

Data pitfalls to avoid

The digital advertisers' guide
on what 'not' to do



Advertisers have many
data options, but not all
are created equal

Data Types 101

1st Party

Data collected directly from interactions between marketer & customer

Examples: demographics, purchase history, website activity, mobile app data, email engagement, sales interactions, support calls, customer feedback programs, interests, and behaviors

2nd Party

Data acquired from a single trusted partner

Examples: data provided by a media publisher or a grocery store selling its customer loyalty data to a credit card company

3rd Party

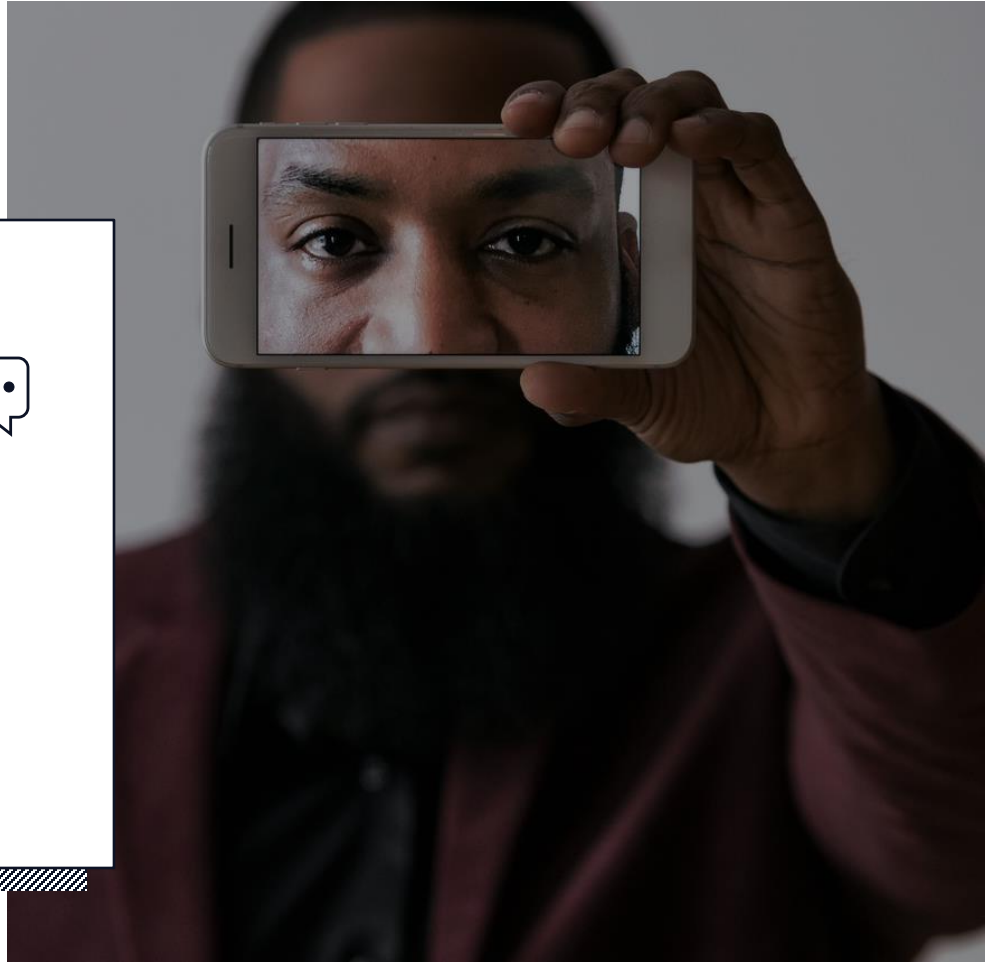
Data acquired from a data aggregator, which does not directly collect data but obtains it from other companies, compiling it into a single dataset

Examples: data provided by Acxiom, which may include demographics, category status, psychographics, etc.

