



data  
axle

# How Consumer Data Can Deliver the Ultimate Competitive Advantage for Agencies

From client pitches to campaign execution, deep audience insights are helping agencies redefine their relationships with brands

## Introduction

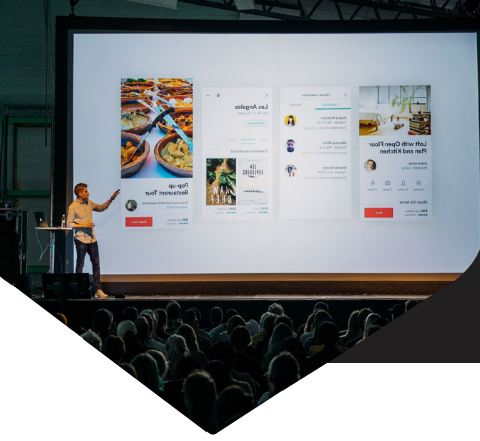
The role of the agency within the modern marketing landscape has been in a continual state of flux for more than a decade, thanks largely to the ever-evolving digital landscape. In recent years, new technologies and new sources of consumer insights have fundamentally transformed not only the relationship between brands and consumers, but also the ways brands connect with consumers in an increasingly fractured media environment.

With evolving digital capabilities and business needs, brands are increasingly moving core media capabilities in-house.<sup>1</sup> The good news for agencies is that this wave of functional in-housing isn't ending brands' relationships with agencies—it's revolutionizing them. Instead of focusing on the time-consuming tactical campaign implementation and reporting, agencies are reassuming their rightful places as strategic advisors to their valued brand clients. One of the main ways they're doing this is by delivering unique, actionable audience insights that provide the basis for meaningful persona development, campaign execution, analytics, and more.

In this paper, we'll take a look at how agencies can use consumer data for **five** key use cases:

1. Creating new client pitches
2. Developing data-driven personas
3. Improving campaign performance
4. Enhancing analytics and insights
5. Providing data processing and consulting services

# 1. Creating new client pitches



Consumer data represents a vital tool for agencies when it comes to new client pitches. The agency selection process at today's leading brands is more pragmatic than ever.<sup>ii</sup> Before a brand hires a new agency, they want to know the agency can bring something new to the table. And without a doubt, new audience insights and opportunities to grow a brand's business are bound to get the right kind of attention during a new business pitch.

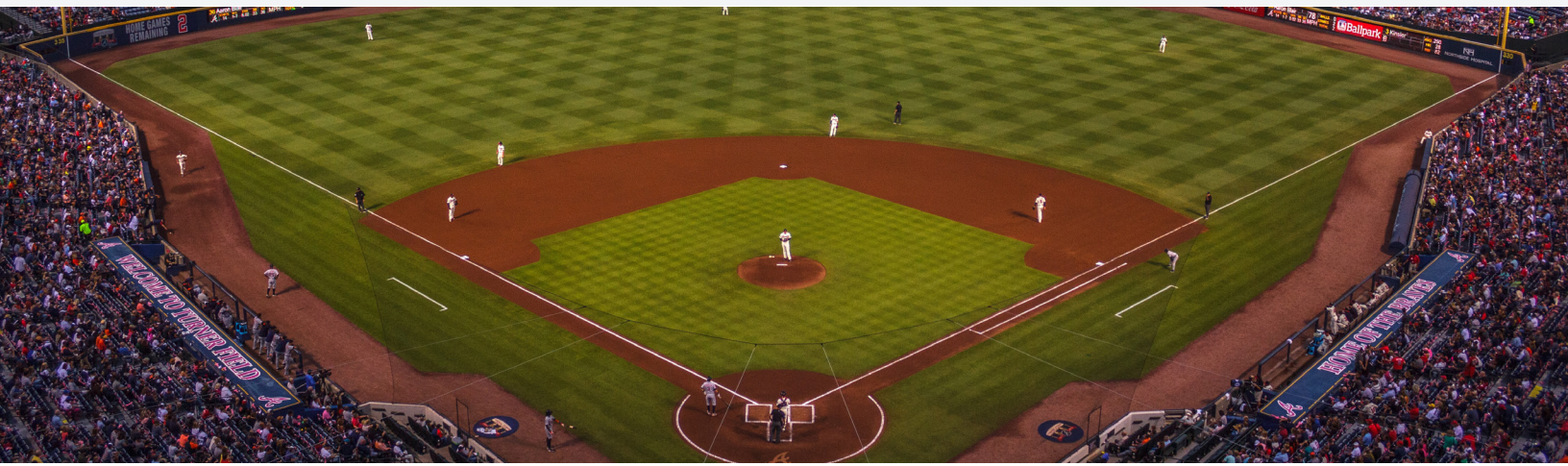
By having access to an always-on source of consumer insights, agencies can demonstrate their knowledge of a prospective client's unique industry positioning and audiences while providing a glimpse into the actionable new insights they will leverage once the relationship is formalized. The beauty of tapping into real-world consumer data for new client pitches—versus framing up a pitch based on theoreticals—is that new insights developed during the pitch preparation can translate seamlessly into client deliverables after the business is won.

