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New Ways Marketers Are Manipulating Data to Influence You

By **Tanzina Vega** June 19, 2013 9:49 pm

By now many people are used to the way advertisements follow them around the Web — how the shoes they clicked on here keep popping up there.

A special section on the business and culture of big data.

But advertisers have come to regard this technique, called retargeting, as a blunt instrument. Online marketing companies are already focusing on the next generation of targeted advertising — one that collects and analyzes vast streams of data from social media, credit card histories and Web habits.

That information helps to create ads that are increasingly personalized and nuanced. Often these ads are shown to consumers in real time based on what they do moment to moment.

“It’s starting to get really prescriptive,” Scott Hagedorn the chief executive of Annalect, a data marketing company that is part of the Omnicom Media Group, said of the use of big data in digital advertising. He is one of many data evangelists on Madison Avenue urging brands and agencies to think about, process and react to data quickly.

“The data is there, but it’s more about the processing power,” he said. How you can manipulate the data — and what you can do with it.”

The amount of information available to advertisers has increased exponentially, from credit card and telecommunications companies and even from brands. Instead of using old retargeting methods, such as showing someone an ad for a car that person just viewed online, brands are using new technologies to help them decide, often in advance, whether a consumer should be shown an ad for, say, a luxury car or an inexpensive car, or any car at all.

“If I have three different cars, how do I launch them to the right audience?” Mr. Hagedorn asked. In milliseconds, fast technologies can determine whether a person is in the market for a new car or has bought a car recently, yielding different types of ads. One ad could focus on a new vehicle that a company is trying to promote to energy-conscious drivers, while another might focus on accessories for the car.

If a person just bought a car, a marketer might decide not to serve an ad at all, Mr. Hagedorn said. Sheldon Gilbert, the founder and chief executive of Proclivity Media, a company that specializes in digital advertising technologies, said data helped brands determine the value of a potential customer. “The most important thing for anyone to do in advertising is to understand the intent of the consumer,” Mr. Gilbert said. “It’s another thing to understand the level of the intention and its value.”

The value that is assigned to a consumer, and how much the advertiser is willing to spend on that consumer, can be based on myriad factors, including whether and how that consumer uses social media, recent purchases and Web sites visited, he said.

If a consumer has a 10 percent chance of making a \$50 purchase, that consumer can be valued at \$5, Mr. Gilbert said. If a person’s dollar value is lower than the cost of marketing, an advertiser may opt not to show an ad to that person, he said.

Grouping users by type is not new, but with increasingly large sets of data, the process helps increase precision and gives brands a “feedback loop” with consumers so they know what ads are most effective with which consumers, said Sean Bruich, the head of measurement research and development and partnerships at Facebook.

The social media company works with advertisers to help segment users based on their Facebook data. Facebook can tell an advertiser that a group of mothers using the site are talking about sending their children to camp, and an insect repellent manufacturer could create an ad campaign that focuses on children using the product at a camp.

Facebook can also help the manufacturer categorize consumers as heavy or light buyers of insect repellent and determine the number of ads each group will see. Those who buy less may see fewer ads than those who buy more.

Debra Williamson, a principal analyst at the research company eMarketer, said that advertisers were also using conversations on social media to learn what consumers were saying about their brand and their competitors' brands. "They don't have to wait until a focus group meets to review things," Ms. Williamson said, describing the process as "a real-time focus group."

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