WINTERBERRY W GROUP

The Data Management Platform:
Foundation for Right-Time Customer Engagement

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ACKNOWLEDGEMENTS

NOTICE

INTRODUCTION AND EXECUTIVE SUMMARY

Over the last decade, the worlds of digital advertising, marketing, commerce and media have nearly drowned—in an alphabet soup of acronyms.

RTB. DSP. DCO. PPC. PII. SSP. CMS—and more. They're the *lingua franca* of the evolving information age; the terms that describe the technologies, processes and other innovations driving the growth of the commercial Internet. But their shelf lives, not surprisingly, rarely exceed more than just a few years—reflecting the rapid pace of change (as well as the many failed experiments) that have marked the evolution of digital technology.

One of the newest ingredients in the alphabet soup, though, shows signs of substantially greater staying power. The data management platform—or DMP—emerged just a few years ago as an ad hoc response to a base-level need: Publishers and marketers are aggregating more data, from more sources, than ever before. And in order to realize the full value of that information, they require a technology-driven solution—a central hub—to seamlessly (and rapidly) collect, integrate, manage and activate those large volumes of data.

Today's DMP solutions, developed both "in-house" and by a burgeoning field of third-party suppliers, are evolving fast to fulfill an even broader enterprise mission. But even as the buzz grows around their impact and true value proposition, perspectives still vary as to the most appropriate role for DMPs in the data ecosystem. Some see them as representing an advanced, automated approach to integrating data for use in ad targeting. To others, a DMP is a tool for managing custom insights in support of customer experience management. And yet others see the technology as an enabler of media efficiencies, complementing demand-side platforms (DSPs), supply-side platforms (SSPs) and trading desks.

> " The DMP is the embodiment of a 'Big Data' solution for multichannel advertising, marketing, media and audience activation. "

All of those foundational views hold water. But the DMP's potential is fundamentally more significant, driven by an increasingly actionable array of use cases, and validated by the success that users on both sides of the advertising ecosystem have enjoyed through their deployment of what remains a relatively immature approach to process and technology. Perhaps the best way to capture the role and potential of the DMP, then, is thus: **The embodiment of a "Big Data" solution for multichannel advertising, marketing, media and audience activation.**

As one panelist put it: The DMP "will ultimately be a one-stop shop for all of a marketers' data needs."
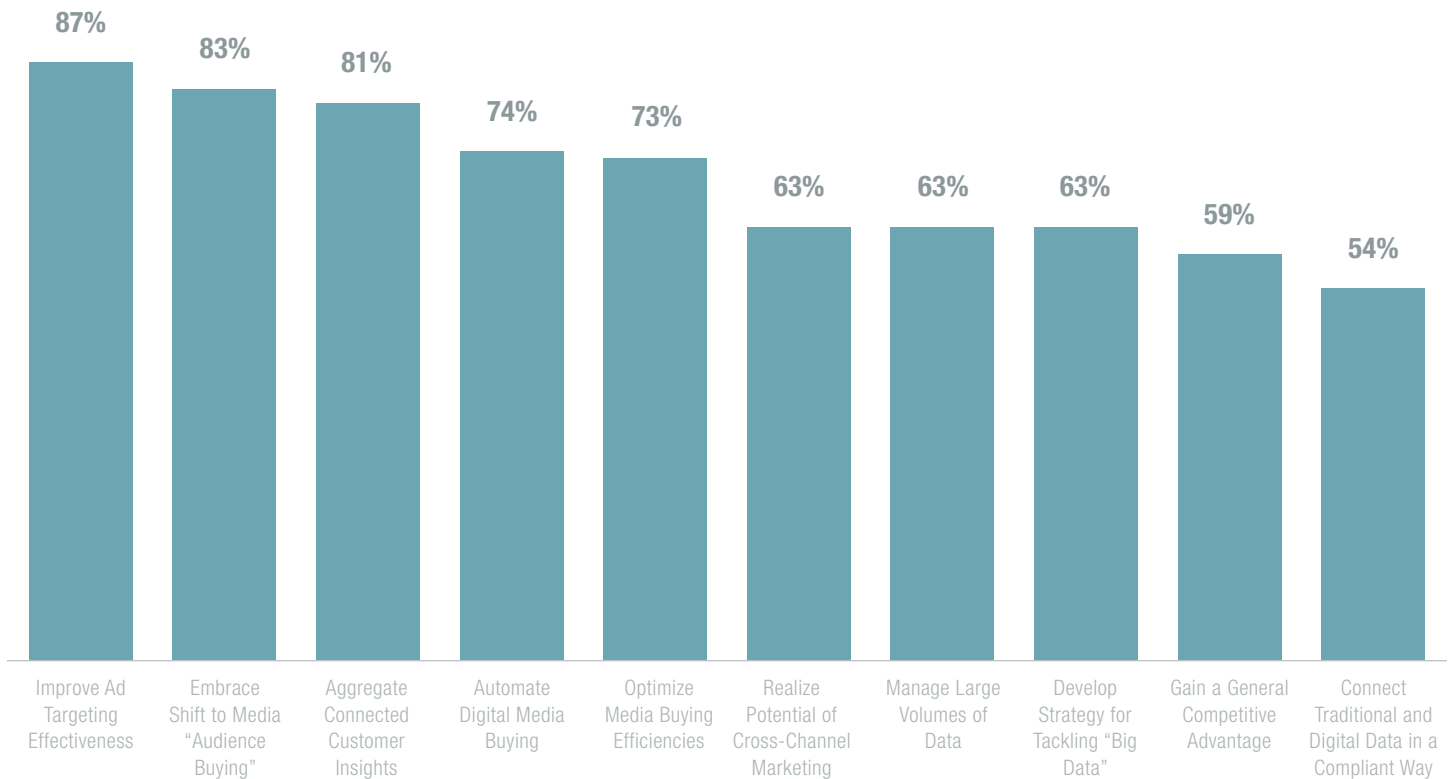
Not surprisingly, interest in DMP technology and process solutions is surging. Among our panel of knowledgeable senior-level executives across all sectors of the data ecosystem:

- 92 percent said their organization's (or clients') interest in DMPs has increased over the past year

- 77 percent said DMPs will play either a "critical" or "major supporting" role in expanding the performance of long-term advertising and marketing efforts; and

- 62 percent said their company has already implemented a DMP, or has plans to do so within the next 12 months.

This white paper—produced in partnership with the Interactive Advertising Bureau—will explore the mission and likely evolution of DMP technology, as well as the broad landscape of users and third-party developers that have propelled its growth. Based on an intensive, focused primary research effort, it will identify a series of six use cases that may be supported by DMPs, and describe another half-dozen major dynamics that we expect will define the evolution of such solutions over the next 12 to 18 months. Specifically, we believe:

- DMPs will expand in scope to support the aggregation and activation of more types of data, as well as the execution of a broader suite of data-centric advertising, marketing, media and customer experience functions

- Analytics tools and support services will grow more central to the DMP offering, driving an expanded value proposition

- Solutions will grow more specialized as unique user needs—varying across vertical markets, addressable use cases and user profiles—demand focused tools that may not readily be supported by a "one-size-fits-all" approach

- Third-party DMP platforms will grow increasingly agnostic with respect to both data and media as they fulfill a more central role in integrating and optimizing both inputs (as well as analyzing the downstream impact of both)

- A new wave of consolidation—driven by financial investors looking to aggregate platforms, plus large technology and marketing service suppliers seeking to build foundational "stacks" for multichannel data support—will reshape the DMP developer landscape, transforming the traditional and digital marketing services industries in the process; and

- Marketers, publishers and other data users will initiate a series of large-scale organizational realignments to capitalize on the potential of their enterprise information assets (with a focus on leveraging the DMP as a central engine for the reinvented, data-driven organization).

Which Of These Enterprise Needs Do You See As Major Contributors To Interest In (And Demand For) DMP Solutions?

87%	Improve Ad Targeting Effectiveness
83%	Embrace Shift to Media "Audience Buying"
81%	Aggregate Connected Customer Insights
74%	Automate Digital Media Buying
73%	Optimize Media Buying Efficiencies
63%	Realize Potential of Cross-Channel Marketing
63%	Manage Large Volumes of Data
63%	Develop Strategy for Tackling "Big Data"
59%	Gain a General Competitive Advantage
54%	Connect Traditional and Digital Data in a Compliant Way

NOTE: Panelists were asked to select all applicable factors.

