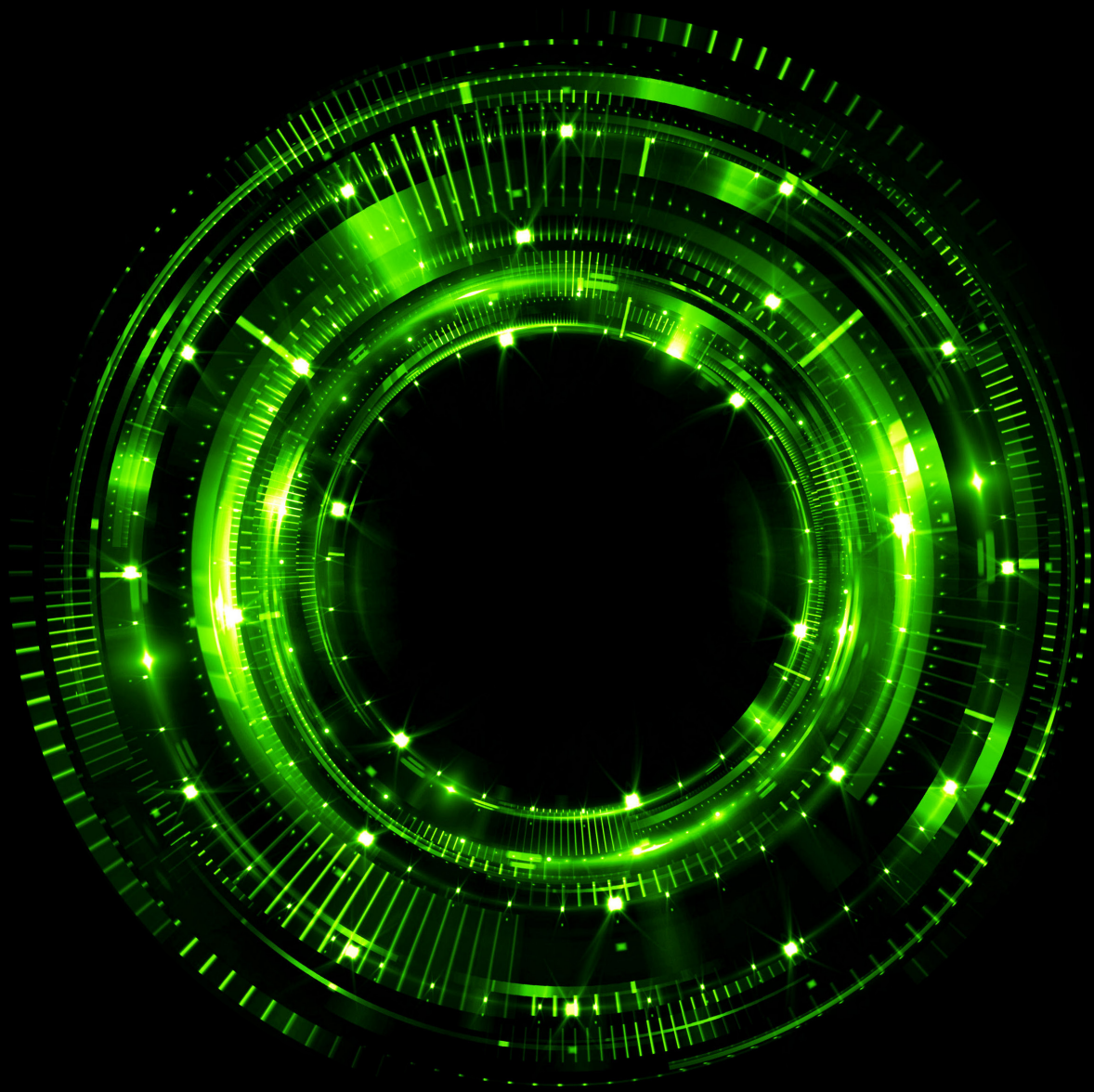


**Deloitte.**  
Digital



## **Data Driven Marketing**

How efficient and personalized  
customer dialog will work in future?



# Data Driven Marketing

How efficient and personalized customer dialog will work in future

Never before has the importance of the right handling of data been as obvious as in the last months. Donald Trump, alleged outsider and reality star became president of the most powerful country in the world and allegedly by the power of the data. A small, unknown company named Cambridge Analytica is said to have performed the miracle. But how does it work? How do you figure out who is the right recipient for my information? When I address him best and with what content I move him to believe me.

Data driven marketing is the magic word. This is a highly complex challenge that has incredible potential.

Reaching the right user at the right time with the appropriate message in the right place and motivating them to an appropriate action presents a major and important challenge for companies. This applies both to classic off-site marketing as well as digital advertising.

