous data is the sweet spot between data quality and scale.

# Leveraging Anonymous Data

Email remains an invaluable engagement channel, and it is easy to add a new email address to a list or specific campaign. However, not only is it possible to learn a great deal about anonymous visitors, but there are several ways to engage them without an email address.

## Case Study:

Dover Saddlery, a leading multichannel retailer of equestrian products, found that leveraging Tealium's real-time customer data solutions to personalize the homepage carousel for visitors to their website - using preference, brand affinity, and category affinity data - improved Revenue Per Visitor (RPV) by 5.2 percent and increased conversation rates increased by 4.8 percent. In addition, by showing a visitor's four favorite categories - those most shopped or purchased from - RPV increased by 4 percent and Average Order Value (AOV) increased by 5 percent.

## Website: personalization, SEO, recommendations, live chat

Websites today are like old-school email marketing, amounting to "batch-and-blast" engagement where everyone sees the same content. But while email marketing has evolved with greater segmentation, most websites have not.

Website testing and personalization tools offer the ability to adjust the content visitors see based on anonymous attributes and behaviors. Accordingly, each visitor or segment can be shown much more relevant content. That, in turn, can move a greater number of visitors further down the funnel, resulting in more qualified leads and conversions.

As a specific category of personalization, product recommendations can use behavior-based affinity to show more relevant products. Sites with live chat can similarly be more specific to the individual visitor based on his or her engagement patterns. And even SEO can be improved to refine landing pages for more specific visitor personas.

## Mobile engagement: in-app and push notifications

It's not only possible to engage anonymous website visitors, but also anonymous mobile users. Mobile users can similarly be segmented based on in-app data or activity, like location and weather, app open rate, or features most frequently used.

Mobile users can also be engaged based on geofencing technologies such as iBeacons. For example, if a user has your app installed and moves around a location with iBeacons (e.g. a mall or conference), they can be sent push notifications based on where they go or have been. This doesn't require a user to be authenticated, or even an active session—only for the app to be installed and push notifications to be on.

## Case Study:

Ancestry.com, the largest provider of family history and personal DNA testing, reduced its average data processing time from 24 to 48 hours to 3 to 4 minutes with Tealium, allowing the company to send more timely targeted emails and display ads based on real-time user behavior. In a particularly compelling use case, Ancestry.com data shows that it can increase its reach to potential cart abandoners by 60 percent leveraging that real-time behavioral data to send a reminder email in one hour or less. The effectiveness of re-engaging those same customers drops to 5 percent after 24 hours.

## Advertising: retargeting and lookalike targeting

By segmenting anonymous visitors based on certain attributes and website actions, they can be retargeted with highly personalized ads. Retargeting visitors who abandon their shopping cart, for example, is simple yet has a high ROI.

Ad retargeting in this way involves a cookie-sync with an ad network like Google, or with a retargeting platform like Criteo or Ad-Roll. Specific segments for retargeting might include: visitors who abandon shopping carts, have returned to the site several times, are in a specific location, or have displayed interest in a specific product or product category.

Beyond just retargeting visitors, Facebook and Google allow marketers to target lookalike audiences. That is, marketers can reach new prospects similar to existing segments, like those at certain stages of the purchase funnel.

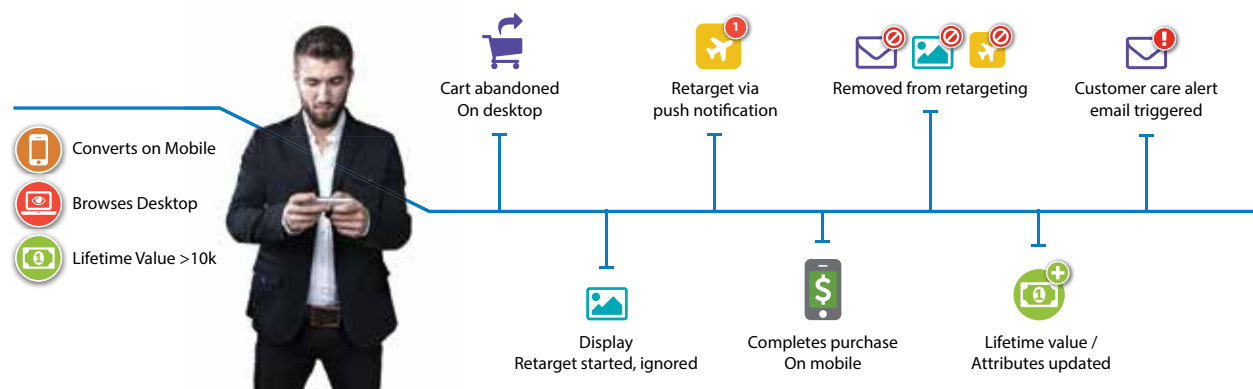
## Enhancing known customer experience

Today's marketers must recognize that comparing "anonymous" with "known" visitors is not black and white. Customer identity is a spectrum, and an email address is just one of many data points.

By beginning to build user profiles with anonymous data, marketers can also tackle the "cold start" problem they otherwise face. Most marketers start building user profiles only once a user becomes "known," which means those profiles begin with very limited data and no historical or behavioral context. A recent report found<sup>5</sup> that up to 95 percent of qualified prospects on your website are there to research and are not yet ready to buy.

However, by collecting insights as soon as visitors reach the website, marketers ultimately have much richer, more complete user profiles by the time they provide an identifier. And those details can be used for email segmentation just as well as for retargeting or website personalization.