METHODOLOGY

This white paper explores the data management platform (DMP), an emerging technology solution that supports "Big Data" implementation for advertisers, marketers, publishers and others looking to aggregate, integrate, manage and deploy disparate sources of data.

Published in partnership with the Interactive Advertising Bureau—and with the sponsorship of [X+1], Krux and nPario, plus 24/7 Media, AT&T Ad Works, BlueKai, Chango and Epsilon—the paper's findings are based on the results of an intensive research effort that included phone, online and in-person surveys of more than 160 advertisers, marketers, publishers, technology developers and marketing service providers (conducted between July and September 2012).

Per their request, the names and companies of individual contributors have been blinded so as to allow them the freedom to speak with maximum candor.

Panelists: Please Select the Description Which Best Describes Your Company's Primary Role
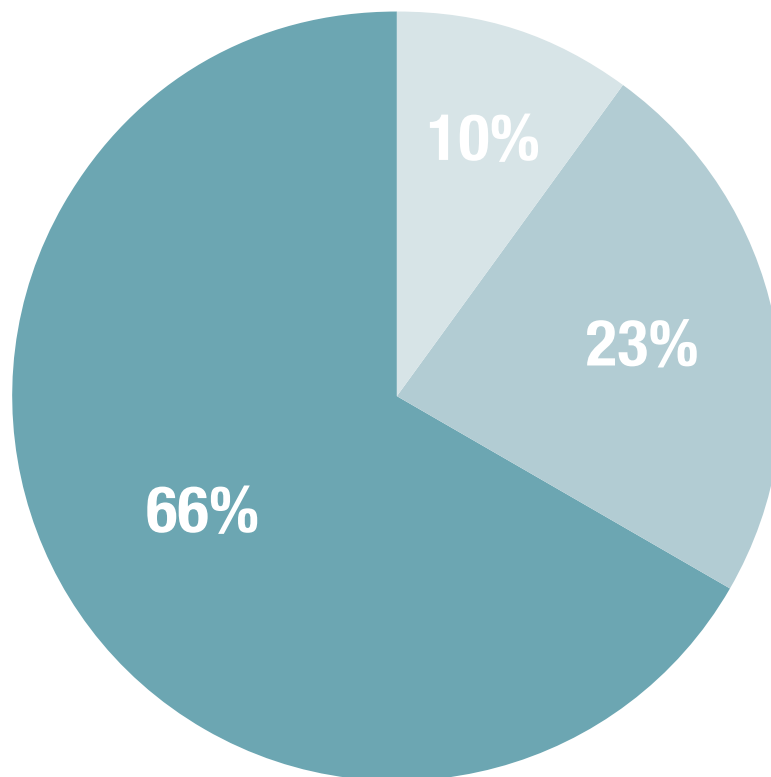
Legend:
- Advertiser/Marketer
- Publisher
- Marketing Services or Technology Provider

10%
23%
66%

N=163 Panelists

WHAT IS A DMP, ANYWAY?

A Head Start on the "Big Data" Revolution

Over the last two decades, two constants have emerged to unify—and indeed, define—the worlds of advertising, marketing, media and commerce:

* Consumer attention, interest and purchase activity are rapidly migrating to digital channels; and

* That groundswell of online activity is generating unprecedented amounts of information on those consumers and their likely wants, needs and behaviors.

Both trends speak to what has come to be known as "Big Data"—the amorphous (but widely popular) notion that rich new information sets will one day reshape the way large enterprises do business. The concept is philosophically sound; grounded in the notion that insight represents a source of competitive advantage, a platform for companies to refine operational efficiencies, match products to market demand and fine tune their advertising and marketing efforts. But confidence about its widespread activation has been undermined by a flawed piece of conventional wisdom:

NAMELY, THAT IT HASN'T HAPPENED YET.

In truth, "Big Data" has been a way of life for marketers, publishers and others for many years. We encounter it when we log in to check our frequent flyer account balance, open a piece of targeted direct mail, receive an SMS news alert or collect a personalized coupon at the grocery store checkout line. The importance of data to applications like those—as well as the investment of billions of dollars in data technology over the years—have given marketers and their supply-chain partners an effective head start on the "Big Data" revolution, outpacing other enterprise functions (like finance, product development and even IT) in the sophistication and impact of their information strategies.

Over the last few years, that sophistication has grown amidst the emergence of new applications—including media trading desks, yield optimization platforms, offer targeting engines and user experience customization tools—created to automate complex media buying, messaging, marketing and offer management tactics. All these tools share one element in common: They rely on the input of a rich, continuous stream of data in order to deliver value.

But a unitary "stream of data"—or better yet, a single source of insight—simply doesn't exist. That's because data take many forms, owing to their distinct sources, structures, taxonomies, use guidelines and actionability. In order to be leveraged for maximum value, they must in turn be aggregated, stored, cleansed and standardized in such a way as to make them useful as inputs to other, more tactical initiatives.

ENTER THE DMP.

Born of this fundamental need to harness multiple independent data sources, the DMP has emerged as a technology-centered solution for aggregating, integrating, managing and deploying disparate sources of information—informing the creation of new, actionable customer insights that may be used to improve performance across the enterprise.

Another way of looking at it: The DMP is a hub for maximizing the value of critical customer data assets—both "owned" and sourced from others—that would otherwise go underutilized.

AGGREGATE (DATA SOURCES)	INTEGRATE AND MANAGE (DMP APPLICATIONS)	DEPLOY (USE CASES)
Core		**Core**
First-Party / Behavioral Digital Data		Collecting and managing independent feeds of digital data
Third-Party / Behavioral Digital Data		Empowering deeper, more insightful customer analytics
Emerging		Powering targeted online advertising
"Traditional" Offline Data	Storage / Warehousing	Developing rich, actionable audience segments for expanded media sales
Transaction Data	Normalization	**Emerging**
New Data Sources	Selection / Segmentation	Optimizing the digital customer experience
	Analytics & Decisioning	Integrating disparate data sets—both "traditional" and digital—to drive rich, multichannel customer communications

Execution Tools: Targeting, Content Optimization, Media Buying, DSPs/ SSPs, Campaign Management, Yield Management, etc.

The Data Management Platform: A Primer

What Does A DMP Do With Data?		
	IT AGGREGATES	Multiple independent data sources
	INTEGRATES	Those independent sources according to a standard, user-specific normalization taxonomy
	MANAGES	The new, unified dataset through a central interface—with the goal of making the data accessible
	DEPLOYS	Actionable data segments to drive optimized advertising, marketing, media and commerce interactions

What Fundamental Data Types Do DMPs Support?		
	FIRST-PARTY	That which is generated independently (and thus "owned") by an individual entity. In the digital realm, the output generated by pixels, tags and cookies on owned Web properties, resulting in a set of proprietary observations on audience behaviors and expressed preferences (as well as any insights that may be inferred based on those observations)
	SECOND-PARTY	Audience insights (including demonstrated behaviors, as well as expressed and inferred preferences) shared by a business partner or affiliate
	THIRD-PARTY	Independently sourced insights, generally provided through a data exchange (or directly from a third-party) for the purpose of enhancing or expanding the size of a foundational dataset