In order to meet this challenge, companies need to analyze potential and existing customers' interests and behaviors and

accurately target users based on this information. Data has become the cornerstone of modern marketing; however, as more and more data is gathered from different sources, the more complex the management of this data becomes. In order to accurately analyze the steadily increasing volume of data, not only is a data strategy necessary, but also a system that makes data easily available to marketing managers or business analysts. For this reason, Data Management Platforms (DMPs) are becoming indispensable. DMPs provide companies with the technology that both collects and consolidates data from different data sources and enables them to organize and activate this data.

This whitepaper is concerned with the question of how companies should proceed in order to implement a Data Management Platform (DMP) and use it as a profitable part of their marketing strategy. The paper highlights the implementation process and addresses the challenges faced by organizations. In particular, it describes the rapid utilization of data for user-centric marketing campaigns.

# What is a Data Management Platform?

Data is typically voluminous, disparate and difficult to use on its own.

To benefit from it, marketers need a flexible tool to help them to collect, analyze, and activate that data in a wide array of marketing use cases. For most marketers, that tool is a Data Management Platform (DMP).

In simple terms, a DMP is a software platform that provides a data warehouse, along with a suite of tools to put that data to use. Basic functionality includes:

## Data Collection

DMPs serve as a centralized repository for a wide range of first-, second- and third-party datasets.<sup>1</sup> This collection process requires several capabilities, such as data-ingestion (this is critically important since it will need to import massive volumes of data and classify it in ways that make sense to the organization), as well as multiple tools for storing and retrieving the data.

## Data Analysis

DMPs offer tools to help marketers make sense of their data, thereby enabling them to see the connections between data points that lead to meaningful insights. Most DMPs include tools for querying data and creating reports. Others go further, offering advanced visualization tools to help marketers easily identify data-driven insights that are important to their businesses.

## Data Segmentation

Once data is stored and analyzed marketers can begin to think about how to use it in advertising campaigns, marketing activities, and even customer-care initiatives. For instance, DMPs can be used to sort data into audience segments for targeting (e.g. create segments for recent website visitors, high spenders, moms in cities, new customers who've seen a specific offer, or even customers who are subject to a product recall). Marketers can also use segments to A/B test marketing strategies or campaign messages.

<sup>1</sup> More details regarding 1st, 2nd and 3rd party data can be found on page 11.



### Data Activation

Once audience segments have been created for targeting, they'll need to be exported to the marketing systems used to execute campaigns. This is known as 'data activation.' For example, if a marketer plans to execute a programmatic campaign, he or she will need to send the DMP-generated targeting criteria or audience segments to a demand-side platform (DSP). Data activation refers to the ability to export data from the DMP to marketing-execution systems. There are some challenges to data activation if the marketing organization uses multiple point solutions provided by different vendors. Audience data will invariably be lost if the DMP and DSP used are provided by different vendors, as each will classify data slightly differently. Additionally, APIs may be required to export the data from the DMP to the DSP or other marketing execution platform.



### Data Optimization

All of a marketer's data insights, market research and intuition will result in a data strategy that will form the basis of an initial go-to-market strategy. But in truth, all of that represents the marketer's "best guess." Once a campaign goes live, the marketer will no doubt encounter certain surprises in the marketplace. Consumers are fickle; world events, celebrity antics, changing seasons and a host of other events influence consumer perception and behavior. This means the targeting criteria must be updated on a continuous basis to improve campaign results. This process is known as data optimization, and it is what DMPs are particularly good at.

## Differences Between a CRM System and a DMP

Most businesses use a customer-relationship management (CRM) system to manage interactions with customers and prospects. As such, many marketers question why they need a DMP to do what their CRM system already does. But in practice, the two platforms differ significantly.

The goal of a CRM system is to help brands analyze data about their customers' history, and to improve their relationship with them. CRM solutions, by nature, are fully dependent on personally identifiable information (PII) data. PII data is protected by privacy laws throughout the EU, and its use is barred in digital advertising. This contrasts with DMPs which in general do not store PII data. Moreover, the purpose of a DMP is to ingest a wide variety of disparate datasets and look for statistically meaningful connections between them. In other words, DMPs are focused on data trends and cookie IDs, while CRMs are focused on individual customer records (customer IDs).

# Why is a DMP necessary for marketers?

## Whoever Owns the Data Also Owns the Customer Relationship

As consumers get deeper into their digital lifestyles, embracing new channels, devices and screens, they leave a myriad of clues as to who they are, what they value, as well as their attitudes towards brands, products and services. It's an ocean of information that every company will need to harness in order to secure their futures.

