

COLUMNS

Combating the power shift with data to better retarget customers

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Cory Munchbach is vice president of marketing at BlueConic

By A LUXURY DAILY COLUMNIST

By **Cory Munchbach**

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We are witnessing a profound shift in power, one that takes it away from brands and gives it almost entirely to consumers.

According to a new report from Forrester Research, this shift is due to the unprecedented growth of digital from applications to mobile phones to Buy it Now buttons, which has not only increased the number of ways that brands can connect with customers and prospects, but it has also increased competition between brands.

Race for data

Customers now have more opportunities than ever to connect with brands and be more selective with their purchasing and their loyalty.

Each of these connections is crucial for companies that need to differentiate themselves, bring their brands to life and stay competitive in the marketplace.

Each interaction should be seen as an opportunity for companies to gain a deeper understanding of their customers, allowing them to better engage their customers and improve overall outcomes.

How can companies maximize these interactions to achieve greater ROI? The answer is data.

As Forrester points out in the same report, the amount of data that marketers are able to collect is increasing as the number of customer interactions grows. The benefit is, the more data companies can collect and the more they can leverage that data to target customers with real relevance, the more competitive they will be.

In fact, according to McKinsey, data driven tailoring of experiences for each customer can drive an ROI of 15 percent to 20 percent or more.

Using data to improve overall business outcomes is a RACE: you must recognize, analyze, contextualize and engage individual customers.

Leverging data in each of these steps will help marketers gain deeper customer insight, allowing them to understand each person's needs and intents to better retarget them and improve the customer experience.

Let us break this down a little more to show how marketers can fully benefit from the increase of digital customer interactions.

Recognition: The more data collected about an individual, the easier it will be to recognize that person when she returns to your site, no matter if she is uniquely identifiable or an anonymous user.

For example, if a visitor to your site gets a tailored retargeted ad after leaving it and then returns to the site, she should be recognized as the same unique person.

The recognition of an individual works best when data is collected at every interaction, across all channels.

Analysis: Capturing the data is just the first step. Proper analysis is key to yield consumer intent.

Web analytics and email campaign data, for example, can be unified to assess what constitutes the user's decision journey.

Marketers need to take into consideration all of the known and inferred insights, current actions and historical data in order to appropriately retarget their customers.

Contextualization: All of this data will give marketers a window into each customer, but everything must be put into that individual's context.

From the data gathered, marketers can determine which aspects of the customer experience must be changed, either in real-time or as a predictive decision to best suit the individual's needs.

For example, data gathered about a shopper in the CRM system can be enriched with consumer interest data from the DMP and used together to better retarget customers.

Engagement: The final step is what happens when an informed interaction is delivered to the customer at the appropriate time and in the right channel, digital or otherwise.

If the data has been collected, analyzed and contextualized correctly, the engagement should result in the retargeting of customers for increased ROI.

ACCORDING TO Forrester, marketers need to elevate their digital intelligence practices in an effort to take power back from the consumer.

Data-driven technologies can greatly improve this process, enabling companies to see the growth of digital innovation as an opportunity to interact with customers and gather more data for an individualized experience that builds customer loyalty.

Leveraging this data during the recognition, analysis, contextualization and engagement phases will help you appropriately retarget customers, yielding improved outcomes that will differentiate you from the competition.

Cory Munchbach is vice president of marketing at [BlueConic](#), Boston. Reach her at cory@blueconic.com.