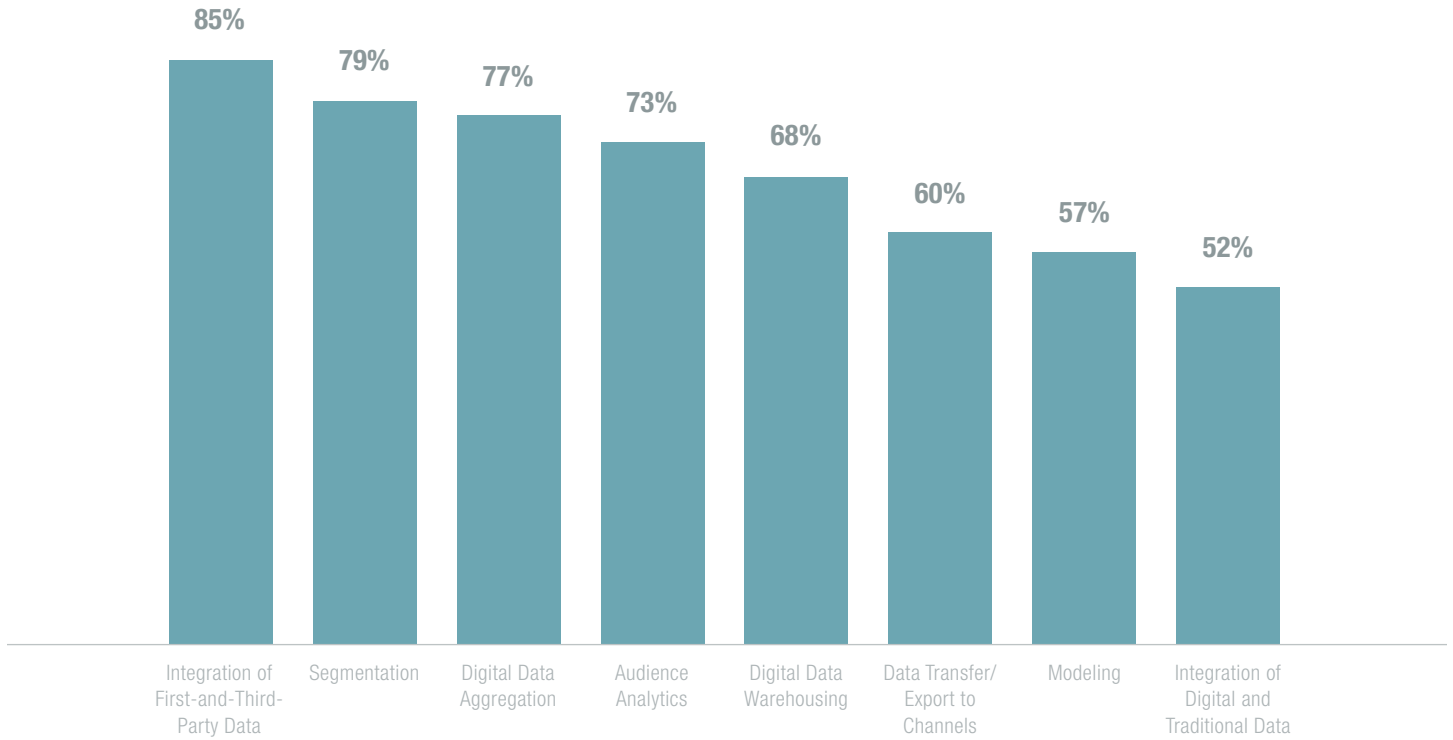| How Do Users Typically Interact With DMPs?		
	AS A TECHNOLOGY	Delivered through cloud-based, software-as-a-service (SaaS) applications. Users typically log into a Web interface—with the underlying platform often developed and/or managed by a dedicated third-party vendor—for the purpose of viewing available datasets/attributes, executing campaign management functions (e.g. the selection and deployment of those datasets), running analytical models and performing other functions. The underlying platform, in turn, coordinates a range of functions (including aggregation, tag management, rights management/business rules application, data serving, analytics, etc.) that may exist "within" the DMP or be integrated through external tools
	A SERVICE-DRIVEN SOLUTION	Supported through relationships with agencies, database management providers and/or analytics suppliers (who often leverage the platform technologies of other dedicated vendors); provides additional consultative support for crafting actionable analytics programs and supporting enterprise data strategies
	A PROPRIETARY APPLICATION	Developed on a custom basis for in-house utilization, typically by building and integrating specialty functions on top of one or more "off-the-shelf" third-party platforms

What Business Functions Do DMPs Actively Support Today?	**ADVERTISING**	Drives expanded insight into digital audiences, allowing for the packaging of Web visitor populations into actionable segments that may be targeted for the most appropriate offers and creative treatments; also allows for the development of broader "lookalike" audiences whose behaviors and profile characteristics mirror that of a target population (allowing for the expansion of that target universe)
	MARKETING	In concert with targeted advertising, supports enhanced visitor recognition—which, in turn, drives improved offer management, website experience optimization and a wide range of other functions (both digital and off-site)
	MEDIA SALES	Provides for the enhancement of first-party visitor datasets, leading to the creation of rich, actionable audience segments that may be packaged and sold at a premium (on the basis of their inferred value to advertisers); supports the integration of disparate audience datasets that may exist across owned media properties (as well as other organizational functions, such as customer marketing)—providing a key solution to the challenge of organizational silos
	COMMERCE	Supports enhanced visitor recognition, offer management and multichannel user experience—allowing for strategic merchandising on both e-commerce properties and, with some additional maturity, through both mobile and brick-and-mortar retail venues

What Benefits Does The DMP Deliver Versus Manual Approaches?	**INTEGRATION**	By bringing together complementary data assets to enable maximum impact across use cases; by "breaking down the silos" that often cripple an organization's ability to effectively capitalize on its own information assets
	SCALE	By supporting the processing of those large (and growing) volumes of information that are generated by digital interactions
	SPEED	By leveraging a cloud-based approach to data processing—rather than slower traditional approaches—so as to drive rapid responsiveness and automated downstream decision making (whether in real-time or "near-real-time," as program economics dictate)
	FLEXIBILITY	By working through modular platforms (often provided by third parties) that can be engineered to specific, evolving business purposes
	INSIGHT	By establishing a single focal point upon which automated analytics efforts may be launched, leveraging a larger fundamental dataset so as to deliver deeper, more actionable perspectives on audiences
	ASSURANCE	By providing a credible platform to manage complex—and critical—data governance functions, assuring that data utilization efficiently conforms to best-practice conventions with respect to consumer privacy, preferences, data security and use guidelines

Which Of The Following Would You Define As Current Core Competencies Of The DMP?

85%	Integration of First-and-Third-Party Data
79%	Segmentation
77%	Digital Data Aggregation
73%	Audience Analytics
68%	Digital Data Warehousing
60%	Data Transfer/ Export to Channels
57%	Modeling
52%	Integration of Digital and Traditional Data

NOTE: Panelists were asked to select all that apply.

IN THEIR OWN WORDS

Industry buzz surrounding the development and growth of DMP solutions has been substantial. But even as marketers and publishers continue deploying resources to the task of onboarding the right tools, interpretations still vary as to the specific role and contribution of data management platforms within the broader enterprise. Our panelists provided a wide range of views:

A DMP IS...

A CENTRAL HUB FOR DATA COLLECTION, INTEGRATION AND MANAGEMENT:

" It dovetails with the broader notion of 'Big Data' at the enterprise level. For us, it's an online solution for collecting real-time insights, enabling holistic data normalization and utilization. "

" A platform for delivering four core functions: tag management, audience segmentation, distribution— or activation of the data—and analytics. "

" There are two components of DMP functionality: the ability to ingest data in a scalable way from multiple platforms, and then the features and functions that allows that data to be used. "

" It looks at cookie-level behavioral data, collected across multiple digital properties—earned, owned and paid—and aggregates that data in a central location. "

" Makes important data available in a central location—and makes it actionable. "

A HYBRID OF PLATFORM TECHNOLOGY AND MANAGED-SERVICE SOLUTIONS—PROVIDING A RICH VIEW OF A GIVEN CUSTOMER AUDIENCE:

" It's not a pure repository for data so much as it's a tool for making data addressable. It gives you the flexibility to make an assessment of your audience on your own terms. "

" It allows us to harness first-party data, overlay the right third-party sources and create rich profiles of our customers that extend beyond the data we may have on their specific interactions with us. "

" It provides marketers with a 360-degree view of their data assets to better inform their marketing. "

> It's a technology platform that enables data aggregation at the user level to yield more holistic analytics, better audience insight and cross-channel media optimization.

> It's about audience. There's data about your audience in here, but the addressability comes from being able to measure and run analytics against your audience.

AN APPROACH TO "ACTIVATING" DATA RESOURCES THAT MIGHT OTHERWISE BE UNDERUTILIZED:

> In one respect, it's nothing more than a 'cookie store' that allows you to store a bunch of attributes about your online users. But viewed another way, it's really a tool for activating data at the enterprise level—advancing on the role that we once thought was only played by 'CRM tools.'

