

The Future Is Here and It's Called Conversation-Based Targeting

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Modern poet, philosopher, economist and novelist **Wendell Berry** often makes the case for small town economic systems. He believes only communities smaller than 200 people can generate authentic conversations.

Interestingly, for most people, online **social** activity involves around 200 people. So how can **brands** enter this small-scale conversation authentically? Programmatic **digital marketing** offers an intriguing answer.

Overview of the Digital Marketing Industry

2015 was a year of accountability. Many **CMOs** were asked to submit numbers and it scared them.

Management wants to know how people engaged with an ad: What did the ad do? How did that move the needle? Did they buy something? Did they sign up a seminar? Where is the purchase funnel behind that engagement?

Engagement without conversions is a fluffy number, and it's no longer acceptable to take time away from people in the **digital** space, especially with millennials.

Right now, if your data is outdated, you've already lost the race. You're looking in the rearview mirror trying to go forward and hoping that you don't crash into things along the way. Accidental interactions or engagements occur because you were steering in a general direction but didn't have a lot of prescriptive or predictive intent behind it.

Conversation-based targeting is the future. We need to engage in conversation and drive **brand** loyalty through those conversations. It's like everyone gathering around the water cooler. With traditional technology, you know where the water cooler is. You can tell how many people are around the water cooler. You know what time of day they come in. You can even discover their behaviors. Two people like to have hot water. Two people like to have cold water. This guy likes a protein drink. This guy likes to add an energy shot.

That's great. But the missing layer is the context of the conversations that are going on around the water cooler at that particular moment and there is an opportunity to engage there that is being missed.

Outlook for Programmatic in 2016

Brands can actually participate in active conversations and find an opportunity because it's the right time, the right message and the right person. There are technologies that sit squarely in the center of this circumstance.

That's going to be the big shift in the data/analytics community. Data-driven decisions can only get stronger when we have such a vast influx of datapoints at our disposal—but the key is how we use that data to drive insights to action.

For 2016, predictive and programmatic will work together. Programmatic buying allows **brands** to use audience insights and technology to tailor messages to the right person, at the right moment, in the right context.

Currently, 90 percent of the impressions sold via programmatic open-market deals are retargeting campaigns, relying heavily on large pools of cookies and device IDs. This is partially due to **brands'** lack of consistent, high-quality, first-party data sources across inventory sources. But it is also because **brands** don't feel confident targeting third-party data cookies with their messaging unless they've seen that user before.

If we can eliminate the need for **brands** to adhere to this individualization and start looking at the clusters of the conversation and the context of what these users are doing and saying, we can inform them, influence them, make them passionate and fuel the flame. That's where the sweet spot is. If you can operate at the intersection of consumer campaign and content, you've won.

When you layer in predictive analytics and pre-emptive capabilities, you are able to harness and take advantage of what programmatic offerings are all about. It's really about consumer activation, audience activation and looking through the lens of the consumer and the audience you are trying to target. It's getting inside the customer's head—not trying to pepper them with ads and trying to retarget them.

Installing Programmatic Strategies in 2016

Brands need to look beyond simple clicks/impressions and the standard metrics they've been relying upon for so long. It's not just about the data. It's about the creativity that goes along with it.

How did this actually resound with the consumers you were trying to target? Netflix is a perfect model for this. It uses people's consumption of the movies and TV shows to determine its programming choices and whether to invest in creating new content on its own platform. It is finding tremendous success.

The immediate effect of having a solid data set and being able to look at it in a predictive manner is that you can do a stop loss, like in financial markets. You can buy or sell based on the trends of the market and actually ride those trends in a way that profits your business. Clients are happier because you are not wasting their time and energy with content that doesn't matter to them. The first wave of programmatic was about getting eyeballs. Now, it's about reach and scale, quality over quantity.

Eventually, we are going to stop talking about programmatic as programmatic. It's just **advertising**. Programmatic is automation of workflow and access to information. If you can't get the data you need at the time you need it, you already missed the boat.

Programmatic can be the entry point for **brands** to connect with the online communities in an authentic way. Maybe **Wendell Berry** was right about focusing on those small communities and capturing the right conversations.

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