Micro-Targeting
Capitalize on Data

- Optimizing Online Real-Estate via Stated Choice Preference

.... **Vivek Bhaskaran**
Co-Founder, Survey Analytics

Survey Analytics Micro-Targeting Solutions

Background

With the explosive growth of the online medium as an advertising and connecting platform, companies are considering the online advertising on par with other traditional media like television and print. The leading advertisers in the print and television media, such as the automotive industry , are now one of biggest spenders in the online world as well. According to the Interactive Advertising Bureau (IAB) advertisers spent 9.6 Billion in advertising in the US market alone in 2004, growing at a rate of 31.5% from the prior year.

Online portals that enable users to connect and share with each other around a particular area of interest are increasingly becoming more lucrative to manufacturers and retailers to target crafted messages. Some examples include:

1. Woodworkersjournal.com – Everything about do-it-yourself home wood projects.
2. Gay.com – Portal for the LGBT (Lesbian, Gay, Bisexual and Transsexual) community
3. CarDomain.com & SoundDomain.com – Car and sound enthusiast.

Online real-estate is currently at its highest premium since the inception of the internet. Companies are willing to pay a lot of money for an eyeball – and the more that is known about the end-user the higher price they command for the online real-estate. With that in mind online portals are looking towards segmenting and targeting their visitors to essentially increase their click-through rates.

Targeted Content Delivery and Relevancy

Advertising that is not relevant to the viewer or in context is a far less profitable use of valuable online real-estate. Targeted content delivery is essentially figuring out and delivering the most relevant content for a unique individual.

Accordingly there are four broad modes that should be considered when coming up with a plan to segment and deliver targeted advertising:

1. Contextual – Ex. Google Adwords/AdSense – Placing Travel Related Ad's on the travel section etc.
2. Behavioral – Ex. Atlast DMT, DoubleClick
3. Location Based – Ex. Reverse Lookup based on IP Addresses, DMA Codes etc.
4. Stated Choice – Ex. Mostly internal tools, Survey Analytics

1. Contextual – Based on the themes or domain specific. This is one of the easiest and fundamental ways of segmenting users. For example, Google Ad-Sense uses contextual ad-delivery. The advertising is dependant on the "content" of a website. So if a website is all about food advertisement about cooking is delivered. The underlying technology is essentially "keyword" driven.
2. Behavioral – Based on what a visitor does. Cookies need to be placed on site visitors and back-end technology is needed to track users as they visit from site to site. This also requires that tracking URL's be places in multiple sites to accurately determine how users move between sites and pages.
3. Location – Generally it is easy to determine the country from which users are visiting your site using Geo-Coding and mapping of IP Addresses. Country specific targeting helps you connect with customers on a local level.
4. Stated Choice – Based on how users responded to specific questions – Surveys, Polls, registration data etc. This technique essentially relies on the end-users "stated choice" i.e. their preference.

These targeting methods described above are not mutually exclusive. A comprehensive dynamic content delivery solution should have a fallback strategy based on current infrastructure as well as ROI using these methods. Where available, Stated Choice can be used and a fall-back strategy on behavioral and contextual advertising can be used where stated choice data is not available for an individual.

Micro-Targeting using Stated Choice

Anytime your users volunteer information – its essentially stated choice. There are a wide variety of ways data can be collected from end-users. These include:
1. Small – Single Question Polls (MicroPolls™)
2. Larger Surveys – Monthly "Pulse" Surveys.
3. User Registration Forms etc.

Tools to create/deploy and collect data via polls and surveys already exist and are tried and proven. ASP and hosted solutions limit the need to involve core engineering for such marketing-related efforts. Marketing teams can use self-service tools to create surveys and deploy them using a point-and-click interface.

However, most of these solutions exist for collecting data for reporting purposes, not for content targeting. The same data that is collected as part of a survey can also be used to target content based on how the user responded to the survey.

Solution Delivery at Internet Speed

To deliver solutions that keep pace with the Internet, tools and practices need to be in place that enables us to react to ever-changing market conditions. In order to dynamically segment and target end users based on a wide variety of topics, an integrated data-collection tool should have the ability to:
a. Define the data-collection parameters
b. Target individuals for fulfillment
c. Report aggregate analysis.
d. Make the data available on a real-time basis for short-term capitalization of the data.