Our Question



When choosing which data types to leverage, what pitfalls should marketers avoid?



Methodology

- Controlled ad effectiveness testing to measure the impact of leveraging 1st party and 3rd party data types for reaching audiences
- Randomization used to assign each audience into control or exposed groups
- Control and exposed groups compared to determine impact (delta) for each brand metric
- All ads tested were pre-roll video on premium mobile webpages

2 Verticals



Data Variables



1st Party Audiences

Audiences provided by the brand
n=1,101



3rd Party Audiences

Audiences curated by Acxiom based on each brand's key audience
n=1,161

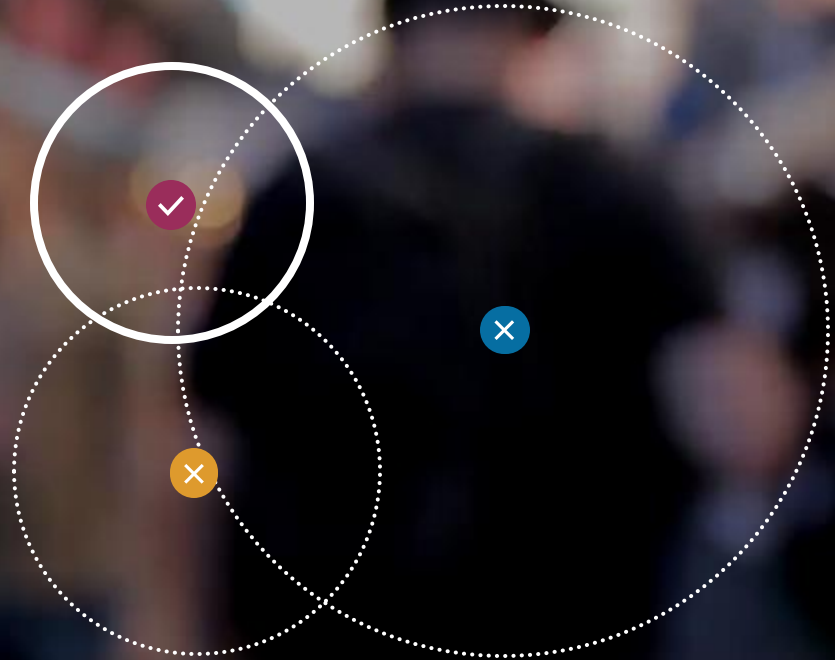


1st + 3rd Party Audiences

Overlapping audience
n=257

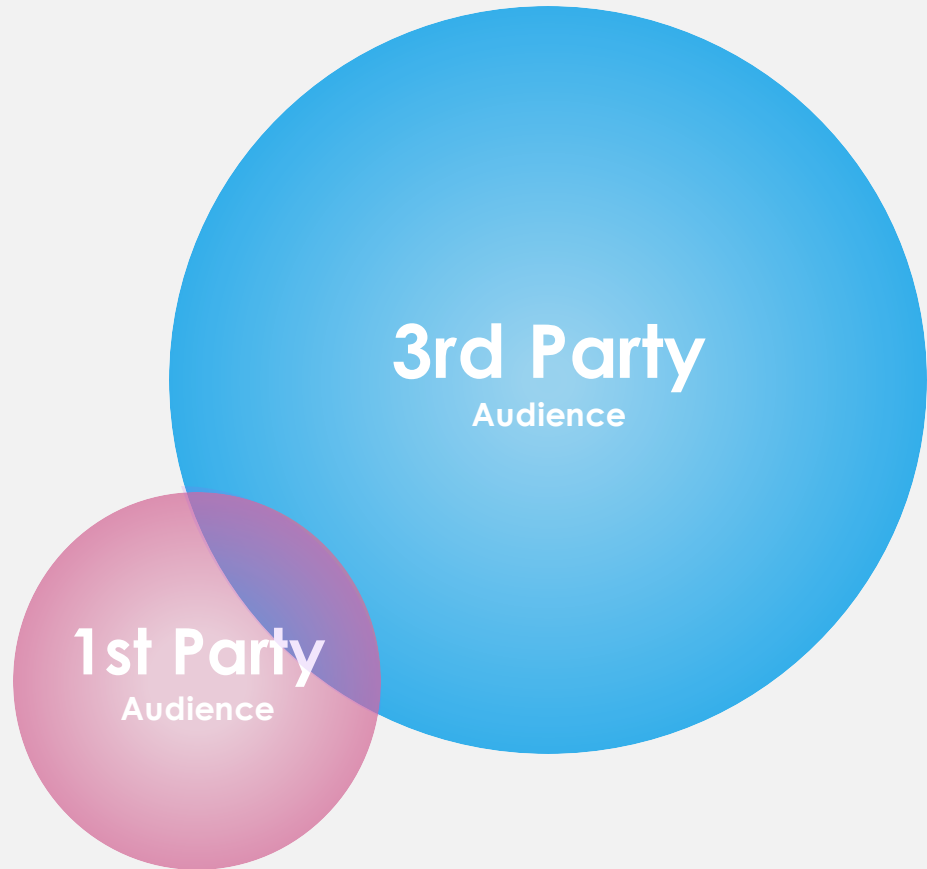
Pitfall #1

Relying **ONLY** on 1st party data to reach audiences with a high propensity to buy



Each data type allows brands to reach different audiences

3rd party data enables marketers to reach unique users at scale with minimal overlap across 1st party audiences

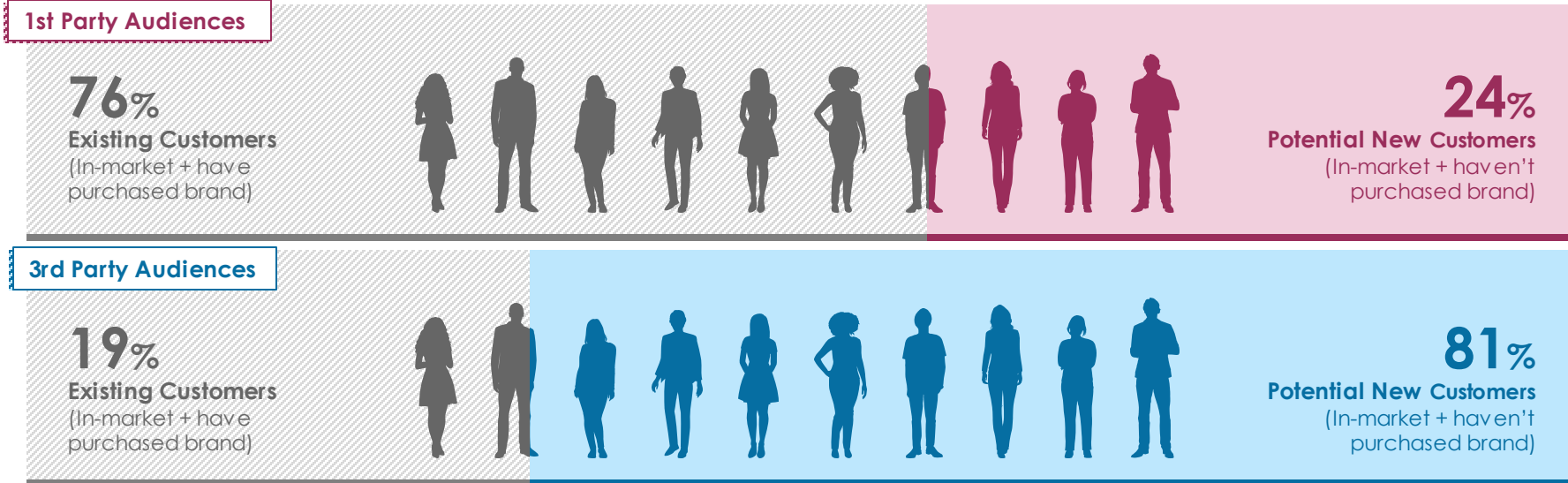


1st Party Audience Data 24%
3rd Party Audience Data 73%
1st Party + 3rd Party Audience Data Overlap 3%

