

PSYCHEGRAPHICS

Beyond Behavioural Advertising

Online behavioural advertising seeks to bridge the gap between advertisers and consumers by predicting what and when consumers want to buy and delivering it to them. Simple enough idea yet regularly fraught with controversy and still a relatively crude way of second guessing the customer. What behavioural targeting has not been able to do until now is to capture what makes an individual 'tick', identifying that which influences all their purchasing decisions, also known as their personality.

Psychometric (or personality) profiling provides a snapshot of each individual's unique preferences and motivations. How one person reaches a conclusion about a purchase can be very different from the person next to them. Tapping into an individual's personality has been a fixture in industries such as recruitment for decades and the web is littered with psychometric tests at every turn. People are interested in themselves as individuals like never before and are using this information to determine their own needs and wants.

As the number of web users and advertisers grows exponentially, being able to capture and use this information consensually is going to become essential to advertisers in identifying what motivates each person and personalising their messages to gain the attention of very different types of people and to make them respond positively.

Impersonal conduct

The amount firms spend on digital and online marketing will rise above print for the first time ever in 2010 reaching a phenomenal £80 billion. Ensuring advertisers maximise their returns on this investment is driving the growth of behavioural advertising which aims to make ads that are more relevant and timely to users' likely interests to increase sales conversion rates.

For example, by monitoring an individual's web browsing history you can identify that they are looking at a lot of car manufacturers' web sites, which will lead behavioural advertisers to believe that the individual is in the market for a car. Cue loads of car adverts being directed at the consumer. Makes sense, but only if you believe that swatting a fly with a Buick is good ergonomics.

This technique based on monitoring previous web activity has also not been without controversy, primarily a level of resistance from consumers. In April this year the European Commission started legal action against Britain over the online advertising technology Phorm. It follows complaints to the EC over how the behavioural advertising service was tested on BT's broadband network without the consent of users.

Phorm works by "trawling" websites visited by users whose ISPs have signed up to the service and for whom the technology is switched on, and then matches keywords from the content of the page to an "anonymous" profile. Users are then targeted with adverts that are more tailored to their interests on partner websites that have signed up to Phorm's technology. If your ISP was Virgin Media, BT or Talk Talk over the last few years, then at some point you may have been unknowingly recorded.

But therein lies the conundrum for modern marketers. Consumers are demanding a unique and personalised experience online but they only want you to know what they permit you to know about them in order to provide it. Plus, all suppliers of current behavioural targeting solutions have to comply with the law and, in most cases, the information used for providing you with adverts is not allowed to be personal, in that it does not identify the internet user.

Simple, eh?

In the recent TRUSTe* 2009 study undertaken in the US, 72% of those surveyed said they found online advertising intrusive and annoying when the products and services being advertised were not relevant to their wants and needs. 84% said that less than a quarter of the ads they see while browsing online are relevant to their wants and needs. Consumers want customisation in their online experiences, but they also fear an invasion of privacy. Over half of all consumers still say they are uncomfortable with advertisers using their browsing history to serve them relevant ads.

Another study in 2009 conducted by Coremetrics** revealed that two thirds of UK advertisers believe that consumers are not happy to be targeted in this way, and almost half felt that consumer opinion towards behavioural targeting is so negative that the marketing tactic needs to be renamed with a less aggressive sounding term. At the same time, the survey found that 45% of consumers felt behavioural targeting brought offers and promotions to their attention, whilst 35% thought it helped them to discover new and relevant products.



The key phrase in all of this is 'relevant to their wants and needs'. This is not about being bombarded with car ads when they are only window shopping for spare parts or enviously checking out the price of their neighbour's new transport. This is about satisfying their personal and emotional motivations regardless of the product involved.

Currently, online advertising, regardless of how 'targeted' it is, is forced to be almost exclusively generic in content. Web sites, adverts and emails are prepared to try and address every potential visitor or buyer simultaneously, without offending anyone.

As buying decisions are most directly affected by unique personality related traits, being able to provide personality-centric adverts to suit the individual viewer's natural preferences not only ticks the 'relevant wants and needs' box but can boost sales conversion which recent research suggests can be by as much as 37%.

For example, staying with the car analogy; George and David are the same age, have similar income and family size. They are employed, have a degree and live on the same street. They've also been looking at the Mercedes Benz car manufacturer web site in the last week.

Current advertising demographics would not be able to differentiate between them, yet they are unique individuals in personality terms and therefore the sales messages must be unique.

To persuade George to buy the car the advert must talk about its safety features, how safe his family will be, reassure him that many other people have bought this car and let him know his friends will be pleased for him and that he will not be alienated from them.

David's advert must talk about the excitement of driving it; about its acceleration and its top speed; point out the low profile tyres and that it comes in red; explain that they will be one of the first people to own this car; even apologise for the fact that their friends and colleagues will be insanely jealous.

Give either of these people the wrong messages and you will make the advertisement irrelevant to their wants and needs and more importantly undermine your sales effort.

Profiling online

This form of personality profiling has been in everyday use for decades, primarily in the recruitment and personal development fields. Companies such as Myers Briggs and SHL are huge global companies supplying the knowhow on who we all are individually.

It was only a matter of time before this was transferred online and operating at 'web speed'. For example, the questionnaire from www.Psychegraphics.com takes less than 3 minutes to complete and accurately capture an individual's personality type.

From the moment a consumer completes a questionnaire they can be served a layer of personality-centric communications from that point on (regardless of where they have been before). If they accept the cookie then that experience will continue with them to any Psychegraphics enabled web site or advertiser.

Completing the questionnaire is a very firm 'opt-in' from the consumer and they are usually also rewarded with a free instant personality report on any given subject as it relates to them, e.g. 'Which Mercedes Benz suits your personality type?'

From that point on everything can be tailored to suit their individual wants and needs. Are you the personality type that reading the technical manual in advance is just the thing that turns you on? Companies would never dream of placing one in an online advert but by using personality-centric advertising you can with the confidence that it's hitting the right buttons for only the right people.

According to Forrester Consulting***, who in January 2010 surveyed 156 display media marketers, representing a broad range of businesses, the results showed that 77% of marketers surveyed are planning to use or already use audience targeting for their on-line display advertising campaigns.

The study confirms that the majority of marketers using audience targeting are planning to maintain or increase their targeting efforts throughout 2010 and beyond so online behavioural targeting is here to stay. In which case, marketers have to solve the issues that surround it and focus more on adding the 'personal' touch.

It's also true that personality-centric advertising works very well on its own, though there are no certainties where human behaviour is concerned as at best behaviour is probabilistic rather than deterministic, but combined with existing behavioural targeting techniques it can take online marketing to a whole new level, one where both the customers' and advertisers' wants and needs are met.

References:

* *(TRUSTe is the leading internet privacy services provider to web sites such as Yahoo, Facebook, MSN, eBay, AOL, Disney, New York Times, Comcast and Apple. It carries out a regular study on behavioural targeting trends and the latest report was published in 2009.)*

** *(Coremetrics is the leader in marketing optimization. Its products help businesses relentlessly optimize their marketing programs to make the best offer, every time, anywhere, automatically. More than 2,100 online brands globally use Coremetrics' Software as a Service (SaaS) to optimize their online marketing.)*

*** *(Forrester Research, Inc. is an independent research company that provides pragmatic and forward-thinking advice to global leaders in business and technology. Forrester works with professionals in 19 key roles at major companies providing proprietary research, customer insight, consulting, events, and peer-to-peer executive programs.)*