Creating Optimal Customer Journeys With Programmatic Marketing

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In the age of omnichannel retail, consumer journeys have become more diffuse than ever before, thanks in part to the rapid proliferation of digital media channels. That diffusion has made it imperative for retail brands to connect with consumers across all relevant digital media channels, including desktop display, social media, mobile, and video, in order to help drive consumers down a non-linear path to purchase. In this paradigm of precise user segmentation and highly contextual digital messaging, programmatic marketing has become an extremely powerful tool. In fact, retail brands have seen such great success with multichannel programmatic marketing that two-thirds of these brands are driving even more media dollars to programmatic, according to a 2015 survey of retail marketers conducted by WBR Digital and MediaMath. This white paper will explore how programmatic marketing enables brands to influence customer journeys across digital channels to drive business outcomes.
Creating Optimal Customer Journeys With Programmatic Marketing

Retail marketing is in the midst of a significant shift. The proliferation of shopping channels has transformed the way consumers interact with brands, creating a more diffuse consumer journey than ever. Nowhere has this shift been more pronounced than on digital; consumers are now moving from site to site and device to device at will, and encountering a massive amount of information and messaging along the way. As consumers have become accustomed to consulting many different resources prior to making a purchase, brands have fought to provide them with exceptional, consistent, and streamlined multichannel experiences.

Unfortunately, many retail brands, have struggled to deliver the types of experiences that engage and convert. Given the enormous amounts of information that consumers are confronted with in digital spaces, they have become accustomed to tuning out irrelevant marketing messages. As Frederick Lecoq, Senior Vice President for Marketing at FGL Sports, puts it, “there is a difference between what I call buzz and noise. Everything that’s relevant to consumers is buzz; everything that’s not relevant is noise.” Instead, consumers now demand real value from digital advertisements, as evidenced by a recent Accenture study that found that nearly 60% of consumers want real-time promotions and offers that are more relevant to them. In response to this new paradigm, retail brands are increasingly turning to programmatic media buying to more accurately target consumers.

Not only does programmatic enable brands to deliver relevant messages to their consumers, it also gives them the ability to iteratively optimize their campaigns in order to produce greater accountability for every dollar spent on marketing. By integrating data, whether 1st and/or 3rd party, brands can develop a much clearer view of their customers. This data activation is an essential component of modern day marketing, in which marketers must continuously engage consumers along an extremely non-linear path to purchase. This is a core value of programmatic marketing, and why so many retailers are investing in it.

The beauty of programmatic is that you can actually buy a “who”, rather than buying a “where.” A “where” is just a placement, something you can buy and know that you are going to get 100% share of voice on that website, no matter who is visiting. There is waste in that, because some of the people you will be talking to are not in your target audience. In other words, just because they are visiting that digital property does not mean they are the type of consumer you need to talk to. With the extra layer of data and insight you get with programmatic buying, you can actually decide who you’re going to engage with and who you need to speak to.

- Frederick Lecoq, Senior Vice President, Marketing, FGL Sports

Introduction

Retail marketing is in the midst of a significant shift. The proliferation of shopping channels has transformed the way consumers interact with brands, creating a more diffuse consumer journey than ever. Nowhere has this shift been more pronounced than on digital; consumers are now moving from site to site and device to device at will, and encountering a massive amount of information and messaging along the way. As consumers have become accustomed to consulting many different resources prior to making a purchase, brands have fought to provide them with exceptional, consistent, and streamlined multichannel experiences.

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What is programmatic?

Programmatic marketing is the application of automated technology through which media buyers and sellers may align organizational processes in support of ongoing, channel-agnostic customer engagement (and to allow for the continuous optimization of that effort as business strategies evolve) in order to drive revenue.

We’re very much into a digital experience that is interconnected with in-store, because a large portion of our online customers eventually goes to the store to make their purchases. So what we do online is help them narrow that research funnel so they go into the store more prepared to make a purchasing decision. To do that, we use a lot of personalized messaging to help them become more prepared before they get to the store. What we’re really shooting for is a continuous experience. So from a customer standpoint, the experience that they see on one device should be similar to that on another device, and it should be a symbiotic movement to and from the store. Customers don’t even think that there should be any distinction: they just see one company.