In recent years, companies such as Amazon and Facebook, have done a great job in profiting from the consumer-data tsunami, collecting a wealth of consumer insight based on the products people look at, purchase, comment on and share. At the same time, these companies have built walls around their data, sharing it sparingly and at a steep cost to marketers.

The lesson is clear: Whoever owns the customer data essentially owns the custo-

mer relationship. Now more than ever, all businesses need to adopt a comprehensive data strategy, or face the risk of losing their customers.

Taking the time and effort to develop a data strategy will pay off in numerous ways. For instance, data will help marketers create nuanced profiles of their customers, which they can then use to identify and target similar ones (aka 'lookalike modeling) who are new to their brand, ultimately allowing them to grow their businesses.

Data allows marketers to target the right consumer in the right channel with the right message, adding tremendous efficiency to their initiatives. Without it, digital marketing is as ineffective as the non-digital marketing it was meant to replace.

### Customer Acquisition Through Lookalike Modeling

The old adage, “Our current customers are our best customers,” has a lot of truth to it. It’s easier to upsell existing customers than to convince wholly new ones to purchase from a brand. But all brands require a constant source of new consumers in order to secure their long-term future. Lookalike modelling allows them to grow their brand by targeting new consumers who look just like their loyal existing ones.

Lookalike models leverage first-party data to identify characteristics of a brand’s best customers for a particular product or product suite. For instance, let’s assume an auto manufacturer collects demographic and psychographic data on customers who purchase each car model. Using a DMP to identify data connections, a marketer can develop a clear picture of the types of consumers most likely to purchase its economy, SUV and sports models. With lookalike modeling, marketers can purchase third-party data at scale, and create and target audience segments that “look like” the consumers who purchase each model.

### Marketing to the Customer Journey

What is the consumer’s decision-making process? Where do they get their information? We know, from our own experiences, that consumers seek information from multiple sources, including the brands themselves, third-party category experts such as consumer review sites, as well friends, family members and colleagues. We also know that consumers are more likely to rely on a specific device or channel during certain times of the day. For instance, consumers tend to favor their mobile phones in the early morning hours and tablets during their commutes or while they watch TV.

The challenge for marketers is to engage prospects wherever they are in the digital universe, and at whatever time they’re open to influence – and not just when those prospects choose to visit the brand’s website from, say, an office laptop.

DMPs deliver the deep demographic, psychographic, and behavioral insights that enable marketers to understand how their customers make decisions – and who their influences are – as well as the types of content they consume throughout. This insight helps marketers propagate their messages wherever their prospects spend time.

For instance, let’s assume that using a DMP, a marketer learns that consumers who see two banner ads on their mobiles, followed by a video ad on their desktops, were 60% more likely to take a desired action. And let’s further assume that the banner ads were viewed during lunchtime hours, and the video ads were seen in the evening. Such insight provides a clear direction on how that marketer should allocate their media budget to acquire new customers.

“Anyone can collect data, the important thing is using it for intelligent targeting.”

**Stephanie Fischer, Deloitte**

# How to run a DMP Project in large enterprises?

While this white paper is primarily concerned with DMPs from a marketing perspective, the implementation of a DMP will involve departments well beyond marketing.

Departments such as IT, operations and sales all share the responsibility for the strategy, selection, implementation and management of a DMP (cf. Forrester study, "Savvy Publishers Deploy DMP Insights Across Their Organizations").

The selection and setup of a DMP is a complex process that affects the whole organization. Many companies will therefore commit to one DMP and be unwilling to change once integration has taken place. In a recent Forrester study, for 33% of the companies surveyed the DMP implementation took several months, this represents how much of a challenge onboarding a DMP can be for some companies (cf. Forrester study, "Savvy Publishers Deploy DMP Insights Across Their Organizations").

There are several reasons for the delay, for one thing, the project usually affects

different departments and stakeholders who can struggle to come to a uniform consensus. Some companies also suffer from a lack of in-house knowledge, leading to the investment in professional, independent consultancy by a team of experts.

Companies have begun to source consulting services, which unify, under one umbrella, experts from all areas involved. They have developed their service portfolio in the last two years, and in addition to the data privacy experts, IT specialists, strategists and project managers, they have recruited experts from the digital sphere in order to handle the demand for strategic and operational support during the digital transformation.

A DMP onboarding project typically consists of the following sub-steps:





## 1 Data Strategy and Goal Definition

Even before companies concern themselves with potential providers and in-house development, it is necessary to stipulate objectives and work out a strategy. Companies will also need to develop a business case and clarify the financing and sponsorship of the project.

The strategy stage will include precise analysis beforehand of the existing processes, technologies, target groups, channels and individual stakeholders, as well as an evaluation of the required resources and the potential opportunities and risks resulting from the project.

