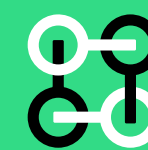


/LiveRamp

eBook

Demystifying Match Rates: Getting to What Really Matters



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Introduction



You have access to more data than ever—from more tools than ever.

The emergence of [data collaboration](#) and [data clean rooms](#), the availability of new apps, and the rise of AI introduce more opportunities to build meaningful data that drive decision-making, personalization, and revenue.

At the same time, however, you face more data complexity. Increased privacy regulations, signal loss from third-party cookie deprecation, and decreased availability of mobile ad identifiers (MAIDs) and identifiers for advertisers (IDFAs) hinder your ability to connect your customer data.

In short, new technologies create data silos, making it hard to get an accurate customer view.

Ultimately, to realize your data's full potential, you need to be able to easily resolve, activate, and measure it across any number of partners and platforms.

Enter match rates—the leading indicators of how effectively you're connecting your data across your ecosystem and reaching your customers. But when it comes to match rates, it seems like everyone has a different definition. So let's break them down.

Match rates—what are they really?

In digital advertising, “match rate” refers to the percentage of a marketer’s target audience matched with a specific advertising platform. Put another way, it’s the number of your customers that exist as a targetable audience on the platform.

Outside advertising, “match rate” might refer to the percentage of a file you can successfully overlap with another vendor or partner universe (e.g., a data seller spine).

“Match rate” can also refer to the ability to recognize onsite visitors or even the deduplication or consolidation of their [first-party data](#).

All these definitions are correct, from a certain point of view.

Yet, within most of these definitions, there’s a core dynamic being balanced—maximizing scale and reach means maximizing match rates. But maximizing accuracy can often mean being more exact about what qualifies as a match, which can lead to a lower match rate.

Here’s an easier way to think about it:

- If you want more personalized targeting, focus on accuracy.
- If you want to reach as large of an audience as possible, focus on scale.

So how do you navigate the different definitions of “match rate” to drive the right outcomes?