- Shawn Coombs, Director, Product Management, The Home Depot
The Journey Toward Programmatic

While programmatic marketing has been a windfall for many retail brands, some are still struggling to catch up. Developing a cutting edge programmatic buying strategy that spans across digital channels is a journey for many brands, and one that is often taken only one step at a time. In fact, in the present survey of retail brands, just under half (43%) of retailers reported using programmatic buying across multiple media channels. Those retailers using programmatic on a single channel or not at all are missing out on the ability to learn how to improve their campaigns in an iterative way.

When it comes to personalized digital messaging, how far ahead are multichannel programmatic practitioners than those using programmatic more limitedly?

Unsurprisingly, retailers using programmatic across multiple media channels far outpace their competitors in their ability to use channel activation to enable their messages to be even more personalized. While some of these channels can overlap in certain spaces (for example, display advertisements appear on both desktop and mobile browsers), the benefits of extending programmatic advertising to new media channels can be profound. With programmatic, marketers can execute holistic campaigns across all media, using their own data to target.

Of the retailers that are investing in programmatic media, those that are investing in parallel with channel attribution and device tracking are probably seeing a higher return on investment. For example, mobile is extremely important in the customer journey, and being able to have mobile in combination with social, which serves as the glue back to the desktop experience, allows for unified measurement and targeting. When you have measurement in place that gives mobile a relative value in the fractional contribution to the sale, you can get to the point where you’re able to scale.

- Ryan Bonifacino, SVP, Digital, Alex and Ani

All data taken from survey of 117 American-based digital marketing and advertising professionals conducted by WBR Digital and MediaMath in Q1 2015.
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Using Product Categories and Content to Personalize Messages

From Shawn Coombs, Director, Product Management, The Home Depot

“We have been working on our messaging in cases where a customer hasn’t defined yet the specific products that they’re looking for. For those people, we can personalize using product categories or even projects that they are working on (such as renovating a bathroom or creating an outdoor living space). As we start to understand those themes, we can message at the category or project level. We have seen some very positive returns through that higher level messaging. We’ve had customers return to the website based on messaging promoting a category of products, service information, or how-to information. So we’re driving them back to the site not just through product messaging, but also through content.”

Where in the customer path to purchase are retail marketers focusing their programmatic campaigns?

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<tbody>
<tr>
<td>Building Awareness: 27%</td>
<td>38%</td>
</tr>
<tr>
<td>Conversions: 38%</td>
<td>40%</td>
</tr>
<tr>
<td>Complete Path to Purchase: 35%</td>
<td>22%</td>
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Programmatic marketing is not simply a retargeting tool, nor is it only useful to drive brand awareness. Rather, the most cutting-edge retail brands are using programmatic for the complete path to purchase. These best-in-class programmatic strategies leverage customer- and campaign-level data alongside dynamic creative to optimize the timing, placement, and content of marketing messages. With such targeted and precise messaging, brands can speak to consumers at any stage in their paths to purchase, offering higher level product information to new prospects, detailed specifications and special offers to those close to a purchase, and cross-sells and engagement opportunities to current customers.

One interesting thing that we've been working on in the display space is: how do we use display as a retention tool for us as a subscription business? Historically, our internal email/CRM team has been responsible for communicating with current customers, keeping them happy, upselling them products, etc. Recently, though, we have started to look at using sources like Facebook and data management platforms to push out some of our first party data, find our customers in the display space, and deliver them new messaging. And we have had good success exposing our products to existing members and making sure that they’re staying engaged. We have seen greater retention rates for those cohorts of existing customers we have targeted with programmatic buys.

