ORACLE
Marketing Cloud

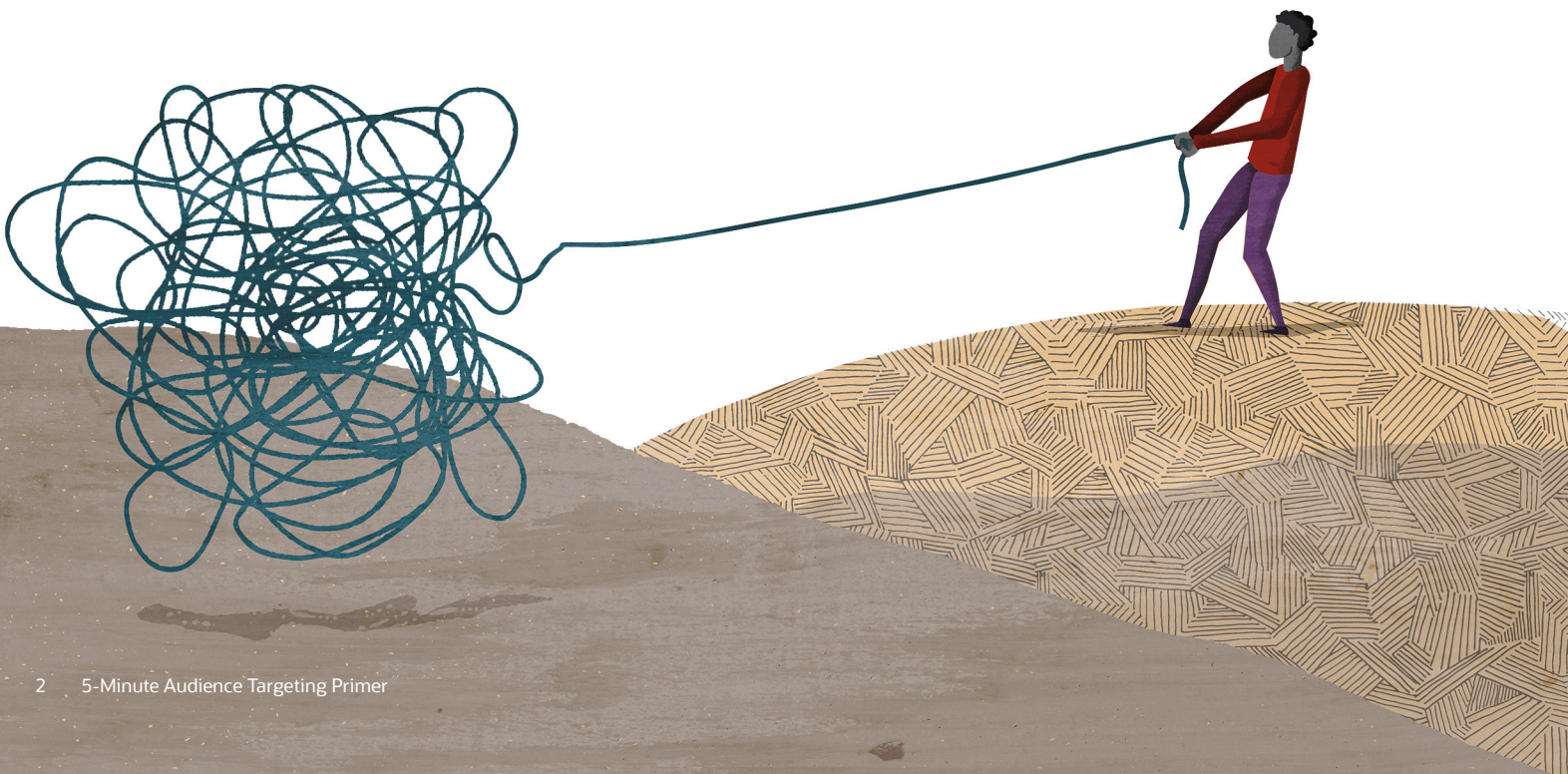# 5-Minute Audience Targeting Primer

Data Management and Activation
for Modern Marketers

Marketing is not getting more difficult because of data—it's actually getting easier.

In the old days you needed to guess who your audience was and plan in advance what you wanted to say and wait far too long to see if it worked. Those days are long gone. Now you can determine exactly who your audience is, deliver relevant, personalized messages in a nanosecond, and find out almost immediately whether they worked. You no longer have to live by the mass marketing method—you can be tactical in your delivery. Marketing today is data-driven and uses a wealth of insights and connection points to engage with consumers one to one.

Data about customers and prospects gives us the ability to deliver the right message to the right audience at the right time. That's audience targeting, and it's far deeper than demographic targeting, even though targeting by demographic is a nice place to start. That said, the sheer volume of data can be overwhelming. Cut through the noise and tackle the basics of audience targeting. Let's put you on your way to better results, better engagement, and better ROI.

Data types

There are tens of thousands of data attributes you can leverage to target when running a digital ad campaign. But basically, there are three categories of data that you can tap into to better understand your audience:

First-party data is what a company generates through their own business. It can include transaction data, website visitation, and marketing or CRM data. That list of users who've signed-up for your newsletter? That's first-party data.