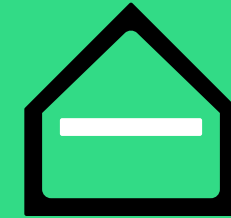
It all starts with identifiers

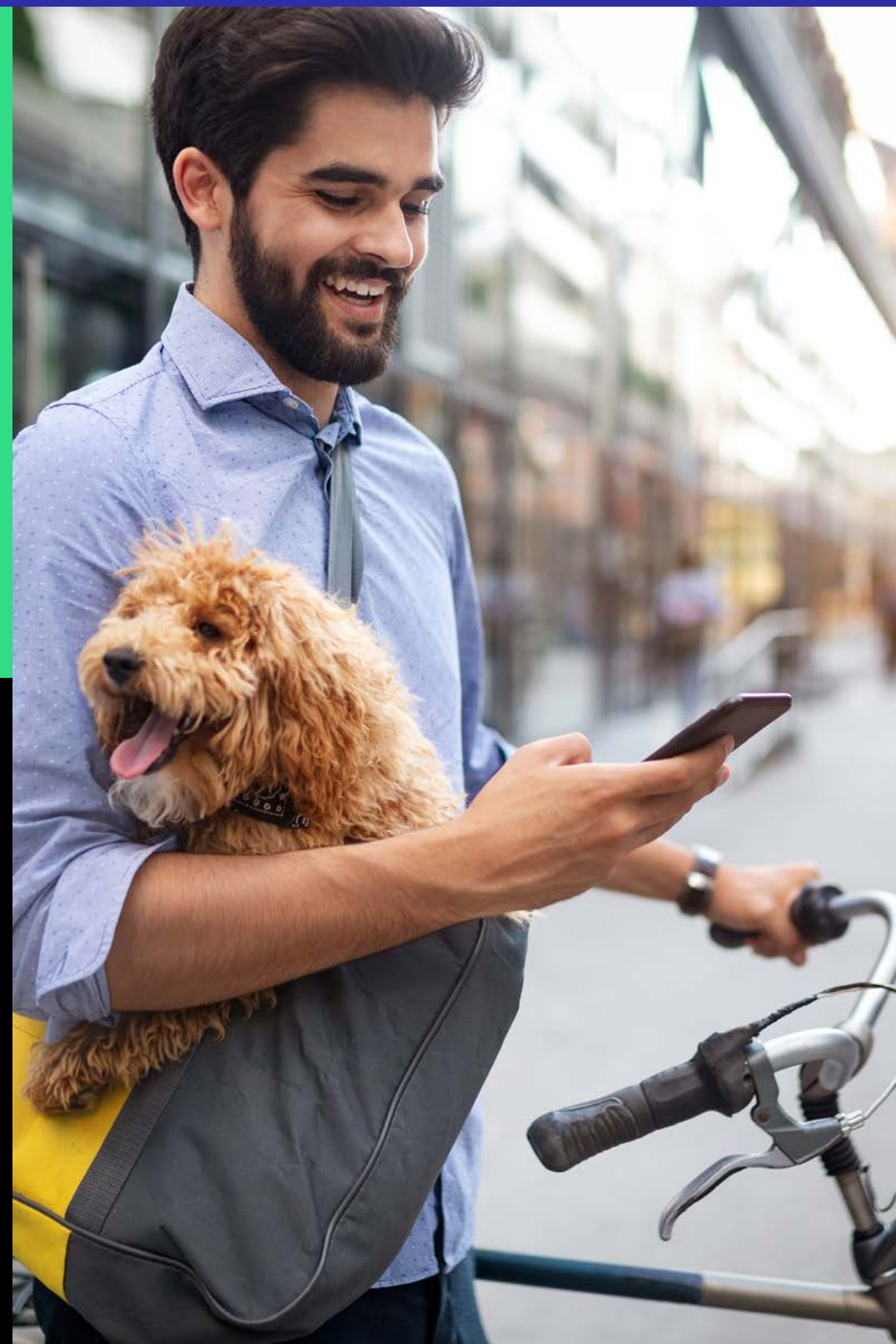
Let's start with the identifiers—the keys used to match on. Different identifiers bring differing levels of match accuracy, reach, and precision. Here are some common ones:

Hashed emails (HEMs): A method of encrypting an email address by giving it a unique 32-, 40-, or 64-character code.

This code remains the same no matter if the email address is used on different platforms, browsers, or devices. Many marketers use HEMs due to their low cost. But they come with limitations because they offer only one potential touchpoint to match on. HEMs also pose privacy concerns due to potential reidentification risks.

With 86% of customers having multiple email addresses,¹ you'll lose potential reach with HEMs. Moreover, you can't seamlessly protect your customer data because this same identifier, or key, runs the risk of being decrypted due to its large volume of usage.



