Data Management Platforms

Optimize advertising by gaining superior understanding of your customers

Glossary

DSP
Demand Side Platform. A platform for buying online media, used by advertisers and agencies.

SSP
Supply Side Platform. A platform for selling online media, used by publishers.

DMP
Data Management Platform. A platform for handling large quantities of data.

KPI
Key Performance Indicator. A type of performance measurement. An organization may use KPIs to evaluate its success, or to evaluate the success of a particular activity in which it is engaged.

ROI
Return On Investment. Used to evaluate the efficiency of an investment.

Introduction

Procuring media real estate at an optimal placement, to an optimal prize, is getting more and more complicated. To create the most relevant campaigns targeted to the right audience, advertisers and agencies must collect enormous amounts of data - and make good use of it. For this purpose, Data Management Platforms (DMPs) have emerged to help make sense of it all.

DMPs are typically used to manage "cookie-based" user IDs and to generate audience segments, which can be used to target specific users with online ads. This by itself is a complex task, and now - thanks to the constantly evolving ad tech - the purchases are made over a multitude of channels, such as SSPs and ad exchanges, and on a multitude of sites. A DMP can tie this all together into one centralized location, and processes the enormous volumes of information needed to optimize future campaigns to stay consistent with audience interests.

Basically, it's about gaining a superior understanding of your costumers.

Content

What's a DMP?

The last few years, the number of online ad impressions has practically exploded. There are over two billion Internet users in the world, and billions of ads are shown every day. That's quite a lot of data and you need help to handle it all. This is where a DMP comes into play.

The basic function of all DMPs is to collect large amounts of raw data points from disparate sources, processes it, and present ready-to-use data for reporting and deployment purposes. The data is gathered from both first and third party sources and can be a great help when analyzing campaign results, building target groups and maximize your ROI. By definition, a DMP should be deeply embedded in your on-line marketing plan, social media strategy, websites, e-commerce platforms, online offering, and customer experience.

There are, however, a few issues to keep in mind when relying on a stand-alone DMP.

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Putting the data to good use

Putting the data to good use can sometimes be problematic. While a DMP can collect invaluable information concerning browsing behavior and audience segments – and create precise and targetable user profiles – it can't actually make use of the data by itself. If operating on a stand-alone DMP, it won't let you target bids against the target groups it has created. Without being connected to an execution platform, a DMP can't actually do much at all.

Avoiding valuable data loss

If you're operating on a stand-alone DMP, a lot of information will be lost when being communicated with other technologies. Independent studies* have actually shown a 20% to 40% data loss when transferring information from a stand-alone DMP to a DSP. And to add insult to injury - the data lost in the process is your highly valuable first-party data.

Besides from being extremely ineffective, this can also be very problematic in regard to information security. No one is interested in this amount of data loss, and no one wants to share their data. And, if you're using several DSPs (which is the case for many trading desks today; one for display, one for mobile, one for video, etc.) *and* an independent DMP, there will be an information leakage every time data is sent - in any direction.

Making sure the data is executable

It's important to make sure that the information you receive is instantly actionable, and at it's full potential. The information collected should be both first- and third-party data, and your DMP should effortlessly target customers by using either demographic data, behavioral data, or buying preferences – all in real-time.

As you can see, there are issues that arise when your DMP isn't up to task. But there is a solution, which we like to call "a pure DMP".

A pure DMP

To make full use of a DMP, all major areas must be fully covered to leverage your most valuable data assets - collection, processing, and deployment. And it must be prioritized. By allowing the DMP to process data that can't be directly executed, a lot of time and money will be lost. If your DMP doesn't provide actionable feedback, there isn't much use of it.

A pure DMP should by default evaluate first- and third-party data in order to create optimal campaigns and target groups. It's easy for the not-so-elaborate DMPs to collect first-party data such as site visits, page views, social media engagement, and search engine queries. But if the DMP doesn't provide access to third-party data such as demographic-, query-, user input- and panel data, a lot of vital information will be lost. By combining information from different sources, a pure DMP can effortlessly target customers based on demographic data as well as behavior or buying preferences.

But the, possibly, most important part of a pure DMP is the ability to combine information. There are two types of essential information you need to produce the most effective campaigns possible. First, there's the data you have before your campaign starts; your target groups, your KPIs, your well-planned strategy. This is your client campaign analytics. The second part is the data gathered when your campaign is up and running – your real-time analytics. Which target audiences are actually responding and converting? In which contexts are these audiences encountered and on which sites? Which bidding strategy is the most effective for specific goals or target audiences? This second set of data is crucial to constantly tweak your campaigns to perform at the highest level. These two sets of data are equally important and the ability to effectively combine them is what really makes a pure DMP stand out.

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By having your DMP directly integrated with a DSP you can set up, measure, and optimize online campaigns in a completely new way. The DMP will constantly be updating along with your customers changing preferences, adjusting the campaigns, and the DSP will use this information for purchasing ads in real time. If you are relying on an independent DMP, your DSP has to establish a connection with it every single time a RTB-purchase is to be made. With a fully integrated DMP and DSP, they are constantly in direct contact - sharing and analyzing all your data.

And, apart from the convenience of only handling one platform instead of two (with all that implies when it comes to diverting allocating budgets over several systems and worrying about technical issues), using a supplier that provides a fully integrated DMP and DSP will keep your information leakage to an absolute minimum. Your or your clients' data will never have to leave the technical cycle.

