Like Lightning in a Bottle

Are you getting full power from your data management platform?

Nearly one-third of chief marketing officers see tomorrow’s marketing campaigns unfolding in real time based on customers’ needs across channels.¹

This means activating customer insights in less than 50 milliseconds to deliver relevant communications at scale. It starts with the right data about customers and prospects—and a technology platform that transforms data into insights.

This is where the data management platform (DMP) comes in—or should. A DMP culls customer attribute data from internal and external sources, helping marketers transform it into personalized offers for customers and prospects with similar profiles in real time.

Marketing organizations have invested in DMPs to collect, synthesize and activate data at lightning-fast speeds. 77 percent of senior executives asked told the Winterberry Group that DMPs “will play a ‘critical’ or ‘major supporting’ role in expanding the performance of long-term advertising and marketing efforts.” Further, 62 percent report that they use a DMP today or plan to in the coming year.² Yet marketers are discovering that despite all of the hype and the hope, the DMP is not the digital marketing engine they expected.

The DMP at Full Power

The DMP requires more than a plug-and-play approach to fuel personalized, contextualized and precise offers for customers and prospects. Through thoughtful planning and execution in four important areas—customer journey, technology, data control and activation—marketers could trade buyers’ remorse for real return on investment, and experience the DMP at full power.

**Figure 1: The DMP at Full Power**

The DMP collects, synthesizes and activates customer and prospect data to power analytically driven campaign management.

- **GOVERNANCE**: Protects consumer privacy, reduces data leakage and secures data in the enterprise.
- **MARKETING ACTIVATION**: Activates customer and prospect data by connecting to display advertising, website personalization, search, email, programmatic television, call centers and direct mail.
- **COLLECTION**: Collects data about customers and prospects directly from digital advertisements, websites and mobile applications, and matches collected data with first, second and third party data.
- **INTEGRATION**: Facilitates robust single customer and prospect analysis/unified audience tracking by creating a single view of the digital consumer journey, augmenting it with offline data.
- **ANALYTICS**: Serves as the hub of real-time analytics-driven marketing, powering targeted marketing execution while sensing and responding to outcomes.
- **SEGMENTATION**: Provides advanced cross-channel campaign analytics, predictive modeling and audience segmentation.
Customer Journey

Seize all of the possibilities, more power to the customer

Use DMP insights across the campaign lifecycle—from planning through to reporting—while centering everything on the customer journey.

The DMP can do more for marketers than simply targeting display ads. Making the most of it means applying the DMP across the entire customer journey. The ultimate goal is a two-way horizontal audience data integration and activation stream across channels—web, mobile, social, email, display, search, point of sale and call centers.

The good news is that the DMP has the functionality to do this—as long as organizations work in integrated and customer-focused ways. Breaking down barriers between marketing execution teams and vendors helps marketers realize the promise of omni-channel digital marketing.

The DMP has broader use beyond just media buying, and teams can explore how DMP insights can be used to drive website and mobile personalization, content targeting, email and direct mail campaigns. The key is to align the activation roadmap around the customer and prospect journey, and prioritize based on impact. In other words, determine where more targeted or frequent messaging could produce the biggest return, and enable those integrations first.
Bob signed up for ABC Grocery’s loyalty program on a store visit two months ago, which records all of the items he purchases.

Bob is reading his favorite news site and he sees an ad announcing ABC Grocery’s launch of home delivery services. He is interested, but does not click through.

Bob lands on the homepage and notices images of fresh produce and the address of his preferred local ABC Grocery store.

Bob browses the specials at his local ABC Grocery. He notices the special offers include some items he has purchased before, and also discovers some new products that pique his interest.

Bob signs up for an account, logs in and makes a purchase.

Bob gets a personalized email confirmation that includes coupons for his favorite frozen pizza and ice cream.

Offline customer profile information—demographics, purchase history and product interests—is uploaded to the DMP nightly. It attempts to match customer profiles to recognized online users or third party data match partners.

Because the DMP creates a single digital profile for each customer/prospect, tracking the journey, the brand can serve sequential messaging to help move the customer down the consideration funnel.

Because the DMP creates extensive digital customer/prospect profiles, Bob’s offline purchases and online activities are linked to his digital profile. Connecting the DMP to the website content management system or website targeting platform activates the data.

The DMP creates audience segments using known data about the user and predictive modeling. The segments are activated contextually by analyzing all available content, and presenting targeted content back to the user.

Sequential messaging continues even after Bob becomes an online customer, because the DMP allows marketers to activate the digital profile built about Bob via integration with the email service provider.
Technology

Find strength in numbers, not a single power source

Despite what some may say, holistic real-time data management can generally not be accomplished through one be-all and end-all solution—but rather a set of integrated technologies.

Some marketers struggle to apply real-time data management across the customer journey because organizations purchase or use a DMP expecting that one technology could solve all of their digital data management challenges. But capitalizing on the real-time “relevance at scale” promise of the DMP should require an integrated set of technologies and capabilities—not a single-point solution.

Even as the DMP industry continues to mature, Forrester Research, Inc. reports that customers see it “in its early innings”—and point solutions have yet to include robust:

- Content and creative data management
- Controlled experimentation and multivariate testing
- Cross-channel decisioning
- Situational/contextual data management
- Data governance features
- Strong tag management functionality
- Campaign and analytics workflow tools
- Audience journey analysis and targeting tools
- Big data and advanced analytics integrations

The ideal DMP should build high-definition profiles of customers, prospects, and unknown users, which should be unifying and flexible. Getting to this point may require customization, cross-platform integration—and more than one technology solution.