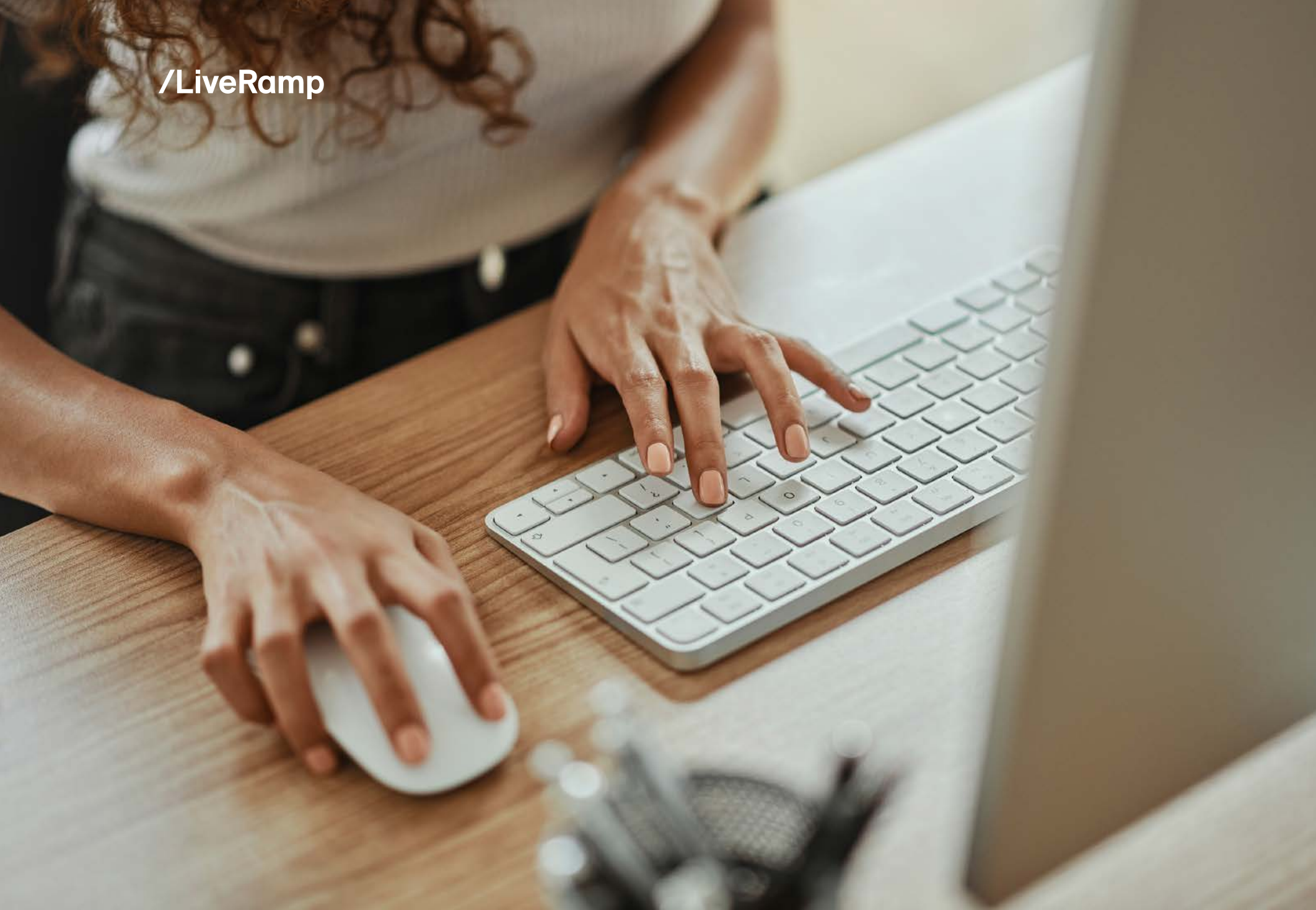


Mobile advertising IDs (MAIDs): Unique, random alphanumeric identifiers that iOS or Android assigns to each mobile device.

Although MAIDs can act as a device identifier tied to an individual, their availability has steadily decreased through technological changes. In addition, mobile devices (e.g., tablets) are often shared between household members, making it hard to personalize based on MAIDs alone.

First-party cookies: Identifiers stored by the website (or domain) you visit.

These cookies allow website owners to collect analytics data, remember language settings, and perform other useful functions that help enable a good customer experience.



Third-party cookies: Identifiers placed on a customer’s device by a website from a domain other than the one the customer is visiting.

Third-party cookies track a customer’s browsing history and activities, so they can present them with personalized ads for products and services. This identifier is only widely available in Google Chrome and is [set to be deprecated soon](#), leading to potential signal loss.

It’s just as well because relying on third-party cookies is risky business.

In fact, Deloitte found that “companies across a range of industries risk an average of \$91 million to \$203 million in revenues per year due to the loss of third-party cookie data and signal loss and the resulting impacts on advertising effectiveness.”²

Digital identifiers: Unique identifiers for website visitors using a combination of first-party cookies and offline data related to those visitors.