> It's a platform that allows you to take any data (first- or third-party) and make it actionable in as many places as possible.

> Provides tools for creating, managing, understanding and actioning against whatever data you have.

> Simply: It's a 'Big Data' activation solution.

A TOOL FOR ENABLING RICHER ONLINE VISITOR EXPERIENCES—AND MORE TARGETABLE CUSTOMER SEGMENTS:

> Allows us to collect information about users—particularly our own customers and other visitors to our websites—for use in delivering a more custom Web experience. Someday, it'll be used to customize the app experience, as well.

> Really, it's a tool for optimizing interactions—especially for the purposes of online customer experience management. We've plugged it into our content management system to deliver a better user experience, and we're thinking about different ways to leverage it as an acquisition tool, too.

> Allows us to identify the most valuable first-party data resources and then layer in the right third-party elements. Our goal is to create the right targetable segments for ad sales, no matter what the campaign strategy.

WHAT USE CASES DO DMPS SUPPORT?

The potential applications for DMP technology are diverse, and rapidly expanding in number. Though the interpretations vary significantly across the user base—panelists provided feedback on more than a dozen distinct applications, for example—six fundamental use cases reflect the span of purposes to which DMP technology is currently being deployed. Each represents different stages of adoption, maturity and growth potential.

Which Of The Following Applications Are At Least 'Generally' Supported By Existing DMP Technology?

Targeted Media Buying	82%
Customer Insight Development	78%
Channel Optimization	45%
Campaign Channel Attribution	44%
Multichannel Integration & Optimization	40%
Advertising Yield Optimization	37%
CRM Program Optimization	36%
Creative Content Optimization	32%
Site Content Optimization	32%
Emerging Channel Deployment	23%
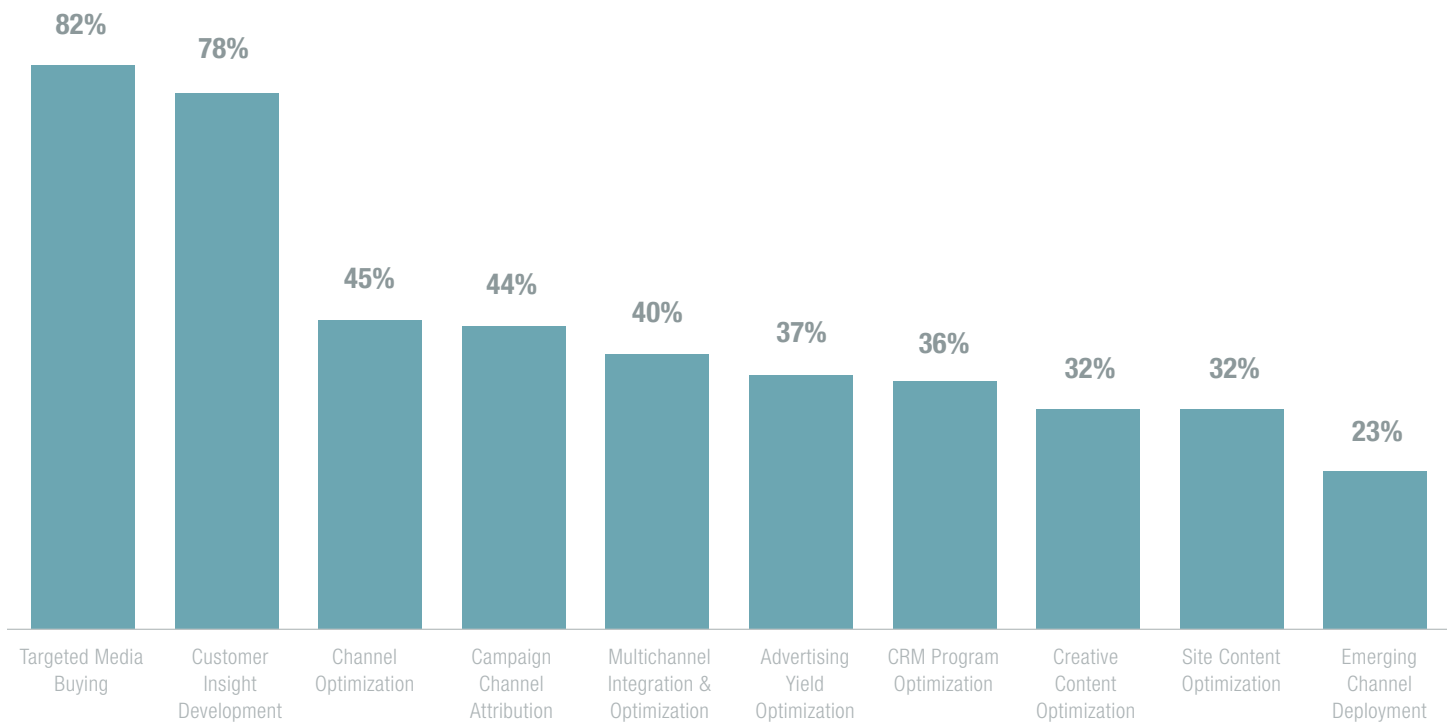
> WHAT IT MEANS:

Although DMPs appear well positioned to support a broad array of applications, current implementation efforts are focused on the core purposes of targeted media buying and audience insights/research. Broader adoption will emerge once those initial investments have been clearly substantiated, and additional organizational "owners" have been identified to drive cross-organization utilization.

Which Of The Following Applications Would You Classify As 'Important' Priorities For Future DMP Support?

93%	Customer Insight Development
90%	Targeted Media Buying
86%	Campaign/ Channel Attribution
84%	Emerging Channel Deployment
84%	Multichannel Integration & Optimization
83%	Channel Optimization
76%	CRM Program Optimization
73%	Creative Content Optimization
69%	Site Content Optimization
59%	Advertising Yield Optimization
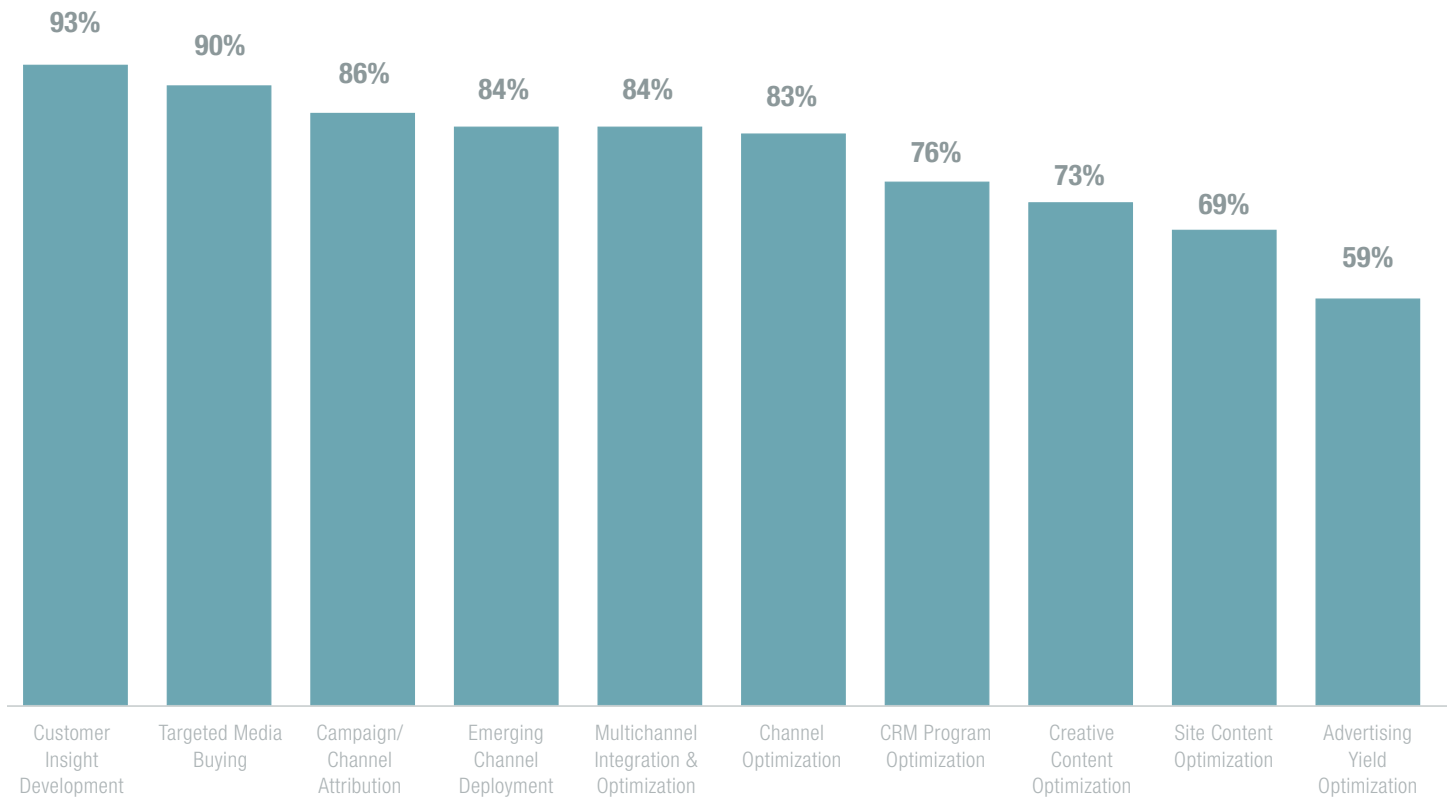
> WHAT IT MEANS:

The long-term potential for the DMP to serve as an organizational "data hub"—likely driven by the marketing function on behalf of all customer-facing constituencies—is vast, touching on a wide range of addressable use cases. At the core of those objectives: the need to deliver expanded insights into customers, prospects, visitors and all those that touch a brand.

Use Case: Collecting and Managing Independent Feeds of "Digital Data"

DEFINED	The aggregation and normalization of distinct first- and third-party digital data sources, enabling follow-on analysis, segmentation and deployment from a single location, in a standardized format. This is the "master" use case—the application that is core to the DMP's existence, and from which all others are ultimately executed.
CURRENT ADOPTION/ MATURITY LEVEL	**INTERMEDIATE (BUT RAPIDLY TRENDING TO ADVANCED):** Virtually all DMP solutions (including those built on a custom basis by individual users, as well as those platforms developed by dedicated technology vendors) have been built with a strong data-integration focus. Slight variations persist, though, among tools that were originally engineered with a focus on sourcing the right third-party data sources (typically available through commercial data exchanges), and those built with a primary eye on solving the challenge of internal data "silos"—the tendency of large enterprises to house their own critical information assets in parallel, disconnected repositories. Rapidly, though, the landscape of DMP solutions is converging to support both of these functions with a high degree of sophistication, representing the level of service delivery that will be necessary to support more impactful marketing-focused use cases.
GROWTH POTENTIAL	**HIGH:** As the volume (and complexity) of data created through customer interactions grows, so too will grow the importance and growth potential of automated data integration solutions. In this respect, the growth potential for core DMP functionality appears virtually unlimited.
IN THEIR OWN WORDS	❝ The real need for the DMP comes in the ability to pull a bunch of data sources together and improve the operational aspects, like storage, so that you can then do the important analytics and processing work. ❞ — SR. DIRECTOR, ONLINE MARKETING STRATEGY, TOP 10 CONSUMER CREDIT PROVIDER

Empowering Deeper, More Insightful Customer Analytics

DEFINED	Leveraging the power of rapid data aggregation and segmentation to drive granular audience insights, allowing for a deeper understanding of user attributes and predictive behaviors—with an eye on informing downstream attribution, product development, sales strategy and media buying efforts (both manual and automated).
CURRENT ADOPTION/ MATURITY LEVEL	**INTERMEDIATE:** Though panelists generally agreed that existing DMP technologies are well equipped to support a more insightful level of "audience reporting" than possible exclusively through Web analytics tools and conventional market research products, only a portion reported that their organizations were deploying DMP technology exclusively or primarily for that purpose. (In those cases, internal customers for such efforts generally include media sales teams and units focused on managing customer experience.) In many other organizations, the DMP's relative immaturity has limited its deployment to those specific functions—targeted advertising execution, for example—for which it was originally deployed.
GROWTH POTENTIAL	**MODERATE:** A majority of marketer respondents cited "the desire for more connected customer insights and analytics" as a major factor driving DMP adoption. As internal data owners continue working to validate the "true value" of these assets to the broader enterprise, it's likely that expanded DMP functionality will serve to broaden its impact (as a data-aggregation tool, a market research platform and a tool for optimizing downstream media and customer experience interactions) and its exposure to various constituencies across the enterprise.
IN THEIR OWN WORDS	66 At the top of our list of needs is actionable insights. Any platform that helps 'bubble up to the surface' actionable audience segments—and does so in an automated, programmatic way—is valuable to us. [Other than the DMP], right now we don't have a lot of dedicated resources that make that possible. 99 —VICE PRESIDENT, SALES OPERATIONS, TOP 10 PUBLISHER 66 The primary reason to use a DMP is to better understand and engage your consumer across channels. The analytics component is becoming key. 99 — CEO, MEDIA TRADING DESK

Powering Targeted Online Advertising

DEFINED	The identification of actionable audience segments, to which carefully selected offers and creative treatments may be targeted in an effort to match "the right offer, to the right person, at the right time." The DMP powers a deep level of analysis on broad populations of online visitors, allowing for the rapid identification of actionable segments, as well as the expansion of existing target segments by matching "lookalike" behavioral characteristics (suggesting a higher propensity to respond). Targeted advertising units may then be purchased and deployed through demand-side platforms (DSPs) and ad serving technology, to which the DMP is a primary input.
CURRENT ADOPTION/ MATURITY LEVEL	**ADVANCED:** Among all use cases now in active deployment, panelists agreed that ad targeting is the most mature—in terms of both adoption and general sophistication. That's not surprising (since many DMP platforms were originally built with the sole purpose of driving a deeper level of personalization through display advertising), but doesn't necessarily suggest the technology has reached its maximum potential. In fact, consensus suggested that growing volumes of actionable data—plus the likely continued integration of DMPs and downstream media optimization and execution tools (like DSPs)—are already driving a range of new targeting innovations.
GROWTH POTENTIAL	**HIGH:** In particular, the mobile channel represents a "next frontier" opportunity for very granular levels of advertising targeting, potentially allowing for the economical development of "microsegments" that may be activated across addressable media.
IN THEIR OWN WORDS	66 Our path to DMP implementation was organic, stemming from a behavioral targeting platform that we were using. The behavioral targeting platform is a kind of DMP, but we wanted to do better. 99 — HEAD OF WEB AND MOBILE OPERATIONS, MAJOR PUBLISHER 66 The goal was to build a digital marketing platform to take first-party data—which the financial services industry has a ton of—and marry it with open-Web behavioral data to create a stronger profile of customers. While we have a great deal of data, it's only indicative of behaviors done on our properties; we didn't know what people were doing elsewhere, so the goal was to use open-market data to see how people are behaving so we could target and deliver relevant messaging anywhere in the digital space. 99 — HEAD OF INTERACTIVE MARKETING, MAJOR FINANCIAL SERVICES COMPANY

Developing Rich, Actionable Audience Segments for Expanded Media Sales

DEFINED

The development of new and/or expanded audience segments to allow for the sale of targeted media. At full maturity, this approach should allow publishers to both expand its saleable target segments (based on expressed and inferred audience characteristics across multiple properties) and identify the "true value" of target audience segments for specific advertising applications, allowing for that media to be sold at a premium versus base-level rates.

CURRENT ADOPTION/ MATURITY LEVEL

LOW / INTERMEDIATE: Though interest among publishers in this DMP use case is widespread—some have characterized the "audience selling" approach as fundamental to driving needed transformation from the traditional media sales paradigm—current deployment is still largely in the early stages, slowed by the inherent complexity of today's publishing enterprises (which commonly manage data, product management and sales in separate organizational silos) and active resistance from internal sales teams (who, despite its potential benefits, sometimes complain that segmentation-driven "programmatic sales" diminishes the quantity and value of saleable advertising units they may bring to market).

