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MARKETING CLOUD

The Guide to Advertising Accountability

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What is Accountability?

Accountability is a simple concept. Can you do what you say you will do and take responsibility for getting it done? This is something we learn from our parents. The world makes us accountable for our actions.

This gets more complicated when you look at it from a marketing perspective because money, data, and analytics get involved. It's easy to accomplish marketing tasks like sending an email, running an ad, or posting something to a social media channel, but is that action accountable? What is the business impact? Does that activity not just drive engagement, but does it ultimately drive revenue?

There it is. The key goal that your executives want to meet. Marketers can do lots of things, but accountably driving revenue has not always been chief among them. Most marketers know that their actions drive revenue but few have been able to show attribution until now.

The data management platform (DMP) and data-driven marketing are here to enable accountability. The more you know about your customers and prospects, the more precisely you can target and market. Sounds simple. And obvious. But add one more piece to this. With all the data available to marketers, if you approach this with an eye towards generating revenue, you can actually cut marketing costs by reducing waste and dramatically improving your ROI. Target prospects who are like your current customers. Target prospects that are more inclined to buy.

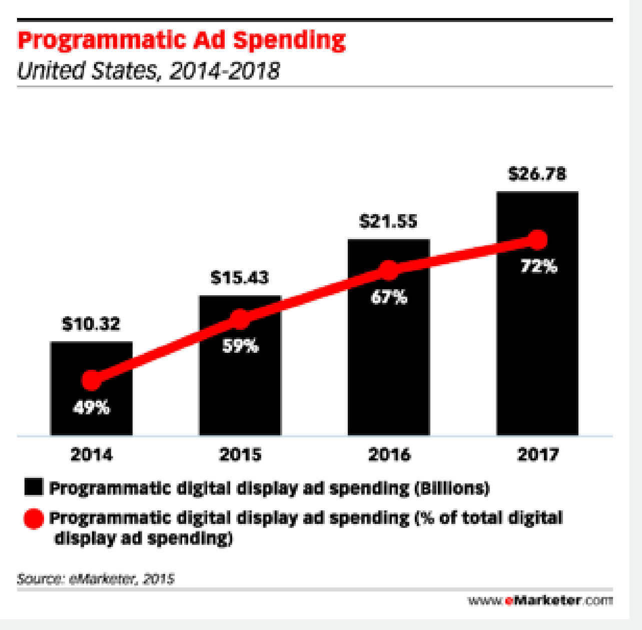
Executing a data-driven digital advertising campaign, with a clear understanding of your target, provides you with marketing that is accountable based on revenue. And this data-driven approach is better for your prospects and customers due to relevance. Relationships thrive when you're communicating in context on a one-to-one basis. Marketing has the opportunity to reinvent itself as a core part of a company's revenue engine.

PROGRAMMATIC ADVERTISING TO REACH NEARLY $27 BILLION BY 2017

There is no doubt that paid advertising—especially digital ads—drives results. And the largest part of digital display ads is the data-driven, automated ads called programmatic. According to Ad Age, "Programmatic ad buying is growing not only because it makes ad transactions more efficient but because it can make them more effective, as long as the right data is applied."

The growth of programmatic is incredible. According to eMarketer, programmatic digital display ad spending is projected to reach $26.78 billion by 2017. That's up from only $10.32 billion in 2014. While that growth is important, what is truly notable is that it will be 72% of the total digital display ad spending. It was only 49% in 2014.

Programmatic ad buying has put data management platforms center stage. And in the next five years, as noted in the AdExchanger 2016 Industry Preview, the advertising industry "will complete a ten-year evolution toward planning and buying with technology."



If a marketer is not using a DMP now, they will be soon. And even if marketers work with an agency for media buys, there is a move to separate the DMP from media buying or trade desks to give marketers more direct access to analytics. Marketers will become more involved in the targeting, planning, and optimizing of media.

Programmatic continues to evolve with private marketplaces. These are invitation only marketplaces where high caliber publishers offer their ad inventory directly to a select group of advertisers. If you don't have a DMP, you probably can't participate.

What is a data management platform and why is it an important part of accountability?

A data management platform provides marketers with centralized control of all of their audience and campaign data. It helps them manage and analyze this data to craft, target, and optimize campaigns that reach more of the right people and drive improved ROI.

