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Group Verification Platform

BUYER'S GUIDE

Modern retailing demands a different approach

Changes in consumer shopping habits are remaking the retail landscape. Customer loyalty is harder to build when lower prices are just a smartphone tap away. Add in convenient delivery options, and every brand is competing on price and selection. To differentiate and grow, brands have to focus on delivering a higher value experience that appeals to consumers on a personal level.

Verified Affinity Group Marketing offers personal recognition

Brands need a leg up to make personal connections in their marketing efforts. That's where **Verified Affinity Group Marketing** can help. Targeting consumers with exclusive offers based on their verified membership in a specific group, brands can acknowledge consumers with an emotional appeal that's deeply personal.

Group verification platforms support personalized, exclusive offers

Group verification platforms provide ecommerce managers and marketers the **unique ability to target the consumers they want with exclusive gated offers.** This buying guide addresses the need for group verification platforms and the key functionality brands should consider when choosing one.

What is Verified Affinity Group Marketing?

Verified Affinity Group Marketing is a strategy for acquiring and retaining customers by targeting offers that recognize verified membership in a specific affinity group. Affinity groups represent people with associations to a community based on occupation, membership, service experience, life event, or life stage. Examples are military service, teachers, healthcare workers, first-responders, senior citizens, and students.

WHAT'S INSIDE THIS BUYING GUIDE?

1 **Personalization:** Shopping trends driving the need for personalization

2 **Performance:** How Verified Affinity Group Marketing gives marketers a boost

3 **Key Challenges:** Overcoming promotion abuse and manual verification

4 **Vendor Selection:** Considerations when choosing a group verification platform
- Group membership verification
- Seamless customer experience
- Partner marketing services
- Data privacy and regulatory compliance

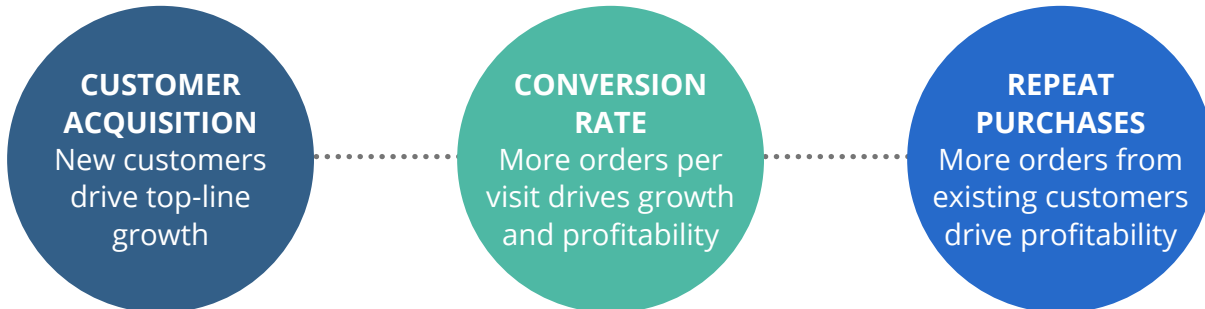**5** **Summary:** Group Verification - An ecommerce tech stack must-have

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PERSONALIZATION

GROWTH DEMANDS GREATER FOCUS ON PERSONALIZED EXPERIENCE

Changes in consumer shopping behavior are accelerating. Competition from Direct-to-Consumer brands, challenger brands, traditional brick-and-mortar stores, and Amazon.com is fierce. Every brand must look for better ways to grow topline revenue and category share. Successful brands will need to transform their customers' experience using personalization in order to capture more omnichannel shoppers.

