Exploring the evolution of data-driven marketing
In May 2019, senior executives from Wavemaker and Bloomberg Media Group shared key insights into how they see data-driven marketing evolving around customer purchase journeys, key touch points and multimedia audiences. A consensus was reached that too much focus has been placed on tactical targeting and the workshop began to explore the bigger role data can play upstream in defining opportunities for brand growth.

The Age of Transformation and Reinvention

The industry context for the first Wavemaker and Bloomberg Media Group workshop in London was provided by Matthew Bloxham, a Senior Analyst in Media and Telecoms at Bloomberg Intelligence, one of 300 such vertical business specialists within Bloomberg.

Drawing on macro industry trends, Bloxham noted that while the core raison d’être of marcoms has not changed — to build brands, create awareness and sell products — the rise of behemoth technology platforms and the explosion of big data sets, in recent years has created a “massive state of flux”.

He noted how the current market performances of the biggest holding groups could be deemed counter intuitive; with those outwardly adapting to the changing business climate the fastest being the worst quarterly performers.

Bloxham suggested Publicis Groupe, for example, has been at the vanguard of ushering in a complete transformation, having spent a third of its own market value on acquiring Epsilon in April, a first-party, data-centric company. Elsewhere, WPP has undergone a dramatic reimagining of its own in the last year, with a new leadership team creating a more simplified structure in which digital agencies have merged with ad agencies, while non-core activities have been sold.

Both groups are making huge bets on data and technology, said Bloxham, and time will tell if there is a big marketing pivot in the long-term, or whether the guys who stuck closer to the traditional business models win out. Bloxham echoed city sentiment when he said he believed the best thing agencies can do is to actively foster a change mindset and “embrace flexibility and adaptability”.

In terms of clients, Bloxham warned that for all the transformation that has happened, much of the real world impact of big data is still to come, with many large corporations still hugely reliant on legacy technologies.

“Data Lakes to Data Lanes

The reality of trying to connect all of today’s data around individuals has been the focus of much of the media industry throughout the past decade, but the reality is “it’s actually extremely hard to do,” said Stephan Bruneau, Global Head of Product Development at Wavemaker. He cited recent surveys that confirmed how many CMOs are finding attempts to personalise and own data hampered by Europe’s heady mix of regulatory changes, consumer privacy concerns and Internet Traffic Protection protocol.
“Today, 50% of cookies are already deleted or blocked on desktops, and when you look at mobile devices that increases to 80%,” said Bruneau. “So, if the cookie’s dead, what are the implications? At the moment it’s really the organising principle of how we leverage data in our industry.”

Bruneau suggested that while the big walled gardens owned by the likes of Facebook, Google and Amazon will continue to produce valuable cookie data, due to it being built into user access, marketers will struggle to have access to it, and simply cannot follow users as they cross into different platform ecosystems.

The answer for data-driven marketing, said Bruneau, is to take a new approach to data management and analysis.

“I think we have been so focused over the past few years on technology, and had such an obsession with cookie matching for the benefits of tactical targeting, that we lost track of the much bigger, strategic opportunity of data. The opportunity is the ability to understand broad moments and audiences that can grow a brand.”

“What we need is to install clear data lanes on our databases. And those data lanes can come from different data sources, and they can provide different services and different value at different stages of the media planning process; from understanding a new source of growth, a new audience, a new behaviour to knowing the weight of being able to put the right ad in front of a potential buyer at the end of the activation chain.”

Bruneau said this new approach allows data lanes to be bridged in smart ways, using statistical techniques and artificial intelligence algorithms. This is something Wavemaker has already started to do with a number of clients in a range of sectors.

Balancing Brand Building with Sales Activation

The data lane approach requires the ability to gather insights from seemingly unconnected data sources to leverage growth opportunities.

Wavemaker has been using WM Momentum, the world’s largest collection of purchase journey data that now contains insight into more than 600,000 consumer journeys — to understand how the ability to spot new audiences and opportunities can create a new kind of data-led brief.