- Jay Eyunni, Director, Digital Media, Ancestry
Common barriers to better utilization of programmatic

The biggest obstacle to greater programmatic utilization has been a lack of budget or staff. Although resource allocation is a very common problem, some retailers have solved it by establishing lean partnerships directly with technology providers and or technology providers alongside agencies. Despite the financial and staffing demands, these brands have made it a priority to drive media spend to programmatic, because they expect to see a great return on their investments. In fact, among all retailers, only 1 in 4 is skeptical about the ROI of programmatic marketing.
Activating Business Goals Through Programmatic

As the linear path to purchase has given way to a more complex ecosystem of product browsing, content consumption, social sharing, and purchasing decisions, it has become critical for retailers to capture and act on consumer data. Retailers that can effectively capture, integrate, and activate first- and third-party data to optimize campaigns will see the best possible engagement and conversions. But brand awareness is not the only business goals programmatic serves.

The top 3 ways retailers say programmatic supports their greater business goals:

- “Driving direct revenue and improving understanding of digital ROI.”
- “Pushes business to be more customer-centric.”
- “It serves all our KPIs throughout the entire customer lifecycle, from brand awareness to conversions and retention.”

Programmatic marketing can be an important driver of core business outcomes, helping to drive revenue throughout the customer lifecycle, shed light on marketing ROI, and improve overall efficiency.

Similarly, retail brands can use data to formulate a more comprehensive 360-degree view of their consumers, making their businesses more consumer-centric and thus more likely to resonate with their consumers. In some cases, the move to programmatic can even help align budgets and break down silos between departments.
Recency and Funnel Positioning: A Case Study

From Jay Eyunni, Director, Digital Media, Ancestry

We do a lot of re-marketing based on two variables. The first variable is what we call recency, which is the time since you have been to the site within which we need to find you. The most obvious example is if you have been to our site and you bounced, we want to find you as soon as possible. You’re probably much more qualified if we show you a banner one or two minutes (or even an hour) after you bounced, versus if we find you after 24 or 48 hours. So a lot of our segmentation there is done on the recency side.

The second variable is where you are in the funnel and how we can specifically message you based on your position on your path to purchase. If you leave halfway through the purchase process, we apply that same recency strategy, but we have the ability to show you a banner that says, “Hey, come back and finish, you’re 90% of the way there.”

So we can adjust our messaging based on where someone was on the site or where they were in the conversion funnel and then apply that recency to make sure that we’re hitting people as soon as we can with the most relevant message. Then on our end we can analyze all that, making sure messaging is resonating well and then increasing or decreasing immediate bids and shifting budgets.

We can also work with our distribution sources to enhance that personalization. For example, when we see an existing member on an acquisition-based buy, we would like to show them a different product, or at least different messaging. When we do come across an existing member on a prospecting or acquisition-based buy, we will change the creative on the fly, and show them an ad promoting one of our other products, like DNA.
Among retailers that use programmatic buying across multiple media channels, two-thirds will be increasing their investment in programmatic over the coming year. This is because those retailers have seen their programmatic campaigns return strong and consistent value. In particular, at least 90% of these businesses have seen their media buying become more efficient and their customer experiences become more consistent. Eighty-seven percent also saw media ROI and digital conversions improve thanks to programmatic, reinforcing its benefits for the bottom of the funnel.

"Our business is based in Calgary, and the other day it was snowing here (even though it’s spring). Should we advertise about bathing suits while it’s snowing outside? That just wouldn’t be relevant. Now, if on that day I’m able to flip my creative over and talk about boots or outerwear instead, maybe I’ll have better success, because I’m more in context; I’m more relevant. That’s a big piece of programmatic."

- Frederick Lecoq, Senior Vice President, Marketing, FGL Sports
What are the top business goals retailers are supporting with programmatic?

A resounding 92% of retailers are leveraging programmatic to improve brand awareness, meaning they are not just using it as a re-targeting strategy for consumers who are further along in their journeys. Rather, because programmatic enables marketers to target specific consumers segments with tailored messages, they see it as a tool that can improve results throughout the entire customer journey. That means improving brand awareness, driving more conversions, creating new opportunities for upsells and cross-sells, and finding new ways to engage with and retain customers. In other words, retailers understand that programmatic supports their core business goals, with 85% saying that their programmatic goal is to drive better business outcomes.