Digital identifiers don’t require marketers and ad publishers to sync cookies across multiple platforms. This limits inefficiencies and helps deliver the right ads to customers in the right context. However, as digital identifiers are often built on one or two pieces of known data, they typically don’t provide a true person-based view across multiple devices, emails, or phone numbers.



Enterprise identifier: A custom-encrypted identifier built from your identity rules and infrastructure. This allows you to control things like:

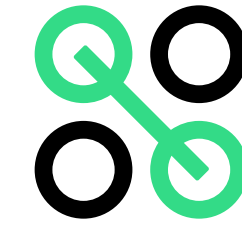
- Rules for when you add new records vs. merge records
- Access to new data sets to complete or append to records
- The ability to perform data hygiene
- The ability to resolve all touchpoints (e.g., multiple emails, addresses, phone numbers, devices) to a person-level ID—and identify a household for shared devices, differentiating between the individual customer and other members of the household

An enterprise identifier is unique to your business, giving you the ability to protect your customer identities because decryption cannot be completed internally or externally. It allows for seamless translation across multiple identifier types, enabling connectivity across the digital ecosystem to any number of platforms—while protecting customer privacy.

Each of the above identifiers can be useful, but here's the key: To maximize your data connectivity and marketing effectiveness, you should:

- Maximize the number of identifiers you're using.
- Work with a partner that can take in as many identifiers as possible and resolve all of them to a single, person-based view.

Matching levels— choose what you need



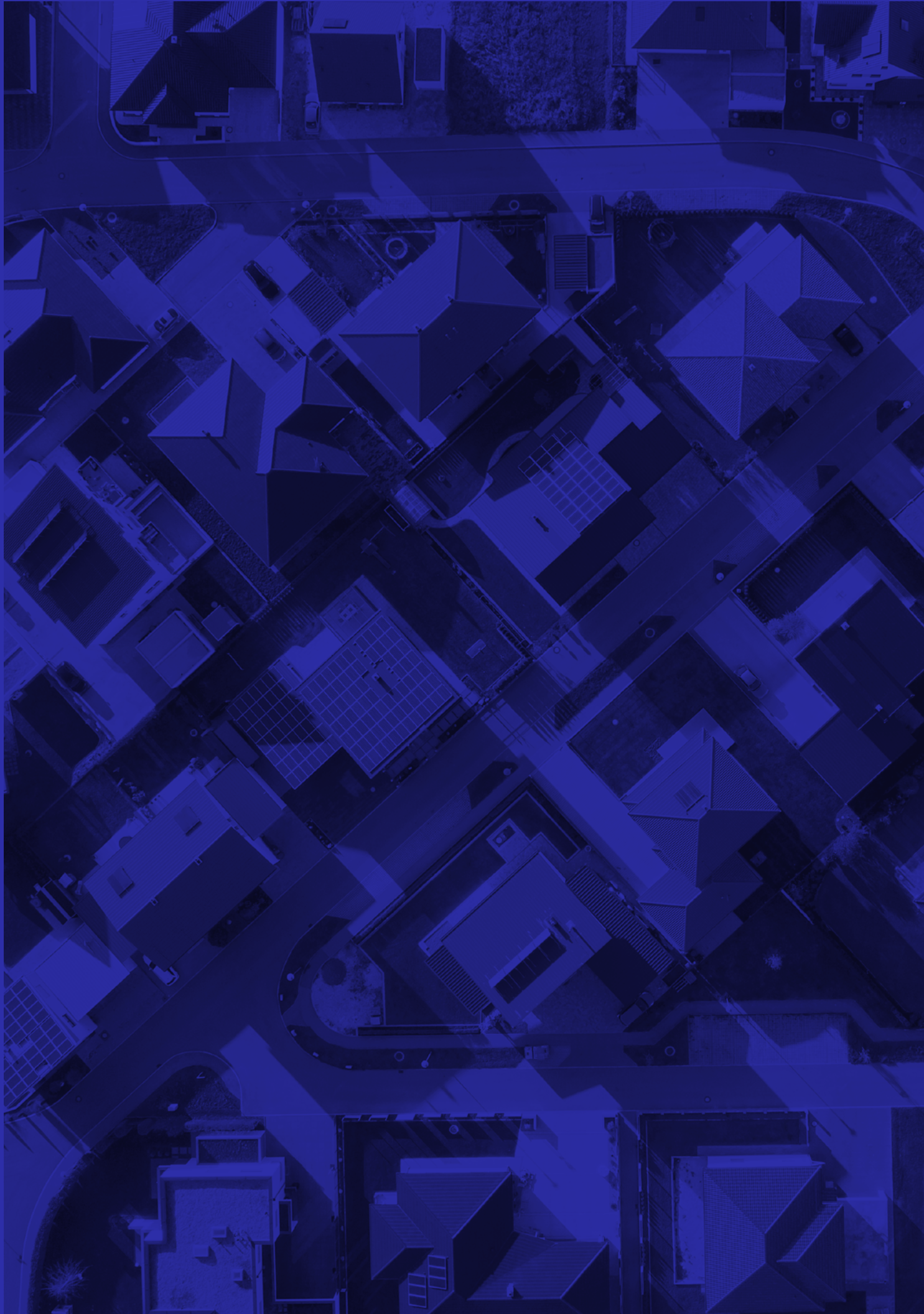
Now that we've looked at the different types of identifiers, the next thing to consider is: What level are you matching at?