WM Momentum examines the purchase decisions of consumers across multiple categories and countries. Rather than marketing’s traditional funnel, WM Momentum envisages the purchase journey as a continuous cycle with four stages: trigger, active, purchase and priming.

The priming stage is the area most brands have paid least attention to, and underinvested in, since the rise of new technology platforms, according to Chien-Wen Tong, Head of Client Development, Senior Partner at Wavemaker. Drawing on findings from the IPA’s seminal, ongoing study into brand-building and activation, The Long and The Short of It, Tong stressed the importance in valuing the roles of both branding and activation in the sales process.

Central to the IPA research is the distinction between these roles and what it terms ‘the 60/40’ rule. This is the balance between brand building and activation activities that the data shows is most effective in consumer campaigns. [For a quick overview of The Long and The Short of It view this infographic]

Brand building and sales activation work over different time scales, delivering short-term sales lifts and long-term growth respectively. Tong highlighted a chart from the report that illustrated why it is easy to end up overdoing short-term activation measures if you are in a business environment that values short-term results, like a public company. Tong dubbed this “corrosive thinking”.
“The more that they've been focusing on performance media, the less effective the budget has been,” said Tong. “When we analyse data over a long time period, 10 years, it shows that companies that feel like they can get that quick sales lift from continually optimising performance media are actually doing so at a higher and higher cost over time.”

Bringing Data to Life for Brands

WM Momentum research around the priming stage reveal it is during this phase where many brand biases are formed, which go on to have a significant impact on purchasing behaviours. In general, people with a strong priming-stage bias consider fewer brands, spend less time in the active stage, are less concerned with price when making their choice and are happier with their decision after purchase.

“This is important to think about when we’re debating where to direct budgets,” said Tong. “Ideally we would be able to look at both the long-term and short-term effects of sales driven activations versus brand building activations but often they're held by different budget holders, or dealt with by different agencies, and the vocabulary is quite difficult, with sales teams talking about CPAs [cost per acquisitions] at one end, and brand teams talking about GRPs [gross rating points] at the other.”

Wavemaker is trying to bridge this gap. One area of focus for a Telco client has centred around how brand awareness correlates to a brand’s reputation. Using BrandZ data with WM Momentum they were able to underline how awareness alone cannot drive long-term business growth. Reputation is what matters. The more you know about a brand doesn’t necessarily mean you have a greater sense about what they stand for.

Modelled WM Momentum data from a number of markets enabled Wavemaker to understand the contribution that a move in awareness and reputational scores would achieve in terms of a sales lift the Telco would be able to generate.

“This approach means you do not need a ton of data, but you need some good statistically modelling to give you an indicative sense of how certain levers that you do have, can impact the ultimate one which is the sales that you’re driving,” said Tong.

The Importance of a Strong Brand

By using the WM Momentum study on the purchase journey for the Telco client, Wavemaker was able to explore the importance of things such as loyalty and customer service in the renewal process, and convergence when considering new broadband packages.

They found that brand is incredibly important for a Telco company. In fact, the priming bias in Telcos is found to be almost as high as passion products like hotels, snacks, TV streaming and coffee. And when it comes to a service like broadband, it’s even higher — second only to beer. They found that 82% of consumers that have a bias towards your brand; are likely to convert to your brand.

Other findings confirmed that Telcos is a category built on priming stage bias. “If you don't have a distinct brand, if your brand doesn't stand for something, it will actually hurt you when people are looking to choose the final offer,” said Tong. “What these findings have helped us do, is rework the budget, to create the right balance, between the typical brand versus performance.”

“Now that is incredibly powerful because it tells you that all the investment spent on this kind of ‘fluffy brand stuff’ actually has a hard tangible impact on the purchase.”
“Ultimately, if you want to be agile in this world where you've got walled gardens that are growing, where you've got new competitors launching, and you've got customers much more easily changing their preferences, you need to have a strong brand,” said Tong. “So the great thing is, it all comes back to the brand.”