Customer marketing metrics that matter

CUSTOMER ACQUISITION
New customers drive top-line growth

CONVERSION RATE
More orders per visit drives growth and profitability

REPEAT PURCHASES
More orders from existing customers drive profitability

Shopping trends point to the need for more personalization

2019 U.S. Ecommerce vs. Total Retail Sales

$602 billion

$3,763 billion

Convenience and choice driving ecommerce growth
Consumers complete more of their shopping online while also enjoying an expanding variety of choices to receive their purchases. Ecommerce revenue in the US reached $602 billion in 2019, an annual increase of 14.9%. More importantly, ecommerce represented 16% of total retail sales and is the fastest growing channel, accounting for 56.9% of all retail sales growth.[1]

How Gen Z picks which brands they buy from

60% of Gen Z buys on price

Building brand loyalty is harder than ever
Rapidly shifting consumer behavior requires that brands simultaneously compete on price, selection, and experience. Gen Z – smartphone-wielding omnichannel shoppers – looks for an Instagram-worthy experience and a great deal. In fact, 67% of Gen Z shoppers say they're more likely to shop in-store than via web browser.[2] At the same time, 60% of Gen Z consumers state that price most influences their brand choice.[3] While in a store, they'll search online for a discount, promotion, or better price at another store.
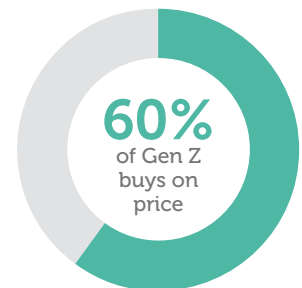
Consumer reaction to highly personalized shopping experience

110% more likely to add more items to basket
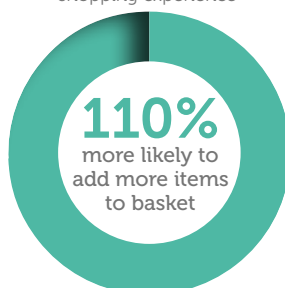
Pressure to offer personalized experiences
Leading brands are investing in personalization to make an emotional connection with consumers by satisfying their needs for recognition, exclusivity, and community. Brands are turning to personalization as a way to differentiate and win more share of the market. With highly personalized experiences, 110% of shoppers report buying more items than planned and 40% report spending more than planned.[4]

PERFORMANCE BOOST

Delivering personalization with Verified Affinity Group Marketing

Implementing scalable personalization is limited by the amount of relevant insight derived from first-party data. It requires that consumers opt in to sharing some personal information. To appeal to consumers on a personal level without being invasive, brands should activate deeply emotional affiliations with exclusive gated offers using Verified Affinity Group Marketing.

Verified Affinity Group Marketing involves personalized gated offers exclusive to consumers that are members of affinity groups for their occupation, service experience, life event, or life stage. Gated offers are unique because only members of specific groups or communities can be verified to redeem them.

AFFINITY GROUPS

MILITARY & VETERANS	FIRST RESPONDERS	HEALTHCARE	TEACHERS	STUDENTS
20M+	2M+	18M+	3M+	~20M+

GOVERNMENT EMPLOYEES	CORPORATE EMPLOYEES	COLLEGE ALUMNI	UNION WORKERS	LEGAL PROFESSIONALS
20M+	100M+	100M+	15M+	1M+

KEY CHALLENGES

OVERCOMING TRADITIONAL GROUP MARKETING CHALLENGES

Marketers have always used discounts and special offers to entice certain customer segments. However, verifying group membership is often difficult to manage and cumbersome for consumers. Two main issues confront marketers, especially as they attempt to use group promotions across channels.

MANUAL VERIFICATION

Traditionally, group marketing has relied on a manual verification process. The customer must present an ID card or other document to prove group membership. They must do this every time to qualify for the exclusive group offer. It's a process that's very difficult to do online, often requiring a customer service phone call. This labor intensive and costly process leaves the consumer frustrated to the point of taking their business elsewhere.

PROMOTION ABUSE

Group marketing has enabled brands to control pricing strategy, reputation, and profitability by offering promotions to a limited audience. However, they often fall victim to unintended promotion abuse. Discount codes are shared among friends. Websites aggregate discounted offers available to anyone. At the extreme, fraudsters exploit discounts for financial gain. Marketers want more control over who can redeem offers to ensure their promotional investments are driving desired results.