In leveraging consumer insights to develop a new client pitch, agencies often won't have access to a customer data file that enables a comprehensive analysis. However, they can leverage what they know about a brand's target audience to uncover new segments through savvy application of demographic, psychographic, transactional, and other consumer data.

In preparing a new business pitch, agencies can tap into consumer data to:

- Demonstrate a strong and unique understanding of a brand's target audiences and audience segments
- Enhance a brand's existing customer files, campaigns, and analytics
- Glean insights about a brand's competitors and show prospects how they stack up and where untapped opportunities exist
- Help brands plan their product roadmaps based on previously unidentified consumer wants and needs
- Improve messaging and customer experiences based on key demographic, behavioral, and psychographic attributes





## Consumer data in action

### Winning the pitch

In their new business pitch to a regional insurance company, a behavioral marketing agency needed to demonstrate they could open the door to valuable new audiences. Working with Infogroup, the agency was able to produce and analyze a prospect file of more than 551,000 consumers who aligned with the insurer's target audience of individuals over 65 years of age who live in Pennsylvania.

Based on the agency's demonstrated ability to bolster the insurance company's prospecting efforts, they won the business. The agency worked with Infogroup to append emails to the prospect file they identified, onboard the list to Facebook and LiveRamp, and build custom audiences based on the prospect data. Their efforts achieved a 72% email append rate and an 11% lift in match rate over the control. Thanks to the excellent onboarding match-rate, the insurer decided to activate media services that were pitched in conjunction with onboarding.

From that point forward, the agency worked with Infogroup to manage multichannel, targeted delivery of Facebook, display, and email campaigns. Each channel was optimized according to ad engagement. Different versions of creative ad units were introduced in each channel throughout the three-month campaign, and Data Axle was tasked with achieving optimal performance within the allotted budget. The campaign was a success across the board, highlighting the impact of the multichannel approach. Campaign CPMs (cost per thousand) and clickthrough rates both exceeded the stated goals by 25%, while the overall cost-per-lead was 14% lower than the one the client had set.

## Consumer data resources for agencies

### New client pitches

Agencies can tap into Data Axle's consumer database to more effectively pitch new business. Data Axle leverages 90 unique data sources to compile its industry-leading consumer data, including:

- Real estate and mortgage
- Voter registration
- Consumer transactions
- Offline subscriptions
- And much more



## 2. Developing data-driven personas

Beyond client pitches, agencies can also use rich consumer data to develop user [personas](#) for their clients. Personas are characters created to represent different user types for a brand, site, or product. They help a brand understand their customer base in a rich and meaningful way so the brand can develop personalized programs that drive better ROI across channels.

Strong [personas](#) can help brands:

- **Improve customer experience:** Personas help brands drive business by ensuring they're talking to the right people, delivering the right message, and communicating in the right channel.
- **Make the right channel investment:** Personas help brands understand what channels they should prioritize.
- **Craft relevant messaging:** Personas make it easier for brands to tailor communications by ensuring that each audience is receiving messages that cater to their preferences.



In helping brands build personas, agencies should start with the brand's customer file and then look to overlay third-party data in a way that can bring the personas to life. Any brand can build personas as long as they have a customer file, but it's the addition of third-party data that really helps brands get into the mindset of their various audiences. Third-party data offers additional attributes—like marital status, education, income, interests, [life events](#), and purchase history—that help brands gain a better understanding of their audiences in order to build deeper connections.