GROWTH POTENTIAL

MODERATE / HIGH: Ongoing advances in the underlying technology—and broader adoption among both publishers and their advertisers—will no doubt prove instrumental in driving the fundamental shift to audience buying (programmatic and direct) from established norms. But true growth over time will require advertisers to recognize the premium value of audience insights, demanding that publishers reconsider not just their approach to the identification of actionable segments, but their broader package of content-driven audience engagement offerings—calling, potentially, for new approaches to multichannel content development, attribution, market research and ancillary marketing services.

IN THEIR OWN WORDS

❝ The fundamental output of the DMP is our ability to sell ads against data. From our perspective, to have the power to sell media across properties—to leverage a targeted cookie pool to give our advertisers more reach—is absolutely critical to our ability to truly 'sell audiences.' ❞

— **SENIOR VICE PRESIDENT AND GENERAL MANAGER, DATA SOLUTIONS, MAJOR BUSINESS-TO-BUSINESS PUBLISHER**

❝ I think the technology is beginning to mature some, but we've seen a lot of change in only in the last six to nine months. It's a challenging approach, from a [media] buyer's perspective, because [DMPs] all have a different value proposition. I think some will end up catering to publishers and some to advertisers. ❞

— **HEAD OF WEB AND MOBILE AD OPERATIONS, MAJOR PUBLISHER**

❝ We started realizing marketers and advertisers were using customer data for targeting and the marketing was developing toward a model where advertisers were going to assemble data and pick through publisher inventory to find their most likely customers. The publishers were put at a disadvantage because they didn't have their own data to present audiences. Rather than forcing advertisers to pick through that raw data themselves, with a DMP the, publishers could assemble the attractive audiences themselves, and pitch them to potential customers. ❞

— **CEO, DATA TECHNOLOGY DEVELOPER**

Optimizing the Digital Customer Experience

DEFINED

Capitalizing on the DMP's real-time (or near-real-time) analysis capability to drive rapid audience recognition—with the aim of optimizing the on-site experience for visitors based on their respective status as a customer, prospect or other known entity. Though specific applications vary across vertical markets, the ultimate aim is to present products, offers and creative treatments—the "path to purchase," in other words—that are thought to best drive purchase activity and long-term customer engagement.

CURRENT ADOPTION/ MATURITY LEVEL

LOW: Fewer than two in five panelists agreed that DMPs currently support the use cases of "CRM program optimization," "creative and content optimization" and "site content optimization"—suggesting that within the user organization, the technology remains the provenance of the advertising and marketing operations functions (rather than product management).

GROWTH POTENTIAL

VERY HIGH: Perhaps no single use case represents the long-term potential of the DMP better than customer experience management. But to capitalize on that opportunity, a number of fundamental advances will be needed across the enterprise: Processes must be engineered to support streamlined data collection and management; product management must embrace the role of automation technology as a driver of enhanced customer engagement; and new "ground rules" must be established to govern the sharing of resources and authority across customer-facing functions.

IN THEIR OWN WORDS

" I want data that's right there—in real-time—informing what we are talking to folks about. For example, if you see me on your website, then on Facebook, then on another digital property but you act like you're seeing me for the first time, you're missing something. Relevancy is important, and a DMP provides that for us. "

— VICE PRESIDENT, MEDIA, MAJOR DIGITAL AGENCY

Integrating Disparate Datasets—Both "Traditional" and "Digital" —to Deliver Rich, Multichannel Customer Communications

DEFINED

The intelligent coordination of advertising, marketing, customer engagement and content deployment across all data-dependent communication channels, both traditional and digital. In this respect, the DMP serves primarily as an integration and normalization hub for multiple distinct data types, adding one new basic function—anonymization—to support the use of offline data (which may include elements that can be used to personally identify a consumer) in digital venues, where the use of such data has long been considered contrary to best practice.

CURRENT ADOPTION/ MATURITY LEVEL

LOW: Few users are currently deploying DMPs to a "multichannel" purpose, but almost all panelists said that the long-term potential of the technology is linked to its eventual support of this approach. The fundamental limitation in this respect isn't technology so much as practice; in order to activate multichannel data strategies that deliver value, users must first identify the data sources that have additive value beyond their existing purposes, and then identify the protocols (and consumer protections) necessary to seamlessly activate that information in a consumer-friendly manner.

GROWTH POTENTIAL

HIGH: As user knowledge and experience grow to recognize data as something that is inherent to neither "traditional" nor "digital" media, additional use cases will emerge that are likely to call on the integration and analysis of information from all addressable sources—driving the role (and value) of the DMP as a hub for multichannel engagement.

IN THEIR OWN WORDS

❝ If you look at most of the use cases today, it's mostly about measuring online data—activities that users are doing in a desktop browser—and deploying that insight to optimize online marketing. But where DMPs become really powerful is when they can pull data across channels—CRM data, mobile data, email data—and then distribute across channels. I think that will be the major evolution of DMPs that will make them much more powerful in the next year or two. ❞

— VICE PRESIDENT, PRODUCT, DATA TECHNOLOGY DEVELOPER

❝ I firmly believe all of this stuff has to be multichannel. Today, folks are focused on the Web, but this emphasis need to span mobile and even yet-to-be-determined screens and devices. ❞

— VICE PRESIDENT, PRODUCT MANAGEMENT, MAJOR AD SERVER

WHAT DOES THE FUTURE HOLD FOR DMPS

As the underlying platforms continue to evolve (and users grow more discerning with respect to their unique technology, process and product needs), we believe six major developments will mark the evolution of "the DMP" over the next several years.

Growth

DMPs will expand in scope to support the aggregation and activation of more types of data, as well as the execution of a broader suite of data-centric advertising, marketing, media and customer experience functions.

WHY	Users are growing more sophisticated in development and deployment of data-driven insights, and growing to recognize that all data collected across the enterprise may serve to enrich product development, offer management, customer engagement and other promotional functions.
HOW	Through collaboration between users and third-party platform developers on the core technology requirements—and data-collection protocols—needed to support more robust functionality and multichannel support. Through development of internal processes that support the alignment of data collection practices and supporting technology (and both of those with downstream campaign execution tools used to deliver messages to market).
WHEN	**IN PROGRESS:** To continue indefinitely.
IN THEIR OWN WORDS	66 I think that DMPs will start to look like multichannel campaign management systems, rather than just data management systems. 99 66 DMPs will bring in additional (non-digital) data sources at scale, and plug into more delivery platforms to provide truly end-to-end engagement. 99

Insight as a Core Capability

Analytics tools and support services will grow more central to the DMP offering, driving an expanded value proposition.

WHY	Though a growing number of organizations conceptually embrace the value of data as a driver of enterprise customer engagement, few have the talent and experience in-house to drive wholesale transformation. Outside a select few verticals (such as financial services), only third-party suppliers and DMP technology developers possess this critical expertise at meaningful scale, offering the potential for DMP providers (and other marketing service providers) to develop broader "solutions" to reinforce user adoption of their core platform products.
HOW	Through aggressive hiring of analytics and engineering talent, as well as acquisition of smaller niche service bureaus (likely focused on core vertical markets). Through consolidation of DMP providers by larger marketing services and consulting organizations that lead their go-to-market approach with a "full solution" value proposition.
WHEN	**OVER THE NEXT 12 MONTHS:** In concert with expected industry consolidation.

IN THEIR OWN WORDS

" People don't know how to use the technology they have available to them. [Offering services to help them do so] is the next stage in this evolution. "

— **CEO, AUDIENCE TARGETING TECHNOLOGY DEVELOPER**

" We don't have enough analytics or targeted audience management people assessing the impacts of the use of the data and coming up with an answer to the one critical question: 'Did it work or not?'. "

— **VICE PRESIDENT OF AD OPERATIONS, MAJOR PUBLISHER**

" A DMP is not a replacement for an organization's ability to understand the data. It's something that can help them do it at scale, but you still need someone to understand what's coming out of the DMP to help the rest of the organization use it. "

— **VICE PRESIDENT, PRODUCT MANAGEMENT, MAJOR AD SERVER**

" I would like providers to help look at our audience and start recommending segments we haven't thought of. They have a better understanding of what's working for other people, and I would love to have more direction in monetizing and using the system better. "

— **HEAD OF WED AND MOBILE AD OPERATIONS, MAJOR PUBLISHER**

Specialization

Solutions will grow more specialized as unique user needs—varying across vertical markets, addressable use cases and user profiles—demand focused tools that may not readily be supported by a "one-size-fits-all" approach.

