

MULTICHANNEL

Is social media the Holy Grail of data?

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Men's section of Bloomingdale's in Palo Alto

By JOE MCCARTHY

NEW YORK – Many marketers view consumer data as the ultimate cipher for understanding purchase patterns, but contextual data is what colors in the larger picture, according to a session Nov. 6 at ad:tech New York 2014.

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The situational variables surrounding a purchase, such as the weather, are oftentimes as telling as a consumer's behavioral profile. As marketers continue to clarify the path to purchase, ensuring that all components are identified and weighed fairly will enable effective budget allocation, according to panelists for the "Behavioral Breadcrumbs: New Tools to Read Digital Signals" session.

"When people talk about data they think of consumer data," said Jeremy Geiger, CEO of [Retailgence](#), Palo Alto, CA. "But there's a lot of dimensions of data.

"Consumer data is only part of the puzzle," he said. "The other part is the context you're in.

"From a data and signal perspective, obviously there's a lot more data sources, but a lot of that data is being siloed. The challenge will be making sense of it, connecting the dots."

Aging cookie jar

The cookie has traditionally enabled marketers to collect and then connect data, since a

consumer's unique online I.D. can be tracked and interpreted.

Of course, cookies can reveal only a slice of the path to purchase, since offline activity remains a mystery from this vantage.

Now that mobile phones have revolutionized connectivity, marketers can potentially assemble holistic pictures of how a consumer arrived at a purchase.



Burberry's digitally enhanced beauty store

However, the venerated cookie is not that good at traversing channels, which has forced marketers to be creative.

Location has quickly become a primary tool for filling in the gaps. Through near-field-communication, radio-frequency identification, built-in mobile methods such as device I.D.s, and application interaction, marketers can better determine where consumers are and then tailor interactions in ways that make sense for a particular context.

"There's no other alternative even close for activating shoppers in-store [than location]," Mr. Geiger said.

Beacon technology will play more of an awareness role this holiday season than anything else. In the coming years, there will be personalized recommendations in aisles, but for now, retailers are in the implementation stage.

Marketers are also beginning to leverage tools such as Apple Pay, connected cars and connected homes to further color in the data picture.

Apple Pay, especially, can unleash a significant amount of data if brands end their aversion and consumers adopt at higher rates.

Many companies are becoming much more cagey about their data, according to Mr. Geiger, and this trend will likely continue as the percentage of useful data climbs. After all, the edge that data provides dulls when it becomes available to all.

Connected cars can be a game changer, too. Steve DeAngelis, vice president of client development and services at [M&C Saatchi Mobile](#), noted that AT&T is now selling more

LTE subscriptions for vehicle than for any other mode.

In the coming years, all new car models will be connected, enabling marketers to illuminate another critical area of consumer behavior that had previously remained shrouded.



Mercedes-Benz's Apple CarPlay

"It also solves that location problem we were talking about," Mr. DeAngelis said. "With a WiFi connection, you have much more accurate location."

A 3G connection can be "dicy," he added, and brands that try to deliver relevant ads or other information to consumers as they are out and about can have a hard time pinning down a location.

All of these developments will help bring about the "Internet of Things," that glorious marketing age when consumers synchronize everyday objects with their mobile devices and useful data pours out of mundane decisions.

The Apple Watch, however, will not make that much of a splash, according to Mr. DeAngelis. The value proposition is that a watch is more convenient than a smartphone, but is a smartphone all that inconvenient?

At the end of the day, the majority of consumers will not perceive enough of a benefit to strap one on, Mr. DeAngelis argues.

Shedding the critics

Social media is regularly railed against for being trivial, and marketers have had to spin all sorts of qualitative tales to curb the curbing of social budgets.

Beyond the brand-building that takes place, Mr. DeAngelis thinks that social media may be the holy grail for data collection, and that this feature dramatically makes up for what seems to be insignificant direct revenue.

Through social media, consumers can be tracked as they go from device to device, presenting marketers with the opportunity "to build a robust picture."

Both panelists agreed that this coveted "robust picture" is aided more by mobile apps than mobile Web. Mobile apps offer cleaner data than mobile Web, which can be hampered by all sorts of variables.

"[However,] is installing an app more convenient than opening up my browser?" Mr. DeAngelis asked.

Final Take

Joe McCarthy, staff writer on Luxury Daily, New York

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