Using a DMP, you can manage the day-to-day operation of all online advertising campaigns in one dashboard from campaign creation, audience profiling, media buying, and targeting to optimization, measurement, and reporting. An enterprise-class DMP can scale to billions of global data points. This enables marketers to get high-level and granular insights into campaigns across various channels, understand which campaigns are reaching which audiences, determine which audiences are driving responses and revenue, and optimize the entire campaign to drive more revenue.

But it's really not about the data. It's about the people behind the data. Companies must show customers that they know and remember them as they move across channels between desktops, smartphones, tablets, and in stores.

In many companies that data resides in silos, so the email team and social team can target the same person with completely different offers at the same time. This frustrates customers—especially those with a buying history—because they've come to expect a personal relationship. DMPs tie customer activity together to help you manage the end-to-end customer experience.

According to Accenture, 78% of customers still have a fragmented experience as they move from channel to channel and from device to device. The way to fix this broken customer experience is to deliver the right message to the right person at the right time and in the right place.

Today's customers interact with brands in two different contexts—many of which aren't consistent. The first is through anonymous marketing channels—typically paid media—where the company or brand is focused on reaching a particular audience. The challenge is that those audiences and the data powering them are typically in silos by specific campaign. Your display campaign is powered by one set of audience data and another powers your paid search or paid social campaigns.

The second is known marketing channels and the systems that power them, such as your marketing automation platform, email database, or website. These have their own data sources and sometimes are consolidated in a CRM or data warehouse. Even assuming you can coordinate the targeting of these owned assets—and most organizations today can't—there is no guarantee the data you're using here won't conflict with data you're using in the anonymous marketing channel.

Mobile devices add another layer of complication. Now, instead of a controlled target of household addresses or email addresses, any and every device is a place where consumers can encounter marketing. And the future is already here by adding wearables, sensors, beacons, thermostats, and other home devices. The end result is a bad customer experience. 85% of CMOs say data spread across disparate sources prevents cross-channel consistency, based on a survey from The CMO Club.

A data management platform enables you to look at the customer experience and bring that fragmented journey into focus by better understanding and engaging with individual customers. In fact, the whole concept of customer experience is about using data and devices to create intimate customer experiences that transcend online and offline purchasing behaviors.

ROI and data driving marketing performance

Return on investment (ROI) is the magic equation that all marketers love. Let's correct that and say nearly all. According to a Leapfrog Marketing Institute study, 93% of Chief Marketing Officers (CMOs) are under more pressure to deliver a measurable ROI with their marketing plans. That brings us back to accountability and revenue goals. How can your marketing efforts be tied directly to revenue? Managing your data provides the answer as it improves your ROI.

Let's start with a digital banner ad that you want to run. You contact the publisher—or ad exchange—and run the ad based on some basic demographic information about the site. Your codes track limited results, so you know you didn't get much return on that investment. So you can just call it an awareness ad. That's what advertisers have been doing for years.

But let's add some data to mix with your DMP. First analyze your first party data or the data you collect directly through your customers via registrations, inquiries, and transactions. Use it to build a profile of your highest revenue generating customers. Then go to the publisher and/or ad exchange and find customers who look like them and target that group.

You will see a substantial increase in your response rate and generate a higher ROI on that campaign. Another way to use your DMP is to analyze responders while the campaign is in progress. If you see different attributes or segments responding, you can quickly create look-alike models with third party data to expand the campaign. Use the data that lives in your CRM system to gain even more insights and accountability based on your own business results.

You can also incorporate behaviors captured from your testing and optimization tools on your website and target the right prospects with the right message. When your entire website becomes a marketing sandbox to test messages and actions to improve your advertising efficiency, the ROI just continues to improve. That's the power of data.

Gaining Meaning from Data to Drive Results

The process of data ingestion and why it matters

The first stage in data activation is getting the data in. This aggregation of data can be from any source and in any format.

Your DMP should ingest all data. Make sure it can take structured or unstructured information and organize it at the customer level (known data) or at the cookie level (anonymous data) based on intent, geography, interest, lifestyle, and more.

Your DMP should also ingest mobile data. Otherwise you need a second mobile DMP. Select a DMP with the scale to match devices to individuals and connect online cookie data to the device data in one identity.

Your DMP should ingest social data. Use this data during campaigns to identify brand mentions, brand influencers who boost campaign awareness, and data sources with highest engagement. Use these insights to optimize campaigns.

CRM data is critical to making strategic decisions on campaign direction and ROI. You need a DMP that can continuously ingest CRM files on-the-fly and on demand within 24 hours. You'll want to continuously analyze this data to optimize your campaign or deploy retargeting campaigns.