Group verification platforms help brands manage personalized offers

The only effective way to verify gated offers is through a group verification platform. These platforms enable marketers to pre-verify certain groups of consumers for a specific offer. Group verification platforms integrate identity verification and promotion redemption directly into the checkout process. This reduces the cost of offering the exclusive discount, eliminates promotion fraud, and delivers a better customer experience.

Group verification platforms deliver ecommerce performance

Pre-verification of gated offers allows marketers to advertise their offer broadly with the knowledge that only eligible individuals can use it. And once a consumer converts, marketers have a verified group member in their database to whom they can deliver more personalized treatment.

GROUP VERIFICATION PLATFORM BENCHMARKS

25%
Average growth in customer acquisition

3-7X
Average increase in conversion rate
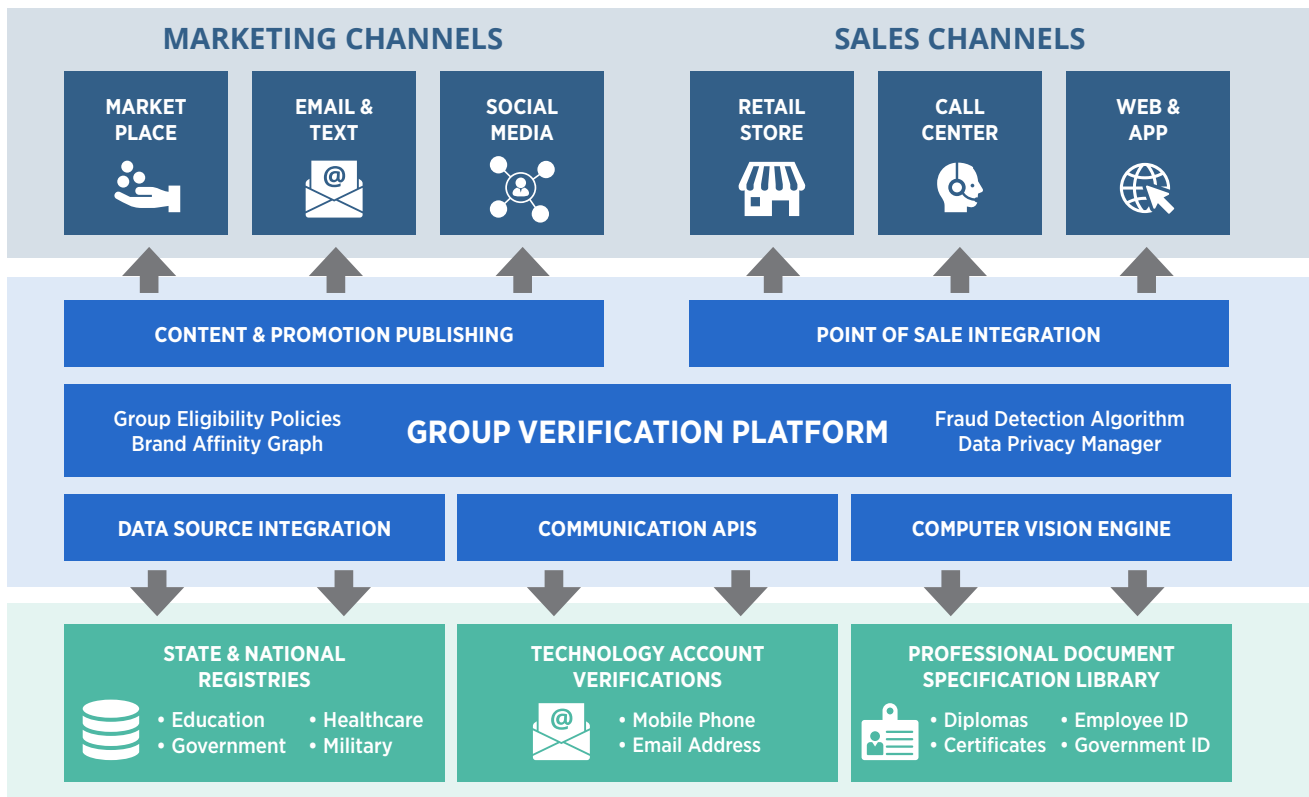
30-40%
Average increase in average order value (AOV)

