

DIGIDAY

SIGNAL

WTF

IS IDENTITY?

# Contents

---

- [3](#) Introduction
- [4](#) Identity
- [5](#) Persistent ID
- [6](#) Who owns identity?
- [10](#) Methods of establishing identity
- [13](#) Challenges
- [14](#) What's next



## Introduction

---

Digital is getting more and more personal every day, and we don't mean the insults being thrown around on Twitter. Platforms, publishers, and brands are all moving toward a greater degree of personalization. Consumers expect that when they log on, the brands they interact with will know them in the same way that their Netflix account and their Spotify playlist does.

Of course, it's impossible to individualize anything unless you can establish their identity with absolute certainty. For years marketers have skirted around this problem with what amounts to an educated guess, but now digital marketers have the means to really crack identity. Which means it's time for brands to ask...

## WTF is identity?

# Identity

---

Marketers have been circling around the issue of identity since the early days of advertising, and the desire to speak directly to specific individuals has only grown since the dawn of digital. It makes sense. Digital channels offer a bounty of data, signals and digital identifiers that—with a little sophisticated guesswork—can bring us within spitting distance of real identity. Unfortunately, the siloed nature of the always changing digital ecosystem has kept that brass ring just out of reach. True digital identity is resolved and deterministic—based on certainty rather than assumption.



# Persistent ID

---

There are any number of ways to come close to pinning down the identity of an individual in the digital space. Websites can drop pixels that track a single user across the web. Mobile sites and apps can identify a device ID and tie that device to a set of behaviors that suggest a user profile. These inference based tactics—using probabilistic data—help marketers get close to understanding who their user might be, but they still can't break identity out of the bubble. The identity profile they establish is channel bound—tied to the device, browser, or platform. It's not persistent across platforms or devices.

According to digital consultant and former brand marketer Christina Barrett, the problem with using probabilistic data as a substitute for verified identities is that you can't hold a single connected conversation. "Instead of always being on, you're in a million places. There was a time when it was fine to start the conversation over email and Facebook, now customers want to know the right-hand knows what the left is doing."

A persistent ID provides a single view of an individual that crosses multiple devices—from desktop, to mobile web, to in-app—with no duplication. This ID is formed using deterministic data,

collected from authenticated identifiers like log-ins, loyalty card numbers, etc. If the user remains logged into a social media platform, a brand site, an email account, or any other online account, they can be recognized wherever they are on the web or mobile, not as a collection of data suggesting an individual, but as a specific person. This provides marketers with richer and more usable data about individual behavior and a clearer path to attribution. Crafting an identity graph that spans devices and platforms allows brands to carry on one continuous conversation with customers rather than multiple similar conversations fragmented across digital channels.

Marketers have traditionally approached identity with standard 'finite' onboarding—the process of transferring offline data to an online environment for marketing needs. However, this treats identity as a singular, distinct process, rather than powering persistent profiles. The result is enormous gaps in the consumer journey, due to the inability to recognize customers coherently, consistently and immediately across channels. Truly persistent identity solves for this by providing marketers with a continuous profile that always expands with each engagement.



# Who owns identity?

---

For digital marketers, data is the only currency that really matters, and its value is amplified when that data is tied to a persistent identity graph. In this environment, players sitting on large stores of data are the equivalent of the Texas rancher who discovers their land is sitting on an untapped vein of crude oil. As the digital ecosystem has developed, a few major landowners have emerged and their control over vast stores of data hands them a major advantage.

So who are the oil-barons of the data era? The names you might expect.

1. Platforms
2. Agencies
3. Brands

# Identity is yours. Use it.

Success hinges on delivering experiences that map to individuals' expectations. By owning your customer identity asset, you capitalize on opportunities to improve relationships and efficiency. Signal's enterprise-wide identity solution unites your brand's data, so you stay focused on what matters most: the customer experience.

