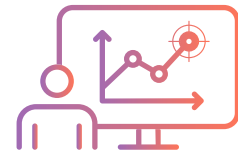




Treasuring Credit Bureau Data for Targeted Personalized Marketing

WHITE PAPER

Executive summary



Enterprises are increasingly leveraging digital marketing technology tools such as customer relationship management (CRM), data management platform (DMP) and other MarTech tools to drive meaningful customer experience by predicting the immediate customer need to provide better real-time recommendations or campaigns. But fragmented data across the enterprise undermines these efforts. 47% of marketers say that it takes them more than a week to analyze and draw conclusions about the success of a marketing campaign.¹

It is therefore crucial for advertisers to identify attributes about an individual from data across various sources and accurately collate the same. The huge volume of highly accurate consumer data offered by consumer credit bureaus can play a significant role here.

This paper explores how consumer credit bureaus can leverage huge repositories of consumer data to increase their market share in the digital advertisement space while shoring up their organic growth.

1. eMarketer, Global Digital Ad Spending 2019, March 28,2019, <https://www.emarketer.com/content/global-digital-ad-spending-2019>, accessed February 18,2021

Data and Targeted Marketing

Today's customers expect brands and companies to remember who they are and their preferences across multiple channels and devices. This is compelling organizations to change the way they interact with customers and shift their advertising spend from traditional to digital channels. By 2023, digital ad spending is expected to reach \$517.71 billion.² Google and Facebook have already transformed the way marketing companies interact with potential and existing customers.

While digital marketing spends are increasing, there is growing uncertainty and frustration on how effectively it is contributing to brands' revenue growth and customer retention. This is because the number of interaction touchpoints have increased manifold and thereby also the number of customer data silos. 52% of marketers report that while they are leveraging a variety of tools and technologies, lack of appropriate tools to unify customer data to generate cross-channel customer insight prevents them from making customer data-driven decisions and campaigns.³ For instance, it is not uncommon for consumers to receive an offer over a digital medium for a product which has already been procured from the company's physical store. And despite access to a huge repository of first-party consumer data, the penetration of consumer credit bureaus in the consumer-targeted marketing world has been negligible. For instance, Experian's marketing services contribute to only ~10% of the company's revenue worth \$4.9 billion and revenue contribution of Equifax's marketing services is merely 5.2% of their reported revenue in the third quarter of 2019.⁴

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2. Cision, Global Digital Ad Spending Could Exceed \$510 Billion By 2023, December 9, 2019, <https://www.prnewswire.com/news-releases/global-digital-ad-spending-could-exceed-510-billion-by-2023-300971090.html>, accessed on February 19, 2021
 3. eMarketer, Global Digital Ad Spending 2019, March 28, 2019, <https://www.emarketer.com/content/global-digital-ad-spending-2019>, accessed February 18, 2021
 4. Experian, Experian-2019-annual-report.pdf, March 31, 2019, <https://www.experianplc.com/media/3788/experian-2019-annual-report.pdf>, February 18, 2019

Customer Data Platform (CDP): Key Challenges in Ensuring Data Accuracy

The holy grail of successful marketing lies in knowing individual consumer needs, capturing the customer journey and understanding what a consumer is looking for in real-time (see Figure 1). Not surprisingly, most marketing companies are increasingly leveraging real-time, targeted personalized marketing based on deep insights into consumer behavior.

BEHAVIORS

Active
Online
Searching
Usage

AFFINITIES

Hobbies
Shows
Articles

RESPONSE

Coupons
Campaign
Loyalty
Rewards

COMMUNICATION PREFERENCE

Channel
Device
Time
Location

CONTEXT

Home
Work
Device
Holiday

LIFESTYLE

Holiday
Trendshopper
New Collection

SOCIO DEMO

Gender
Household
Location
Income Level

OPPORTUNITIES

Buy propensities
Referrals
Cross-Sell
Up-Sell

CUSTOMER JOURNEY

Onboarding
Active Use
Purchase
Survey

RISK

Identity
Financial
Anomalies
Attrition

LIFE MOMENTS

New Job
Marriage
Back to School
New Parent

VALUE

Income Level
Spending
Revenue
Lifetime Value

PRODUCT PREFERENCE

Price Point
New Collection
Category

Figure 1: Customer Attributes Used to Create Customer 360° View

To do this, most advertising and marketing companies are taking advantage of various data capture tools and processes such as planting cookies in consumer devices and including invisible tags in web and mobile applications. Enabling programmatic buying with real-time bidding for every given impression and tracking customer on-boarding and interaction through comprehensive CRM systems is also an upward trend. Additionally, leveraging data management platforms for integrating first, second and third-party audience data and creating a look-alike model to target potential customers is a widely used strategy to capture consumer interest.

However, establishing actionable insights from a plethora of data captured across several customer interaction channels is not easy. Though a customer data platform (CDP) (see Figure 2), powered by artificial intelligence (AI) and machine learning (ML) promises unification of first-party data in conjunction with DMP for building persistent and meaningful marketing strategies across channels, it fails to ensure accuracy of the data captured.