For example, are you matching at the individual level, household level, or another geo-level (e.g., ZIP+4)?

All have value—it just depends on your use case or outcome. Let's take a closer look:

Identifier or device matching: Matches only when the exact identifier (e.g., HEM, MAID, third-party cookie) matches another exact identifier. This is matching at its most basic, providing limited scale and accuracy due to only having one identifier to match on.

Person-level matching: Resolves multiple identifiers or known touchpoints to a single person based on persistent signals (whether deterministic or probabilistic) that refer to a single individual.



Household-level matching: Provides greater reach than person-level matching and matches multiple identifiers (or known touchpoints) to a single record of all the people determined to be in that person’s household. (At LiveRamp, we define customers as being in the same household if they reside at the same address and show a persistent relationship.) Household-level matching is especially useful for measurement use cases. For instance, one person in the household might see an ad and prompt another household member to purchase the advertised item.

Neighborhood-level matching: Matches identifiers or known touchpoints to all the individuals determined to be in that person’s ZIP+4 area. Neighborhood-level matching is often used to maximize reach, especially for top-of-funnel tactics. The downside is less accuracy—and less personalized targeting.

With so many different ways to define “match rate” and the many factors involved, it’s no wonder confusion abounds. It’s easy to lose sight of the objective: What value are we trying to provide, and what business problems are we looking to solve?

So, what’s the answer? Get clear on the definitions and how they affect the outcomes you’re driving. It’s how best-in-class marketers reach their customers with the lowest friction and highest value.

How LiveRamp demystifies match rates



When it comes to match rates, transparency is key. Here are a few other tips for success—make sure you have the following:

- Different levers to pull to maximize match rates
- Opportunities to use identifiers that are less accurate, but optimize to scale
- Flexibility to dial in these factors to meet your business goals
- Ability to personalize, maximize reach, and gain an accurate understanding of your customers' behavior

Additionally, here are four key metrics to use along the multiple points where matches occur:

1. **Recognition rate:** The number of input records matched to an enterprise identifier—one specifically encrypted for your business. This is an internal measurement for an enterprise and requires a strong businesswide identity strategy to create an accurate customer view.

This is sometimes called a “Customer 360” view, enabling the level of personalization that customers expect. Recognition rates allow you to recognize and resolve customer interactions with your business across as many touchpoints as possible.

Or perhaps you aren't sure how to resolve the exposure logs from your demand-side platform to the known touchpoints in your customer

experience platform or your CRM. Multiple tools and systems within your business can create inconsistent data, making it difficult to have a consistent view of your customer.

A strong [enterprise identity solution](#) allows you to resolve across the various fragmented data to help you understand your customers. LiveRamp uses recognition rates to measure how effectively you're resolving across input records to a single view of a recognized individual.