**Audience First, Creator Agnostic**

After all the excitement surrounding the targeting capabilities afforded by digital media in the last decade, Wavemaker is foreseeing a return to a more holistic form of communications planning.

Powered by data, it is possible to create a single view of all owned and paid content activity that is audience-first and creator agnostic. The WM Momentum data allows them to identify which audiences are going to drive growth and which touch points actually influence them.

“What that means is that in this world where brands are trying to build credibility, purpose-driven marketing, brands can’t stand on their own. They often have to look to partners to provide that content, with credibility,” said Tong.

“With a map like this, you're not deciding who's making the content, who's making the ad, you're not looking at territory. You're looking at who is actually going to create that connection between the audience and the brand to hit certain objectives.”

**Understanding Audiences on a Granular Level**

To better understand its audience and the relationship people have with content, Bloomberg Media has built an artificial intelligent power tool called AiQ – relating to the millions of rows of unstructured data in AI, mixed with IQ, human intelligence.

AiQ enables Bloomberg to look at its audience segments, to create a rich picture about what’s important to a specified group of people. From a content perspective it helps enable creators to identify topics that resonate with a particular audience.

The AI tool is able to pull from website data from 30,000 publishers, including Bloomberg.com, using semantic annotation, name entity extraction, concept detection, clustering and enrichment through classification. It allows Bloomberg’s commercial content team to explore in a myriad of ways what editorial teams around the world are writing about a certain topic.

This data can be meshed with Bloomberg’s own structured from its 100 million unique visitors, 1 billion attributes, indexing and model building around first and third party cookie tracking.

Phil Robinson, EMEA Head of Data Science and Insights at Bloomberg Media Group, drew upon how he used AiQ to build a senior decision making “content audience” interested in IoT and 5G in 2019. A simple word cloud visualisation showed the prevalence of mobile phone operators, technology providers, cyber security companies, phone companies and manufacturers. A similar deep dive was conducted around 5G, central to the IoT conversation, that identified key emerging topics and brands.

“OK, that's great but how important are these topics?” asked Robinson. “To measure importance we developed a formula to assign each association a weighting, if the association features at the beginning of the article it is deemed more important and an association that is mentioned more often is also assigned a higher importance.”

This AI analysis also highlighted the importance of experiences in this sector, with the industry’s Mobile World Congress identified as the place to generate brand awareness, word of mouth and industry commentary about specific products. This insight then allowed for further exploration into the brands that are performing well in the experiential space.
This information is then matched back with Bloomberg’s own structured data to find out what’s most important to Bloomberg’s global audience, which can be split further by time and region. “This process allows for a fully formed content brief to be created around topics that we know will resonate with our audience,” said Robinson.

Another strong element of AiQ is its ability to provide insights at an individual article level; what is the target audience consistently engaging with? For the IoT and 5G audiences it was a bi-weekly bulletin called Bloomberg QuickTakes that spiked well above others.

The bulletin specialises in providing multimedia news, business analysis and commentary in a simple, digestible, non-partisan format. It painted a clear picture of senior decision makers wanting no nonsense information about IoT, with a strong lean towards podcasts and video explainers.

These insights spanned topics ranging from augmented reality and online gaming, to cloud computing, video streaming and live conferences. It allows Bloomberg Media Group to create integrated marketing plans, commercial editorial strategies and event formats for brands at a local and international level.

Data-driven marketing is clearly evolving. After the frenetic swing towards performance in recent years a more sophisticated approach appears to be taking place that has the potential to unify brands teams, agencies and media owner specialists around the consumer.

“So, we start to get this great understanding of the media consumption habits of this target audience on Bloomberg, which we can then match with content engagement on thousands of other publishers to get a rich picture.”

5 new data rules for growth-hungry marketers

1. Don’t focus all your data efforts on tactical targeting
2. Use data upstream to define opportunities for brand growth
3. A strong, distinctive brand is the best proven indicator of growth over time
4. Rebalance your budgets to join up strategic and last-click data work
5. Work with data-rich content partners to add insight, reach and credibility

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