

Audience Segmentation

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Segmentation Defined

Segmentation is a method of organizing current and potential consumers into smaller, manageable buckets (segments) in order to customize your advertising efforts to specific tastes and continually map evolving customer profiles.

Every audience segment has its own unique set of likes and dislikes and will respond in different ways to different types of marketing and advertising messaging by channel, buying platform, or seasonality. To be able to map and gain insight from audience behavior to inform business decisions, it is necessary to understand these customer personalities and do so in a coherent way.

The goal of segmentation is to influence product purchases and evolve brand perceptions to scale a business. The easiest way to accomplish this kind of growth is to provide relevant messaging and divide your consumer base into digestible segments that can lead to a greater amount of consumer understanding.

What Makes a Useful Segment?

Relevance

Can this audience bring more transactional conversions (\$) or add to overall brand recognition and brand lift?

Determining Relevance: After creating an audience in Salesforce DMP based on purchasing behavior, you can test the audience's performance via conversions and "Cost Per Action" in your ad server. Tying the audience targeting used in campaign setup with the live campaign's performance will allow you to see if this audience's likelihood of conversion is greater than other targeting choices for similar campaigns. These insights, in turn, facilitate informed decisions about which audience is more relevant and how this more relevant audience affects the overall conversion rate of your paid campaigns.

Distinctness

Is this audience unique enough to warrant its own category?

Determining Distinctness: Utilizing the "Reach and Overlap Report" in the Salesforce DMP allows you to see the degree of audience similarity among top media partners used in any tracked campaign. Through comparison of audiences, you can determine where 2 audiences

are most similar and make a judgment call on which one is cheaper to target media against and still encapsulates the same audience segment. This can help you decide where to reduce cost to eliminate redundancy and also which audiences are worth creating/removing if the overlap is too great with existing audiences.

Scalability

Does this audience contain enough people/devices/cookie IDs to be worth targeting against?

Determining Scalability: The partner management tool in Salesforce DMP gives complete transparency into how user data is being matched, the availability of matches, and when the segment data has been sent and processed by each partner, allowing the user to see how their data is being provisioned.

Trackability

Can this audience's behavior be tracked across different media platforms?

Determining Trackability: In order to determine the usefulness of an audience compared to where you are buying media, one can check Salesforce DMP's list of activation partners and ensure that the audiences that one is creating, managing, and activating are able to be easily pushed into the platforms where they will be layered on as targeting. If an audience is not available to be pushed directly to your chosen platform (in the case of Facebook audiences), then you'll want to create separate audiences by platform for those use cases.

Segmentation Criteria

Behavioral

Behavioral segmentation is a technique used by online publishers and advertisers to increase the effectiveness of their campaigns through information collected on an individual's web-browsing behavior, such as the pages they have visited, purchases, or searches they have made to select which advertisements to deploy to that individual.

Example: [BRAND]_1st Party_Behavioral_Dress Shirt Purchasers_202005.

This segment identifies users who have completed purchases for [BRAND] dress shirts.

Prospecting

Prospecting, also called lookalike audiences, similar audiences, or audience modeling, is the first step in a full-funnel marketing strategy and is characterized by targeting digital profiles similar to those of your existing users and customers.

Example: [BRAND]_1st Party_Propecting_Male Jeans Purchasers Lookalike_202004.

This segment identifies a new group of users not covered in the original male jeans purchasers segment who map similarly to those of male jeans purchasers.

Retargeting

By recording what ads, pages, and links a user clicks on or views while web browsing, this log can be used to build audiences for either serving sequential advertising or finding specific user actions or behaviors to target against through retargeting.

Example: [BRAND]_1st Party_Retargeting_Male Swimwear Shopping Cart Abandoners_202009.

This segment identifies users who have placed male swimwear products into their shopping cart, but have left the page without completing the purchase.

Cross-Selling

An existing audience of purchasers/shoppers of a particular product or group of products that can be leveraged in another product or group of products' targeting strategy for advertising campaigns.

Example: [BRAND]_1st Party_Cross Selling_Shoe Purchasers_202008.

This segment represents an audience that are primarily verified shoe purchasers but also index highly for the likelihood to purchase Izod products.

Acquiring Segmentation Information

In order to ingest behavioral, validation, and transactional information from the audiences you intend to build, there must be a series of data capture points:

1. 1st Party Data from CRM & Business Intelligence sources ingested into Salesforce DMP via LiveRamp.

2. Site page visit information and events captured by the Salesforce DMP Control Tag.
3. Individual user actions captured by Salesforce DMP Event Pixels.
4. Additional Platform APIs held within the Salesforce DMP SuperTag and placed on-page alongside existing tag management systems in the <head> code.

Building Segments

The step-by-step process below outlines the procedure necessary to create new segments in Salesforce DMP.