Both audiences are uniquely valuable

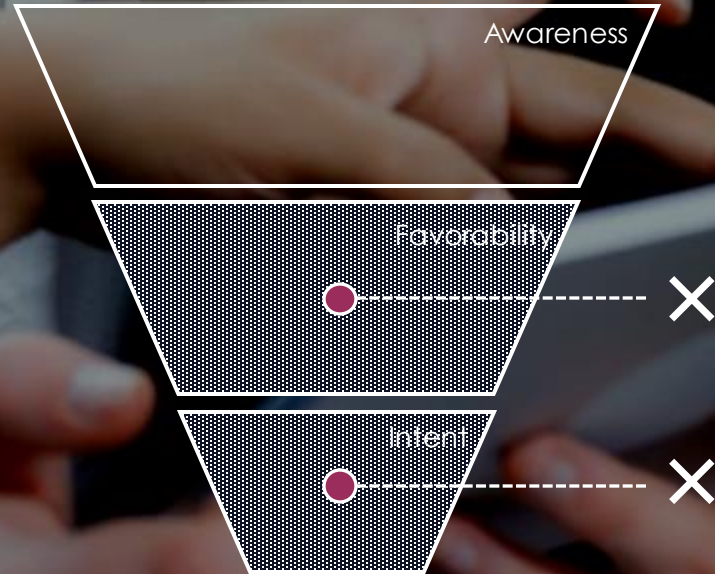
3rd party data brings significant value, allowing brands the opportunity to convert new customers

Past brand experience among those in-market for product - % Selected



Pitfall #2

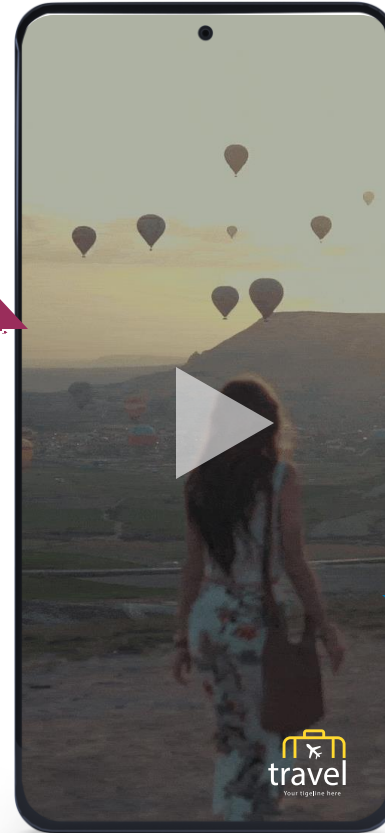
Aiming to drive full funnel metrics with 1st party data alone



1st party data serves as maintenance, keeping brands top-of-mind

Unaided Ad Recall (First Mention)
Delta (Exposed – Control)