2. Match rate: The number of records matched to one or more identifiers in the destination platform. This is specifically about maximizing your connectivity across the digital ecosystem, which includes activation to hundreds of platforms and measurement for continually improving ROI.

Maximizing connectivity requires an identifier that protects customer privacy and trust. It also needs to endure both technological and regulatory changes. For example, when one of your customers opts out, you must be able to propagate that opt-out to all downstream platforms. This can only happen with a persistent enterprise identifier that can be translated throughout the ecosystem.

LiveRamp can help you:

- Leverage your own identity graph (or rules)
- Maximize your privacy and security requirements
- Transcode (or translate) that identifier into cookies, MAIDs, households, HEMs, or platform-specific IDs (common in social platforms and growing rapidly) to maximize potential connections

For measurement and analytics use cases, the critical KPI to consider is the overlapped records with a third-party data set or measurement/exposure data. That will help you understand the value of the matching process.

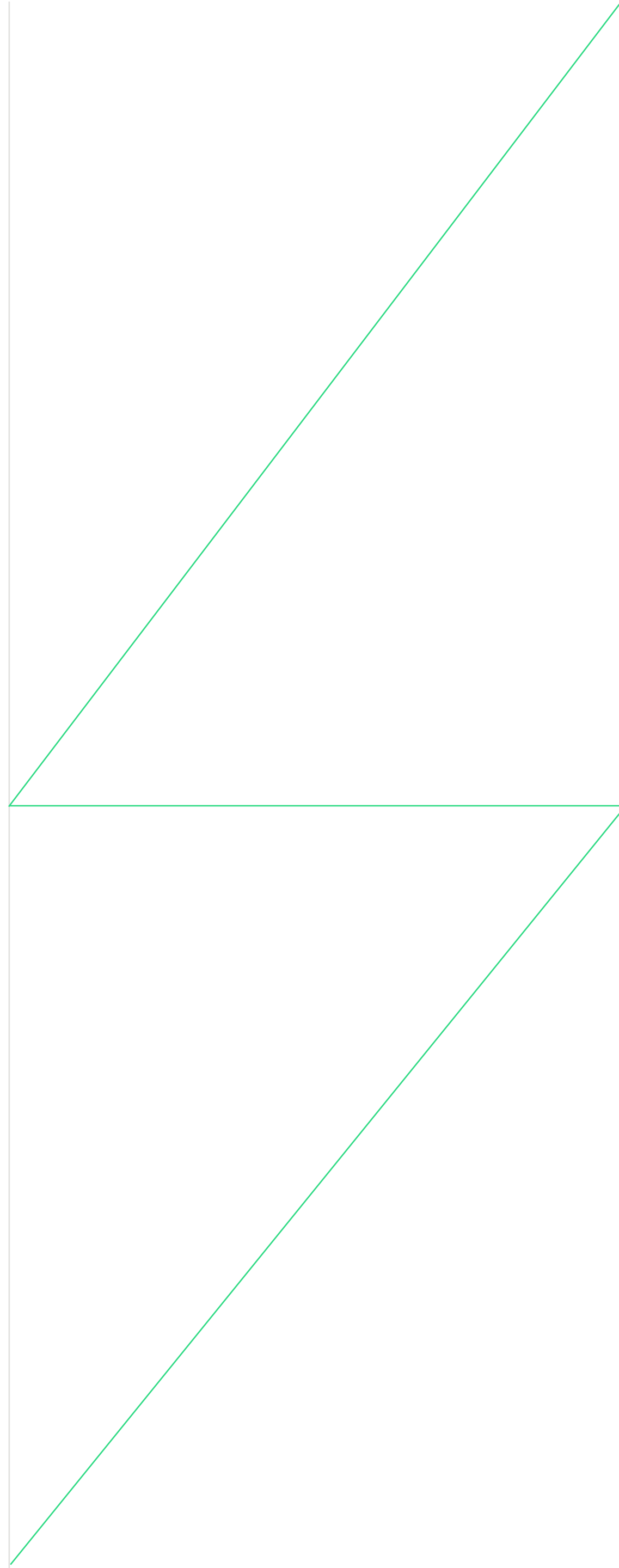
- 3. Reach rate:** The number of customers within an intended, targetable audience that appear as biddable opportunities while your campaign is running.