Initial Segment Creation

1. Navigate to the Segments > Manage Segments section of the Salesforce DMP user interface.
2. Click the blue "+ New Segment" button in the top right of the page.
3. Selecting "+ New Segment" will bring you to a page displaying all the different segment types available for creation.
4. New segment creation will offer a description of types of segments to help assist in the choosing of which type to build that are applicable to your business needs.
5. Selecting one of the options will bring you directly to the build standard segment screen.

Attribute Setting and Rule Logic Allocation

1. Displayed at the top of the page is a progress bar that gives an overall view into the steps already completed and waiting to be completed in the segment building process.
2. On the left, you'll see buckets labeled as 1st party, 2nd party, and 3rd party and allow for seamless application of existing data sources to newly planned segment building as well as a search bar for deep dives into possible attributes across available data streams.
3. In the center of the page is a box labeled "Rules" that is used for defining boolean logic for defining audiences (i.e. AND, OR, NOT logic).
4. If you're utilizing 1st party data, you'll also have the option to apply recency settings that define how recently a customer purchased in order to use this information to build lapsed

and current purchasing models for audiences.

5. There is also a section in segment creation where you can see segment population estimates and, in the case of a 3rd party or other incrementally priced audience, you'll get a glimpse into the Max CPM associated with it.

Naming Taxonomy

1. Once rules and logic are all set up, click "Continue & Edit Details" which will bring you to another stage of the segment building process.
2. This next stage will allow you to implement a consistent naming taxonomy across audiences

Activate your Audience & Confirm Segment Creation

1. Once rules and logic are finalized and a naming taxonomy is implemented, click the activate tab to "On" and select which partners the audience will be delivered to.
2. Click "Save & View Confirmation" to view the confirmation page and ensure that the new segment has been saved as well as an overview of the segment details.

Editing Segments

Process

1. On the Segments > Manage Segments section of the Salesforce DMP UI, there is an action wheel that contains all segment editing and reporting capabilities in one place.
2. Types:
 - a. **CDIM (Cross-Device Identity Management) & Lookalike**
 - i. Allows a direct link to extending your segment's scale using CDIM and Lookalike modeling.
 - b. **Audience**
 - i. Contains all the options related to Editing, Copying, and Deleting segments as well as a History tab to see creation details and any edits made and by which user on what date.

c. **Interchange**

- i. This section's Test Mode allows you to place yourself into a segment in order to test segment targeting within an ad server as well as a Manage Interchange section that allows you to activate segments across various activation partners.

d. **Reports:**

- i. This section contains links to the different types of segment reports that can be generated, such as:
 1. **Segment Overlap:** A view into how segments overlap against one another.
 2. **Audience Profile:** A direct link to the audience/demographic of your segment.
 3. **Site Distribution:** A direct link to discover where amongst your sites or site sections your segment has the highest unique reach and index against industry competitors and other websites.

Augmenting an audience

Audience augmentation refers to adding in additional layers of 1st, 2nd, and 3rd party data and contextual terms to extend an audience that lacks significant scale.

When deciding to augment an audience, it's important to consider how this augmentation fits into the overall strategy of the consumer targeting and fall back on the key tenets of a useful segment:

Relevance

If the segment contains active or past purchasing consumers, make sure that any 2nd or 3rd party audiences and contextual terms are aligned with the intent to purchase the product being advertised.

Example: You're targeting an audience of people who have purchased polo-style shirts in the past 4 months, but you're having trouble hitting your daily budget caps with paid media. An option would be to add in keywords related to the act of purchasing polo shirts such as "buy polo shirts," "where to buy polo shirts," "polo shirt retailers," "stores near me that sell polo shirts," or other combinations of keywords that imply intent to buy the product you are advertising.

Distinctness

Perhaps your audience is too broad and you need to scale it back a bit to be more hyper-focused on business goals, you may consider adding in additional layers of targeting and boolean logic in order to hit the right kinds of people with your paid advertising.

Example: You're running a "dress shirts purchasers" segment and the audience is broad that the specific kind of dress shirt you're advertising isn't converting well. You'd like to push more people toward a specific product instead of just "dress shirts" in general. One approach may be to add in purchased 2nd party data from specific shirt brands that align with the merchandise you're trying to move to focus your audience a bit more toward desired conversion goals.

Scalability

If the segment is too granular and requires additional attributes for it to be usable to layer onto purchased media, you'll want to pick an attribute that you can open up a bit broader in order to achieve the level of reach you're looking for.

Example: You're running a male aged 25-54 high waisted jeans purchaser segment and you're not seeing enough reach. An option would be to remove the "high waisted" delimiter and open up the audience to overall male aged 25-54 jeans purchasers to achieve greater scale.

Trackability

Should the current segment not be trackable in specific activation partners and platforms, there may be a need for augmenting the trackability of the segment by auditing its list of activation partners.

Example: You're currently using FourSquare and want to make sure the same segment can be delivered to Google Display & Video 360, so one method of augmenting the segment to ensure trackability in both platforms would be to dig into the activation partners piece of the segment editing and add in Google Display & Video 360 so that the same audience can be reflected in both systems.