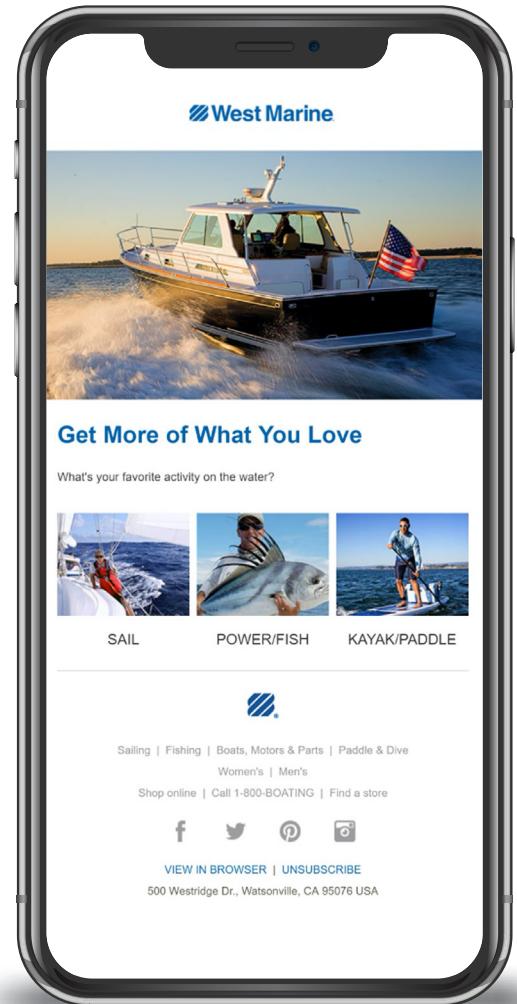
With the right data at their disposal, agencies can help brands pinpoint key motivators and determine what makes each audience different. Once these elements are built, agencies can work with their clients to score their database against each persona and build out an accompanying communication architecture. From there, the agency can help the brand begin to test and optimize their messaging and approach.

# Consumer data in action

Using customer behavioral data to drive revenue

West Marine is a luxury boating and water sports retailer that has improved their understanding of their customers by creating comprehensive personas and identifying key lifecycle segments within their audience. West Marine's personas are based on psychographic data around their audience's preferences such as yachting, boating, and kayaking, and it's these unique characteristics that are used to craft the company's communication programs and messaging. By developing content that caters to each persona's journey and delivering personalized messages that address the seasonal needs of each customer segment, West Marine has achieved:

- 35% lift in repeat purchase rate
- 24% growth in the brand's multichannel shopper segment
- 14% increase in active customers
- 22% increase in email driven revenue
- 32% increase in email engagement



# Consumer data resources for agencies

## Persona development

Data Axle's robust consumer data can help agencies build personas for their clients. The process starts by uncovering unique insights and valuable segments within their clients' existing customer files and then overlaying third-party data on those files. For example, key attributes that can be overlaid on top of CRM data include (but are not limited to):

- Age
- Ethnicity
- Family size and structure
- Marital status
- Education level
- Financial standing and wealth indicators (net worth)
- Individual and household income
- Home and real estate insights, including home value
- Owner vs. renter status, including estimated monthly payments
- Neighborhood location and statistics
- Lifestyle, hobbies, and interests
- Life events – Newly married, expectant parents, newly single, etc.
- Transactional data detailing purchases across 130+ different product categories over a variety of different timeframes, via Data Axle's Marketing transactional database
- Blended profiles of professional and personal attributes, offering insights into what a prospect looks like at home and at work, via Data Axle's proprietary B2C Link database.