When it comes to paid media campaigns, the reach rate refers to the potential matches within the specific campaign window. For example, if you send a record to Pinterest for a six week campaign, you'll only have those six weeks to potentially reach a particular customer.

LiveRamp offers several solutions if you're looking to maximize your reach rate by maximizing your addressable inventory. For example, our [Authenticated Traffic Solution](#) connects publisher and brand identity to shape media experiences and help you measure effectiveness.

- 4. Exposure rate:** Finally, one of the most important business outcomes for an advertising or marketing campaign is "exposure—meaning an ad or targeted marketing campaign reaches customers.

If reach rate is about potential, the exposure rate is about the actual—or what actually happened during the given campaign or tactic timeframe. This can be measured with an ad server log, an email open, a verified message, etc., and is upstream of other KPIs more closely related to creative and messaging choices measured through clickthrough rate (CTR), click per acquisition (CPA), and the most standard metric, click per impression (CPM).



With all these connections where data matching can occur, how can you optimize each to fit your specific business goals?

- If you want both personalization and reach, how do you ensure data quality— whether first-party, second-party, or third-party—across your enterprise with an enterprise identity strategy?
- If you want both high scalability and reduced efforts maintaining hundreds of integrations, how do you ensure your data is as connected as possible across as many applications and customer touchpoints?
- If you want to protect your brand reputation and customer rights while meeting security best practices, how can you be sure to comprehensively implement your compliance, privacy, and consent programs?

What affects match rates?

Knowing all these definitions and best practices, let's put them together and determine what can affect your match rate (or the number of customers you reach that you'd planned to reach) along the way.

Since match rates are based on many factors explored in this eBook (e.g., identifier, matching level), they can vary. To summarize, here's a brief explainer for your internal stakeholders, which includes but is not limited to:

Identifier type: Name and postal, email, phone, cookie, mobile device ID, etc. The more identifiers, the better your potential matches—helping you drive higher accuracy and personalized targeting.

Data quality: The accuracy and completeness of input records. Focus on the quality of your data through your collection methods. Try to structure your data collection methods to verify that the information the customer submits is valid.

Avoid making it easy or attractive for customers to send fake data. You may also want to use high-value, validated, and reputable data partners to append, complete, or verify your data.

Precision level: Individual, household, or neighborhood (using a household or neighborhood precision level will result in higher match rates). These lead to greater scale, which might be preferable for higher-funnel strategies, but less preferable for lower-funnel retargeting or re-engagement strategies.

Signal loss: With continual signal loss in our industry, a strong, privacy-centric, and durable identifier with as many authenticated customers is necessary—both for your company as well as your partners. IDs such as cookies don't persist over time, leading to match expiration.

7 questions to ask when evaluating a match rate partner

As you look to make the most of your match rates, here are key questions to ask both internal stakeholders and external partners. The answers will help you evaluate transparency and value (e.g., ROI, LTV) vs. costs (e.g., vendors, internal technical teams, internal function teams).

1



How do we ensure our first-party data quality?

Poor data quality (e.g., incomplete or inaccurate information) can introduce errors and inconsistencies in the matching process. Think about it as garbage in/garbage out. Gartner estimates that poor data quality costs companies an average of \$12.9M annually.³

If your data is reliable and correct, it'll accurately represent the intended target audience and better match end platforms. If your data is unreliable, you run the risk of creating a poor customer experience like misspelling a high-value customer's name, incorrectly targeting them with personalization that doesn't resonate, or sending a message to the entirely wrong person.



2

What kind of identifiers do we have? Can we expand beyond these identifiers?