Second-party data is what is shared with another company. Say you're an electronics manufacturer and you want to run a special sale with one of your distributors. You might share data between the two companies through your data management platform to find the most relevant potential buyers.

Third-party data is a collection of data—usually anonymous web-browsing data—from external sources other than first-party data. Third-party data is used to achieve scale in ad campaigns. Let's say you know that your best customers are fathers who like frisbee golf. You can identify male users with kids who have visited frisbee golf-related websites.

You can run campaigns using any of these three types of data. But the most successful campaigns will likely include some combination of each. That combination is where you create competitive advantages.

Audience segmentation

Audience segmentation is the process of dividing your target audience by defined attributes such as demographics, but going deeper into intent, interests, geography, past purchases, and other behaviors that indicate a likelihood for customer conversion. Good segmentation ensures you capture the ideal audience for your message and make it more likely they'll take a relevant action. Like downloading a piece of content or visiting your website.

The way you segment your audience should align with the goals of your campaign. The three major factors are scale, performance, and cost.

Scale is the reach of your campaign. The more granular your segments are, the more reach will go down and cost will increase. Let's say you're marketing soccer balls. You could broadly target in an interest category like "interest = sports." Or you could create a highly customized segment that includes data on "interest = sports + past purchase = sports equipment + TV show = World Cup." The more general audience approach will reach more potential targets and be less expensive to run. But it also may miss the intended audience and create a larger volume of wasted impressions. The more specific approach may be more expensive on a cost basis, but will likely have a higher chance of reaching better targets, and perform better, helping you to expand with additional targeted segments and drive a much stronger ROI. This leads to better overall campaign performance.

Targeting Strategies

—

Your targeting strategy should align with your campaign goals. Begin with the end in mind. Do you want your audience to visit your website to download content or educational materials? Do you want to encourage repeat customers? Or are you looking to create net-new customers?

A few common targeting tactics include:

Re-targeting

It's utilizing your first-party website visitation data to re-target users who visited then left your website without taking any action or didn't complete an action they started. You might offer them a coupon via a display ad, or send an email reminding them they've left something in their cart.

Look-alike modeling

Look-alikes, sometimes called LAL, use third-party data to build models based on a high-performing user set of attributes from your first-party data. It's simply about taking your best existing customer data and creating a model with attributes to find new customers that look like them.

Audience extension

This combines first- and third-party data to reach more targets. Generally, the marketer will augment their first-party data with third-party data that has demographic or psychographic similarities to the first-party dataset.

The right technology is going to make audience targeting a lot easier than it sounds.

—

Getting to the right audience means using all of the data at your disposal. The right technology can do that. Oracle Data Management Platform's new Audience Builder, within Oracle ID Graph™, helps you visualize connections and build audiences across ID spaces. With enhanced segmentation and delivery features, Oracle Data Management Platform users can easily define who they want to analyze and target.

To support this release, the **Oracle Data Cloud** is greatly increasing the amount of available mobile device ID inventory (Apple IDFA, Google AdID) in the platform to give users more granular analysis and purchasing options for third-party data in non-desktop environments. And Audience Builder makes it easier for customers to utilize the "recency, frequency, and countries" selectors to choose the freshest, most relevant data to support campaigns. This release is a strategic and technical leap forward for the Oracle Data Management Platform and is a stepping stone to creating a scalable cross-device solution.

How Oracle ID Graph works

The Oracle ID Graph links together the many IDs across devices that comprise a given individual, helping Oracle Data Management Platform users to tie consumer touchpoints across devices to resolve against a singular, actionable, consumer ID. Now, within the new Audience Builder UI, Oracle Data Management Platform users will see an option to build audiences against the ID source. The ID source is defined as the data's point of origin or the main identifier tied to the originating device from which the user's data was collected. Oracle Data Management Platform users can select the ID source to build, plan, and analyze campaigns with increased granularity and send the data to any platform that accepts it.

Visualize campaigns across devices

Users can visualize and analyze data across ID sources within the new Audience Builder UI to bring the consumer's fragmented journey into focus. Recognizing devices and consumer behaviors associated with those devices helps marketers better understand the journey so they can engage consumers with relevant messaging.

Align customers to device

Aligning consumers to devices gives marketers control over the consistency and frequency of their messaging. Using the ID Graph through the new Audience Builder UI gives marketers the ability to guide consumers along the path to purchase, delivering a consistent message across multiple devices, resulting with fewer wasted impressions and high overall ROIs.

Know where the conversion occurred

The consumer purchase path moved from a traditional funnel to a winding road with multiple devices and touch points along the way. Knowing what device a user converted on and what devices they used along the way helps marketers modify strategies to optimize media buys.

About Oracle Marketing Cloud

B2B and B2C marketers use Oracle Marketing Cloud, an integrated portfolio of best-in-class applications, drive campaign effectiveness, brand reputation, and customer loyalty. Oracle Marketing Cloud offers the industry's richest datasets and most adaptive intelligence so marketers can deliver irresistible, consistent, and connected experiences to customers wherever they are and however they choose to engage.

Visit oracle.com/marketingcloud.