WHY	Rising competitive intensity within the core market of third-party DMP platform tools—in concert with a user base that is growing more discerning with respect to their ideal functions, support services and technical support requirements—will drive development of service models that require unique business models and platform engineering.
HOW	Through refinement of technology and service models that vary across user verticals, marketplace constituencies (with models engineered for advertisers, publishers, intermediaries, etc.), service requirements (with models designed for enterprise users, medium-sized businesses, etc.) and other niche profiles.
WHEN	**LIKELY TO EVOLVE WITHIN 12 TO 18 MONTHS:** Following appropriate product development and messaging efforts.
IN THEIR OWN WORDS	66 I believe this set of functionality will be absorbed by broader solution categories. New solutions will emerge, for example, to serve pure adtech solutions and enterprise solutions. 99 66 Continued iterations of the DMP will make it easier for publishers to identify and build publisher-centric audience offerings. 99 66 DMPs will develop to focus not only on marketing and advertising, but also operations. 99

Maturity of Technology-Centered Business Models

Third-party DMP platforms will grow increasingly agnostic with respect to both data and media as they fulfill a more central role in integrating and optimizing both inputs (as well as analyzing the downstream impact of both).

WHY	Growing sophistication of the underlying technology—as well as a new appreciation of the critical value that a "central hub" drives in enabling cross-enterprise data activation—will drive third-party DMP providers to migrate further away from their legacy business models (favoring, for example, third-party data "exchange" aggregation, network-driven media buying and other specialty applications). Users will continue demanding objective guidance and technological support from "solution" providers, further driving a distinction from those who source original data.
HOW	Through the addition of new layers of consultative services within core DMP technology developers; through widespread partnership efforts that will be aimed at making "all data, from all sources" available through virtually every commercial platform of significance.
WHEN	**IN PROGRESS:** Has tracked the evolution of the "data ecosystem" for the last several years.
IN THEIR OWN WORDS	66 We do see a lift when we use third-party data, but it's still a question of whether the incremental lift outweighs the cost. 99 — SENIOR INTERNET MARKETING PROGRAM MANAGER, MAJOR INSURANCE COMPANY 66 DMPs will have to be agnostic to all data providers and allow the marketer to select the technology partners integrated with the DMP, allowing for the ultimate level of control. 99

Consolidation

A new wave of consolidation—driven by financial investors looking to aggregate platforms, plus large technology and marketing service suppliers seeking to build foundational "stacks" for multichannel data support—will reshape the DMP developer landscape, transforming the traditional and digital marketing services industries in the process.
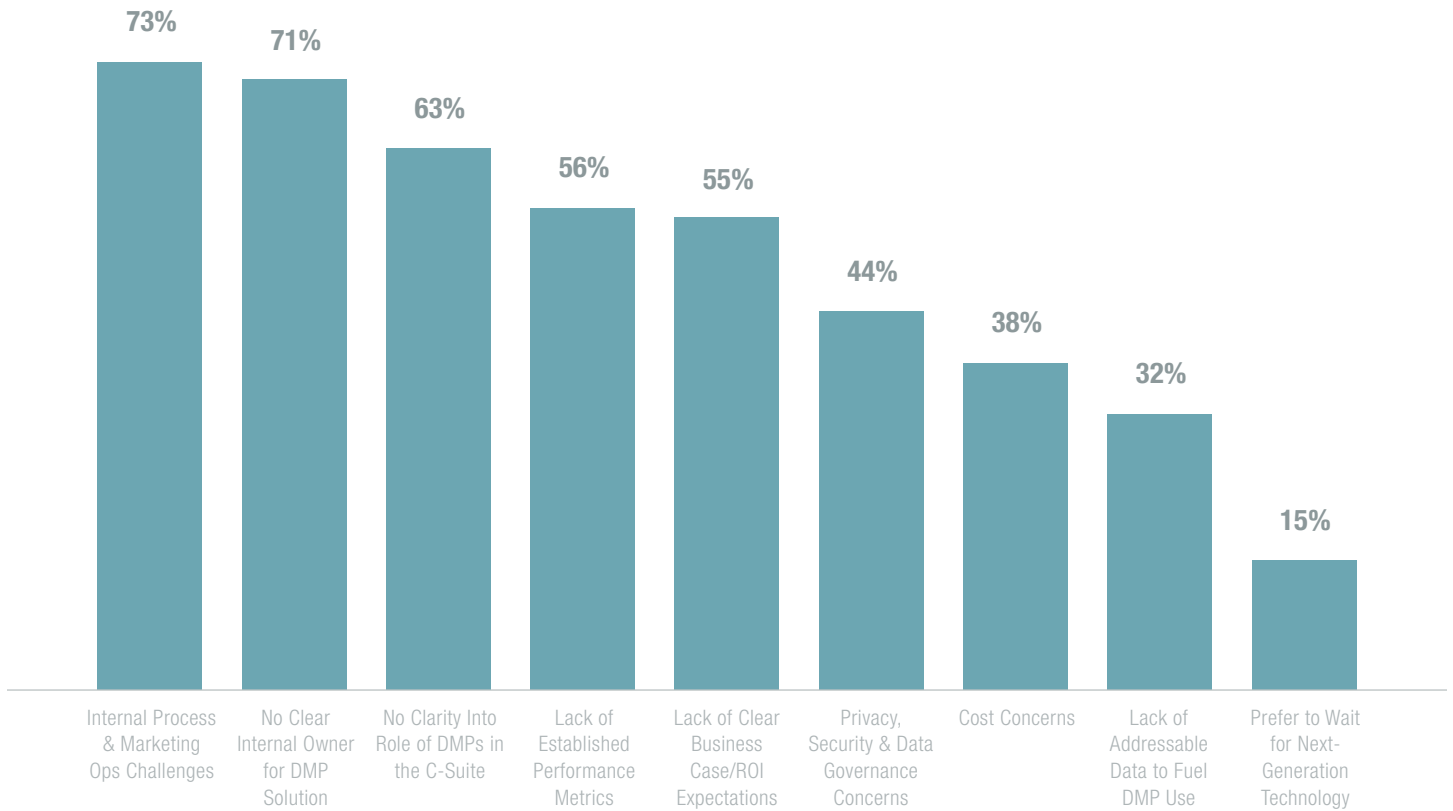
WHY	The fragmentation of the current landscape of DMP developers (still led, predominately, by companies that were founded or migrated to "DMP-centric" business models over the last decade) will prove unsustainable as the technology proves increasingly core to powering enterprise-wide data activation. Larger strategic investors will continue to see established platforms as potentially fundamental to the development of broad "stacks" of marketing automation technologies, leading both established marketing suppliers (especially those from the database management and agency holding company sectors) and new entrants (including large enterprise technology and management consulting providers) to compete for the most mature platforms on the market.
HOW	Through an aggressive round of strategic consolidation, plus select "roll-ups" of multiple niche offering providers, likely led by financial concerns.
WHEN	**LIKELY WITHIN THE NEXT 6 TO 12 MONTHS:** With the potential for more aggressive/rapid consolidation as dictated by macroeconomic conditions.
IN THEIR OWN WORDS	❝ I would be surprised if there are more than two or three freestanding DMPs left [within a year or two]. They will get gobbled up by larger companies to provide more end-to-end solutions. There will be more consolidation in the space and more whole solutions offered in the marketplace. ❞ — SENIOR VICE PRESIDENT AND GENERAL MANAGER, DATA SOLUTIONS, MAJOR DIGITAL PUBLISHER ❝ There are many DMPs out there already and I see some acquisitions and consolidation happening. As agencies build their technology arm they will be looking at start-up or semi-mature DMP companies to acquire and offer an end-to-end solution for clients. ❞ — DIRECTOR, ADTECH STRATEGY, LEADING VIDEO GAME COMPANY ❝ There will be some consolidation there—absolutely. I think a lot of the offline data companies have a pretty compelling value proposition if they can take their offline databases and seamlessly converge them with online. ❞ — SENIOR INTERNET MARKETING PROGRAM MANAGER, MAJOR INSURANCE COMPANY

Marketing Operations Restructures

Marketers, publishers and other data users will initiate a series of large-scale organizational realignments to capitalize on the potential of their enterprise information assets (with a focus on leveraging the DMP as a central engine for the reinvented, data-driven organization).