Perhaps you're focused on specific identifiers (e.g., HEMs, address and phone number). Or perhaps you have a large amount of MAIDs, but you've seen them dwindle.

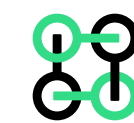


Do these identifiers meet your requirements for scale, precision, and privacy compliance? Work with a partner that enables a person-based view of your customer across multiple identifiers.



3


How do you handle matching when data is scarce?

Match rates will be different across markets and verticals where regulations are tighter or there's a limit to customer data sharing. In these cases, maximizing the quality of the available data becomes even more critical.



Can you find trusted partners to collaborate with when your own data is scarce? The rise of [media networks](#) is a perfect example of companies working with a partner to gain access to unique customer data sets—allowing the partners to augment insights and build collaborative audiences.

<h1>4</h1>	<h3>Can I set and adjust my precision level?</h3> <p>Your customer data should be recognized as individual- or household-level data. Ideally, it should even be expanded to include known business information (e.g., work email, work device ID).</p>
	<p>Match rates increase as accuracy decreases. The key is to understand the precision level you're targeting and whether your vendor is defaulting to improve match rates, so you can provide more personalization to customers.</p>
<h1>5</h1>	<h3>How do you handle multiple touchpoints and shared-device conflicts?</h3> <p>As noted earlier, 86% of customers have more than two email addresses. On top of that, Apple now gives customers the ability to make unique, random email addresses to log into apps.</p>
	<p>Moreover, we live in a multiscreen world. In North America alone, customers are expected to have 13 connected devices by the end of this year.⁴ And yet, some of these devices are shared within households, adding more confusion to the mix.</p>

<h1>6</h1>	<h3>Can I access insights from the publisher platform?</h3> <p>You can't understand the match rate without understanding the overlap of your audience to the end-publisher platform. Many publishers and platforms refrain from sharing exact numbers and may share aggregates and estimates or not share any overall reach and exposure data.</p>
	<p>Yet, this is your data. This means you need to partner with publishers in privacy-centric, highly secure environments (e.g., data clean rooms) to gain exposure insights and cross-screen analytics as well as dial in optimal media mixes.</p>

7

**What's the end platform's identity capability?**

Despite the advertising ecosystem preparing for cookie deprecations, many publisher platforms can only transact with third-party cookies or mobile identifiers. Recognizing the platform's core identifiers is critical because addressable IDs could mean different things and influence how they get calculated. Platforms must work to focus on durable solutions to maintain addressability through the technological and regulatory shifts and maximize their inventory.

Find the right partners and providers that align with your business goals, wherever you are on your match rate journey. Align each step of the way for the tactics that matter to your revenue goals. And ultimately, if there are areas of opportunity, work with trusted advisors who can help you navigate the complex landscape.

Here at LiveRamp, we offer solutions for every step of the match rate journey:

- Build your unique enterprise ID from multiple identifiers and achieve a true view of your customers across multiple systems, tools, and touchpoints.
- Leverage multiple match levels depending on your goals, according to your marketing tactics, to maximize return on your investment.
- Gain access to 400+ platforms and partners to seamlessly activate your data across the ecosystem.
- Translate to platform-specific IDs to maximize your ability to reach your intended audiences where they're spending time.
- Collaborate with publishers and partners in data clean room environments to gain analytics insights with previously inaccessible data.

Get more information

Want to learn more about improving your marketing effectiveness? Get tips and best practices from leading experts—[explore the on-demand webinar library now.](#) ↗



Endnotes

- 1 <https://www.statista.com/statistics/1291843/number-of-email-addresses-people-have-us/>
- 2 <https://www.deloittedigital.com/us/en/offerings/customer-led-marketing/advertising--marketing-and-commerce/signal-loss.htm>
- 3 <https://www.gartner.com/smarterwithgartner/how-to-improve-your-data-quality>
- 4 <https://www.mediapost.com/publications/article/302663/north-american-consumers-to-have-13-connected-devi.html#:~:text=However%2C%20in%20North%20America%2C%20there,adopting%20many%20more%20connected%20gadgets>

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