Who needs a DMP?

The last few years, a lot of things have happened online. The number of Internet users has skyrocketed, and their browser behavior is becoming increasingly fragmented by the second. Apart from visiting a lot more websites (both national and international), Internet users also rely on several browsers for going online. This makes gathering and analyzing behavioral data quite the complex task. Just look at your own surfing behavior. You have your work computer, your private computer, your smartphone, your tablet... Would you describe it as easily predictable?

Having an effective DMP will help immensely with everything from data collection to campaign optimization. Not to mention, it will give you access to full audience profiles before your campaign even starts running; providing you with a deeper understanding of your customers' actual behavior and interests.

Obviously, everyone who wants to improve their online advertising is in need of an effective DMP.

Advertisers

As an advertiser, it is of great importance to take charge over all your first-party data, by making use of its full potential. By doing this, you will maximize your audience segmentation and secure your target group. With a pure DMP you will gain total and utter control of your data – which will have a direct impact on your campaign results.

And, an aspect that shouldn't be forgotten when speaking about advertisers and DMPs is the issues surrounding security and privacy. Sharing information and data is a major issue today, with the somewhat blurred lines between first- and third-party data. By using your own first-party data in an integrated platform in combination with externally aggregated, anonymous, data you will more easily be able to ensure user privacy and comply with EU law. When deciding on a DMP supplier, it's of the utmost importance to choose one with clearly defined security routines and processes.

Agencies

With a pure DMP, you effortlessly manage multiple campaigns across different ad networks, exchanges and publishers. Collecting and analyzing data from your clients' campaigns makes it possible to create vast and rich datasets – combining information from multiple sources. This is a great time saver. And we all know, working as a media planner can be quite time consuming. Working with an integrated DMP, you will have a one-stop-shop for media planning and buying. Planning, buying, optimization and reporting will be gathered in one place, saving you both time and money. And, with your clients constantly and effortlessly feeding you new data in real-time, this will be a strong incentive for keeping their business with you.

With the capability to analyze the results of all your previous campaigns, your ability to build better and more effective campaigns will increase. Making sure your clients' KPIs are always reached and their ROI always maximized.

What's the use of all this data?

Campaign insight and customer profile information offer unique opportunities to marketers, and some of the first that comes to mind are:

True audience targeting
Target only the true target audience of your campaigns. This will reduce unnecessary views while applying overall frequency capping to the right audience - and lessen your spending.

Real-time campaign KPI predictions and optimization
Based on actual results, the forecasting module will be able to predict very accurate on the campaign KPIs. This allows you to control and optimize *during* the campaign, instead of afterwards - making sure your KPIs are always reached.

Audience Retargeting
Analyzing a broad scale campaign against the audiences that convert will provide you with an optimized audience definition - for your specific campaign goals. This will ensure that the right audience is defined.

Look-a-like targeting/Twins
Once your optimal target audience is established, the best way to expand the number of conversions is by identifying users that are similar to the ones converting in your campaign. The information needed is easily obtainable in a pure DMP.

Dynamic ads/Content

Advertisements, offers, and website content can be tailored to each users preferences and profile; making the customer journey a lot more interesting and effective.

Analytics

A DMP will be able to provide very accurate overviews on your target audience based on real time data – giving you all the facts you need to keep producing effective campaigns. Who is actually visiting your site or clicking an ad? What is the profile of your customers across the journey in your information/order flow?

Cross-platform Data Modeling

In combination with other profile data, a DMP will provide extremely valuable input to model the customer journey over various on- and offline platforms (attributions).

What should you expect from your DMP?

The short answer? A lot.

There's no reason to settle for a DMP that only takes you halfway to your goals. But some aspects are more important than others.

This is the "Big Five" for an effective DMP.

1.   *All features should be targetable*
     What's the use of all that data if you can't use it?

2.   *Advanced features for handling first-party data*
     Not only by identifying, collecting and organizing it; but also allowing customized data options and structures. The data should always be gathered from both online and offline sources.

3.   *An extraordinary ability to combine first- and third-party data*
     Your DMP should be able to do everything from enabling easy-access, to audience insights and segmentation, to campaign analytics and audience analytics.

4.   *Pre-targeting settings*
     All data should be available at all times.

5.   *A built-in optimization technology*
     Combining a DMP with a DSP will improve your results instantly. Each and every view offers real-time data, offering unique optimization features and full control on the campaign and it's KPI's.

About Delta Projects

Delta Projects develops smart campaign management solutions for efficient online advertising. Delta Projects "Campaign Management Platform" is based on a Demand Side Platform (DSP) with added IQ and built-in Ad Hosting (Ad Server). The integration to the company-owned Data Management Platform (DMP) serves as base for Delta Projects self-developed behavioral targeting technology and unique way of analyzing data. It is a programmatic buying system with Real-Time-Bidding (RTB) technology closely integrated to all major ad exchanges, Supply Side Platforms (SSP) and its own local media inventory.

Delta Projects "Campaign Management Platform" is a timesaving online tool with functionalities supporting most parts of a traditional media plan; such as planning, buying, optimizing and reporting. Delta Projects' offer also includes training, managed campaign services and personal support.

Delta Projects, founded 2002 in Stockholm, has a long history of introducing new technology to the market. The company has a strong presence in northern Europe with local offices in Sweden, Norway, Denmark, Germany and the Netherlands offering local media-deals and local support. John Lilja is the founder and CEO.

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