



digital element 

# A Guide to Understanding How IP Data Helps Marketers



## What is IP Data?

IP stands for “Internet protocol,” which is a set of rules that govern the format of all data that’s sent via the Internet.

An IP address is the unique address that identifies an Internet-connected device, be it a computer, mobile phone, connected TV or smart refrigerator. Without it, the Internet wouldn’t be able to tell one device from another, and data would be misdirected.

IP addresses can be used to identify an incredible amount of really useful information to marketers, security teams, data analysts, and other stakeholders, including:

- **Geolocation data (country, city, zip/postal code)**
- **Longitude/latitude**
- **Proxy data (e.g. masked IP data that can be used by fraudsters)**
- **Home usage vs. business usage**
- **Company name**

And much more.

IP data can be deployed to enrich a company’s first-party data, as well as to hone its entire data strategy in significant ways.

## How Do Marketers and Organizations Use IP Data?

IP data isn’t new; organizations have been using it for a variety of marketing, customer care, security and compliance use cases for a while now. For instance, many merge geolocation data with insights derived from real-time user signals to enable the delivery of localized content, ad spend verification, click fraud prevention, as well as build more nuanced user profiles.

Businesses also leverage IP data to infuse greater context into every customer interaction. It’s used to answer such questions as: Where is this user located? Where were they located when they interacted with my brand? Is this a business or consumer user? Is the wireless connection Wi-Fi or cellular? Who is the carrier, and can I use that insight to build partnerships to reach my best prospects?



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Reverse geo-coding is another interesting use case in which IP data is leveraged to convert a device's raw location coordinates into more useful geographic information for targeting purposes, e.g.: this consumer is within a one mile radius of my fast-casual restaurant, it's lunch time, let's target him or her with an ad to dine with us.

## Why is IP Data More Valuable Now?

Third-party cookies are crumbling: they are no longer supported in Apple Safari, Mozilla Firefox, and Google announced that Chrome will stop supporting them in 2024. In early 2021, Apple announced its App Tracking Transparency tool as part of its iOS 14 release, which requires users to opt in to tracking. So far, two-thirds of iPhone and iPad users have opted out.

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It's hard to get around the fact that marketers need a new approach to uncover audience insights for targeting, measurement and attribution purposes. And while privacy regulations are forcing us to rethink the way we do things, we need to see these developments as the opportunities they truly are.

IP data offers a powerful alternative to third-party tracking cookies. More than that, it offers distinct benefits that solve many of the challenges inherent with third-party cookies. For instance, unlike cookies, IP addresses are ubiquitous: they need to be given as they're required for routing online content. Every online transaction has an IP address associated with it, whether that transaction occurred on a computer, mobile device, smart watch or any other connected device. Unlike cookies, IP addresses are deterministic (associated with a real device), not probabilistic (proxies for who we think a user may be based on online behavior).

**IP data is also inherently privacy compliant in that no personally identifiable information (PII) data is ever stored or shared, and it eschews cookie-based tracking.**

IP-based data can lead to a higher degree of relevance in targeting. For instance, IP addresses can enhance user profiles with granular data, such as the sub-postal code, and in some cases ZIP-plus-4 -- an essential competitive advantage for any marketer who relies on location-based targeting.

The granularity of IP data can help marketers develop deeper profiles of their target audience. For instance, users who are associated with a business domain will be more suitable to a B2B brand than users associated with residential ones. People tend to have a different set of interests when they're at work than they do while they're at home. Knowing when they'll be most receptive to a brand's message is key to driving campaign performance and efficiency in ad spend.

IP data also facilitates ecommerce in important ways. For instance, it allows brands to individualize the content a user sees, the products they're offered, and even the price they'll pay based on the city and state in which they're located.

In short: IP data allows marketers to continue what they've always strived to do -- build context around users and make smart decisions about who to target -- but in a more relevant and privacy-compliant manner. IP data is a proven, non-invasive tool that all marketers will come to value in the very near future.

Marketers can use these IP data sets to meet the challenges of the evolving privacy-centric world. For instance, they can target users based on business or home usage, flag suspicious transactions if a hosting proxy is used, and construct IP-based cohorts to create lookalike audiences for targeting and analytical purposes.

Also, IP data helps marketers determine whether specific privacy regulations apply to a user based on his or her location.

## Where Does IP Data Come From?

Every IP data provider has its own way of building its data sets, and it's worth asking the specifics of any vendor you're considering using. Earlier we said IP data is inherently privacy compliant because no PII data is stored or shared. In actuality, this is Digital Element's practice; other vendors may or may not follow the same methodology. This section describes how Digital Element collects IP data.