VENDOR SELECTION

CHOOSE A GROUP VERIFICATION PLATFORM FOR YOUR BUSINESS

Complete solutions blend identity verification and marketing services

Not all group verification platforms are created equal. When considering a group verification platform, ecommerce managers and marketers should look for a provider that offers:

1 Group eligibility verification

2 Seamless customer experience

3 Marketing services

4 Data privacy and regulatory compliance

MARKETING CHANNELS

MARKET PLACE	EMAIL & TEXT	SOCIAL MEDIA

SALES CHANNELS

RETAIL STORE	CALL CENTER	WEB & APP

CONTENT & PROMOTION PUBLISHING

POINT OF SALE INTEGRATION

Group Eligibility Policies
Brand Affinity Graph

GROUP VERIFICATION PLATFORM

Fraud Detection Algorithm
Data Privacy Manager

DATA SOURCE INTEGRATION	COMMUNICATION APIS	COMPUTER VISION ENGINE

STATE & NATIONAL REGISTRIES	TECHNOLOGY ACCOUNT VERIFICATIONS	PROFESSIONAL DOCUMENT SPECIFICATION LIBRARY
• Education • Healthcare • Government • Military	• Mobile Phone • Email Address	• Diplomas • Employee ID • Certificates • Government ID

1 GROUP ELIGIBILITY VERIFICATION

Group verification combines a number of eligibility verification and authentication processes to establish a digital credential that ensures an individual qualifies as a group member. Identity verification should be as seamless as possible for the consumer and integrate directly into your checkout workflow.

WHAT TO LOOK FOR:

Pre-verified affinity groups – Affinity group membership is the foundation of group marketing programs. Having access to a large number of groups provides marketers with the flexibility to craft promotions to reach the right audience throughout the year and across a customer's lifetime. In some instances, up to 85% of a brand's target audience may already be verified – greatly reducing time to market.

Broad identity-proofing capabilities – Group verification is a two-step process and should be supported with a combination of features to instill confidence that your offer is redeemed by the right person.

- **Eligibility verification:** Ensure that anti-fraud best practices are applied to verify identities. These include multi-layered techniques like validating government IDs and matching personal details to authoritative sources such as credit bureaus.

- **Group membership verification:** Confirm group membership status is backed by authoritative evidence. These include digital records, documentation, and certifications from membership organizations, like government agencies, authorized clearing houses, and professional organizations.

Gated offer engine – This is the foundation for group verification marketing platforms. It's the ability to verify eligibility for a discount or offer for an individual based on group membership.

Omnichannel support – While the majority of your ecommerce transactions will be completed online, it's important that your provider enables group verification for all of your channels.

- **Online/In-App:**
  - Full in-cart integration: Allow customers to verify their group status and apply discounts within the shopping cart.
  - In-cart promotion code: Allow customers to verify their group status with an exclusive promotion code.
  - Within account: Verify the user's identity during the initial account creation process or within their existing account settings.

- **In-store:** Create a frictionless store experience that removes the burden of determining customer eligibility from store employees.

- **Call center:** Verify group eligibility seamlessly when customers contact your call center.

Consumer-centric identity network – Simplify the customer experience by looking for a provider with a consumer-centric identity network model. This reduces time to market and lowers the cost of group verification by taking advantage of consumers who are already verified.

- **Portable credential:** You don't have to verify every consumer as if they're new to the network. Consumers verify group membership when redeeming their first offer and can use their credential with any additional brands going forward.

- **Proportional audience verification:** You can take advantage of having consumers who are already verified, and only have to verify first-time members. Consumers who have already verified group membership do not have to re-credential to redeem your offer.