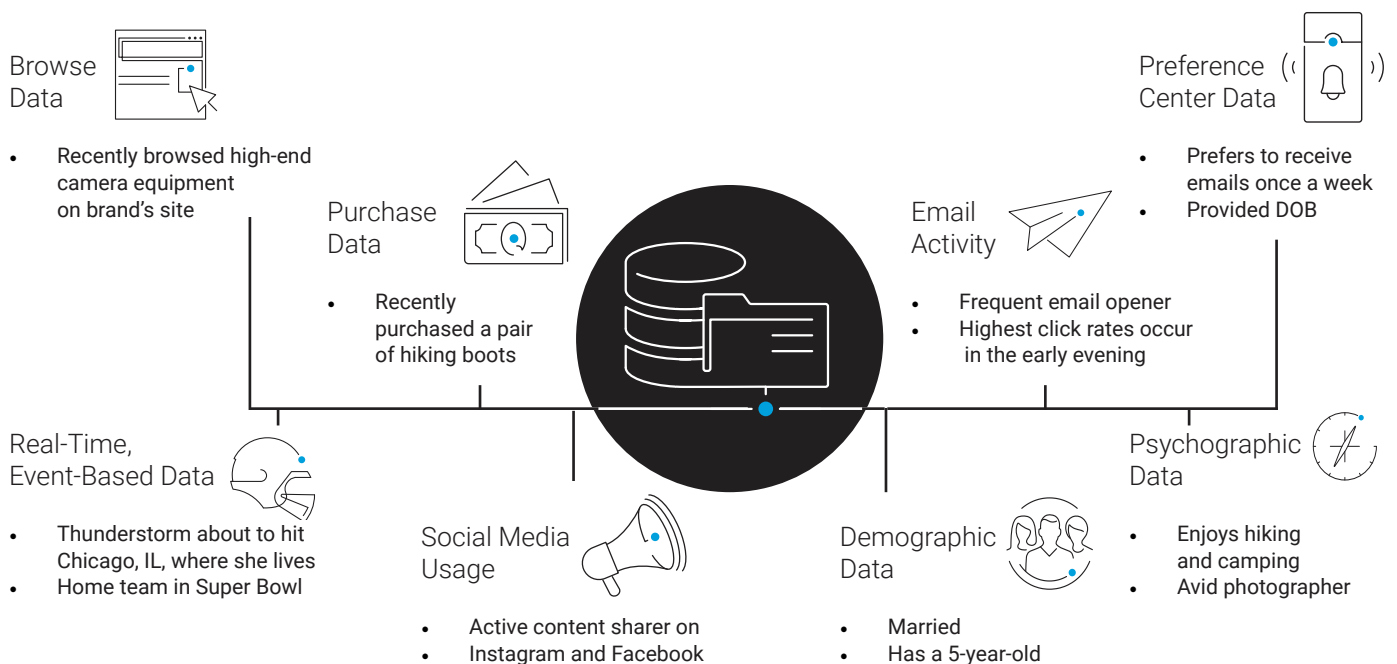
# 3. Improving campaign performance

The development of strong personas is just the first step to elevating a brand's marketing efforts. When it comes time to put personas into action, consumer data is a vital resource for agencies looking to meet and exceed performance goals.

By combining the power of a brand's [first-party data](#) with accurate, high-quality third-party data, agencies can help their clients build scalable and sophisticated audience models that can be leveraged for campaign execution across all stages of the consumer journey, from acquisition to retention. This approach has been [demonstrated, time and again](#), to boost campaign performance across a wide range of KPIs, from awareness to engagement to conversion.

When it comes to planning and executing campaigns, agencies can help their clients achieve the best results by employing quality consumer data to do the following:

