# How to Turn Wasted Data into Dollars

In today's ultra-competitive digital marketplace, possessing accurate and reliable data about your audience has never been more crucial, regardless of whether you're the specialty retailer on the corner or a Fortune-500 corporate giant. What matters most, however, is effectively translating the data into meaningful and timely communications with customers and prospects. Retailers today, with what seems like access to an unlimited amount of data, struggle to recognize how to mine it, how to sort through it, and how to glean actionable insights from it. In fact, many retailers are just sitting on a treasure-trove of data—or even worse, throwing it out—when this information can be strategically used in multiple areas to positively impact revenue opportunities.

This whitepaper discusses how retail marketers can amplify business data by discovering whether or not their companies are throwing away valuable information that could, ultimately, help them generate additional revenue streams, build brand loyalty and increase profits. Other strategies discussed in the paper include how to put different data in context, for example IP intelligence and geolocation, and then apply it within your retail marketing activities to have the maximum impact on sales.

## Data Exhaust is Real

Data has become one of the most valuable resources for retailers. The retail landscape remains a dynamically evolving domain as consumers continue to drive changes based on how they search for, compare and buy products. The most innovative retailers leverage data to drive advantages for their business, especially information that helps them deliver more unique and personalized digital shopping experiences. According to Accenture, there's $2.95 trillion of potential profit at stake through 2025 for retailers that want to personalize customers' experiences.

The term "data exhaust" has been tossed around for several years now and is used to describe data that companies toss out because they feel it provides little or no value to their core business. However, data has become increasingly more important in today's retail world, and marketers have become very aware of the value it presents for their brands. And, unfortunately, a large number of retailers may be inadvertently dumping this precious resource.

Results from a recent Digital Element study[1] indicate that digital retail marketers are concerned with data exhaust, and that they recognize the revenue-generating opportunities that useable, non-invasive, quality data can bring to their organizations.

Two of the report's key findings:

**Visibility Is Murky When It Comes to Eliminating Data.** While data exhaust was a recognized issue for digital retail marketers in the survey, almost 30 percent of them did not know the percentage of data their companies were actually throwing away.

**More Data Means More Revenues.** Digital retail marketing professionals certainly acknowledged the revenue potential related to the data their companies were potentially throwing away. When asked how it would impact revenue if they used just an extra 25 percent of the data currently being tossed, 60 percent said it would result in a moderate or significant revenue boost.

While many analysts and pundits have described data as the "new oil" and continually preach about the need to "monetize your data," it's important to understand that the intrinsic value of data actually comes from an organization's ability to put that information to good use.

## Make the Customer Experience Pay Big Dividends with Better Data
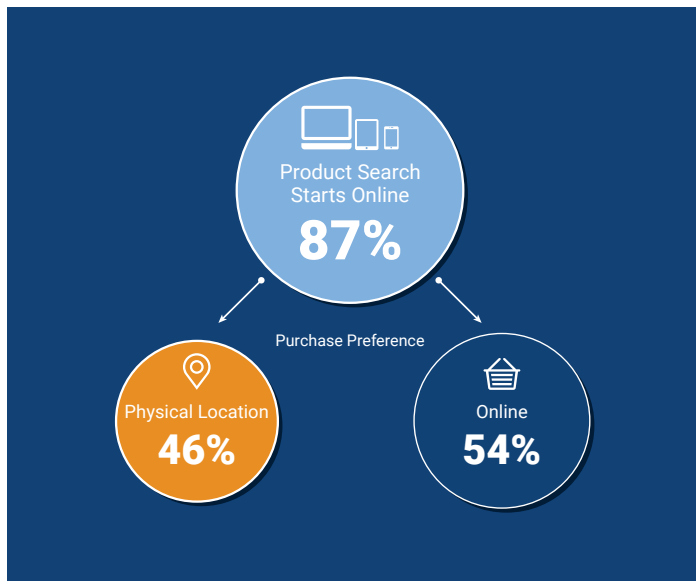


While brick-and-mortar stores still play an important role in retailing, with 46 percent of shoppers still preferring to buy in a physical location, online shopping has become firmly entrenched in our daily lives. Research shows the large majority of shoppers (87 percent) begins product searches on digital channels[2] to quickly and conveniently find the information and products they are looking for—whether to buy on the spot or to make an informed decision when shopping offline. And, they more than likely will start their online shopping in one of two places: at a specific retailer's website or on marketplaces such as Amazon and eBay.