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Growing revenue

A US media company wanted to become a top digital player, and knew that it had to overhaul ad operations to meet the demands of real-time responsiveness. Online ad sales were stalling due to manual entry process errors, loosely integrated systems, disconnected data and more.

Accenture helped develop a phased approach to address the company’s operations and technology needs. The team integrated a set of technologies around the DMP, which included real-time reporting, inventory tracking, forecasting, integrated order through billing processes, yield management and an advertiser self-service platform. These changes helped drive $100 million in incremental five-year advertising revenue and helped the advertising company launch new revenue streams.
Data Control
Get the balance right, more data power to you

Third party hosted DMP solutions end up as display marketing engines, rather than as true personalization engines.

In addition to thinking beyond the DMP as a single technology solution, marketers can explore different management options so that DMP insights have wider application across the customer journey.

When third parties manage the DMP, marketers can only activate data in the channels that the third party manages for them. This results in blind spots and data gaps to truly analytics-driven, omni-channel digital marketing. It also creates gray areas for marketers around DMP processes and data use:

- Who owns the DMP licensing agreement?
- Whose customer privacy policy is being followed?
- Is our data being co-mingled with other advertisers’ data?
- Are our cookies being used for competitor retargeting?
- Is the DMP being used for more than programmatic buys?
- Who is responsible for protecting our data?
There are also customer privacy, data leakage and security risks that come into play when another organization has data control. What’s more, companies using third party owned DMPs risk data loss, revenue loss and increased operational overhead should the third party relationship end.

So why do marketing organizations turn to third parties to manage the DMP? It is often because they lack the operating model to do so themselves. Organizational silos, traditional data management practices and the lack of a cross-channel experience management function that operates across interaction points stand in the way.

However, some organizations have evolved to think about DMPs like they think about customer analytics or digital analytics. The capability and software is ultimately owned in-house. Working under strong permissioning and governance processes, third parties serve as activation partners, staff augmentation resources, or consultants. As their operating models evolve, companies can begin to take on some activation capabilities in-house, such as programmatic media buying.
The value of the data management platform is marketing and sales activation—which depends on having all of the organizational capabilities to support it.

However an organization manages the DMP, this tool does not operate in isolation. The DMP is connected to the data ecosystem, marketing and analytic maturity, current and future state technical architecture, and roles and responsibilities within and beyond the marketing department. Verifying that all of these pieces work together to help marketers understand customers and prospects in new ways means developing and sustaining an appropriate operating model.

Break down the data silos
DMP effectiveness requires an organizational commitment to data unification. Without it, the DMP cannot see the big picture of internal data sets, which is essential to create a unified audience understanding and targeting platform.

Even more value comes from combining internal customer data sets with anonymous and prospect data sets. This is why marketers should implement the DMP with a corresponding plan to integrate as many internal data sets as possible, layering in third party (external and vendor data) sources to drive more robust analytics, insights and targeting. Third party data augments internal data by providing additional behavioral, demographic and intent information.

Keep people at the center
A DMP is only as good as its ability to identify customers and prospects distinctively over time. Ultimately, the DMP should function as the digital customer identification foundation, generating a unique identifier for all anonymous and known customers.

To create clear customer profiles, marketing organizations cannot rely purely on third party, cookie-based tracking. All too often, consumers simply delete or block cookies. As such, marketing organizations should layer tracking tags, data matching and device identification methods such as fingerprinting to develop an enhanced customer profile.

Treat data collection with care
DMP outcomes are directly related to data collection. Getting it wrong can have real-world implications. An ill-configured targeting rule or an ill-timed offer can negatively impact a customer relationship—and ultimately, the bottom line.

Developing strong data collection practices can go a long way to seizing more value from the DMP. First, marketers should consider their tracking strategy. This is about determining the kind of information they could track—and from what data sources—to get the insights in order to help meet marketing and business objectives. A data taxonomy provides a comprehensive yet flexible way of categorizing data, making it easier for the DMP to ingest new data sets, improving segmentation and targeting. Finally, quality assurance processes verify that data is correct and complete.

Make strong governance a priority
Governance holds everything together for the effective use of the DMP over time, and brings IT and business stakeholders together around a shared playbook. This is why marketing organizations should develop standards and structure roles and responsibilities around DMP usage.

There are critical areas to account for in any data management governance framework. Consumer privacy must be protected—personally identifiable information can never be exposed. There must be clarity around data ownership and security. Data leakage protection should be in place to monitor that third parties are not collecting or syndicating customer data without prior authorization. DMP access protocols for internal teams, contractors and vendors must be clear. And all the while, marketers should make certain that data collection, matching and personalization efforts are “invisible” to the user experience—never impacting load times or creating errors.

Activation
Get the house in order, power up the operating model
Power in Your Hands

The DMP is a valuable marketing tool, helping marketers understand what is knowable about customers and prospects so organizations can create contextually aware, personalized experiences across the customer journey. By unleashing the power of the DMP, marketing organizations could increase positive outcome rates, reduce wasted ad spend, improve media effectiveness, realize deeper consumer understanding and make more data-driven decisions.

Marketers have the opportunity to move beyond a "build it and they will come" DMP approach. By getting appropriate supports in place, the DMP could fulfill its potential as an engine of customer relevance at scale.
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CMOs: Time for Digital Transformation or Risk Being Left on the Sidelines

Cutting Across the CMO-CIO Divide: Digital Drives a New Wave of Collaboration

Digital Transformation: Re-Imagine from the Outside-in

Marketing Operations: Personalization in Sight

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