Use cases can be developed in line with the goals and strategy which stipulate which data should be saved and harnessed, so that the next project phase can be undertaken using exact specifications.

## 2 Data Privacy Alignment

Crucial things to consider when preparing a personalized marketing strategy are the issues of data security and data privacy. Data security includes, among other things, the aspects of data transfer, data storage and the anonymization and pseudonymization of personal data. Data privacy, on the other hand, ensures that the regulations for gathering, using and sharing data are complied with. Unlike CRM, where personal data is stored, the Data Management Platform provides generally anonymous datasets.

The issue of data privacy in particular raises questions for marketing managers in adapting the European Data Privacy Basic Regulation (EU-DSGVO). Several adaptations will be required both in the processes on the company side as well as in the data privacy provisions, so that user-centered, data-driven marketing can be carried out. Involving a data privacy expert at this juncture of the project is essential.

## Preparation

1



### Data Strategy and Goal Definition

- Goal Definition
- Business Case
- Use Cases
- Stakeholder

2



### Data Privacy Alignment

- Data Security
- Data Privacy
- Data Storage
- Data Usage

### 3 Technology Selection

As the previous and following points show, the decision regarding the actual technology provider is one of many, and is more than simply deciding on a tool or a provider. Companies are initially confronted with the question of whether they themselves should develop a solution internally or whether an external technology should be used. This “make or buy” question can be answered more easily when objectives, strategy, data security and data privacy have been clearly defined. It is therefore essential that a requirements catalogue is written that helps with selecting the appropriate technology.

When you begin to deal with the market of technology providers and the various options that these tools offer, you quickly realize that the range is varied and that it is very difficult to gain a full overview of the entire market. That is why experts should be consulted for support, who can narrow down the choice of tools in advance with the help of the requirements.

**The essential requirements can be summarized in the following way:**

- **Reputation and Location**

The reputation of the tool provider and, in particular, the location of the servers are important selection criteria for sensitive data projects. Also, the ability for face-to-face support during the project is an important factor.

- **Data Collection and Normalization**

Data Collection & Normalization is the DMP's ability to capture the diverse data spread across the company's ecosystem and being able to aggregate and normalize it.

- **3rd-party Data Integrations**

It is important that vendors can efficiently identify and integrate data belonging to 3rd-party systems and make them available through a marketplace.

- **Customer Segmentation**

The ability to automatically identify anonymous customers and efficiently place them in a defined customer segment.

- **Audience Data Syndication**

Audience Data syndication is the DMP's ability to make available its audience data to other systems / sites. Very important is a strong API layer that also supports real-time syndication.

- **Reporting and Analytics**

It indicates if the DMP solution integrates tools to perform dedicated reporting and analytics inquiries.

Based on the prepared requirements catalogue, the short-listed providers and options are screened and reviewed, so that a scoring system can be created for each technology solution. With this approach, companies can ensure that an objective evaluation of the possible scenarios is made and that all relevant areas are covered during the selection.

### 3

#### Technology Selection

- Requirements
- RFI/RFP
- Scoring
- Contract

## 4 Data Ingestion

As already mentioned, the DMP is used for gathering, aggregating, classifying, segmenting, analyzing and activating data. The data typically come from different data sources. These include, for example, socio-demographic, geographic or contextual data, which can be derived from online and offline channels. Data is generally classified as 1<sup>st</sup> Party, 2<sup>nd</sup> Party and 3<sup>rd</sup> party data.

- **1<sup>st</sup> Party Data**  
Data that is collected by the company.
- **2<sup>nd</sup> Party Data**  
Data that is derived from a company's partners.
- **3<sup>rd</sup> Party Data**  
Data that is derived from third-party providers.

For collecting and aggregating the data, the DMPs currently provided on the market offer standardized solutions; there is, however, no project or company, for which customized adaptations in the form of e.g. re-programmable APIs can be carried out. Every adaptation that enables an additional data source to be connected to the DMP is worthwhile, since a comprehensive insight into the target group only emerges when as many types of data as possible are combined with each other and bring the image of the target groups into focus.

## 5 DMP Setup

We are coming to the actual heart of the matter – setting up the DMP. All preliminary considerations and planning are put into practice at this point.

Using the project strategy as a basis, companies will develop a specific approach to integrating the data. Usually, it follows a set pattern, to start with, the 1st-party data from digital sources such as onsite and campaign tracking is connected followed by CRM data. This is then followed by other data sources such as 2nd- and 3rd-party data.