- 1st Party Audiences
- 3rd Party Audiences



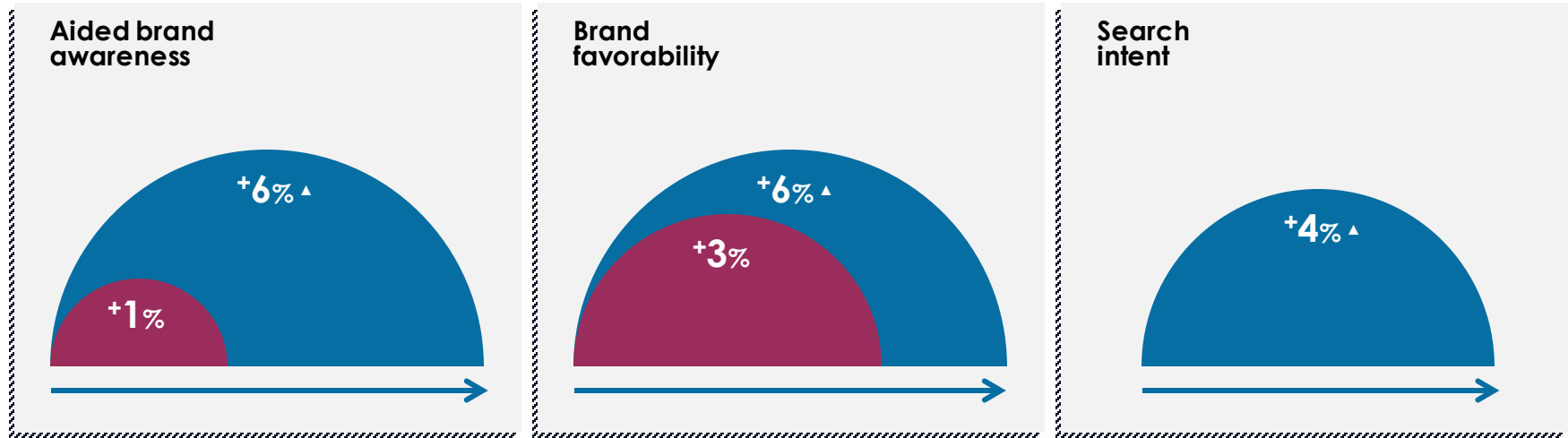
1st Party Audience Control N= 559, Exposed N= 542
3rd Party Audience Control N= 609, Exposed N= 552
▲ Statistically significant difference between exposed and control at >=90% confidence

However, 3rd party data serves as the powerhouse of effectiveness

3rd party data drives metrics throughout the funnel, including awareness, positive opinions and transactional next steps

Impact on brand metrics Delta (Exposed – Control)

● 1st Party Audiences ● 3rd Party Audiences



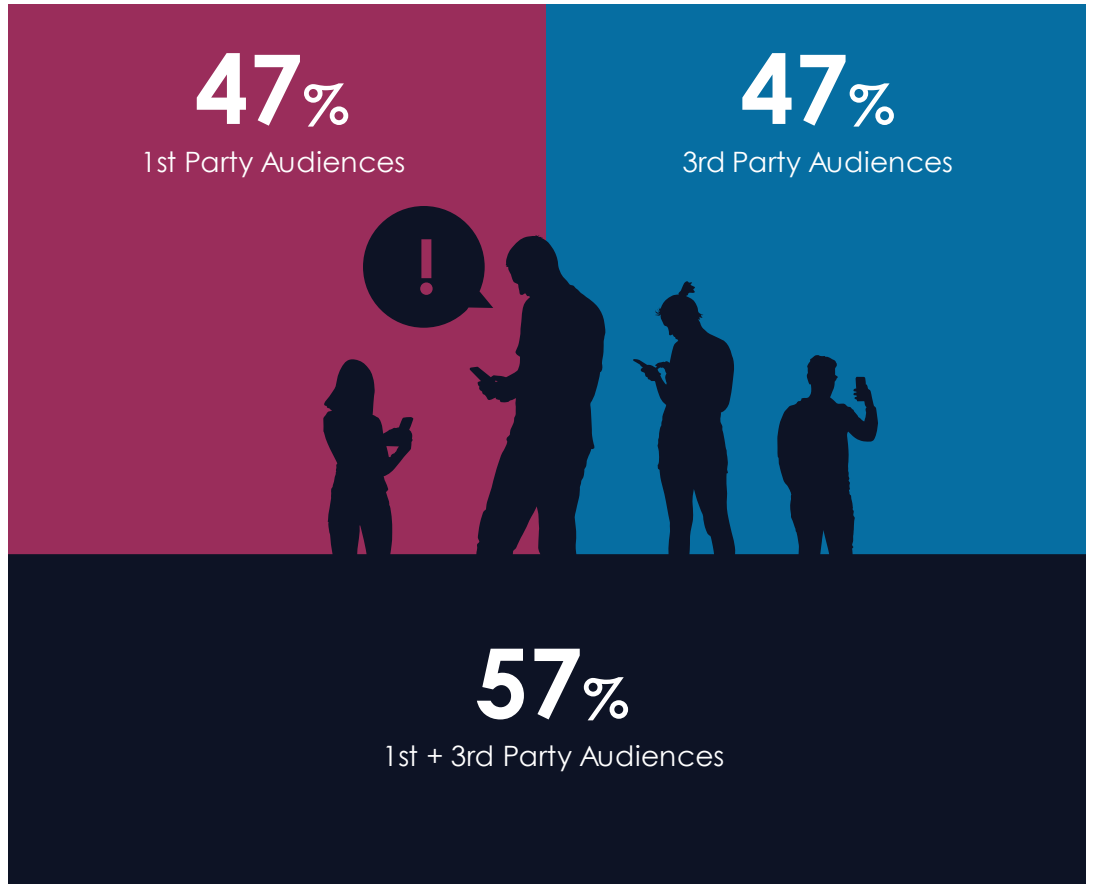
1st Party Audience Control N= 559, Exposed N= 542
 3rd Party Audience Control N= 609, Exposed N= 552
 ▲ Statistically significant difference between exposed and control at >=90% confidence