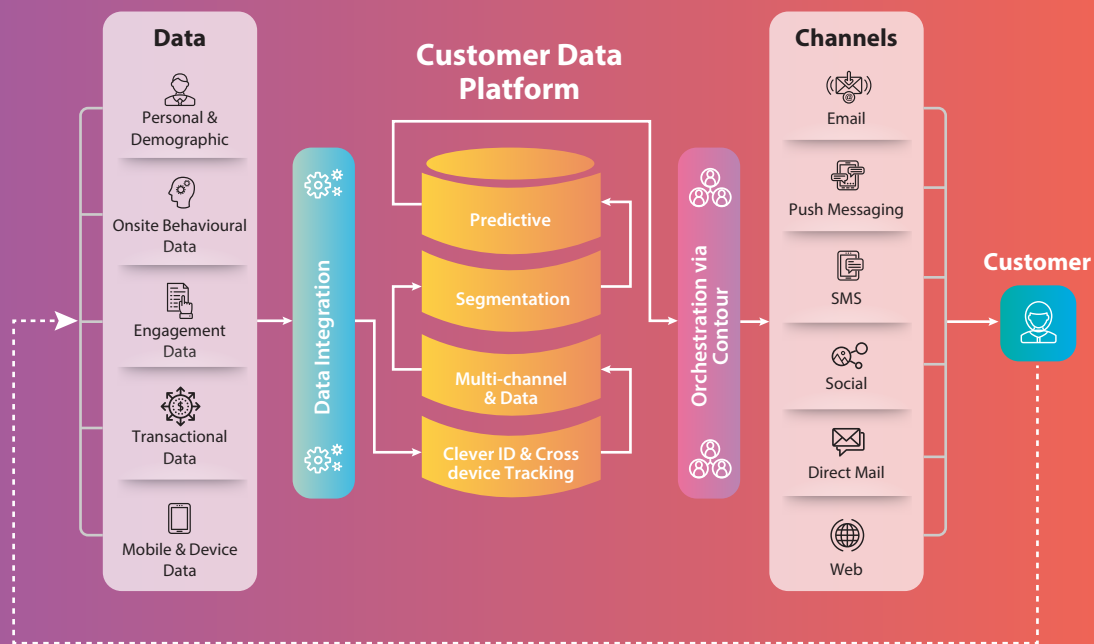


Figure 2: Data Unification and Cross-Channel Orchestration Approach by CDP

Such data issues can further increase with cookie plantation and usage restriction, traditionally a primary source of contextual and behavioral data for marketing technology utilities. For instance, leading browsers such as Firefox and Safari have already blocked third-party cookies. Similarly, Google Chrome will be preventing any third-party cookies from 2022.⁵ Additionally, new legislations such as General Data Protection Regulation (GDPR), California Consumer Privacy Act of 2018 (CCPA), Canada's Anti-Spam Law (CASL) are forcing companies to revisit their strategies on personally identifiable information (PII) data capture, storage and sharing.

Marrying Customer Data Platform with Credit Bureau Data for Boosting Marketing Effectiveness

While current MarTech utilities and CDP enable companies to collate data, they do not ensure the accuracy of data available within the first, second and third-party systems. This results in inaccurate and suboptimal implementation of machine-learning algorithms in CDP, preventing accurate targeting.

A smart business solution is one which leverages the best-of-breed technology and data and packages the same for the end customer. For instance, Oracle EBS – a popular enterprise resource management system and Dun & Bradstreet (D&B) – a leader in commercial credit bureau, developed a joint go-to-market strategy for enhanced marketing effectiveness. The strategy includes system level integration of the customer partner's data available in an implementation of Oracle EBS and D&B's commercial bureau offerings.

5. Marketing Land, The third-party browser tracking cookie is dead. What's next?, July 23, 2019, <https://marketingland.com/the-third-party-browser-tracking-cookie-is-dead-whats-next-263804>, accessed on February, 4, 2021

The current market scenario demands greater adoption of similar strategies to help end customers aspiring to run targeted campaigns. CDP product vendors must integrate their technology advantage with consumer bureaus' vast volume of accurate data to create the best possible targeted marketing offerings for the end customer. And this will also enable consumer bureaus to create new revenue streams.

Chasing a Single Customer View

As organizations increasingly invest to deliver an omnichannel customer experience, customer data platforms with their potential to create a unified view of customers, will play a key role in driving future marketing strategy. The global customer data platform (CDP) market size is expected to grow from USD 2.4 billion in 2020 to USD 10.3 billion by 2025, at a compound annual growth rate (CAGR) of 34.0%.⁶ Amidst threats regarding third-party cookie restrictions in leading browsers, forward-looking marketers should explore the role of credit bureaus in enabling the next level of marketing personalization.

6. MarketsandMarkets, Customer Data Platform Market by Component, Application (Customer Retention and Engagement, Predictive Analytics, Personalized Recommendations), Deployment Mode, Organization Size, Industry Vertical, Capability, and Region - Global Forecast to 2025, <https://www.marketsandmarkets.com/Market-Reports/customer-data-platform-market-94223554.html#:~:text=The%20global%20Customer%20Data%20Platform,34.0%25%20during%20the%20forecast%20period,> accessed February, 18, 2021

About The Authors

Koushik Pal

Koushik Pal is a Sr. Solution Architect with the Information Services Advisory and Solutions Group in TCS'

Communications, Media and Information Services business group. With over 20 years of experience in the information service domain, he has focused on the credit bureau segment and worked closely with them.

Anjan Krishna Ganguly

Anjan Krishna Ganguly is a Sr. Solution Architect with the Information Services Advisory and Solutions Group in TCS'

Communications, Media and Information Services business group. With over 18 years of experience in the information services and publishing domains, he is focused on providing innovative and next-gen solutions for customers.

Contact

Visit the [Communications, Media & Technology](#) page on www.tcs.com

Email: global.cmi@tcs.com

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