**Your Customers. Your Data.  
Your Customer Identity Solution.**

SIGNAL®



**Your data speaks volumes.**  
→ Are you listening?  
[www.signal.co](http://www.signal.co)

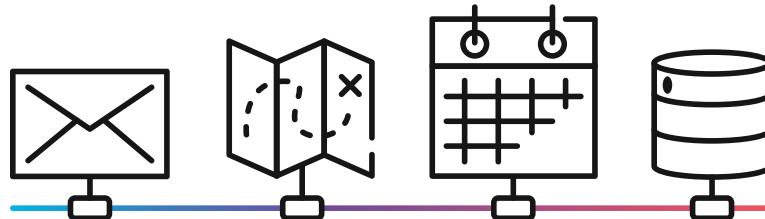
## Platforms

Social media platforms built a business by convincing consumers to tell them everything about themselves in exchange for social currency and content. Now these platforms, Facebook chief among them, are sitting on vast stores of identity data that they're willing to rent out for a fee.

Facebook has grown a robust business building custom, identity-focused audiences out of its [2 billion regular monthly users](#), coining the increasingly popular term "people-based marketing" in the process. Facebook's identity insights aren't limited to the walled-garden. By partnering with a wide range of sites and services to allow users to [authenticate using their Facebook credentials](#) rather than separate log-ins Facebook, has gained access to huge pieces of consumers off-platform activity by creating a simple efficiency.

Of course, Google hasn't been sleeping on identity either. It's best known as the giant of search with huge amounts of data on what people are looking for. But Google's identity work isn't limited to search. A suite of useful products has convinced millions of users to offer up tons of personal data to Google.

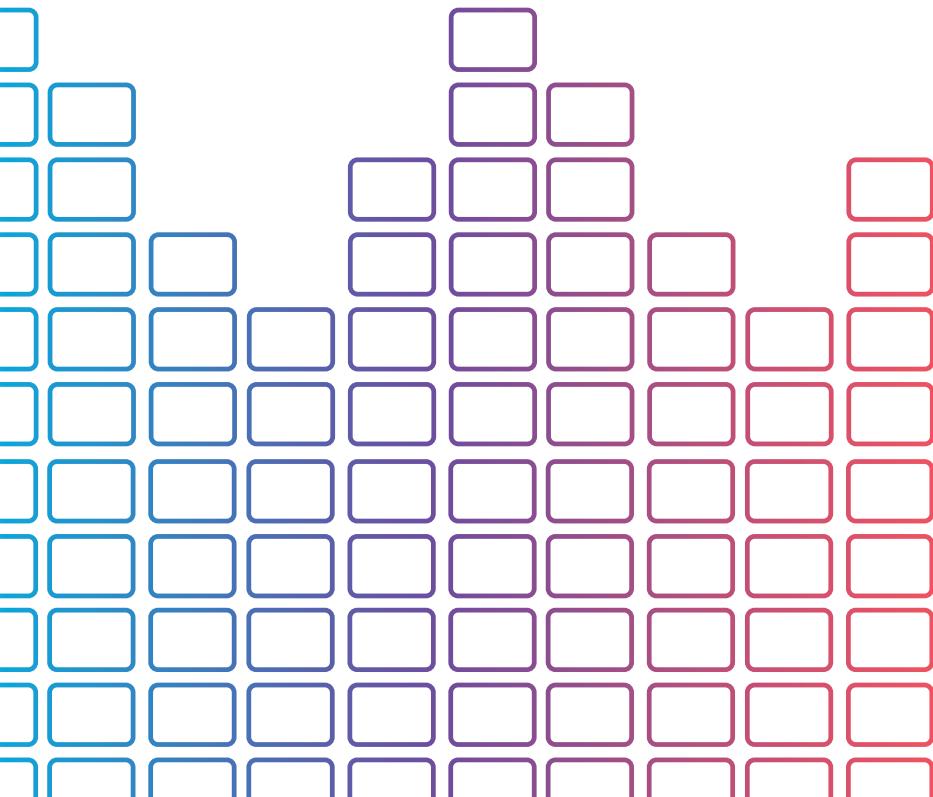
Everyday users share their personal communications, business contacts and physical locations with tools like Gmail, Google Maps, and Google Calendar.



Google and Facebook are often seen as two halves of a duopoly that dominates digital, but for retailers, there's no more menacing identity player than Amazon. The everything store has closed the loop on identity by aggregating search, purchase, and transaction data across an inventory that includes almost every product on the market tying consumer search and purchase interests to real identities. Facebook knows what we like, Google knows what we're asking about, but Amazon knows what we buy. The e-commerce giant has offered advertisers the chance to buy ads directly through its Amazon Media Group and in recent months has sought to further optimize its audience building and targeting capabilities through artificial intelligence.