Together, 1st + 3rd party audiences identify best in class prospects for purchasing

When 1st and 3rd party data is used together to create an audience, the audience is significantly more likely to be in-market for the product category

% In-Market for Advertised Product

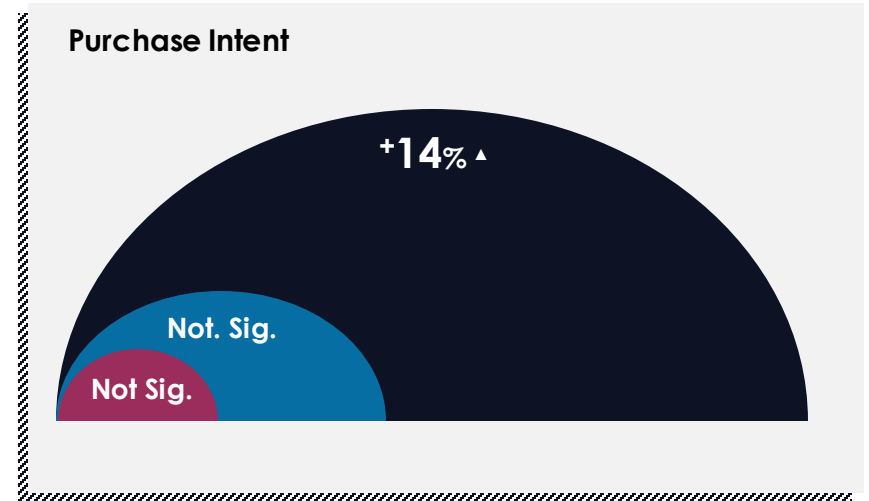
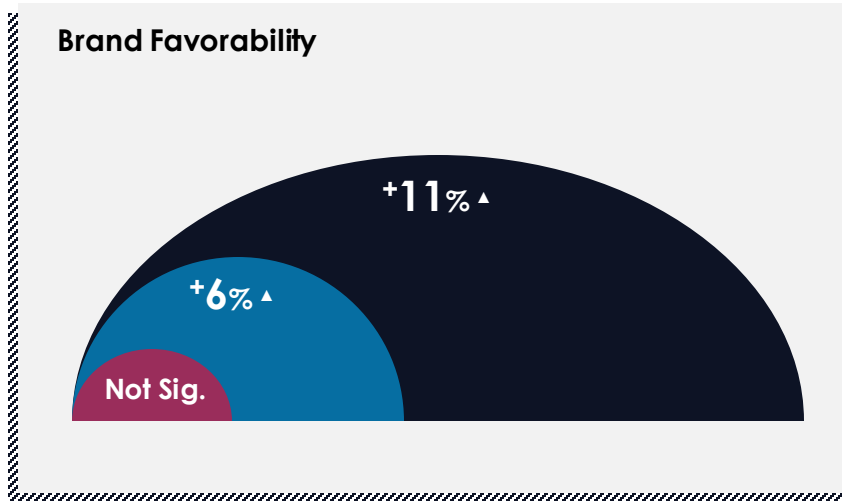
1st Party Audience N= 1,001
3rd Party Audience N=1,161
1st + 3rd Party Audience N=257