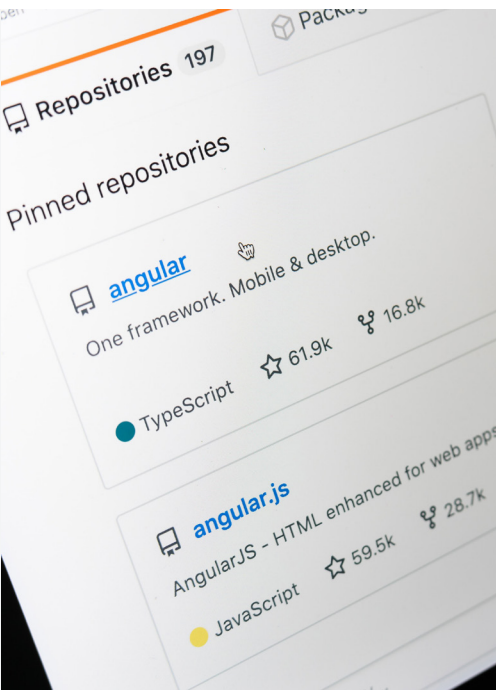
- Improve planning and targeting by enhancing firstparty data with additional attributes that give brands a deeper understanding of who their customers and prospects are
- Move beyond online audiences to understand how customers behave offline, in order to gain accurate insights for TV, radio, and out-of-home (OOH) planning
- Perform an audit of a client's first-party data to identify gaps in their knowledge about the customer and provide the data required to fill those gaps and get a 360-view of best customers or high-value prospects
- Identify audiences for targeting across digital channels, including social, CTV, audio, email, direct mail, and others
- Access data that enables identity resolution, allowing companies to consistently identify individuals across channels and message to them appropriately
- Improve reach and onboarding rates with data that includes consumers' secondary and tertiary email addresses



# Customer acquisition models

Most marketing campaigns are developed with the objective of either acquiring new customers or retaining existing ones. Agencies must have access to quality consumer data sources in order to help clients build strong acquisition and retention models and put them into action during campaign execution.

Acquisition—arguably the most important KPI for many marketing programs—is becoming increasingly challenging and expensive. The cost-per-acquisition continues to rise on platforms including Facebook, Instagram, and Google, which is prompting many brands to diversify their efforts.<sup>iii</sup> As agencies help brands venture outside their comfort zones, accurate consumer data will deliver better results every time.



Effective [customer acquisition models](#) are largely dependent on third-party data, including:

- **Demographic data** (age, gender, income etc.)
- **Psychographic data** about lifestyle and attitudes (e.g., outdoors enthusiast, sports aficionado, avid book reader)
- **Geo-location** (defining weather patterns and other regional characteristics)
- **Transactional data** (all purchases made by a consumer within a given timeframe, not ones specific to a single brand)
- **Life event data** (newly engaged, expecting parents, new parents, newlyweds, newly single)

# Customer retention models

Like acquisition models, retention models are also dependent on strong consumer data. An estimated 80% of a brand's sales will come from 20% of their existing customers, meaning retention must be a key point of focus for brands and their agencies.<sup>iv</sup> [Retention models](#) use historical first-party data to predict future behavior and inform both existing and new campaign efforts.

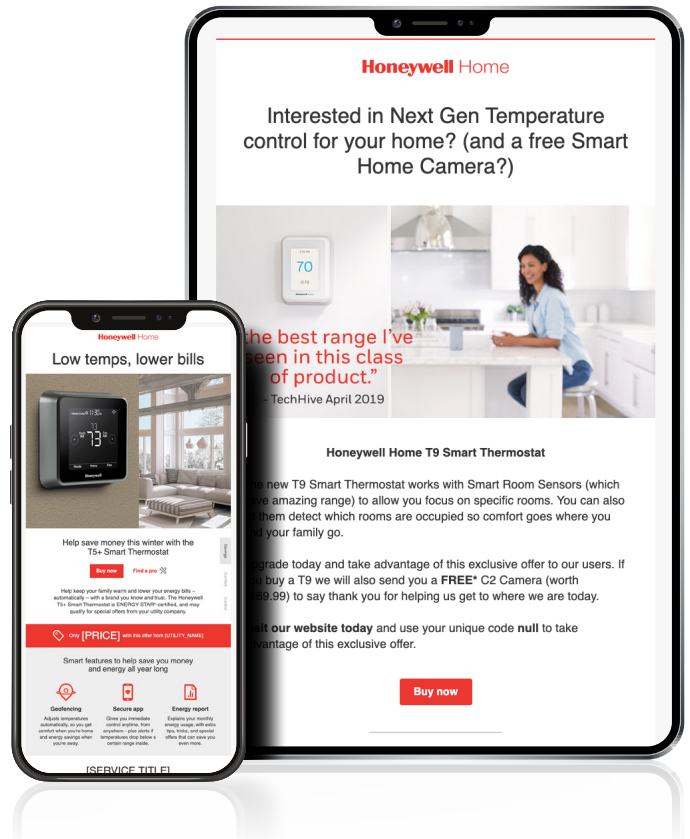
Purchase data represents a powerful foundation for retention models. Generally, marketers should employ enough purchase data (e.g., sales amounts, number of transactions, transaction dates, items purchased) to cover multiple purchase cycles. If purchase data is not available, retention models can be built using other first-party data sources, including product registration, coupon redemption, form submissions, and consumer engagement data.

