

COVER
STORYWALK
THE LINE

MARKETERS HAVE A RANGE OF TARGETING TOOLS AT THEIR DISPOSAL,
BUT WHILE THESE TECHNIQUES OFFER GREAT POTENTIAL, THERE'S A RISK
OF REPUTATIONAL DAMAGE IF THEY BECOME INTRUSIVE

BY LUCY FISHER

"Google policy is to get right up to the creepy line and not cross it," declared the search engine's executive chairman Eric Schmidt, then its chief executive, back in 2010. While most marketers wouldn't admit wanting even to come near this line, where marketing becomes invasive, the reality is that many are preoccupied with working out where it is and how to stay the right side of it.

In marketing terms, 2010 was a long time ago. Since then, new targeting technologies have altered consumers' behaviour as well as their expectations and the line appears to have shifted.

Julie Dixon, head of marketing services at Transport for London (TfL) notes a change over the past couple of years in the levels of personalisation which consumers expect. Three or four years ago, she says, when the transport authority sent communications to people about stations which it knew they used, they didn't like it. "Now people expect you to know," she says.

Dixon adds that the amount of data that TfL has access to – such as Oyster card data, cycle hire and congestion-charging information – means that it has a responsibility to use it sensitively.

But it also means that the body is able to send out finely targeted messages, for instance to those who have used a particular station in the past eight weeks. "We see very high open rates on emails when we do target them," Dixon says. "For instance, 43 per cent of people opened an email about the fact that their Barclays cycle hire



membership was about to expire."

It's easy to make mistakes, though. James Maxwell, head of CRM and retention at PhotoBox, notes by way of example the backlash the company experienced when it chose to put personal photos in some of its emails in order to drive responses.

"We crossed the line," he says. "[Customers] thought everyone was receiving the same email and we had to explain. We saw quite a lot of unsubscribes and a few complaints to the call centre."

But in general, he says, increasing relevance increases conversion and the use of personalised photos drives click-throughs to the main site. "It's important to test and learn, then if you go too far you

can rein it in," he says, adding that PhotoBox is also testing Facebook Audiences at the moment. "This is pretty new to Facebook and it's very new to us," he says. "But it's got a lot of potential. It allows you to highly segment – for instance to target people who have just got engaged."

Stephen Haines, UK commercial director at Facebook, continues: "If you run a bike shop in Aberystwyth, you can target people who live within 10 miles and like bikes. You can also specifically target married women aged 32 to 34, for example. Many marketers are still learning about the power of such targeting."

Facebook, meanwhile, is still learning about the dangers of it. Because Facebook ads target the people using the social network rather than the content they are viewing on it, advertising can be shown on an almost limitless variety of pages. Last month, brands including Dove, Nationwide and Nissan found themselves being targeted by campaigners on Twitter using the hashtag #FBrape to point out that their ads appeared next to content on Facebook endorsing violence against women.

As a result, Facebook pledged to tighten its policies towards offensive content posted by users.

Jonathan Williams, group consumer marketing director of Auto Trader, says there's a fine line between providing a personal experience and being perceived as invasive, and that the line is in a very different place for different



Q & A

Maria Molland
Chief european officer
Fab.com (designer website)

Marketing Week (MW): At what point do you think marketing stops being merely targeted and starts becoming intrusive?

Maria Molland (MM): All users can find marketing intrusive if they are receiving communications about products and services they don't want. We originally sent emails that went to everyone. That has totally changed. Users can opt out of categories or time of day. There's a lot of flexibility now. I say give some kind of personalisation and give consumers the freedom so they're in control.

MW: Do you find the level of targeting that brands such as Google adopt to be 'creepy'?

MM: Google pushes it but the only way you can be an innovator is by pushing it. Is it a little bit scary? Yes, but it can also be really useful. I use it all the time. It has the products and services I'm looking for. It will continue to push the envelope. It's more scary for lots of businesses [than consumers], as it has a big share of the search market. That can be hard for people to accept. But that's what great companies do – they make themselves indispensable.

MW: Which direct marketing channels are of particular interest to Fab.com right now?

MM: Facebook, Twitter and Pinterest are the main ones for us. Facebook provides the majority of influx in terms of traffic and I'm interested in Pinterest. I'm also interested in some of the blogs and we're looking at having a relationship with some them – though not so much via paid mechanisms. Half of our users come from social mediums – from sharing via the likes of Facebook, Pinterest and Twitter – and not only with friends but also with others who share their taste. Also the typical person via mobile spends two or three times more. Someone who has downloaded the mobile app tends to be more focused on the brand.

MW: Does it worry you that so much of your business comes from social channels which can swiftly fall out of fashion?

MM: There will always be a new social platform. If it's not Facebook, it'll be something else. Facebook is a great service. I spend a lot of time on Facebook and it's great to connect. I'm not too worried about new social platforms emerging. We just have to be where the people are. And it's about delivering what we call a 'wow' experience. It's not about flashy brands; it's more about customer experience and how you build trust.



brands. "It depends on where you are on that line as an individual and what you're searching for online. When typing a search query into Google, you are open to products relevant to your search query, whereas on Facebook you may not be so receptive to ads.

"A big piece of work for us is around live data feeds. We've overlaid a lot of CRM data with segmentations. So I don't just know behaviours, but things that make you tick – whether, for instance, you like to [get feedback from others before making a decision]. If you do, our banner ad might say, 'Our editorial staff have reviewed this car – read what they've got to say.' That kind of thing can add tremendous value and if you do it right it can lead to a better response."