Once name conventions are assigned, the taxonomy is set up and a strategy is developed for how the segments should be formed in the future and what the segments should be used for. At this point, the measures are chosen for which the data segments are to be made available. This involves not only the choice of channels such as Facebook, Display or SEA and the appropriate DSPs but also the use of the data for personalizing the website. Personalizing or customizing elements or content of a website requires separate preparation, since this often goes together with adaptations on the website and has to be clocked into the sprint planning of the website development.

During the setup, the relevant KPIs as well as the rules for the results and decisions to be derived from the KPIs are defined and reports are set up. Finally it is determined in what time frame and with what frequency the individual activities should be optimized.

## 4

### Setup



#### Data Ingestion

- 1<sup>st</sup> Party Data
- 2<sup>nd</sup> Party Data
- 3<sup>rd</sup> Party Data
- APIs

## 5



#### DMP Setup

- Naming Conventions
- Taxonomy
- Segmentation
- KPI Definition

## 6 DMP Workflows

If the system is successfully set up, its use is integrated into the respective business processes and routines. Purchasing the technology by itself does not bring any added value if it is not fully integrated into the operational processes of a company. For marketing, this means that the marketing manager must move away a bit from traditional working methods and be ready to test a lot and to learn. Marketing concepts and content concepts involve reworking, since the campaigns and content can now be set up in a customized way and managed dynamically. The new working method resulting from this frequently entails a reorganization of the marketing processes and in part also the organization. New job profiles become relevant that have more data-driven and analytical skills.

The transfer of knowledge from segmentations and user-centered campaigns into reporting tools are also important. They are a key piece of the equation for sustainable use and acceptance of the DMP across the company.

## 7 Change Management

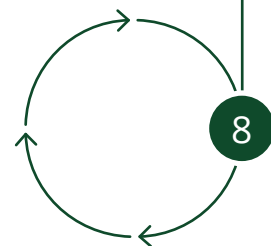
The issues mentioned above are an indication that with this project many different departments and individuals from a company will have to be involved. It is important, at this point, as with all interdepartmental projects, to create acceptance for the project among all concerned, to empower them and to keep them in the flow of information. Higher level project management is necessary and must coordinate the course of the project in order to act neutrally in line with the defined strategy.

Training courses and individual training will support the sustained acceptance of the system and the new work method. After the DMP goes live, when the system is

integrated into the ongoing operation, staff resources who will be able to use the new technology optimally and in a focused way must be made available and trained.

## 8 DMP Operations

Eventually the implementation of a DMP is completed. The phase of ongoing operation, however, then begins with regular analyses of existing segments, definition of new segments, setting up new rules or also connecting and using additional data sources and optimizations. This is a recurring process, for which the company must also provide resources and budget.



