

# 3 Common Misconceptions About Digital Advertising Data

One of the biggest advantages that digital advertising holds over traditional ad channels is its data. Data lets advertisers target specific audiences, see precisely how their campaigns are performing and make smarter decisions about when and why to make changes. With digital advertising, however, as in life, just because you **can** do something, doesn't always mean that you **should**. Below, we look at three common misconceptions about data-driven digital advertising; what people often think, and what's true in reality.

**Misconception #1: Digital advertising enables ultra-specific targeting that allows a client to reach any specific demographic group they want with 100% accuracy.** In the early days of digital advertising, businesses used a "shotgun" approach. They would spray a wide audience, with a display ad on a popular website or blog, for instance, and hope that their target audience saw it. These days, it's much more refined. Today's technology allows for more of a "sniper approach," serving up ads to particular people, in particular places, who are most likely to convert to customers.

However, while digital advertising has become much more sophisticated, it's still not as granular as many people believe. An advertiser may want to target 35 to 45-year-old moms, who have three kids, a dog, and a household income of \$100,000+, then get upset when the platform can't deliver that level of specificity. We have all this data, the reasoning goes, why can't we put it to good use?

In truth, data and demographics can only get you so far. Digital advertising campaigns can certainly get more specific than "every woman in the country," but both the technology that feeds the digital ad platform and people themselves make it impossible to target the exact right person every single time.

For example, the family computer's ISP address may be registered to a 40-year-old mom, or it could be registered to her partner. Even if it was registered to the 40-year-old mom, we can't account for all the behavior on that computer. Kids, partner, friends could all be running searches, making purchases, using social media accounts and more, and we simply don't know who is doing what. The mom might see your ad — but her 12-year-old son might see it instead. Further, methods for tracking online behavior are changing. Browsers are eliminating cookies and devices like game consoles and smart TVs don't use them at all. As we engage with more diverse digital channels, it becomes more difficult to parse all the data in a meaningful way.

That doesn't mean that digital advertising can't target people effectively. The platform can still make inferences based on online behavior and data that significantly increase the probability of reaching the target audience. We can target by geography, demographics, interests and more. Digital is far more specific than many traditional advertising tactics (like billboards, for example), but it simply can't target 100% accurately, 100% of the time.



**Misconception #2: The more data you share with your advertisers, the more likely they are to see their campaigns as being successful.** One of the biggest strengths of digital advertising is its data. Advertisers can almost instantly see what's working, what's not and make changes on the fly (see #3). This is so dramatically different from channels like traditional terrestrial radio — for which we typically don't know who is listening to a station at any given moment — that it can feel almost intoxicating. Bring on the data!

However, the right data is far more important than the amount of it. You can track so many metrics — click-through rate, conversion rate, impressions, the list goes on — but just because you have all the numbers, and even if some of the numbers look good, it doesn't necessarily mean the campaign is performing well.

Not only does more data not necessarily showcase better campaign performance, it can also easily overwhelm advertisers. Look at the main points of data that are most relevant to your clients' goals. Before you show them another graph or set of numbers, think about whether the information will lead to an informed decision or outcome, or just be data for data's sake. At the end of the day, advertisers care about the business value of their campaign. Is ROI positive? What is the cost of conversion? In a brand awareness campaign, do the people engaging with the ad match the target profile?

Use data sparingly and thoughtfully. Share the data points that support logical conclusions and smart next steps. Show how those conclusions and the data that supports them correlate. Always tie data back to the campaign objectives, and remember that more is not necessarily better.

**Misconception #3: If a campaign is underperforming, make as many changes as possible before it's too late.** It's easy to believe that because you have so much data, you and your client should respond to it instantly. A display ad isn't getting the clicks that you want within the first 48 hours? Pull it. Change the creative. Change the placement. Change the targeting. Change the... something, anything, everything!

However, just because you receive results faster doesn't mean you should make changes faster. Our digital world has made all of us used to immediate gratification, but in the case of digital advertising, it's important to let the campaign run for some time so that an adequate amount of data can accumulate. Individual data points are less important than overall trends and trends take time to solidify. The first version of a campaign may not be perfect, but it will provide important data. If you make changes on the fly after the first day (or week), you lose the opportunity to establish a baseline.

When should you make changes to a campaign? It takes time to make correlations happen, see the trends that are relevant to the client's objectives and make intelligent adjustments as a result. There are exceptions, like a weekend promotion for instance, in which you could use historical data for guidance, but typically campaigns need a bare minimum of three to four weeks to run their course.

Digital advertising is a powerful strategy with tremendous capabilities and lots of data, but it can't do everything — and you *shouldn't* do everything, even if you can.