As with most digital media tools, new online marketing techniques tend to emerge before there are any best practice guidelines to govern their use. Aris Tsontzos, a member of the Direct Marketing Association's Data Council, says that techniques such as retargeting – where web users who view a product online are then shown ads for the same or similar products – are gaining traction, but also that there is work to do on best practice.

"I do think this is somewhere the DMA could help out a little more. It's also up to the retargeting vendors," he says.

Retargeting is just one of many new techniques marketers now have at their disposal. Brett Harding, managing director and co-founder of

Lovestruck, gives an example where the dating agency worked with Adform to develop a 'dual screen' advertising campaign. Online banner ads were displayed on websites relating to the content of TV programmes, both during and up to 30 minutes after the TV spots.

For example, Lovestruck ads appeared on fashion websites during Gok's Fashion Fix and on home improvement sites during Location Location Location, both broadcast on Channel 4, in an attempt to take advantage of consumers' growing appetite for using multiple screens together.

Jason Hughes, head of branded content and product placement at broadcaster BSkyB, says that he's excited about the possibilities which have been opening up in terms of branded entertainment and product placement since regulations changed to allow it over two years ago. He has been working with providers including MirriAd, which can place branded content in at the post-production stage, so that it looks like it has been there all along.

Digital product placement is likely eventually to be targeted at individual viewers via set-top boxes. Scottish broadcaster STV, an investor in MirriAd, is currently working on integrating this technology into its programming and, given that Sky is rolling out its own targeted advertising technology, AdSmart, this summer, it seems likely that product placement would one day feature on it. Yet Sky's Hughes notes that the success of any product placement depends on it being a good fit for the TV programme.

The amount of data that TFL has access to, including cycle hire information (left), means that it needs to use it responsibly



Oxfam still relies on the 'RFM model', which calculates the recency, frequency and monetary value of a person's interactions

"If it doesn't work for the show, it won't work for the brand," he notes, although he does say that many of the brands who have used product placement – such as haircare label Tresemmé, which invested in product placement during Britain & Ireland's Next Top Model – are coming back for more, indicating that they are seeing good results.

Once again, this is about relevance. When brands are seamlessly integrated into relevant content, consumers' minds are more open to them than when branded ads are thrust at them out of context. However, where the line between appropriate and intrusive targeting is drawn varies across the world and the US and the UK are relatively conservative, according to MirriAd.

Matthew Knight, head of CRM and insight at fashion retailer ASOS, says that personalisation is key to an effectively targeted approach and that a good rule of thumb for any marketing is to strip out what is irrelevant to the end user. It should feel natural, he says. "Build the relationship in a sensitive way. Demonstrate that you aren't just trying to peddle them stuff they're not interested in."

If you can engage the user with interesting offers, services or content, then the battle is almost won. Richie Jones, marketing director at caravan park operator Park Resorts, says that there can be too much of a focus on technology for technology's sake. He has been working with agency Navigate Digital on targeted online advertising campaigns but he notes that it is still possible to get good return on

investment from direct mail, especially when it is personalised based on factors such as previous holidays that the recipient has taken.

Chris McElligott, head of marketing at insurance company UIA, agrees that old-fashioned direct marketing need not lose out to fancy new online targeting technology. He says that half of the company's sales are driven by direct mail and, although UIA has been testing contextual targeting and behavioural targeting online, the returns it has seen so far have been "very marginal".

"There's a need to try various creative approaches. It takes time to bed in," he says. He adds that direct mail, meanwhile, is "not as cluttered a market as it used to be".

"It's clearly a very personal medium and an opportunity to impart more information. I think a phenomenon we'll see over the next three years is a return to traditional media."

At the same time, though, there will be an inexorable onward march in the development of online targeting technology. More brands will continue to adopt retargeting and attempt to tailor individual experiences for their customers. Targeting is also likely to spread even further across mobile platforms, where the advertising market is still reaching maturity.

As it does, many brands will only find out that they have strayed the wrong side of the creepy line when it's already too late. But they'll also know better for next time.



CASE STUDY

OXFAM

The marketing approach that consumers expect from a charity is clearly very different from what may be deemed appropriate for a more overtly commercial brand.

"I can think of online retailers I get almost daily email contact from, which in a charity context would be completely inappropriate," points out Andrew Barton, head of relationship marketing at Oxfam. He says that if the charity were sending emails with the same frequency, its 'unsubscribe' rates would go up dramatically.

"We're asking people to do things," he explains. "And people tend to rail against too much commercial slickness from a charity, which is a paradox because it's so important that we steward donor money as best we can."

Barton believes that it's easy to get caught up in new digital fundraising techniques but that some of the more "old-fashioned, passé" types of direct marketing (DM) still work well – such as the 'RFM model' that calculates the recency, frequency and monetary value of a person's interactions with the brand.

"Good, solid, old-fashioned DM has gone out of fashion," he says. "But in fact the RFM model works really well, although it is not so useful when you're trying to extend reach. It's not creepy, either, as it's just based on response data."

Oxfam marketers have started to use some new digital techniques such as retargeting and reaching 'lookalikes' online – people who share similar profiles with a defined audience. Barton admits that more work needs to be done, particularly with regards to the creation of a greater variety of banner content for retargeting purposes.

"If you're going to do retargeting, it's annoying for the customer to keep seeing the same ad," he says. "And it's important to think about how many times and how often you are going to retarget. If you only have one banner creative and you serve it frequently, it can be off-putting and people can feel they're being stalked."

There's a trade-off in terms of the data you ask for and people completing forms or processes online, he adds, and as such a current work in progress is the ability for pre-populate forms for existing donors. Barton says that a 'My Oxfam' feature is being rolled out. "People want ease and convenience and for brands to recognise who they are. There's an expectation that they don't have to keep giving data again and again," he says.