## 6



### DMP Workflows

- Accounts
- Access Authorization
- Business Processes
- Campaign Setup

## 7



### Change Management

- Organization
- Responsibilities
- KnowHow
- Workflows

## 8

Run



### DMP Operations

- Analysis
- Optimization
- Campaign Magement
- Quality Management

Fig. 1 – Project Steps  
DMP Implementation

**Process of a DMP Implementation – Project Steps**

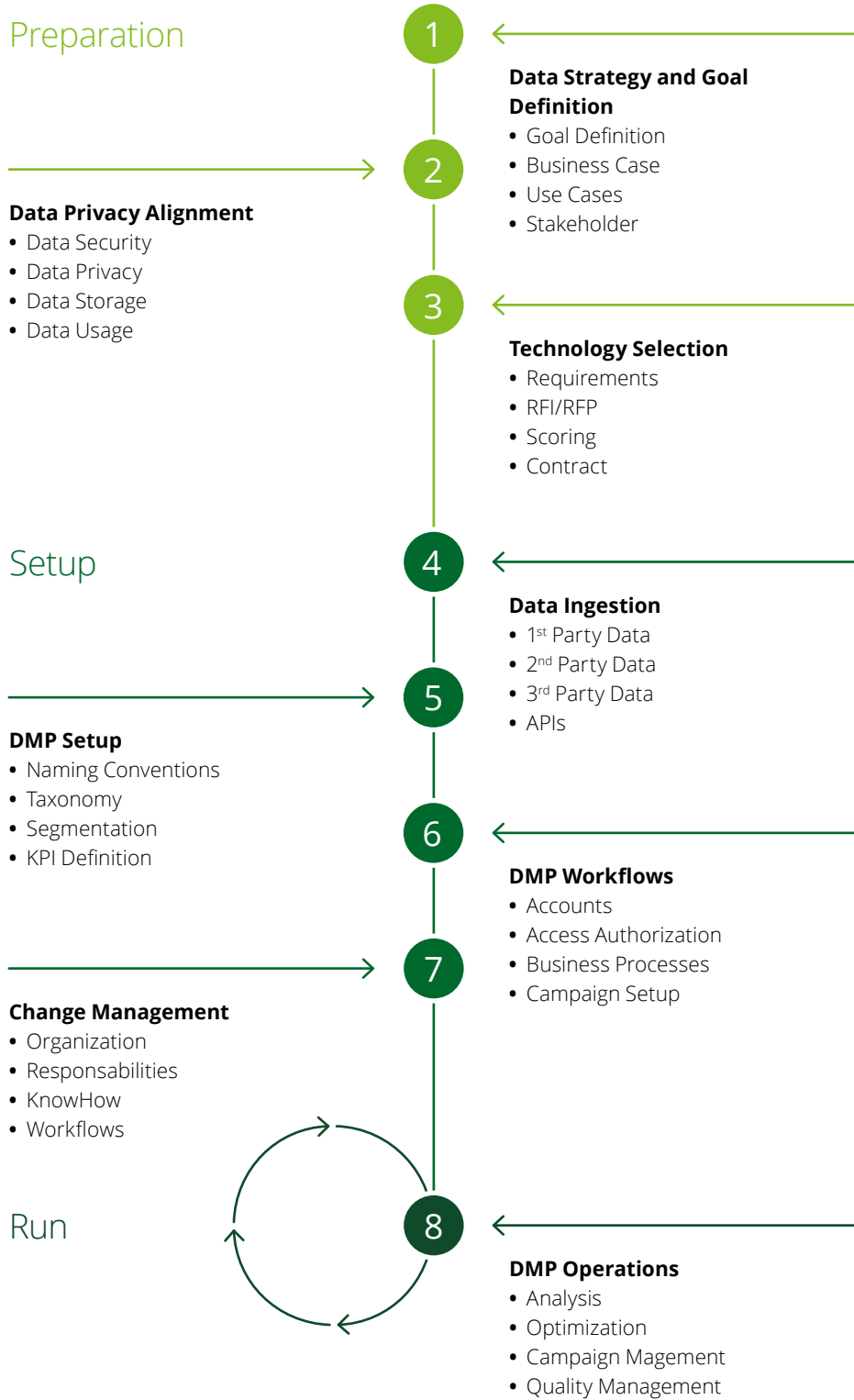


Fig. 1 – Project Steps DMP Implementation

# How can enterprise companies benefit from a DMP?

Once marketers consolidate their data in a DMP, they can monetize it in a variety of ways, meaning they can deploy it in ways to engage new prospects and current customers.

The monetization piece of the puzzle requires programmatic buying, along with additional technology (e.g. a demand-side platform and ad server). Next to it, the data can also be monetized on the advertiser's own assets by personalizing the e-shop/websites.

This section examines the two dominant ways to monetize customer data; personalized web experiences and personalized advertising, then addresses some of the technology constraints and opportunities with each.

## Website Personalization

Audience segments can be used to personalize website experiences to specific customers. Let's say, for instance, that a department store has many types of customers; men, women, new parents, newly married and grandparents. Clearly, the retailer would prefer not to show baby clothes to single young men as homepages featuring products that aren't relevant to the user encourage consumers to click away.

Audience segmentation can help retailers customize their websites on the fly based on the user who arrives onsite. For instance, let's assume that, through agreements with a third-party data provider, a marketer is able to identify a user as a new mom.

When that mom arrives on site, the retailer can feature products that are hot-selling items among new parents.

Or, let's assume that a user clicks on ski equipment and browses several products in that category. The DMP can include the user in a "ski enthusiast" audience segment, and present him or her with time-sensitive offers on ski equipment the next time he or she arrives onsite (The retailer can also retarget that user with time-sensitive offers elsewhere across the web.)

Individual browsing behavior can also be used to categorize consumers. For instance, consumers who visit the "on sale now" page or discount section can be categorized as "bargain hunters" and presented with website messages offering time-sensitive offers or other incentives, such as free-shipping on orders above a specific price point.

With each visit, the user will leave additional clues as to his or her preferences and intent, which can be captured and stored in the DMP for additional analysis. For instance, the DMP will allow retailers to distinguish the bargain-hunting moms from the high-spending ones, and to present them with the products most likely to prompt a conversion based on the purchasing history of members of their cohorts.

### Personalized Advertising

Most marketers are familiar with retargeting, a common form of personalized advertising. With retargeting, consumers who view a product but don't convert are presented with ads that feature that product. The goal of retargeting is to remind them of the product, and prompt them to convert.

But, retargeting is just one form of personalized advertising. A full-service clothing store isn't likely to lure single men to its site with ads for children's clothing. A DMP allows marketers to understand who the consumer is, and based on their understanding, deliver ads more likely to resonate.