A chart shows the top business goals retailers are supporting with programmatic:

- Improve brand awareness: 92%
- Improve media ROI and/or conversions: 88%
- Improve media buying efficiency and targeting: 85%
- Drive better business outcomes: 85%
- Develop a 360-degree view of our consumers: 81%
- Improve customer experience through relevant messaging: 77%
- Buy media more cost-effectively: 77%

Based on the present research, most businesses are looking to build brand awareness through programmatic. However, almost three quarters of respondents using programmatic across multiple channels are also leveraging it as a bottom-of-the-funnel conversion driver. Couple these results with the ability to cross-sell and retain existing customers, and it is clear that retail brands see full-funnel value coming from programmatic.

It’s not just about brand awareness or acquisition for us; we’re working to use programmatic as part of our lifecycle marketing. That means finding people we have previously communicated with via e-mail or on the web and make that message consistent across touch points. That can help acquisition, it can help retention, or it could be aimed at moving our current customers from a monthly package to an annual package. So I think of programmatic as life cycle marketing.

- Jay Eyunni, Director, Digital Media, Ancestry
Building Audience Through Data and Optimizing in Real-Time with Analytics

Data is the key to a cutting edge programmatic strategy; it drives audience insight to inform media decision making, personalization of messaging, and enables effective optimization. Clean, actionable, and accessible first- and third-party data is at the core of successful programmatic marketing; without it, marketers would lose their ability to accurately segment and target their customer bases, making programmatic impossible.

This data-centric context means that marketers must have robust (and ideally, centralized) analytics platforms that give complete visibility into their campaigns. Unfortunately, 56% of respondents reported that their analytics are spread across multiple platforms, while an additional 36% are still in the process of building those capabilities. Scattered data can mean fractured visibility of customers and campaigns, ultimately leading to less impactful initiatives. Furthermore, centralized analytics platforms can give marketers an aggregated view of media opportunities and tie media decisions to data, allowing them to better track and scale their campaigns.

How are multichannel programmatic marketers managing campaign analytics?

Through programmatic, you are able to continuously improve your content, because you are going to be able to actually assess your content performance to the target audience you want to reach.

- Frederick Lecoq, Senior Vice President, Marketing, FGL Sports
The centralization of transactional data from both in-store and online is key to our digital strategy. You can’t do programmatic effectively and be able to measure it without having data in one place. Once we had all the data in one place, we could understand who our customer is, and once you understand who your customer is, you can start developing creative that is specific to that customer.

- Ryan Bonifacino, SVP, Digital, Alex and Ani

Integrating offline data into digital campaigns

Of retailers with multichannel programmatic campaigns, just over a third are using offline data somewhat effectively, while none believe they are using that data very effectively.

For those retailers using programmatic on a single channel or not at all, nearly half do not use offline data for digital marketing campaigns.
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The Importance of Activating Programmatic Buys Across Media Channels

From Ryan Bonifacino, SVP, Digital, Alex and Ani

Early on in our programmatic implementation, we started off very heavy on the retargeting side. We knew we had a system that could pay for the investment in a very short period of time, because it contained an audience of people who had expressed a high intent to purchase. We only had that information because we had our analytics and our data centralized. Programmatic really kicks in when you can identify intent to purchase like that. For us, it’s a score based on a number of different signals that come from having analytics and paid media all in one place. You can only do that through programmatic.

It also gives us the ability to influence some other actions that are closer to the moment of purchase, including viewing the brand’s other, non-commercial digital properties. For example, being able to follow someone’s impression of the brand on a social media property, in which case the goal might be a Like or a follow that can turn into a conversion at some point in the future. At those steps, we can decide what kind of message to serve up in order to push them further down the path to purchase.

Dynamically targeting with first- and third-party data

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<tr>
<td>28% Not dynamically targeting</td>
<td>43% Not dynamically targeting</td>
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<tr>
<td>40% Dynamically targeting using first-party data</td>
<td>36% Dynamically targeting using first-party data</td>
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<td>4% Dynamically targeting using third-party data</td>
<td>3% Dynamically targeting using third-party data</td>
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<td>28% Dynamically targeting using both first- and third-party data</td>
<td>18% Dynamically targeting using both first- and third-party data</td>
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Respondents not utilizing programmatic across multiple platforms are far less likely to use first- and third-party data to dynamically target customers.