WHY	Legacy organizational processes—dictating how companies collect data, interact with customers and prospects, share insights across internal departments and contract technology and third-party solutions—are deeply embedded in the culture of a major enterprise. And, with few exceptions, these approaches were built to support business models and media that are no longer relevant, presenting an inherent challenge to mature data collection, utilization and monetization.
HOW	Through widespread organizational reinvention efforts focused on mapping business process to modular, scalable technologies, continuous inbound data streams and intense competitive pressures (demanding "rapid response" decisions impacting products, offers and marketing deployments).
WHEN	**GAINING PREVALENCE; LIKELY TO BE UNIVERSAL WITHIN 12 TO 15 MONTHS:** Several large enterprises have already embarked on such efforts; others are likely to follow once appropriate internal stakeholders are identified.
IN THEIR OWN WORDS	" We're still working through the proof-of-concept phase. We don't have the correct operating structure. But that's OK for the moment—I have faith that as we prove value, the organization will respond." — SENIOR INTERNET MARKETING PROGRAM MANAGER, MAJOR INSURANCE COMPANY " It takes an awful lot, culturally, to get a large organization to adopt new philosophies and new technologies." — CHIEF PRODUCT OFFICER, RETAIL MEDIA TECHNOLOGY PROVIDER " Marketing is becoming more of a science than an art. Organizations will need to reorganize themselves based on how data is captured and how it's used." — DIRECTOR, ADTECH STRATEGY, LEADING VIDEO GAME COMPANY " For us, the biggest challenge is helping our clients see the substantial change that has to come to their media units. The industry hasn't yet come around to the idea that a media planner is going to have to be a technologist…. It's one thing to build this machine; it's another to tell a media planner 'this is how your job changes.' The goal right now is communicating this around the company and to personnel." — VICE PRESIDENT, MEDIA BUYING PRACTICE, DIGITAL AGENCY

Which Issues Would You Describe As 'Major Hurdles' Inhibiting Faster DMP Deployment?

73%	71%	63%	56%	55%	44%	38%	32%	15%
Internal Process & Marketing Ops Challenges	No Clear Internal Owner for DMP Solution	No Clarity Into Role of DMPs in the C-Suite	Lack of Established Performance Metrics	Lack of Clear Business Case/ROI Expectations	Privacy, Security & Data Governance Concerns	Cost Concerns	Lack of Addressable Data to Fuel DMP Use	Prefer to Wait for Next-Generation Technology

NOTE: Panelists were asked to select all applicable factors.

IN CONCLUSION   The Challenges and Opportunities Ahead

The "alphabet soup" of acronyms describing those technologies that increasingly support advertising, marketing and media programs. The popular emergence of "Big Data" as a solution to (and an explanation of) all that ills the insight-starved enterprise.

They're ubiquitous. They're punchlines to a joke about the complexity, and chaos, of an industry that trades on rapid-fire innovation. But in many respects, they also represent a collective opportunity—maybe the *best* opportunity—for companies that trade on content, commerce and media to generate new value while their traditional business models shift underneath their own feet.

At the center of that opportunity is the data management platform, a solution born of specific, tactical need ("make multiple data inputs actionable for singular priorities") that has evolved over a short period of time to support a range of strategic, enterprise-centered use cases. DMPs are immature, evolving rapidly and still working to demonstrate their own value across a range of verticals and applications. But they also show tremendous promise, with the potential to:

- Unite the interests of advertisers, marketers, publishers and digital merchants around distinct, actionable audiences

- Present a foundational infrastructure for managing, and optimizing, cross-channel customer experience management

- Promote the development of "Big Data"-level insights that may inform product development, customer service, resource allocation and a range of other business functions

- Manage complex data governance programs that seek to preserve privacy, promote transparency and choice, ensure the security of sensitive information and guarantee that the interests of the consumer are never subordinated to "real-time" execution needs; and

- Provide a foundation for assessing—and substantiating—the true value of advertising, marketing and media investments.

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WINTERBERRY GROUP is a unique strategic consulting firm that supports the growth of advertising, marketing, media and information organizations. Our services include:

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MARKET INTELLIGENCE: Comprehensive industry trend, vertical market and value chain research provides in-depth analysis of customers, market developments and potential opportunities as a precursor to any growth or transaction strategy.

MARKETING SYSTEM OPTIMIZATION AND ALIGNMENT: Process mapping, marketplace benchmarking and holistic system engineering efforts are grounded in deep industry insights and "real-world" understandings—with a focus on helping advertisers, marketers and publishers better leverage their core assets.

MERGERS & ACQUISITIONS DUE DILIGENCE SUPPORT SERVICES: Company assessments and industry landscape reports provide insight into trends, forecasts and comparative transaction data needed for reliable financial model inputs, supporting the needs of strategic and financial acquirers to make informed investment decisions and lay the foundation for value-focused ownership.

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KRUX, founded in 2010, delivers data fabric for the consumer Web. Krux technology helps companies protect, manage and monetize data across screens and sources. With Krux, companies give their consumers cooler, safer, faster, smarter Web experiences. With Krux, consumers gain confidence that their favorite websites are operating under the plain light of day. Companies across the U.S., Europe and Asia have adopted Krux technology, including The New York Times, NBC Universal, Sanoma Media, Triad Retail Media, Wikia, Recruit, CarSales.com.au, Financial Times, NBCNews.com, GrooveShark, and The Wall Street Journal Digital Network.

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nPario's real-time data management platform was originally implemented at Yahoo! to manage the event-level data of over 500 million daily visitors. Today, nPario supports the data infrastructure of one of the largest companies in the world and delivers data science-driven audience segmentation and analytics for customers such as 24/7 Media, Electronic Arts and Thomson Reuters.

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BLUEKAI is the world's first complete enterprise data activation system for intelligent marketing. BlueKai offers its customers a solution for managing and activating all their first- and third-party data for use in their marketing and customer interactions. BlueKai represents the only end-to-end SaaS solution for marketers who are looking to maximize their cross-channel marketing efforts and create a proprietary solution for unlocking reach, scale and efficiency in their data. BlueKai has led the data-driven marketing category since 2008 when it launched the world's first data exchange and then branched out to create the first data management platform (DMP) for marketers. BlueKai is currently trusted by, among many others, 12 Fortune 30 corporations and numerous other brands to activate their data. BlueKai is a privately-held corporation based in Cupertino, Calif. and was the recipient of the OnMedia B2B Company Of The Year in 2011.

For more information, please visit www.bluekai.com.

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CHANGO provides simple and effective solutions for marketers in an era of real-time media and Big Data. Our proprietary platform, Chango Madison, combines the data management capabilities of a DMP (data management platform) with the media buying capabilities of a DSP (demand-side platform) allowing for a truly programmatic approach to both segmentation and media buying across display, mobile, social and Web.

We solve the common problems faced by marketers today—we prospect for new customers with Search Retargeting and convert existing site visitors with Programmatic Site Retargeting. Additionally, with Audience Extension we enable publishers to monetize their audience with their own off-site ad network.

Our clients include the world's largest brands and agencies, including 55 of the top 500 retailers, which has helped fuel growth in excess of 600 percent per year over the last two years. We have offices in New York, Toronto, London, Chicago, San Francisco and Los Angeles.

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EPSILON solutions leverage intelligence that enable brands to create dynamic, meaningful direct-to-customer connections. This intelligence, driven from data and customer knowledge, is employed in virtually every direct brand touchpoint in the virtual and physical world. Our end-to-end solutions deliver a continuous stream of personalized messaging opportunities that craft a customer conversation in which information is captured, analyzed, enhanced and influenced in "real-time" to deliver authentic brand experiences that drive loyalty and positive business outcomes.

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