A strong 35 percent of consumers prefer buying via laptops[3], but the importance of mCommerce for retailers is becoming firmly established. With more than half of all internet traffic now coming from a mobile device, research shows that 79 percent of smartphone owners have used a mobile device to shop in the last year.[4]

However, the eCommerce world continues to evolve. With shoppers getting more comfortable consuming content and making purchases through multiple touchpoints—from IoT devices to smart voice assistants to progressive web apps—the path to purchase has become more complex. Traditional eCommerce technologies are struggling to keep up with these new customer demands, leading the industry toward innovations such as "headless" commerce, an experience-led

eCommerce system or model that allows for the speed, flexibility, personalization and customization today's consumers crave within each and every channel.

Consumers have more shopping options now than they ever dreamed of and gravitate toward those brands that provide excellent experiences—across every channel. Brands have to look beyond competing on price alone, making the customer experience a valid competitive differentiator:

- **The Customer Experience Ranks Right Up There.** Eighty percent of customers say the experience a company provides is as important as its products and services[5].

- **A Positive Experience Is More Influential Than Ads.** Two-thirds of consumers feel that a positive experience with a brand is more influential than great advertising. Unfortunately, less than half of retailers are providing a good customer experience today[6].

- **Revenue ROI Gets a Boost with Better CX.** Even a moderate improvement in the customer experience would impact the revenue of a typical $1 billion company an average of $775 million over three years[7].

With the retail world clamoring for new and better ways to expand reach at a relatively low cost while enhancing consumers' shopping experiences, data combined with innovative technologies promises to deliver an in-depth view of digital shoppers that will allow for more tailored messaging and content by illustrating the inter-relationship of geography and eCommerce.

Digital Element's IP Intelligence and geolocation technology, in particular, can empower organizations to bring crucial offline decision-making factors to the world of digital commerce. By identifying information about online shoppers such as where they are located, e-merchants can serve relevant merchandise, content and promotions—in real-time. In today's crowded retail space, making a good first impression—one that shows that a company is working to make life easier for its digital audience—can go a long way in decreasing shopping cart abandonment and increasing repeat purchases.

## Create a First-Touch Advantage with IP Data

Reaching out to digital consumers involves a complex myriad of steps that begins with the first customer "touch." Instead of simply trying to sell something online, businesses are vying for ongoing consumer dollars and loyalty, which involves engaging the customer in a way that can be difficult in a digital marketplace. Companies can improve their e-business practices and use their digital channels to perform a multitude of tasks, quite simply, by making the first online interaction a meaningful one.

One marketing tactic that has been missing in the online world is the ability to effectively reach out to consumers without first asking for something in return. For example, in the current e-business world, for users to receive information that matches their unique tastes, they are required to give away a piece of themselves in the form of personally identifiable information (PII) such as name, age, etc. And, more often than not, consumers are unwilling to part with such valuable—and personal—information for fear that it will be mishandled or sold to a third party.

By incorporating IP data into retail initiatives, companies can improve the way they prospect for, acquire and retain customer relationships.

## Appeal to Consumers' Wallets Where it Matters Most



Digital Element's IP Intelligence and geolocation solution allows retailers to pinpoint online users' geographic location (country, region, state, city and ZIP/postal code), as well as uncover numerous other actionable insights such as demographic, point-of interest (POI), connection type and mobile carrier data plus more—all based on a user's IP address.