For instance, let's look at two consumers, one of whom lives in Frankfurt, and the other who lives in Berlin. Based on that single data geo data point, a clothing retailer may choose to feature two very different styles of men's shirts. To the Munich-based consumer, the marketer may opt to show a conservative office shirt; to the Berlin consumer, a shirt from an up-and-coming designer of streetwear.

The consumer's response to an ad can be used to inform future ads. If a consumer consistently clicks on ads for streetwear, it's safe to assume that the consumer is highly interested in that style. From there, marketers can analyze the characteristics of that consumer and build a lookalike model for targeting, enabling them to execute personalized advertising at scale.

### Role of Programmatic in Executing Personalized Advertising

Personalized advertising requires marketers look at each consumer individually, and determine the right message to present. This level of personalization is accomplished via programmatic buying, which is a fully automated approach to media acquisition.

With programmatic, media is purchased one impression at a time, and purchasing decisions are made based on the unique combination of the consumer, channel, website, time of day and other factors relevant to the campaign. Decisions, driven by machine-learning algorithms and massive datasets are based on one essential question: What is the likelihood of this consumer taking a desired action? If the consumer and impression meet campaign criteria, the marketer can place a bid to buy it. If the marketer's bid is higher than all the others, and the marketer meets the publisher's brand-safe requirements, his or her ad is displayed to that consumer.

“Data Management Platforms can make the often elusive concept of ‘personalization’ a reality.”

**Stefan Sommer, Adform**

### **Role of the DSP and Ad Server in Personalized Advertising**

A DSP is the platform marketers rely on to execute their programmatic campaigns. It's basic functions are to:

- Spend the marketer's budget acquiring appropriate media and in accordance with the marketer's goal (e.g. branding vs. performance)
- Assess media, on an impression-by-impression basis, to determine its potential worth to the marketer's goals. In most cases, this requires matching data
- Calculate and submit an appropriate bid to the ad exchange that offers the impression (may be open or public, or may be closed or private, meaning limited to a select few advertisers)
- Submit the URL of the appropriate ad creative if the marketer has won the impression
- Capture and report back to the marketer all campaign results
- Optimize targeting criteria and other campaign strategy, such as frequency capping based on real-time results

Once the marketer wins the right to advertise to a consumer, the creative must be presented to the consumer in his or her web browser. Ad servers are a technology that allows for the display of advertisements, whether that's a display, video, or mobile ad. Ad servers also count and report on the number of times an ad is served, and some can determine whether or not an ad was viewable to a consumer.<sup>2</sup>

<sup>2</sup>In digital advertising, "viewability" is a specific metric. For an ad to be considered "viewable," at least 50% of the ad creative must be visible in the user's browser for at least one full second (longer for video ads).



# From DMP to a Full-Stack Technology

For both personalized advertising and website personalization, the DMP acts as single point of truth for segmentation of users at a cookie or ad-ID level.

The use of a DMP is especially valuable in areas where no PII information may be used for personalization. Especially in the area of programmatic buying a DMP is mandatory. A robust digital advertising strategy requires multiple technology solutions next to the DMP working seamlessly together, including:

## **Adserver**

Displays the actual creative to an advertisement in the consumer's browser. The ad server also tracks the number of impressions displayed (i.e. the campaign fill rate) for billing purposes. Many ad servers also measure viewability, which is commonly defined as at least 50% of a creative that's in view for at least 1 full second.

## **Demand Side Platform (DSP)**

Allows marketers (or their agencies) to acquire inventory programmatically over open or private marketplaces. The use of data in form of user segments is essential to deliver the right message to the right user at the right time.

## **Creative Platform**

Streamlines the creative production and optimization to achieve a high-level of personalization through outstanding creatives in different formats.

Traditionally, marketers have disparate digital ad-tech solutions for a simple reason: No one technology provider offered the full suite of solutions required to support all of the options available for digital advertising. As a result, marketers (or their agencies) purchased best-of-breed point solutions, which led to a "Frankenstein Architecture."

Using multiple point solutions raises significant challenges and limitations, all of which can be eliminated by implementing a "full stack" digital ad platform (meaning a solution where all components; ad server, DSP, DMP and creative engine, were ideally designed by the same vendor and fully integrated).

"High reach losses can be avoided by using full stack technology."

**Dr. Jochen Schlosser, Adform**

### Risks of Data Leakage from Multiple Point Solutions

Currently, most marketers work with numerous point solutions offered by a large assortment of tech providers. For instance, they may use an ad server, a dedicated mobile ad server, a DMP, a DSP, a retargeting platform, various ad networks and a viewability measurement tool, all from different vendors. This isn't unusual, given that buyers sought to purchase the 'best-in-class' for each solution, and for many years, the industry lacked a solution that was truly full stack and independent.

