

# DATA MANAGEMENT PLATFORM (DMP) AND AD TECH USE CASES

MEDIA AND ADVERTISING



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## Executive Summary

This paper details the data management platform (DMP) and its role in driving various use cases for the Ad Tech ecosystem. It highlights features and applications of a DMP and offers business benefits to all the stakeholders in the Ad Tech ecosystem whether on the demand or the supply side of the digital advertising value chain.

## Introduction

Leading advertising technology (adtech) and marketing technology (martech) organizations are increasingly focusing on omni-channel customer journeys that have become the best standard practice by which organizations need to define, implement and measure both the marketing strategy and media spend. It becomes very important for them to offer delightful customer experiences across both owned and paid media and yet derive actionable insights and understand consumer behaviour throughout the entire customer life cycle. Leveraging a DMP can help them optimize ad spend, reduce attrition, improve acquisition rates, increase revenues and, most importantly, reach the right audience based on behaviour and in near real-time.

DMP is a software system that centralizes the management of audience data. It is used for profiling, analysing and targeting online users in digital marketing value chain. It forms the backbone of all online advertising operations for an economy that is increasingly becoming more digital. It collects raw data points from various sources and converts them into insights and analytics to make the data actionable. These data points can be used to understand the value of an audience.

DMP allows to create audiences using 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> party data, target these audiences across ad networks and ad exchanges. It measure campaign/content performance across segments to optimize media buying/selling.

### Why implement a DMP?

A DMP implementation can help in audience data management, custom audience creation, self-serve audience targeting, impression forecasting, data protection, real-time analytics, direct data sales, privacy management and many other opportunities that bridge the gap between the adtech and martech ecosystems.

Findings of a survey conducted in September 2015 by ExchangeWire and Oracle for organizations that implemented DMP for advertising and marketing activities:

DMP Implementation Reasons	% of Respondents
Improve ROI of marketing and advertising activities	82
Ability to turn data into insights	78
First-party data integration	45
Reduce wastage in media buying	44
Data normalization	40

## Applications supported by DMP

General Marketing Activity	% of DMP Support
Targeted Media Buying	82
Customer Insight Development	78
First-party data integration	45
Reduce wastage in media buying	44
Data normalization Multichannel Integration & Optimization	40
Advertising Yield Optimization	37
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## DMP Use Cases

### Omni-channel consumer tracking and optimizing media spend:

Marketers are looking for ways to optimize digital marketing spends and allocate the right proportion of their budget on the right channels to target a specific audience, which helps in improved ROI. DMP enables media spend optimization, helps in omni-channel consumer tracking and can track all combinations of such journeys over a specified period prior to conversions. The analytics/reporting can show contribution of each channel within a consumer's journey which helps in actionable insights for future marketing spends.

### Serving unified and personalized ads and content:

Marketers are often interested in finding ways to serve unified and personalized ads and content to the audience based on their profile, activities, and exposure to campaigns. DMP can help them:

- By serving/not serving different ads based on customer profile across channels and platforms
- By linking digital profile of customer along with campaign data which helps in retargeting
- In integrated marketing to show different ads or content based on customer's intent or behavior
- By avoiding ad serving to the audience who have already had exposure to the ad
- This reduces advertising cost and helps increase response rate and CPM for advertiser sales. Customers can be served personalized experiences based on their behavior and can be targeted/retargeted based on the campaign exposure they have.

## In-flight campaign optimization:

Mapping different segments provided by the DMP to a campaign instead of RON helps marketers understand what type of audience results in a better campaign performance, ultimately leading to conversions. Marketers can optimize their campaign in-flight by mapping and removing different types of audience segments to optimize their campaign and learn what type of creative or content works on what type of audience. Doing this in-flight helps them apply their learning to live campaigns and allows them to do A/B testing.

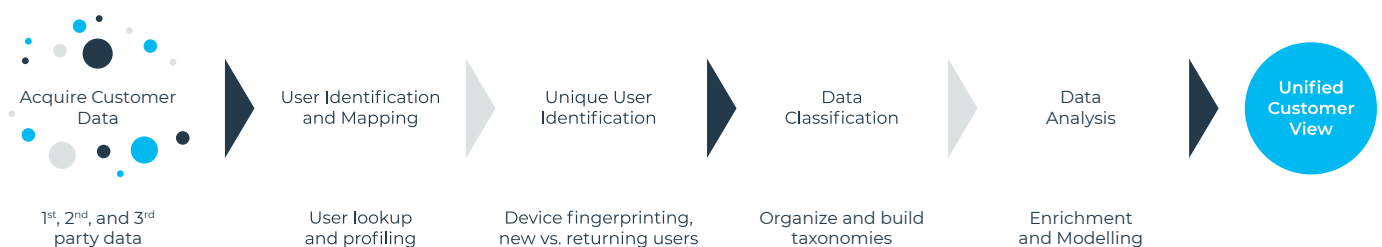
## Attribution modeling:

DMP provides or prepares audience segments having similar behaviors or interests out of the collected user profile data. This process could be executed manually, or the system could recommend and create such models.

Creating an audience is as simple as keyword buying, and this audience could be filtered down further, if needed, based on any desired attributes including demographics, actions, or interests.

Interest based modelling identifies users who are most interested. Lookalike model helps identify users who share similar behavioral patterns with users for whom we have defined the demographic data (i.e. age, gender, income, etc.). Retargeting or feedback targeting model helps identify users who share similar behaviour patterns with users for whom we have observed a particular outcome following a campaign exposure.

## Unifying 1<sup>st</sup>, 2<sup>nd</sup>, and 3<sup>rd</sup> party data and Customer 360:



## DMP can help marketers:

- With unified customer view on the acquired and analyzed 1<sup>st</sup>, 2<sup>nd</sup> or 3<sup>rd</sup> party data
- Leverage audience segments for cross-device and integrated marketing
- Target and re-target the right audience segment for retention campaigns
- With targeted and effective customer acquisition campaigns, loyalty programs, and promotions
- Cross-sell campaigns based on user's intent, behavior and segment
- Understand audience behavior to scale an audience engagement effectively and efficiently
- Improve user engagement across web and mobile properties
- With integrated reporting on campaign performance across media channels

## DMP can help media companies or publishers:

- Create new revenue streams by monetizing audience data
- Create custom audiences in response to specific RFP requests, leading to an increased RFP win rate and greater sell-through of advertising inventory across websites and mobile apps
- With a campaign planning tool to know the estimated audience reach across different media channels
- Increase cross-device marketing
- Increase yield through more targeted ads
- Increase ROI

## Business Benefits

- Optimized marketing spends based on attribution
- Serve personalized ads or content based on customer profile, behavior or campaign exposure
- Increase in CPM/eCPM and ROI
- Drive lift in revenue by monetizing 1st party data
- Increase in conversion rate and decrease in cost per acquisition (CPA)
- Increase in audience engagement and click-through rate
- Achieve greater sell-through of digital inventory

## Conclusion

With the growing maturity of data management platform (DMP) implementations combined with greater adoption of decision management platforms, adtech and martech organizations are increasingly focusing on a comprehensive solution making it easy to locate, understand and target the right audience. A right DMP can harness vast amounts of data to identify trends, gain insights, and make decisions at the speed that your business demands. It provides marketers with a clearer picture of audiences and better understanding of their behavior and ensures the delivery of relevant, personalized and meaningful ads or content to the right audience segment in this omni-channel world!

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