Compliance with privacy laws and standards around the world is more important than ever when it comes to data, and Digital Element's IP solutions put privacy first. All information is gathered completely anonymously, without using cookies or tracking users' online behaviors—helping retailers stay GDPR compliant. No PII is ever collected or stored.

By utilizing IP data, retailers can now more easily connect with an untapped and previously hard-to-reach digital audience—the unregistered user—and begin to build a solid relationship by offering products, services or useful information that appeal to the consumer

where it matters most—at home, the office or on the go.

For example, if a prospect visits an online retailer for the first time, chances are it is a hit-or-miss experience as to whether or not products shown online match the tastes of the visitor. But with IP data, retailers have a much better shot at automatically targeting the user in a way that is relevant, such as showing localized promotions, offering community-based information and services, or serving up rich media content if the IP-address—or user—is deemed to have a high-speed connection. Additionally, with POI data, retailers can target consumers in and around brick-and-mortar locations, adding real-time context and insights to consumer behavior from online IP traffic.

## Four Key Areas to Get More Bang for Your Buck

Becoming a data-driven retailer goes far beyond merely collecting data. You need to know how to apply that data to extract real value from it. IP Intelligence and geolocation data can be applied to provide the biggest benefits for retailers in these four areas:

### 1  Target Advertising

The ability to tailor and target ads with the utmost precision—regardless of device type—is now table-stakes. As relevance and revenue go hand in hand, it's a given that unless ads speak to consumers with messages that resonate, it's a wasted impression. The most robust IP data solutions can target based on more than 59 different parameters

### Benefits:

- **Increase Returns** – Command a 30-40 percent premium over non-targeted ads.

- **Improve Reach and Relevance** – Deliver relevant ads to specific audiences to reduce wasted impressions and increase click-through rates and message reach.

- **Deliver Custom Targeting** – Leverage other IP Intelligence parameters to deliver custom targeting such as delivering online video ads based on a user's connection speed or automatically serving a mobile ad to a user by identifying connection type.

- **Reach Users Across Devices** – Deliver location-targeted content and ads to users across devices when connecting online or via IP-enabled WiFi connections.

- **Create Consistency** – Reduce ad variance issues across networks by deploying the industry's most widely used geolocation technology.

## 2  Reach Mobile Users

With 80 percent of mobile users gravitating toward WiFi as their connectivity option of choice, it's imperative that retailers have a way to reach this population of on-the-go users. In-depth IP data allows retailers to "fill the mobile gap" and reach consumers who access the internet from either public WiFi hotspots or home wireless networks.

### Benefits:

- **Improve Engagement** – Deliver location-based content, promotions, news, offers, etc. without requiring users to opt-in to location-based services.

- **Build Brand Loyalty** – Increase trust by automatically delivering engaging and relevant content using privacy-sensitive IP geolocation data.

- **Increase ROI** – Incorporate geotextual data to increase reach and relevancy for geographically targeted ads, promotions and coupons.

- **Capture Point-in-Time Revenue** – Move customers more quickly from research to action by reaching them at a point in time when buying decisions are made.

## 3  Personalize Content

When purchasing decisions are made within milliseconds, one-size-fits-all content is no longer sufficient in terms of engaging digital consumers. To capture eyeballs and promote deeper engagement, leveraging IP data allows retailers of any size to customize content, language, currency, products, promotions and more.

### Benefits:

- **Enhance the Shopping Experience** – Customize website content, language, currency, products and promotions to create an instant connection that will have consumers spending less time searching for products and services and more time buying.

- **Simplify the Customer Experience** – Leverage location-based data to deliver the right content at the right time, such as automatically delivering foreign visitors to country-specific sites.

- **Increase Online Revenues** – Provide targeted merchandise and messages to increase response rates by as much as 300 percent.

- **Drive Offline Revenue** – Use targeted promotions and coupons to drive online traffic to make offline purchases at the nearest store or service location.