The goal is to ingest all data at your disposal to get a full picture of the customer experience. It's not limited to digital ads on websites or email campaigns. Every path is different. You need all the data to understand the behavior.

> DMPs help tie all this activity, and the resulting campaign and audience data, together in a single, centralized location. Additionally, the rise of DMPs is meeting a growing need for brands to house, sort and activate the large volumes of first and third party consumer data they are amassing. DMPs are the piping that moves data from one place to another, and can allow this to be done intelligently, securely and in line with market regulation.
>
> — *Information Age*

Why classification is the key

Data classification is the process of organizing your first party collected data into taxonomies to build distinct audience profiles. A taxonomy is a way to arrange and classify information that makes it easy for people to browse, search, and ultimately find what they are seeking.

After classifying your data into taxonomies, you can analyze it to understand customer intent. Having all of this data in one platform simplifies audience segmentation and cross-channel media planning.

Classification assigns items in a collection to target categories or classes. The goal of classification is to accurately predict the target class for each case in the data. Data classification is the process of creating segments based on the data. DMPs allow users to define groups based on the needs of the business. Data classification allows users to create audience profiles that can be used for marketing purposes.

For example, a classification model could be used to identify loan applicants as low, medium, or high credit risks. This model could be developed based on observed data of many loan applicants over a period of time. In addition to the historical credit rating, the data might track employment history, home ownership, years of residence, number and type of investments, and more. Credit Rating would be the target. The other attributes would be the predictors. And the data for each customer would constitute a case.

Scoring a classification model results in class assignments and probabilities for each case. For example, a model that classifies customers as low, medium, or high value would also predict the probability of each classification for each customer.

Classification has many applications in customer segmentation including business modeling, marketing, credit analysis, and biomedical and drug response modeling.

Expanding your reach with look-alike models

Look-alike modeling helps you model your best customers to gain reach and efficiency. You can use look-alike models in the platform to identify high-value users that behave similarly to your best customers and converters. This enables you to quickly and effectively increase the reach and precision of your target audience.

You can use the data you already have to model new segments. Then you can apply the improved targeting and reach across all acquisition activities through display channels and deploy improved, more relevant lead nurturing and customer relationship marketing programs.

When you understand what behaviors drive results, you can use look-alike modeling to identify users who have similar behaviors. The most common use case is to develop a look-alike model on converters. This allows you to find more people who look like the prospects that are more likely to convert to customers, all based on their collection of behavioral attributes.

For example, if your likely converters index highly against high household income, female, and in-the-market, you could target those individual attributes to find more likely prospects.

One of the key benefits of look-alike modeling is robust targeting and segmentation. You can identify and target new prospects quickly, easily, and cost effectively. You can use existing customer segment data to target prospects through display ad channels, lead generation, and nurturing programs.

This is how you can do modeling at scale. Some DMPs have an automated workflow within the platform for model request and model management. This lets you tap into the strength of third party data sources available within your DMP and find the best prospects and turn them into your new best customers.

Using behavioral data

Granular behavioral data creates richer buyer profiles. Move beyond the transaction and enable engagement to dictate customer experiences. The DMP tag can collect rich behavior data and attributes such as website actions, product engagements, or demographic information. From there, it can pass that data into a cross-channel marketing solution to build a more comprehensive, actionable customer profile to inform that customer experience.

Why identity matters

Cross-channel activities represent the very heart of delivering the right message to the right consumer at the right time. An identity system pulls together the many identities across devices and marketing channels that comprise a given person, enabling marketers to tie their interactions together to resolve to a singular, actionable, customer identity.

The DMP is the center point for a digital marketing organization and the key to enable cross-channel orchestration by connecting online and offline interactions to a single customer. With an identity or ID Graph, you can connect identifiers across desktop, mobile, offline sources, and in-store interactions to give you the highest degree of certainty that you're reaching the right person. You can bridge the islands of anonymous and known marketing by connecting first and third party data.

From within the context of your cross-channel marketing solution, you can take the data about your most ideal customers and activate it inside the DMP to target those customers with more relevant advertising. And find more people like them.

"Identity is the new currency," says Mike Sands, President and CEO of Signal. "In today's multi-device world, cross-channel identity is the great make-or-break requirement for marketing success."

Resolving identity isn't just about putting cookies in the customer's browser or placing a relevant ad on a media platform. There's a broader mission here for communicating with customers on the ever-elusive, one-on-one basis. Sands identifies three reasons why marketers need to take cross-channel identity more seriously.