Our NetAcuity® technology utilizes patented web-spidering technology, along with over 20 proprietary methods to triangulate the location, connection speed and other characteristics associated with an IP address. No data is proxied; it's all deterministic.

We partner with companies that collect user-supplied data, such as data provided upon registration with a website or service. In such cases, all PII data is stripped, and only the IP address is supplied to us, which is then vetted by the data science team.

## What Types of IP Data Are Available?

<b>VPN &amp; PROXY IDENTIFICATION</b>	This IP data helps organizations <b>detect and prevent malicious IP address masking</b> , and enables greater control over the geographic distribution of your digital content.
<b>CARRIER DATA</b>	This data enables <b>stronger targeting of mobile users</b> based on ISP, mobile carrier, mobile country code, and mobile network code information.  It can also <b>distinguish a home user from a business one</b> .
<b>ADDITIONAL INSIGHTS</b>	Through partnerships with a range of other companies, Digital Element's IP data is augmented with additional insights, such as <b>the domain names tied to given IP addresses, companies and organizations associated with them, Autonomous System Number (ASN), demographics, and more.</b>  These extended databases include <b>Demographics, Language, Time Zone, Domain Name, Company Name, Organization Name, NAICS Codes, Home/Business types, Core Based Statistical Area (CBSA)</b> , along with the above mentioned ones.



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We also partner with companies that provide device-derived data. Some SDKs and apps provide additional insights about users' locations, which can enhance our ability to see more IP addresses, as well as improve our decisioning as part of our data improvement methodology to increase coverage.

And as stated above, all of our data is collected anonymously. No PII is ever stored or shared, no cookies are ever placed and no users are ever tracked. These policies ensure that our data is inherently compliant with existing and emerging privacy regulations.

### Do's & Don'ts of IP Data

The online advertising industry caught the attention of regulators because companies were using consumer data in ways they didn't consent to and ultimately didn't like. Data usage, including IP data, must always consider the impact on the end user.

PERMISSIBLE	NOT PERMISSIBLE
<ul style="list-style-type: none"> <li>• Targeted online advertising</li> <li>• Content rights management</li> <li>• Localize content</li> <li>• Prevent online fraud/shore up security</li> <li>• Attribution</li> <li>• Infer needs (e.g. people who live in suburbs will need lawn care products)</li> </ul>	<ul style="list-style-type: none"> <li>• Identify people down to their doorstep</li> <li>• Track users</li> <li>• Associate IP data to PII data</li> </ul>

## Applying IP Data to Real Business Challenges

We've previously discussed how IP data can help companies build profiles, ensure legal compliance and detect fraud. Those are just some of the business challenges IP data addresses. Others include:



**Content Localization.** Every marketer is keen to display the appropriate content to the right user. Let's say a retailer with outlets in Vermont and New Hampshire is launching a clearance sale and offering lowest prices on lawn equipment throughout the region. Consumers in Vermont pay sales tax whereas those in New Hampshire do not. The retailer can localize the ads each consumer sees, along with its website content based on where each shopper lives so that they see the correct total costs.



**Click Fraud Prevention.** Sadly, the digital advertising ecosystem is rife with fraud – botnets, IVT, click farms and other ploys that siphon the marketer's ad spend away from them and into the pockets of nefarious actors. IP data can help teams detect fraudulent clicks and ensure budgets are spent on real impressions seen by real humans.