<sup>5</sup> The Economist Intelligence Unit and Marketo, 'The Path to 2020: Marketers Seize the Customer Experience.'





# Data Requirements

In order to be used effectively in delivering better contextual experiences, data must meet four key requirements from collection to action.

## Collected earlier, starting when visitors first reach your website

By beginning to collect data on visitors as soon as they reach the website, marketers can build rich profiles that help understand each user's interests and intentions. This is in stark contrast to beginning to build user profiles only once they provide an email address, which then begins with no behavioral context.

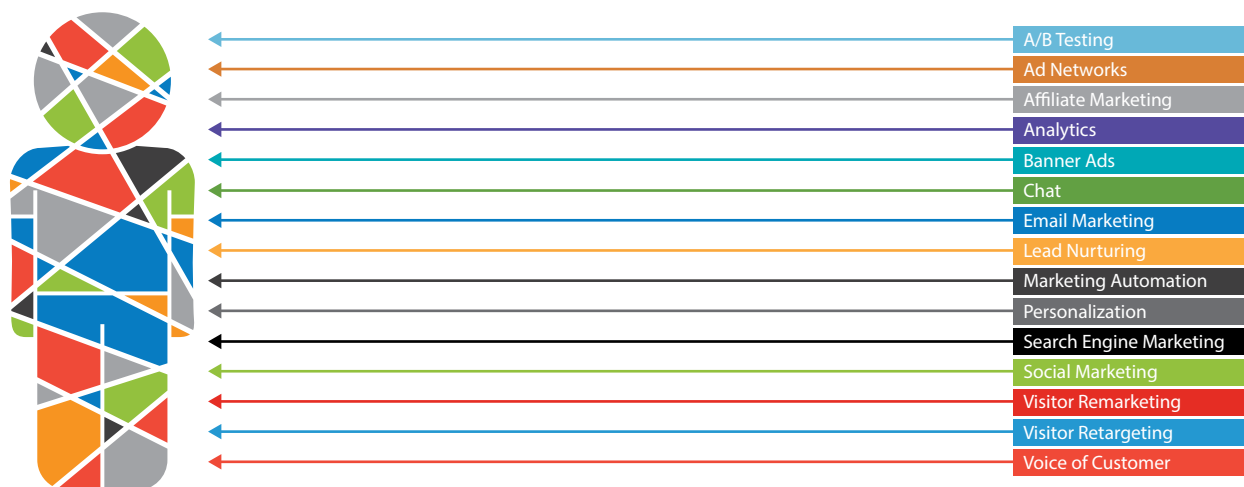
## Updated and usable in real time, not after the fact

Visitors come to your site with some kind of intent, but that intent dissipates quickly. If you aren't able to understand and react in real time, the opportunity may be lost forever. For most websites, over half of visitors come only once and never return. They must be understood and engaged as quickly as possible, which demands real-time data capture and usability.

## Unified and centralized, rather than siloed

In a 2015 study conducted by Econsultancy and Tealium, it was discovered that 51 percent of organizations were using more than 20 different digital marketing solutions, up from 36 percent in 2012.

Each of these vendors, which include analytics, advertising, A/B testing, ecommerce, heat-mapping, content management and others, collect data. But because this data typically sits in a silo, the result is a disparate, fragmented customer view.



Without a consolidated profile for each visitor, marketers end up like the blind men and the elephant, with distorted and even conflicting perceptions. The result is ineffective customer targeting and engagement.

### Lesson Learned:

Modern marketing requires a unified, comprehensive, and universally accessible visitor profile for effective segmentation and targeting.



**Blind men and the elephant:** The story tells of a group of blind men who touch an elephant to learn what it is like. Each one feels only a part of the elephant, such as the tail, ear, or the tusk. As a result, each man has a different perception of what the elephant is like.

### Available for action and engagement

In order to be truly effective, a consolidated visitor or customer profile needs to then become actionable, and easily available to any other tool to use for engagement. This might include an email service provider, marketing automation platform, retargeting tool, website personalization service, mobile marketing automation platform, or any number of other engagement categories.

# Technology Requirements

Now that we've discussed the opportunities for engaging anonymous visitors, let's discuss the technology requirements and capabilities critical for success.

Marketers that establish the right data foundation can easily understand and engage their known customers as well as anonymous ones. A capable technology solution will meet a handful of key requirements necessary to progress from standardized and efficient collection, to real-time segmentation and enrichment, to immediate, relevant action.

In addition to building a comprehensive data layer, the ideal solution will have the ability to assign each visitor or mobile user an ID as soon as they reach the website or install an app, record device and browser details, track on-site or in-app behaviors, and segment or "badge" into defined categories users automatically.

More specifically, a capable Customer Data Platform (CDP) can provide marketers the capabilities required for success. Though a relatively new type of solution, today's leading CDPs are built with three core components in mind – and those core components directly align with the key requirements needed to leverage anonymous data, and provide more compelling visitor and customer experiences.

Ecosystem that enables action  
across all marketing channels

Real-time stitching, enrichment  
and segmentation

Unified data layer across all  
touchpoints, online and offline



# Conclusion

**Today's marketers are missing a big opportunity, but transformation is within reach and solutions are readily available.**

While they are neglecting the majority of their audience, composed of anonymous visitors and app users, there is a tangible, significant opportunity to build detailed profiles for this group much earlier in the customer journey, before they ever become "known." With the right technology foundation in place, it becomes possible to understand and engage potential customers much earlier and more effectively than before. Marketers that take advantage of this opportunity will be able to segment, engage, convert, and retain prospects and customers far more effectively than their competitors.



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