To make retention models more accurate and effective, they should be supplemented with additional consumer data such as age, gender, presence of children, income, interests, and other insights to help build more comprehensive models. When these models are put into action, they should be monitored carefully and updated regularly to continually improve performance.

# Consumer data in action

Using data to boost acquisition and retention

Nothing highlights the need for strong data-driven acquisition and retention campaigns quite like a major business repositioning. In October 2018, Honeywell spun-off their residential technology business into a separate, stand-alone company called Resideo. To position Resideo as the go-to brand for powering the connected home with smart technology, the Resideo marketing team worked with Data Axle to leverage data and develop a strategy that would boost demand by marketing to end consumers—a new approach and a deviation from the legacy focus on communications with only professional installers.



Data Axle and Resideo created multichannel campaigns to achieve the following:

## Boost acquisition

Data Axle helped Resideo analyze their existing customer data to create lookalike models by identifying high-value prospects who look like existing customers. In addition, to reach those who were most likely to buy, the brand honed their targeting based on geography, weather, and other key data points like a recent move.

**Results:** The acquisition campaign drove a 78% higher number of activations when compared against previous years. In addition, 40% of the activations came from professionally installed devices, which means that increased awareness among consumers also effectively boosted business for Resideo’s traditional customer base of installers.

## Increase value from existing customers

By analyzing customer data, Data Axle helped Resideo understand that consumers were ready to upgrade their existing thermostats much sooner than the brand initially thought. With this insight, Resideo created a campaign to target consumers who hadn’t upgraded recently and were most likely to be in the market for new technology.

**Results:** The campaign to upsell existing customers drove a 19% lift in new product activations, and successfully drove purchases from customers who might not have otherwise upgraded their thermostat.

## Improve end-user communication programs

To help on-board and activate new thermostat customers, Data Axle and Resideo developed a four-message welcome series as well as a multi-faceted communications program that included a personalized monthly energy report (with savings), quarterly newsletter with tips and tricks, and relevant partner offers.

**Results:** The updated communication programs have helped the brand grow their customer base by 20% and their revenue from retained customers by 30%.



# Consumer data resources for agencies

## Campaign performance

Data Axle works hand-in-hand with agencies to set up their clients' acquisition and retention programs for success. They do this through standard and custom audiences powered by Infogroup's best-in-class consumer data and data science teams. Data Axle can help agencies boost their clients' display, direct mail, social media, email, and addressable TV strategies.

By providing a gateway to high quality consumer data points, Data Axle serves as a key resource for agencies looking to:

- Build granular custom audiences
- Increase a brand's reach and match rates
- Identify a brand's best prospects

In addition, through the company's [consumer transactional data](#), Data Axle can help boost the relevance of a brand's acquisition models and find new audiences with a demonstrated interest in their products and services.





## 4. Enhancing analytics and insights

The effectiveness of consumer data goes beyond developing and deploying client campaigns. Powerful campaign analytics and insights fueled by consumer data are essential to optimizing future efforts. In fact, enhanced analytics is a key area of focus for today's brands. According to a [recent Forrester Consulting study](#), data and analytics programs accounted for about 9% of overall marketing budgets two years ago. Today, that average has risen to 16% and is expected to continue its upward trajectory. By 2021, marketers expect to be spending an average of 22% of their marketing budgets on data and analytics. For the average enterprise with 500+ employees, this equates to a \$5 million increase in their data and analytics budget in just four years.