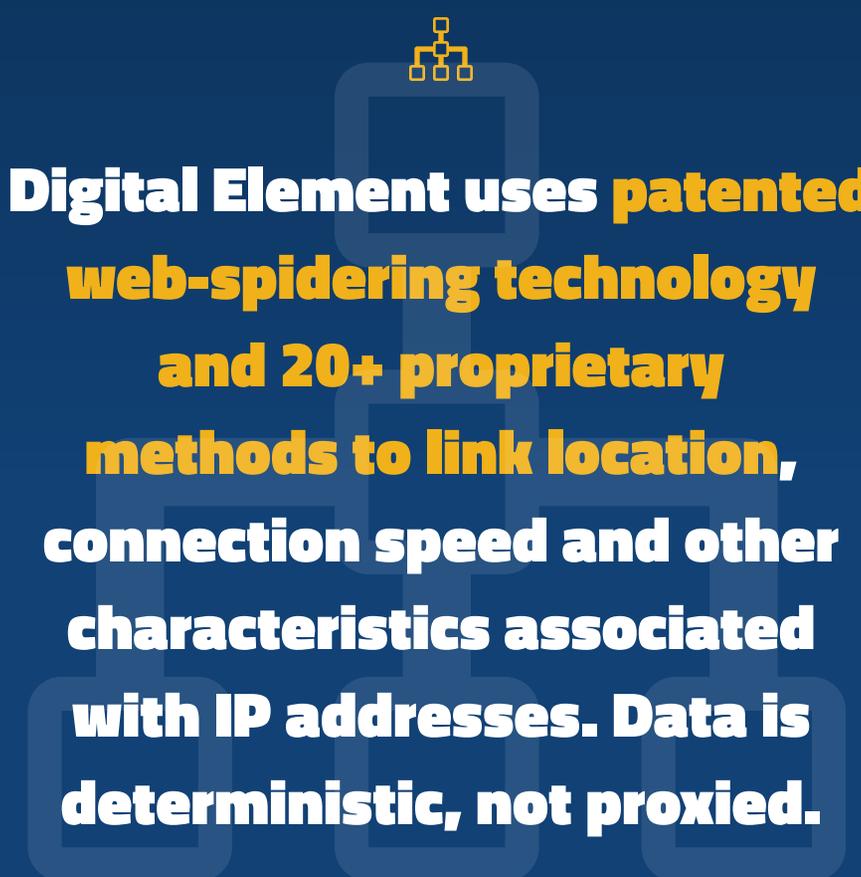
**Ad Spend Verification.** It can also help verify that an ad was shown to the intended audience. If you're a CPG marketer you may not want to pay for ads shown to business users in a corporate campus, especially if your campaign criteria specifically called for targeting consumers at home.



**Advertising Yield Optimization.** IP data can go a long way in ensuring your advertising budget delivers the results you need. For instance, you can pinpoint the geolocations where consumer response is highest, and focus more of your budget in those areas. You can target users based on high performing audience segments you've built with IP data (e.g. business users on mobile devices). And, you can optimize campaign criteria in real time based on the results you see.



**Enhanced Analytics.** You can import IP data into your martech platform or BI solution to gain additional insights about your customers and to improve your operations. For instance, if a particular region demonstrates a higher than average interest in a particular product, you can open a local warehouse to service those consumers and ensure they receive their products faster.



**Digital Element uses patented web-spidering technology and 20+ proprietary methods to link location, connection speed and other characteristics associated with IP addresses. Data is deterministic, not proxied.**



**Up and Running in Less  
Than 20 Minutes**

## Integration: 20 Minutes or Less

Data integration is where the rubber meets the road. Can you easily integrate a provider's IP data with your internal systems? How much work is involved? Will it integrate seamlessly, or do you need to hire data engineers?

Digital Element's NetAcuity solution can be up and running in as little as 20 minutes. We offer multiple implementation options, including API-based server software, a flat-file download, or a high-performance cloud service.

Our solution can be used as a standalone product or seamlessly integrated within existing enterprise IT platforms—quickly and easily. It also supports all common programming languages and computing platforms, ensuring your company can hit the ground running.

## Evaluating an IP Data Partner

- What industry innovations can the company claim? You want a data provider that's a pioneer in the industry, and can respond to emerging trends and opportunities in time to provide you with a competitive advantage.
- Do they hold patents? Patents are a sign that the company has a culture of innovation, and it means you'll get access to high quality data without incurring a lot of extra costs.
- What is the breadth of the data, and how does it compare to other providers? The benefit of digital targeting is that it allows you to home in on your ideal audience, but you can't do that without access to a breadth of data.
- Is this company the "gold standard" of its sector? You want to partner with the best quality, most forward-thinking data provider as you move forward in the privacy-centric world.
- Do they offer 24/7 customer service? Will a representative be available to help us (or our clients) if we have questions?
- Is the solution easy to deploy? What are the requirements for deploying it?

Contact Digital Element to get more information on how IP data can help your organization deliver new value in a privacy-sensitive, transparent manner.

## About Digital Element

Digital Element is the global IP geolocation and intelligence leader. In business for more than two decades, the company has unrivaled expertise in leveraging IP address insights to deliver new value to companies in a privacy-sensitive, transparent manner. Leveraged by the world's most recognized brands, Digital Element provides clients with innovative solutions designed to optimize engagement across industries and applications, creating unique value at every consumer touchpoint. Many of the world's largest websites, brands, security companies, ad networks, social media platforms and mobile publishers have trusted Digital Element's technology to target advertising, localize content, enhance analytics, and manage content rights as well as detect and prevent online fraud.

Headquartered in Atlanta, GA, Digital Element is a division of Digital Envoy, Inc.

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