Marketing and Market Research organizations should be able to go from concept to implementation and deliver success within a matter of hours – not days.

This can serve a couple of purposes:
1. Long Term:
   a. The ability to mine the data for research and insight into brand tracking and brand awareness not only for your own brand but also on behalf of your customers.
   b. Public Relations and Awareness – If data on current topics can be gathered effortlessly and seamlessly from a representative segment of the population, mindshare with the mass-media can be gained quickly and effectively. Media outlets are always interested in finding out the "movers and shakers" in any particular domain.
2. Short Term:
   a. Targeting content based on responses increase click-through effectiveness because of increased relevancy.

Social Science behind Data-Collection via Surveys

An A/B Spilt Test on collecting profile and interest information during the registration process (site registration and signup) as compared to collecting the same data via. a survey (with a promise of sharing the aggregate results) yielded some interesting insight. The general perception is that surveys and aggregate analysis are beneficial to end-users, the society at large and the entity collecting the data. However the perception on "registration profile" is very different as in most people perceived that as beneficial only to the entity collecting the data.

We all want to be unique at the same time are very interested in how we fit into society. The blatant example of how much importance we place on our relative standing in society is the evening news hour – Almost every hour, one of the news outlets rattle off a statistic based on public opinion polls and surveys that have been conducted. The entire economic world watches the consumer confidence index by the Conference Board and the University of Michigan. From a social science perspective, these are all cues on how we see ourselves positioned within society.

Interactivity and idea-exchange is also part of our core synthesis. The online world has pushed us away from physical interaction. Surveys and polls fundamentally encompass the idea of listening – and everyone has an opinion and would like for it to count!

In a research study by Rice University Professor Dr. Paul Dholakia and Dr. Vicki Morwitz, published in Harvard Business Review, the experiment concluded that the simple fact of asking customers how a company was performing by itself proved to be a great customer retention strategy. In the research study, conducted over the course of a year, one set of customers were sent out a satisfaction and opinion survey and the other set was not surveyed. After a year, twice the number of people continued and renewed their loyalty towards the company in the group that was invited to take the survey.

Viral Data-Collection

Currently most polls and surveys are done by domain experts – however with the power of the community it makes logical sense to have a mechanism in place to allow end-users to define themselves. We all know that viral marketing is one of the most successful mechanisms of spreading the word and bringing together a community. The most prolific examples of Viral Marketing success are google, skype etc. These companies have not spent a dime on mass-media advertising and yet they command a considerable mindshare amongst all of us. They woo in the early adopters and leverage them to market and propagate their products. This also is one of the most cost-effective ways to spread out the reach. Integrating the following concepts allow for organic expansion:

1. Suggest-A-Poll -- Let users create polls! In a community based site, no one has the pulse on the community other than the active users of that community.
2. Forward-A-Survey/Refer-A-Friend – If users like a survey/poll give them an easy way to spread the word.

The Survey Analytics Solution

The Survey Analytics solutions consist of three self-service components:

1. **Data-Collection Parameters**
   Online Administrative Interface to create and deploy surveys and polls.
   a. Ability for end-users to create and suggest their own polls.
   b. Ability for end-users to refer/forward to friends etc.
   c. Administrative Interface to customize every aspect of the Poll/Survey – Look & feel, data-types etc.

2. **Real-Time Processing**
   Point-And-Click interface to create data-segments for content delivery.
   a. Hierarchical delivery solution to use default mechanisms in place in cases where profile data is not present.
   b. Integrate with existing Ad-Server technologies and tags.

3. **Reporting and Analytics**
   Tools that give you deep insight and reporting into your marketing effectiveness:
   a. Market Research Grade tools that go beyond basic frequency analysis.
   b. Automatic Optimization using A/B Testing for content delivery

Conclusion

Recent advances in technology have made it incredibly easy to conduct real-time surveys and opinion polls. Online tools make it easy to frame questions and answers, and create surveys on the Web. Distributing surveys via email, website links or even integration with online CRM tools like Salesforce.com have made online surveying a quick-win solution. This coupled with the ability to target content and advertising specific to a group of individuals gives you the ability to Micro-Target your visitors with content that engages them.