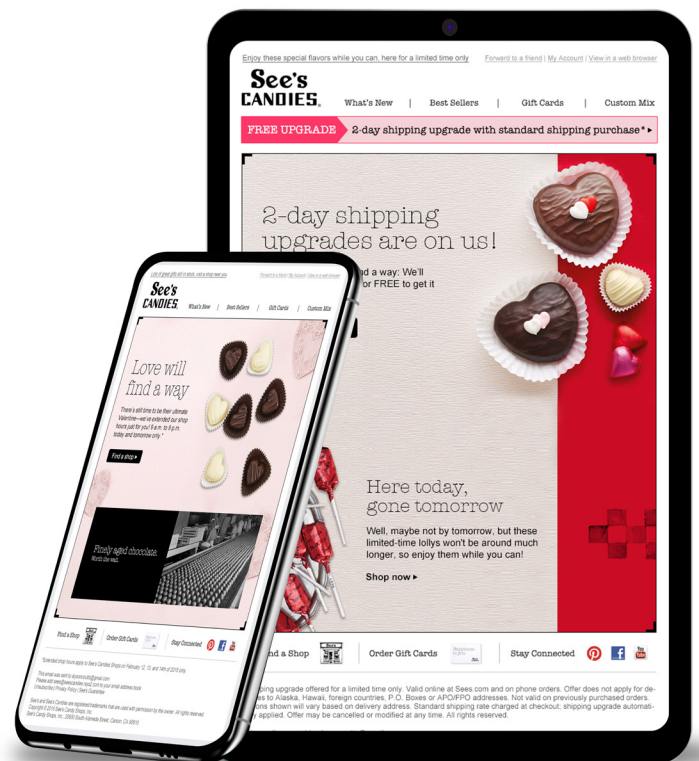
To capitalize on this significant need, agency leaders must ensure their organizations have on-demand access to unique datasets and tools that can adapt to the unique needs of any brand they serve.

## Consumer data inaction

Enhanced analytics yield new opportunities

Third-party data, when overlaid with campaign analytics, can help brands uncover new audience insights that lead to new opportunities. See's Candies had a customer engagement strategy across email and direct mail that generated solid revenue growth, but the brand wanted to gain a stronger understanding of their customer segments and develop a relevant marketing strategy for each one. Working with Data Axle, See's enhanced their customer file with demographic data—and unlocked new opportunities in the process.

While three of the key customer segments identified were expected—Mom, Grandma, Great Grandma—the key growth opportunity came when the brand identified a previously unrecognized male segment and started developing strategies to engage it. To do so, See's Candies tested various content elements to evaluate the male segment's responsiveness to marketing tactics, particularly around Valentine's Day. While Mom and Grandma messaging centered on gifts for kids and grandkids, with email images that focused on cute and colorful designs, messaging for the male segment centered on gifts for a loved one and a hint of urgency.



Thanks to these new analytics and insights, See's Candies discovered that communicating urgency through email subject lines and pre-header text resonated with the male segment and led to a 4% increase in opens and a 25% increase in purchases. These results helped See's further optimize communications and build out a strategy to manage relationships with customers and prospects, based on their unique attributes.

## Consumer data resources for agencies

### Analytics and insights

Agencies partner with Data Axle to deliver the custom analytics their clients need to drive sales growth and customer retention. Data Axle helps agencies identify new patterns and audiences by overlaying its rich data assets on top of a company's customer data. Instead of making educated guesses, agencies can enable their clients to make better business decisions with the help of Infogroup's quality data assets and highly skilled data scientists.





## 5. Providing data processing and consulting services

Today's agencies are expected to bring deep data expertise to the table when partnering with brand clients—expertise that translates to better persona development, campaign performance, and resulting analytics and insights. But sometimes the need for strong data partners exists at an even higher level, one where agencies serve as always-on advisors for data management tasks and strategic evaluations. In this regard, partnering with a data provider can help agencies differentiate their data processing and consulting services from those of their competitors. Being able to scale an agency's internal capabilities up as needed to meet new client demands presents a continual challenge to many agencies. To combat this challenge, agencies can white-label data services to improve their clients' ability to understand their own data and enhance it with third-party insights.

