

**DATA MODELING
IS THE FUTURE**

(and also the past... and the present)

Data Modeling was and is the future

Following individuals around the internet to create better marketing campaigns wasn't that great in the past (scale), or when we optimized with remarketing (diminishing returns) and is rapidly becoming a thing of the past (GDPR and CPRA). But those who stayed awake at the Byron Sharp school of marketing recognized long ago that group dynamics and buying behavior inform more effective marketing campaigns anyway. Why? Because group dynamics have more of an influence on buying behavior than personal decisions. It's true. Google it.

Affinity Answers President Mahesh Narayanan said recently at a conference, "The reality is that the role of data is to help and change marketing for the better, but it's not just about the data, but about quality and compliance of the data and what you do with the data. More data is not necessarily better." He went on to say, "In the last 20 years, tracking everyone everywhere with cookies has led to more data, but not necessarily marketing effectiveness. With the decline of the 3P cookie, collecting data is going to be limited, as it should be, and understanding and inferring more from that is more important."

Modeling data based on group or cohort interests and the influence members have over each other presents more effective and scalable ways to build a brand and convert customers. This post will look at how data modeling led-marketing to cohorts is replacing the inefficiencies of one-to-one targeting.

How We Got Here: The Decline of The Third-Party Cookie

Third-party cookies are those that are placed on a user's computer by a company other than the one they are visiting. These cookies allow companies to track users across the web and target them with ads for products they may be interested in. However, the prevalence of ad-blockers has made campaigns reliant on third-party cookies less and less effective over time. Now, with key changes by Apple and Google to phase out third-party cookies outright, they will soon be [entirely useless for marketers](#).



One response by marketers is to market to groups instead of individuals. Marketing to groups is more scalable and, in many instances, more effective. When targeting individuals, third-party cookies were used to track browsing behavior and create targeted ads. However, as more companies focus on marketing to groups or cohorts, it becomes less necessary to track individuals. Group interests can be inferred from data gathered from pseudonymized or anonymized publicly available data. This allows for a more privacy-conscious approach to marketing.

In the past, marketers would target individuals with their campaigns in the hopes of reaching as many people as possible. However, this approach is no longer effective, as smart marketers have realized that group dynamics and buying behavior can provide much more insight into how to create better campaigns.

Group Marketing as the New Standard

Modeling data to market to groups instead of individuals allows for a more targeted approach that can be scaled more easily. And not only is marketing to groups more effective, but it also allows for more personalization, as counterintuitive as that may seem. This is because when you are targeting a specific group of similar behaviors, personalities, or interests, you can focus specifically on the shared interests of that group, rather than seek out individual relevance. This means that your campaigns can be more tailored to the needs of your target audience, which will result in higher conversion rates.

Group Marketing Use Cases

If you are curious about what group marketing looks like in the real world, here are a few use cases to help connect the dots.

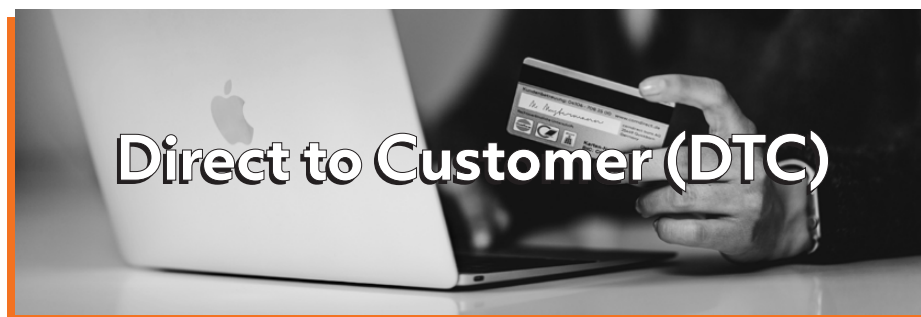


Group marketing is a great way to attract new customers to your restaurant. When you target a group, you can tailor your marketing campaigns to the interests and needs of that group. This will [result in more effective campaigns that will convert more customers.](#)

There are a number of different ways that you can use group marketing to attract new customers to your restaurant. One way is to target groups that are interested in healthy eating. You can create campaigns that focus on the health benefits of your food. This will appeal to group members who are looking for healthy options.

Another way to use group marketing is to target groups that are interested in new experiences. You can create campaigns that highlight the unique aspects of your restaurant. This will appeal to group members who are looking for something new and exciting. You can also use group marketing to target groups that are interested in saving money. You can create campaigns that highlight the discounts and deals that you offer. This will appeal to group members who are looking for a great deal on their next meal.

No matter what type of group you are targeting, group marketing allows you to reach customers with similar interests and nurture them down the funnel, essentially balancing the short & long term investments. By tailoring your campaigns to the interests and needs of your target audience, you can create more effective campaigns that will convert more customers.



As discussed previously, group marketing is also a great way to market directly to consumers. When you target a group, you can tailor your marketing campaigns to the interests and needs of that group. There are a number of different ways that you can use group marketing to attract new customers to your DTC business.

One way is to target groups that are interested in your product or service. You can create campaigns that focus on the benefits of your product or service. This will appeal to group members who are looking for a solution to their problem.

Another way to use group marketing for DTC products is to target groups that are interested in or have an affinity for your brand. You can create campaigns that focus on the values and mission of your brand. This will appeal to group members who are looking for a brand that they can trust.



Using group marketing for consumer packaged goods, or CPG, is well established with TV advertising where it is essentially group marketing. While this advertising was done based on demographics (which is also a form of grouping), the available signals in new age digital data allow for behavior and interest groups to be formed that are more refined than demographics; similar to DTC group marketing. Think of it this way: people looking for things for their home or family are looking for brands they trust that create high-quality products.

This segment is tailor-made for group-informed marketing. Groups influence the behaviors of individuals and affirm their decisions to make a purchase. The social acceptance of buying a certain CPG brand is just half of the equation. The other half is that the members of the group will be looking to other members for recommendations, referrals, and reviews.

Group marketing can influence both the potential buyer and the members of the group that are influencing them. If that sounds meta or multi-layer that is because it is. That is where the effectiveness of group marketing for CPG companies unlocks its real potential: the ability to [penetrate a group in different ways](#), by going beyond basic demographics, to drive conversions and brand affinity.

Think About the Whole Group

When you market to an individual, you are targeting that one person. You are trying to attract them with your marketing message and convince them to buy your product or service.

When you are able to model data in order to understand and market to a group, you are targeting a group of people. You are trying to attract them with your marketing message and convince them to buy your product or service.



The key difference here is that when you market to a group, you increase the chance of resonance. You also rid yourself of the specific personalization and customization that was the hallmark of 1:1 marketing. Treating people as unique does not mean you have to market to them with a completely custom plan based on third-party cookies and following them around the internet. Messages that resonate with many are far more effective than messages that only resonate with a single person. Scalability without losing effectiveness is built into group marketing.

Making the Transition to Group Marketing... for Good

If you're looking to create more effective marketing campaigns, then targeting groups is the way to go. It's a more efficient and personalized approach that can yield better results.

Group marketing is not without its challenges. The right data about the cohort or group is every bit as important as the data used to inform 1:1 marketing campaigns. Affinity Answers already has the group datasets necessary to chart your next group marketing campaign. To learn more about how Affinity Answers can help optimize your group marketing efforts, you can find our contact information provided below.



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