1st + 3rd party data work together to persuade high value prospects

Impact on persuasion metrics
Delta (Exposed – Control)

● 1st Party Audiences ● 3rd Party Audiences ● 1st + 3rd Party Audiences



1st Party Audience Control N= 559, Exposed N= 542
 3rd Party Audience Control N= 609, Exposed N= 552
 1st + 3rd Party Audience Control N= 47, Exposed N= 210

▲ Statistically significant difference between exposed and control at >=90% confidence

Pitfall #3

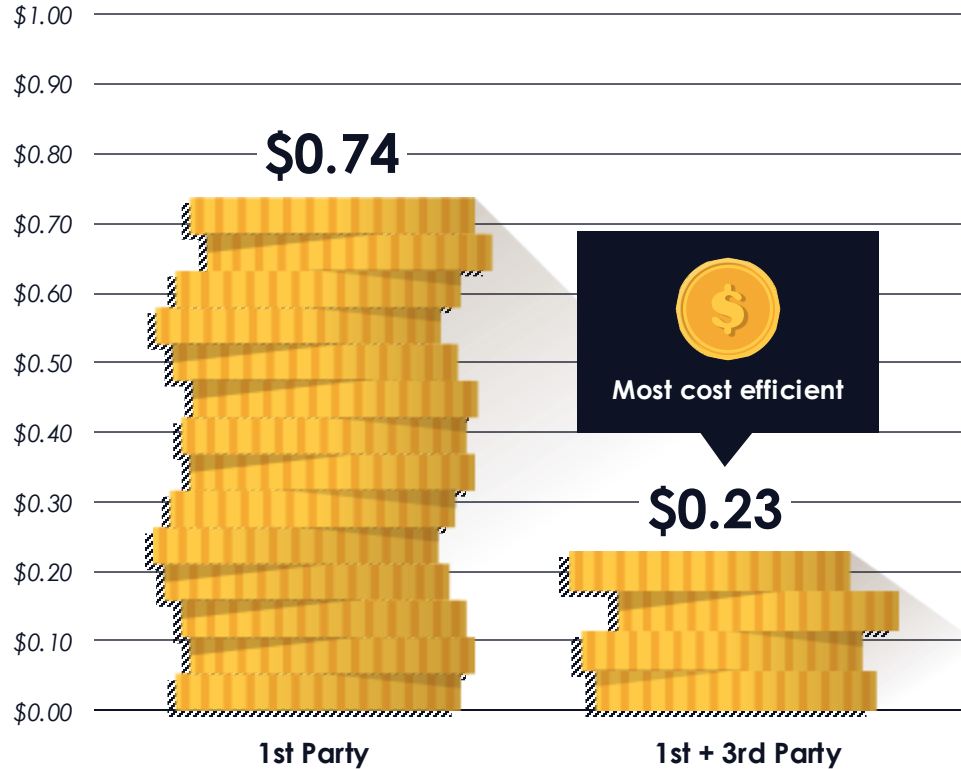
Not using **'premium'** data
to save money