## 4  Enhance User Analytics

Retail marketers need accurate data to strengthen their understanding of the way people behave in the real world in order to connect, engage and influence consumers' buying decisions in the digital world. Strong user analytics driven with IP data can deliver new insights about online behavior. Armed with this information, retailers can discover actionable intelligence to drive real-time change and innovation that positively impacts sales.

### Benefits:

- **Increase Campaign Performance** – Leverage real-time insights to influence messages and change targeted campaigns "on the fly."

- **Identify High-Engagement Regions** – Use geolocation data to identify and better understand regions of high customer engagement for app installs, software downloads or other conversions.

- **Understand Geographical Area Make-Up** – Accentuate and extend marketing efforts with Point-of-Interest (POI) datasets that provide geo-contextual insights into real-world places that matter.

- **Detect Fraudulent Traffic** –Protect the integrity of marketing campaigns through new-found visibility into "non-humans" by utilizing proxy data to help discern real users from fraudulent ones.

- **Provide Attribution and Reporting** – Determine and benchmark the effectiveness of local, regional, national and international promotions—both online and off.

## Data Will Be the Competitive Advantage That Drives Dollars

From now until well into the future, data will play an increasingly important role in any retailer's marketing strategy. Recognizing what your brand may (or may not) be doing with all the data that comes into your organization is a start as you look to build and maintain a competitive edge in today's ultra-competitive retail marketplace.

To truly engage consumers, retailers must learn how to harness user-specific data to provide timely, personalized and relevant communications. Applying key parameters, such as geographic location, allows the right messages and content to be served to the right people at the right moment in their decision-making process.

In reality, there are no longer "national" or "international" consumers. They're digital. And, they're local. IP data not only allows brands to leverage the unique wants and needs of consumers, but also allows them to identify those needs across very specific and pinpointed geographic areas.

Having quality location data with wide coverage is one example of an opportunity to enhance insights into a user base for targeted advertising, analytics, attribution and personalization. While many retailers may already be using some type of data associated with an IP address in their marketing efforts, they are keenly interested in taking the next steps and leveraging IP data in new ways, most importantly to further enhance analytics and build stronger brand loyalty[8].

Outside research has shown that 44 percent of consumers say that they will likely become repeat buyers after a more personalized shopping experience with a retail brand[9]. Of course, in order to ensure that personalized shopping experience is consistent across every channel, retailers must rely on working with the most accurate and reliable datasets.

1. Digital Element, "Digital Data Exhaust Report," October 2018.

2. Publicis.Sapient and Salesforce, "Shopper-First Retailing Report," Aug. 14, 2018.

3. Ibid.

4. Smith, Justin, "Mobile eCommerce Stats in 2018 and the Future Online Shopping Trends of mCommerce," Apr. 22, 2019.

5. Salesforce, "State of the Connected Customer," June 2018.

6. PwC, "Experience Is Everything," 2018.

7. Temkin Group, "ROI of Customer Experience," Aug. 21, 2018.

8. Digital Element, op.cit.

9. Segment, "The 2017 State of Personalization Report," 2017.

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### About Digital Element

Since 1999, Digital Element has been providing global geolocation data and services that bring anytime, anywhere relevance and context to online initiatives—from desktops to mobile devices. The company's patented technology has been certified and accredited to deliver real-time access to accurate and reliable location intelligence without invading Internet users' privacy. For nearly two decades, many of the world's largest websites, brands, security companies, ad networks, social media platforms and mobile publishers have trusted Digital Element's technology to target advertising, localize content, enhance analytics, and manage content rights as well as detect and prevent fraud. Visit www.digitalelement.com for more information on how to bring the power of location to the online world. Follow us on LinkedIn and Twitter @DigitalElement then like us on Facebook. Headquartered in Atlanta and London, Digital Element is a division of Digital Envoy Inc.

**To learn more about leveraging industry-leading IP data to its fullest for your retail operation, visit:**

## www.digitalelement.com

## Examples of Leading Companies That Count on Digital Element's Data Accuracy