## Agencies

Digital agencies aren't missing the identity train either. Major holding companies have begun building in-house data warehouses, often built on rented or borrowed data, that can allow their clients to tap into the custom audiences built by the major platforms. GroupM, the media buying and transacting unit of WPP, [built its data management system](#), MPlatform, as a rival to Google in creating people-based campaigns using warehouse data. For marketers looking for a shortcut to creating an identity-focused campaign, these platforms can be a short-term solution.



## Brands

In the age of data, brands may not be receiving their fair share of the headlines. While the big platforms have discovered ways to get billions of individuals to hand over their personal information, and the agency world has found a way to tap into those innovations on behalf of their clients, brands may ultimately be the players most like that proverbial cattle rancher sitting on a potential oil geyser.

Like the major platforms, brands already have an established and long-running relationship with their customers. Many forward-thinking brands have collected stockpiles of valuable data including email addresses, purchasing habits, interests, preferences and demographic data, all of which is already tied to a real, individual identity.

According to Christina Barrett, "While some advertisers have to barter with agencies and data warehouses to execute identity-focused campaigns, many brands are already data-rich or capable of becoming so by developing their data strategy." According to Barrett, smart brands are sharpening their data collection and retention skills rather than becoming reliant on quick fixes and borrowed audiences. Data ownership gives these brands the opportunity to execute on identity while also developing tailored insights about their own customers, rather than phantom profiles or likely customers.

# Methods of establishing identity

It's easy to throw the word "data" around in a conversation about identity without really delving into what it means. Publishers, platforms, and brands all collect data about users. Those data can be powerful when it is paired with identity, but not all data lead to identity.

## Cookies, pixels & 3rd-party data

"On the internet, nobody knows you're a dog." At least that's what a popular comic strip once claimed. In reality, the open web has an arsenal of tools for establishing identity. While they might be able to weed out any canines, they're not accurate enough to pin down identity with any certainty. By dropping cookies and pixels website operators can track the behavior of individual users across the open web. This behavior data can be combined with data from third-party vendors to make probabilistic inferences about users. Those inferences, of course, are not the same as real one-to-one identity resolution. Additionally, cookies often expire or get deleted, so they lack the persistence of authenticated identifiers. [They're also often wrong](#) on basic demographic questions like gender and age.

## Logins and platform-based authentication

Platforms strike closer to the mark by collecting real, verified personal data. As we discussed, the big platforms have exchanged a suite of engaging or convenient services for access to information that marketers used to find unobtainable. All of this data is tied to a real person, often with a real name. Platforms like Google, Facebook, and Amazon have all expanded their reach by offering authentication services. Developers can take short-cuts building a logged in state of their own by borrowing a Facebook or Google Software Development Kit. These kits, commonly called SDKs, allow users to authenticate identity on sites and mobile apps using their existing Google or Facebook credentials. Developers get the ease of trusted authentication without coding, users get the convenience of a single uniform log-in, and platforms get access to even more first-party data to build out ever more robust audience identity graphs.

"Brands are seeing their power shift toward platforms," says Cary Tilds, chief of innovation at media agency Group M. "Facebook offers this easy answer for authentication and a lot of brands didn't initially realize what they were giving up...in not building their own data collection apparatus."

This is a trend that Tilds sees reversing itself as more brands build their own authentication tools and DMPs to own customer identity rather than ceding ground to the platforms.

## Brands with 1st-party data

In the race to crack identity, brands have a competitive advantage. By their nature, they're already in the business of collecting information that can be used to create a resolved identity graph. While some innovations are more recent, any brand with a digital and e-commerce presence is likely to have an email database and a purchase history for its customers. However, faced with the growing challenges of platforms, particularly e-commerce behemoths like Amazon, forward-thinking brands have stepped up their data collection games.

Brands are increasingly [building their own authentication portals](#) so that loyal customers can log in to shop. These logged-in states allow brands to track on-site behavior and link it to an individual. The same is true of brand-specific mobile apps. Among countless examples, luxury gym [Equinox's recently revamped app](#) allows customers to schedule classes, determine workout routines, and take advantage of Equinox's personal care services, all while sharing interests and habits that the brand can use to tailor new products to its clients.



