



Accurate Customer Identification is Still the Most Important Activity in Marketing

Technology, the proliferation of data and a new generation of digital consumers have made identity management a complex undertaking.

If you purchased your music on vinyl, paid \$2 to see *Jaws* in a theater and remember how to reset the stations on an AM radio, then your formative years were shaped by vastly different experiences.

If you can relate, then you're a Baby Boomer, or a proud middle-aged member of Generation X. You grew up in a time when people paid cash. Telephones didn't work without cords. Amazon was only found in South America. Computers weren't personal, and people left their homes to shop. Things were certainly different. Better or worse is a matter of opinion, but different is unassailable.

Times have changed

During the past-quarter century, we witnessed profound technological change. Twenty-five years ago, purchasing experiences and retail exchanges were

typically curated in-person by familiar merchants - by people who often greeted you by name - with a smile and an extended hand. Merchants made their living by developing personal relationships based on their understanding of who you were.

Today the process of developing sustainable consumer relationships is significantly more complicated than it once was, but it remains essential to the operation of every successful consumer business. Technology, the proliferation of data and a new generation of digital consumers are the basis of this complexity.

Twenty-five years ago, smartphones, social networks, and free commercial email didn't exist. Twenty-five years ago, less than 10 million people on the planet had free email access to the world wide web. Today there are more than 5 billion email addresses

Today there are more than 5 billion email addresses exchanging more than 235 billion messages – a day.¹

Last year America's online retailers generated \$453 billion in revenue.

There are 5.1 billion people in the world with cellular access and more than 4 billion people connected to the internet.³

75 million millennials now spend \$600 million per year in America. By 2020 their spending is projected to increase to \$1.4 trillion.

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In 1993 online retailing was a fledging industry. Last year America's online retailers generated \$453 billion in revenue. Amazon produced more than \$177 billion. To place this into context, last year Amazon's revenue was more than American Express, Coke and Proctor & Gamble generated in aggregate. This is even more remarkable, because Amazon didn't exist twenty-five years ago. Today they are number 8 on the *Fortune 500* list.²

Electronic commerce, cellular technology and millennials are at the vortex of change

Unimpeded migration to electronic commerce, material advances in cellular technology and the proliferation of data are driving profound changes in consumer marketing. Today 325 million people live in the United States. 96% of the country has access to cellular technology. More significantly, there are 7.4 billion people on earth. 5.1 billion people have cellular access and more than 4 billion people are connected to the internet.³

Social media adds another dimension of complexity to digitized commerce. Less than 15 years ago Mark Zuckerberg and a few of his college friends launched Facebook. Facebook wasn't the first social media platform, but today their 2.2 billion (monthly active) users have established the standards for a global communications phenomenon.⁴

So, what does this mean? There are several implications, but three things are certain to impact marketers in the near term. First, the volume of consumer data will continue

to increase exponentially. New data spawned from the internet of things, combined with continuous improvement in cellular capabilities and the impact of social networks will further complicate marketers' abilities to accurately identify customers.

Second, a new generation is poised to become the most valuable consumer audience in history. Born between 1980 and 2000 there are now more than 75 million millennials in America. Today they spend \$600 billion per year. By 2020 their annual spending may reach \$1.4 trillion.⁵

Millennials are the world's first truly digital generation. As such, they routinely leverage technology across multiple, digitized platforms. They are largely indifferent to the norms, established processes, and timeframes that have governed traditional brick and mortar businesses for more than 100 years.

Millennials have their own unique expectations about personalized service and they are influenced by digitized social commentary. While their service expectations are different, they are no less important to millennials than they were to their parents or grandparents. To gain their loyalty, merchants must first understand their identities and develop seamless, omni-channel experiences optimized for millennials - in the time, space and channels of their choice.

Third, it's back to the future with a mandate to accurately identify consumers. In our view, this will remain the single most important step in the marketing process, but the process will become increasingly complex due to the exponential rise in consumer data and the growing influence of the world's first digital generation.

Three important identity-related challenges;

(1) the ability to reconcile data across the online and offline spectrums to identify customers,

(2) implementing effective approaches to managing the customer journey, and

(3) attributing behavior to the event that stimulated the activity.

Accurate customer identification is a marketing imperative

Today, most strategic marketing discussions center on three important identity-related challenges; (1) the ability to reconcile data across the online and offline spectrums to identify customers, (2) implementing effective approaches to managing the customer journey, and (3) attributing behavior to the event that stimulated the activity.

In response to a growing need for a dedicated solution to identity management, Audience Acuity has developed two of the largest commercially available data assets in America.

Our National Consumer Database contains individually compiled and deterministically matched information on 260 million American adults. There are over 550 variables organized into 15 categories providing insight into consumer and financial behavior, geo-

demographic profiles and lifestyle analysis.

Our Super Identity Graph is paired with the National Consumer Database. Our identity graph is a unique digital asset - housing all known consumer identifiers correlating to the 260 million adults residing in the consumer database. This product is specifically designed to track consumer activities across multiple online and offline platforms - enabling marketers to develop a single, unified profile of consumers' interactions across the full spectrum of their activities.

In addition to our digital assets, we maintain a professional services team and an agency services group - to ensure successful engagements. For additional information please contact riad.shalaby@audienceacuity.com.

The author

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Notes:

¹⁻⁵The Radicati Group, Inc., "Email Statistics Report 2015-2018," Palo Alto, CA, 2015

²Fortune.com, "<http://fortune.com/fortune500/list/>"

³Simon Kemp, "Digital in 2018: World's Internet Users Pass the 4 Billion Mark" - Special Report, We Are Social

⁴Facebook, <https://newsroom.fb.com/company-info/>

⁵Christopher Donnelly and Renato Scaff, "Who are the Millennials shoppers? And what do they really want?" Accenture Outlook, 2013.

Learn more at www.audienceacuity.com