But such fragmented ad-tech environment lead to data leakage. Online advertising is based on cookie matching between the various platforms used by both the advertisers and the publishers (i.e. the systems must compare the cookies they have and keep only the ones they have in common). The problem is that each time there is a "hop" from one platform to the next, cookie data is inevitably lost due to the fact that each point solution has its own cookie, as well as its own methodology for counting, reaching and classifying cookie data. The more marketers increase the number of point solutions in their digital ad-tech mix, the more cookies are lost, resulting in significantly lower targeting pools for the advertiser.

A full-stack solution eliminates these problems because it uses a single cookie that works across the DSP, DMP, and ad server, as well as all channels (display, video, mobile).

### Inability to Reach the Right Customer at the Right Time

With digital advertising, it's the advertising itself that becomes the market research: Marketers test various campaign attributes, learn what works, and then focus media spend on those winning attributes to drive campaign performance. Marketers assess success by measuring consumer actions; if they respond to an ad, they know it works, and can target them for the next message in their decision journey. Marketers also know that if a consumer responds to one

ad – clicks on a display ad for more information – the next message that the consumer sees must be different. This is the true promise of data-driven programmatic.

### But, effective programmatic requires close coordination between three technology components:

1. the DMP, which controls the audience data,
2. the DSP, which controls the media acquisition and the actual targeting, and
3. the creative platform, which manages the creative assets.

If there is a delay between that coordination, campaign performance will suffer.

When disparate systems are used, delays are inevitable, as the systems need time to transfer and reconcile the data and update the targeting criteria. Data latencies can range between 15 minutes to 24 hours, depending on the provider. That means it may take up to 24 hours for a DMP to reclassify a consumer who saw, clicked or engaged with an ad.

If data isn't updated in real time, marketers will be slow to respond to changes for advertising or onsite personalization. This is a particular concern to campaigns that extend over a sustained period of time, such as a full business quarter or half year.

A full-stack ad platform eliminates data latencies, as data is transferred between the DMP, DSP and ad server in real time. That means that targeting criteria is always updated in real time.

**Inability to Deliver the Right Creative at the Right Time**

Consumers have learned to tune out display ads, both on their desktops and their mobile devices. As a result, marketers need highly creative ad formats that capture the consumer's attention and imagination.

Today's programmatic solutions do not have access to a creative-intelligence layer (i.e. a technology solution to identify the right creative to present to a consumer based on his or her position in the consumer journey). Nor do they have access to formats beyond the standard ones. This means that while marketers may have great audience data and great stories to tell, their

storytelling is highly constricted to dynamic-creative optimization (e.g. updating a display ad to feature a product a consumer has recently looked at). The high level of personalization and innovative ad formats required to do captivating, cross-channel 1:1 storytelling is unavailable when working with a complex ad tech environment.

A full stack platform eliminates this challenge and enables marketers to do meaningful 1:1 storytelling. It integrates consumer and campaign data, creative decisioning and enables media acquisition in real time, allowing advertisers and agencies to target the right consumer with the right message at the right time, regardless of channel.

“For DMP roll-out it is important to define objectives and follow-up on these systematically.”

**Hannes Weißensteiner, Deloitte**

# Summary and outlook

Data driven marketing should be a gift to companies that can see the benefits of personalization in digital marketing.

However, it can often feel like a curse to companies who do not have the right tools, knowledge and strategy at their disposal.

Data Management Platforms (DMPs) can have a transformative effect on businesses by providing the tools for effective data collection, analysis, segmentation, activation, and optimization. This in turn, empowers companies with the ability to target potential customers in an intelligent way. Companies can gain an understanding of who their customers are and how they behave, which in turn allows them to target prospective customers who fit a similar profile through 'lookalike modelling'. With a DMP, companies also have the ability to target customers with appropriate messaging based on where they are in the customer journey.

It is essential that companies implement DMPs in a strategic way. After creating definitive goals, companies will then

need to align with privacy legislation before selecting a technology vendor that satisfies the requirements set out in this white paper (reputation, integration ability, segmentation, reporting etc.). Companies will then need to put measures in place for smooth setup and change management, an organized workflow, and ensure the company possesses the infrastructure for continuous DMP operations.

As this white paper indicates, an effective data marketing strategy requires the use of multiple tools that interact with each other in a seamless way. A 'Full Stack' of advertising technology, (Ad Server, DSP, DMP, Creative Platform) working together harmoniously can ensure you minimize data leakage, improve attribution and targeting, and deliver the right creative at the right time.

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