

RETAIL

Identifying shoppers becomes vital for brands, but also more difficult

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Identifying shoppers is becoming much more important. Image credit: Neiman Marcus

By BRIELLE JAEKEL

As mass-market brands begin to adopt consumer identity technology more so now than ever, it will become imperative for luxury brands to jump ahead on the trend.

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More than half of marketers and retailers are interested in integrating identity solutions in their business, which would allow them to recognize specific customers. However, many lack the tools and resources to do so, according to a survey by the Association of National Advertisers.

"Today, marketers are finding it challenging to articulate the value they reap from their identity efforts," said Neil O'Keefe, senior vice president of the DMA Division at the ANA, New York. "Respondents said that technology developers, data providers and consulting partners could deliver great value by helping them demonstrate the ROI from these investments thus fostering buy-in from senior business leaders and building greater awareness of how identity solutions may be leveraged to support a wide array of business objectives."

A group of 400 advertisers, marketers, fundraisers, publishers, technology developers and marketing service providers were surveyed in June 2018 for this report.

Identifying the customer

The ANA's study, "Know Your Audience: The Evolution of Identity in a Consumer-Centric Marketplace," shows that 58 percent of companies were focusing on audience identity over the past year. About 47 percent said they will increase their identity investments in the next year.



Shoppers will likely expect retailers to identify them in the future. Image credit: McArthurGlen

Consumer identity is a highly advanced form of customer service, which means luxury brands will need to invest heavily in this field to stay on top of mass brands in creating above and beyond service.

However, the high number of brands who are interested in integrating this technology might not be able to do so within the near future.

Only 15 percent said they can identify shoppers "accurately and consistently," and 69 percent said they could only partially do so.

Consumers owning and interacting with numerous personal devices has caused completely identifying them an issue for companies.

The ANA claims that currently, each consumer interacts with an average of 3.5 devices, but due to the increase in smart and connected devices this number could grow to 20 within two years.



As millennials come of age, so do their customer service expectations. Image credit: Spring

An increase in data collection scrutiny as well as heightened regulations have also made identifying individuals more challenging.

Additional insight

Identifying individuals across channels is both a daunting challenge and vital for brand growth, but a shift could be coming that threatens data collection.

During the "The Future of Identity" panel at Ad:tech New York on Nov. 2, a variety of executives in the data collection industry stressed how important transparency will be in the future. The DCN CEO explained that a first party relationship with consumers is extremely important and will be vital in the coming years ([see story](#)).

Now that the European Union's General Data Protection Regulation is in effect, marketers face more hurdles in collecting and using consumers' information.

GDPR recognizes E.U. residents' rights to privacy, giving consumers more tools to oversee how their data is used by marketers. In a session at Forrester's CX NYC forum on June 19, an analyst from the research firm noted that customer experience professionals have the expertise to create human-focused appeals for opt-ins ([see story](#)).

"The U.S. identity market will expand rapidly as investments in dedicated solutions increase from \$900 million in

2018 to \$2.6 billion in 2022," the ANA's Mr. O'Keefe said. "Marketers that prioritize developing and implementing a strategy, including identifying key use cases and requirements for their business, will be best positioned to use identity as well as the growing set of focused services and solutions to drive transformative value to their customers, and consequently, their business."

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