According to a [recent Forrester Consulting study](#), nearly a third of companies today are allocating 21% or more of their marketing budgets to data and analytics. However, 96% of organizations have had campaigns negatively affected by data pollution, which stems from inaccurate, outdated, or inconsistent data; ineffective data management; or the inability to translate data into actionable intelligence. Therein lies an opportunity for agencies to offer more value. After all, marketing campaigns using accurate data yield double the conversion rates and ROI of those that use polluted data, according to the same Forrester report. Data processing and enrichment services can help agencies

### Consumer data in action

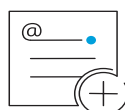
#### Bringing online power to offline efforts

Sometimes it's hard for a brand to know where to start when it comes to uncovering new data insights. A prominent direct marketer for gift and home products needed to tap into some unique data capabilities to improve the ROI of their holiday catalog direct mail campaign. Although the company initially knew they wanted to add an online element to their campaign, they were unclear on how to strategically approach this expansion.

Data Axle helped the brand complete a strategic analysis to determine the audience, channel, and messaging that would deliver the best return on investment. Specifically, Data Axle leveraged their consumer transactional data to identify online buyers within the company's consumer base. The resulting lists were matched and onboarded to Facebook. Data Axle managed the media buying, reporting, and performance measurement for the campaign on behalf of the company and saw tremendous results, including:



600% in ROI on ad spend



40% lift in reactivations



17% increase in response rates



\$127,000 increase in sales

# Consumer data resources for agencies

## Data processing and consulting services

Agencies can white-label Data Axle's consumer data, data science, and data processing services to help clients of all sizes—from large enterprises to startups—grow, evolve, and become more efficient. From one-off, project-based solutions and consultation to enduring programs, Infogroup can help agencies demonstrate an impact for clients right off the bat.

Services include:

- Postal processing and verification
- Ensuring marketing is going to the right individuals and brands are not at risk for privacy policy or regulatory violations
- Data enrichment to eliminate gaps and inaccuracies in first-party data, as well as develop new and actionable insights from stale records
- API access, allowing agencies to push data directly into their own database, a customer's database, their CRM systems, or any number of other platforms in real-time



## Bridging the gap between consumer and B2B data

Many of today's enterprises operate in both the consumer and B2B spaces. To date, data-driven marketing strategies for consumer and B2B marketing have remained separate within organizations, representing a lost opportunity for deeper insights and marketing efficiencies.

For agencies working with companies that address consumer and business audiences alike, Data Axle's B2C Link dataset represents a unique opportunity for shared insights across departments. B2C is a specially designed dataset of more than 100 million records that blends Infogroup's business and consumer databases to allow marketers to identify crucial links between individuals on their customer or business file with their home or work information. By tapping into this one-of-a-kind resource, agencies can help their clients:

- Make deeper connections with prospects and customers through a 360-degree view of prospects that includes personal and professional attributes within a single profile
- Target more effectively by cross-selling B2B and B2C customers to further enhance lifetime value and loyalty
- Expand their reach by activating audiences in more channels and with greater precision, and by reaching business prospects at home, on personal devices and on personal email, and vice versa
- Increase product penetration and marketing ROI by identifying new prospects based on both business and consumer attributes, thereby improving match and fill rates with access to more demographics and firmographics



## Conclusion

The relationship between brands and their agencies will continue to evolve along with the dynamic media landscape, but one thing will always remain the same: The best brand-agency partnerships are the ones built on a shared understanding of goals and intimate knowledge of the brand's target audiences. In this regard, agencies can prove themselves indispensable to their clients by offering high-quality consumer data and leveraging it across the marketing funnel, from high-level persona development to campaign execution to analytics and insights. In deepening their consumer data capabilities, agencies can advance their client relationships and open the door to new areas of collaboration.

### Sources

<sup>i</sup> <https://www.thedrum.com/opinion/2019/10/24/the-big-move-how-agency-housing-solutions-are-transforming-brands>

<sup>ii</sup> <https://adage.com/article/agency-news/pitch-process-shorter-faster/312945>

<sup>iii</sup> <https://digiday.com/marketing/tougher-media-buyers-get-wins-confessions-dtc-media-buyer-consequences-rising-cpas/>

<sup>iv</sup> <https://www.slideshare.net/custthermometer/22-customer-retention-stats>

## About Data Axle

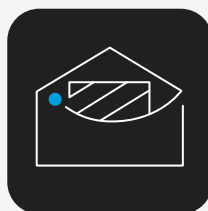
Data, applications, and services that help you make and save money. Our commitment to accuracy, service and innovation drive customer acquisition, retention, and product enhancement.

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