Improving brand opinions becomes more cost efficient with both 1st and 3rd party data working in concert

When leveraging 1st and 3rd party data together, the cost to persuade one person is \$0.23

Brand favorability - Cost Per Person



1st Party audience control N=559, Exposed N= 542
 1st + 3rd Party audience Control N= 47, Exposed N=210

Pitfall #4

Going **too narrow**
with segmentation



Brands can miss the opportunity to drive brand relevancy when adding too many audience attributes

Adding too many variables narrows the audience so much that it can impede the impact on brand relevance

Delta (Exposed – Control)

- 3rd Party Audiences
- 3rd Party Audiences with Additional Audience Attributes

The brand feels personally relevant to me



Pitfall #5

Not using data to inform
the creative



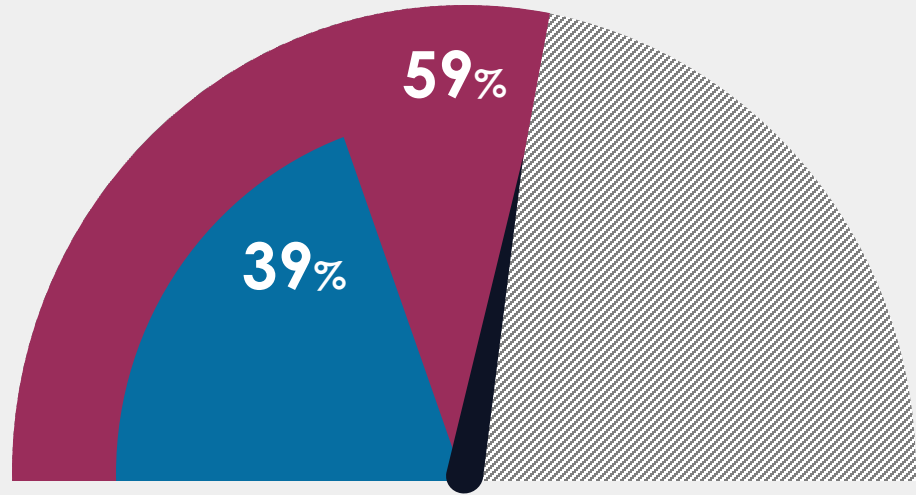
Use the richness of 3rd party data to personalize the creative

As seen in previous research by MAGNA, mass market creative can fall short among high value audiences

Opinion of mass market creative by audience – % Strongly Agree/Somewhat Agree

- 1st Party Audiences
- 3rd Party Audiences

Ad was “personally relevant to me”



Brands should ensure ads delivered to 3rd party audiences are relevant

Simple imagery and text changes will create more relevance for prospective customers

Feedback from 3rd party audiences on why mass market ad was not relevant

Life Stage Mismatch

- This was geared more towards kids/families with kids. I do not have any kids at this time
- Was about a family, not a couple
- I don't have young children traveling with me anymore as my children are adults now
- Family vacation, I am single

Not Relevant

- Nothing hit me or grabbed my attention at all
- Prefer to shop around deals to gather my style
- Very small porch space doesn't interest my needs

Too Pricey

Seems to be expensive and for those that can spare no expense

Location

This store is not in our area

Implication

Leveraging valuable data alone isn't enough – marketers need to leverage this data wisely to avoid the common pitfalls to maximize impact



Actions To Take:

Win customers' hearts and minds when you create engaging experiences **using 1st party data**

Discover data that's better together when you use 3rd party data to **enhance your 1st party data**

Jump start acquisition when you partner with a **3rd party data provider** to identify prospective new customers

Go beyond 1's and 0's, **using data to customize creative** to each of your audiences

Find your **addressable audience sweet spot** when you consult with a 3rd data party provider for the perfect combo of **data attributes for reach and precision**



Thank You

M/GNA MEDIA TRIALS

ACX IOM