2   SEAMLESS CUSTOMER EXPERIENCE

Consumers are all about convenience, and they won't put up with a difficult group verification process. It's critical that if you're going to propose an exclusive gated offer, the ability to redeem it should be straightforward and easy.

WHAT TO LOOK FOR:

Portability

Portable credentials allow consumers to reuse their verified identity and group membership status across many different organizations and sites.

Mobile first

The unique attributes of a smartphone streamline identity verification and credential authentication process. It also supports a true omni-channel experience.

Data transparency and privacy controls

Consumers should have control over their data. They should be given the opportunity to consent to what information is shared with brands during the verification process.

3   MARKETING SERVICES

Marketing platforms are only as good as their audience. Group verification platform vendors should offer you the ability to engage their audience using a complete mix of marketing programs. They should be able acquire and engage your audience directly while supporting your efforts to engage customers through your own programs.

The vendor should provide flexible options to engage your target audience:

1. **Partner marketing programs** – Digital marketing services to acquire new customers or promote offers to existing customers

2. **Build your own program** – Vendor provides data and expertise for how best to design and implement a verified group marketing program

3. **Hybrid approach** – Leverage vendor content to support existing affiliate, email, and search marketing tactics

WHAT TO LOOK FOR:

- **Opt-in email programs** – Targeted emails to verified audiences may include newsletter programs and dedicated promotional programs.

- **Marketplace** – A site that affinity group members use to explore discounts available to them and extend your reach for customer acquisition.

- **Social media programs** – Affinity group community engagement programs through dedicated accounts and content.

- **Seasonal marketing programs** – Programs beyond traditional holiday promotions, like for dates, holidays, or events that matter to specific affinity groups. Includes "Appreciation Days," special events like the 50th Anniversary of D-Day, or unexpected events like natural disasters like COVID-19.

4 DATA PRIVACY AND REGULATORY COMPLIANCE

With millions of consumer records at risk of identity theft, it's critical for group verification platforms to demonstrate data security expertise and meet regulatory compliance. This should integrate with your organization's data security and consumer data privacy functionality to provide consumer choice and combat identity theft.

WHAT TO LOOK FOR:

Data collection transparency

Accomplish group verification with the minimum required personal data. Consumers should have the ability to see and consent to what data is being shared with your organization. They should also be able to easily change their data sharing preferences.

Consumer control of data

Customers should have complete control of their data identity. This includes the ability to see what data has been shared with whom and when. Customers should have the ability to revoke access to their data, and be able to delete their account at any time with the confidence that their data will be deleted.

California Consumer Privacy Act (CCPA) compliance

A consumer-focused law that empowers a consumer to determine how a business can store, retain, and use their personal information. Platform functionality should support instantly and securely verifying the identity of consumers who submit Subject Rights Requests (SRR) or Data Subject Access Requests (DSAR) under CCPA.

SUMMARY

GROUP VERIFICATION IS THE NEW **MUST-HAVE** IN THE ECOMMERCE TECH STACK

Group verification platforms can give you performance and control to grow your brand by engaging consumers with personalized promotions. Group verification can power ecommerce performance with increased conversions and average order size by delivering the necessary technology and data to qualify individuals for pre-verified offers.

Ecommerce managers should look for a platform that provides a growing set of verified affinity groups, best-in-class identity verification technology, seamless integration, extensive community promotion options, and rich consumer data privacy capabilities.

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More than 600 of the world's leading brands rely on ID.me to offer unique promotions, discounts, and VIP experiences to groups such as the military, students, teachers, first responders, and healthcare workers. Targeted group campaigns yield significantly higher conversion rates and faster customer acquisition than traditional, generic marketing programs. Our low friction approach allows consumers to verify eligibility in just a few minutes, enabling brands to minimize discount abuse without worrying about increases to shopping cart abandonment.

To learn more visit https://id.me

READY TO PUT ID.ME GROUP VERIFICATION TO WORK FOR YOU?

Learn more at https://business.ID.me