1. **Identity is a long-term, strategic approach.** It is not about a channel or a campaign. Identity is way beyond the life cycle of a customer. Connecting on multiple devices and channels is their life. The more you understand that, the more likely you are to create long-term relationships across all those devices and channels.
2. **Identity must be future-proof.** The constant innovation of identities, from sensors to wearables to beacons, makes it challenging to prioritize the cross-channel identity. You need to be prepared as this is only going to accelerate with continued explosion of data from the Internet of Things.
3. **Identity is a corporate asset.** Today, brands must treat first-party identity in the same way they protect their first-party data. Companies that invest time and resources in the ability to recognize their customers across channels and devices will secure a sustainable competitive advantage for the long haul. They will have truly attained the nirvana of right message, right time, right place, right now.

8 REASONS YOU NEED A DMP

1. You want to manage multiple online campaigns across different devices.
2. You need to connect all of your data—known or anonymous, online or offline, deterministic or probabilistic, user level or household—to a single individual.
3. You want to maximize your data assets.
4. You want to maximize segmentation and scale campaigns.
5. You need to prevent data leakage with partners.
6. You need to prepare for programmatic future.
7. You want to optimize campaigns to improve response rates, conversion, and brand recognition.
8. You want to control advertising costs and improve overall ROI.

What Your Reporting Should Be Telling You

DMPs make everything more accountable. Successful marketers know that aligning metrics with goals is the best way to show success. Reporting with DMP-based programs is no different. Make measurement a key part of implementation, not just execution.

Audience Analysis
You can use audience analysis to get transactional audience insights across all events in your data. Use pre-campaign analytics to understand your audience composition before running an impression, optimize a current audience on any event, and verify that you're serving to the audience you want to hit by campaign, site, or placement.

- Profile customers and discover new audiences.
- Model target audiences with confidence.
- Profile and grow current visitors to generate look-alike, act-alike, shop-alike, share-alike, and convert-alike models.
- Discover non-intuitive attributes of converters for audience expansion.
- Do more of what works with performance-based planning.
- Optimize your audience and media mix based on known first party performers who drive the most valuable parts of your funnel.
- Identify categories that are highly-correlated to audience, media, sites, or conversion.
- Discover new audiences and extend your target audience during campaign planning.
- Improve campaign performance and ultimately advertising ROI.

Funnel Analysis

The funnel analysis helps you enhance your audiences and go deeper down the sales funnel. Get a matrix view of the conversion funnel that helps you understand how to optimize your campaigns and audience targeting. Turn more impressions into clicks, turn clicks into conversions, and identify more users who look like your converters.

You can use creative tags is to collect impression and click data from your media creatives and associate it with the audience data in your DMP. With your impression and click data linked to your audiences, you can use the audience analytics suite for audience-level reporting on your customer lifecycle data. This enables you to track campaign data across all your campaigns and placements through the complete customer life cycle—from impression to conversion—on your site or in your store. You can track, analyze, and report audience behavior throughout the conversion funnel.

Media Analysis

Media analytics reporting enables you to optimize the audiences you are targeting. For example, you can use the audience analytics report to find categories that correlate to your top key performance indicators (KPIs)—which may be conversion events or click events, and you can use funnel analysis to determine the conversion-driving categories to keep investing in and the low-converting categories to discard. In addition, you can use your impression and click data to validate the audiences for which you are generating impressions. If you are a publisher, you can also use media analytics to optimize your audiences to maximize click through rates.

Mobile Analysis

You can import your mobile media data into your DMP, and use the audience analytics suite for audience-level reporting of your mobile data. This enables you to do the following:

- Better understand your mobile impressions and clicks via audience behavioral and demographic data.
- Use audience analytics to optimize the messaging you use for target groups within your mobile advertising.
- Compare and contrast the audiences you are reaching on mobile devices versus desktop.

Conclusion

As roads to programmatic advertising, social media, marketing automation, and big data continue to play an increasingly important role in marketing, it's at the intersection where you will find data-driven success. And that's the roundabout we call the DMP.

Make your advertising and marketing more accountable to your revenue generation with these tools and approaches, and your boss will be as proud of you as your mom is. Well, except that she really doesn't understand what you do. It's okay. We all get that.

About Oracle Marketing Cloud

Modern Marketers choose Oracle Marketing Cloud's digital marketing solutions to create engagement, orchestrate experiences, connect data, and optimize interactions that attract and retain ideal customers. These solutions connect cross-channel, content, and social marketing with data management and activation on a proven system that marketers love and IT trusts.

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