Brands can also look to an old staple of the brick-and-mortar world for a leg up in identity. Loyalty programs were once a favorite of even tony department stores, and they remain popular with independent coffee shops. Digital retailers don't need to offer shoppers a punch card, but providing benefits to repeat customers creates a strong incentive to share log-in and share our purchase data over time. Menswear retailer Frank + Oak [created a program that rewards repeat customers](#) with discounts and style tips. Luxury brands like Robert Graham, Holt Renfrew, and Govberg Watches have also [espoused the value](#) of establishing identity-based relationships with their repeat customers.



# Challenges

---

## Silos

It's easy to think of digital marketing as a mature discipline; there are professionals who have worked in digital for decades. But the reality is somewhat less clear-cut. Most digital teams, especially those at established brands, are built piecemeal. Every time a new digital channel emerges into the mainstream forward-thinking brands build teams around it. A decade ago brands built teams to manage websites, later they added social media teams, [today brands are looking ahead to AI](#). These teams, built from accreted layers are often siloed off from other functions that are key to identity like loyalty programs and internal CRM systems.

New digital channels emerge quickly, so it's not uncommon for brands to simply tack on channel specific teams to their existing marketing unit rather than add those new channels to a holistic marketing scheme. It's often easier to add a separate team to manage social or e-commerce than to integrate all those functions together in the kind of holistic unit that's needed to really capitalize on identity.

## Data ownership

The question of data ownership remains a difficult one for many brand marketers. In this guide, we've discussed some of the solutions brands can employ to own their own data, but the increasing dominance of just a few major platforms is still a significant challenge for marketers.

While brand marketers do have access to at least basic personal data—things like email address, name, and address—through their owned platforms, a 2015 eMarketer study showed that just 57 percent of marketers were actively collecting this data. Name and address clocked in at just 41 percent and more esoteric forms of data like location ranked as low as 18 percent. Many brands have made strides, but this snapshot shows how far behind brands were.

By 2015 Facebook was collecting data on your ancillary relatives, shopping habits, and even rudimentary health stats. Google was reading your emails. Brands that don't close the gap quickly risk being left behind.

## Privacy regulations

Privacy regulations are an emerging challenge for those building comprehensive identity graphs. In Europe, the looming roll-out of [the European Union's General Data Protection Regulation](#) will severely curtail the ability of website operators to collect data using traditional means like cookies and tracking pixels. The new law, set to go into effect in May of 2018, will place heavy sanctions on any operators who collect data from customers that haven't opted into data sharing programs. The recent [hacking of the credit rating agency Equifax](#) has lead to calls for similar restrictions in the United States.

While such privacy regulations present a challenge for marketers looking to build comprehensive and persistent identity graphs, they also provide an opportunity for brands who have begun the difficult work of building a stockpile of consumer data. The ability to reach out to consumers with whom they have direct connections and encourage them to opt in could provide brands with a significant competitive advantage as regulations tighten.



## What's next

---

Our physical lives are increasingly more enmeshed with our digital ones, identity will move even further into the foreground for marketers. As platforms and publishers continue to roll out ever more comprehensive personalization features, consumers' expectations about how their identity is understood, perceived, and utilized online will continue to grow. In this regard, brands are competing directly not just with Amazon or Facebook, but with Spotify and Netflix. These massive platforms set the tone for expectations across the web and smart brands would be wise to stay ahead of the curve.

For the foreseeable future, the battleground for digital marketers will be data. In order to compete on an increasingly individualized web brands will need to acquire or own access to comprehensive stores of data with which to build identity graphs. Advantage in this emerging digital ecosystem will go to whichever parties control their data. Platforms have already made a sizable play, accumulating massive stores of information about users, but it's not too late for established brands to make a counter-move.



**DIGIDAY**

SIGNAL

PRODUCED BY CUSTOM FOR DIGIDAY MEDIA

Custom is a creative content agency that translates tech-speak into human-speak.  
Our journalists, strategists and artists help companies in disrupted industries stand out.

Want to work with us?

Contact our chief client officer [paul@digiday.com](mailto:paul@digiday.com)

©DIGIDAY MEDIA 2017