We’ve been successful in keeping people engaged with new records and offerings. But that is just the tip of the targeting iceberg for a subscription company. In addition to doing more programmatic on mobile and video, we would love to get more of our first party data out there and target on that. Whether it’s retention or upsell or acquisition for former members, I think the opportunities are pretty endless there.

- Jay Eyunni, Director, Digital Media, Ancestry
What types of first-party data are retailer brands leveraging to enhance their digital campaigns?

Online purchasing information is far and away the most commonly-utilized data for digital campaigns, likely because it is so easy to collect, categorize, and integrate with other digital platforms. Interestingly, offline purchasing data is more commonly used for digital campaigns among retailers not using programmatic for multichannel.
Top 4 priorities for improving programmatic campaigns:

According to a 2015 survey of retail marketers conducted by WBR Digital and MediaMath.

- Applying Dynamic Creative Optimization (DCO)
- Improving attribution algorithms to better understand the path to purchase
- Onboarding first-party data to improve targeting and tracking
- Prioritizing ad space on premium publisher sites over remnant ad space
Case Study: Supporting A New Product Launch With Programmatic Video

A programmatic evangelist, one computer and technology brand has been on the forefront of programmatic buying for many years, and they have seen great returns from their ability to target their best demographics and deliver tailored messages to those users. That precision targeting has also produced new media buying efficiencies for the technology manufacturer, which has bolstered the business case for further investment in programmatic marketing. According to the brand’s Digital Marketing Manager, those efficiencies were born out of the fact that programmatic helped them to market smarter, using a data-driven, rule-based, and automated process to deliver more relevant messages to their customers.

This business has made programmatic video buying an integral component of many campaigns, including the launch of a new line of laptops and tablets last year. As part of the launch, the company allocated substantial media budget to programmatic buying of display and video. By marrying display and video advertisements and targeting the business’s core demographics, the company saw an extremely high click-through rate that eventually yielded conversions. Not only did programmatic create an efficient buying process; it also drove deep engagement, because it was delivering the right creative to the right customers. According to the organization’s Digital Marketing Manager, another contributing factor to the campaign’s success was the fact that they served the ads on premium inventory, not just remnant ad space.

As the Digital Marketing Director explained, programmatic enabled them to tailor their digital messaging to each customer’s place in the customer journey:

“If someone has never come to our site before, but they are in the pool of people that we want to talk with based on a few specific criteria, we will serve them a softer message aimed at driving awareness. Then later, after that person eventually comes to the site to evaluate one of our products, we will deliver a different, more product-specific message. Perhaps we will push the speed of our computers or other technical information. Regardless, the effect is the same: to deliver a message more aimed at pushing the sale.

It is the data that has allowed us to aid the customer journey by being able to optimize which message a certain customer sees. Efficiency flows out of this process, as well. Instead of serving the same message at all levels, we can hit the same number of people with different creative that is more relevant to them, making the campaign more efficient.”

How Programmatic Serves a New Product Launch

Campaign Goal
Full-funnel support of new product launch

Programmatic’s Contribution
Premium display and video buys with connected messaging

The Results
Substantial increase in video completion rates and click-throughs, including on premium publisher placements. Programmatic led to a more efficient buying process, and drove results from engagement to conversion.
How Can Your Brand Use Programmatic Marketing to Optimize Customer Journeys

While many retailers are still in the process of more extensively adopting programmatic, the business benefits are clear for those that have. By using data to improve the targeting, messaging, and analysis of campaigns, programmatic represents the most rigorous way to improve the impact of marketing spend. For that reason, more and more retail brands are pushing media dollars to programmatic; they are looking for improved engagement and increased revenue throughout the customer lifecycle.

Programmatic does require investment. In fact, it can be transformative for marketing departments and advertising processes for many brands. But as more retailers are finding, programmatic is more than just a way to streamline media buying and create marketing cost efficiencies; it is central to driving personalized, efficient, and profitable customer journeys.

Programmatic creates more consistent and personalized journeys

When it comes to customer journeys, programmatic is a marketer’s best friend. Retail brands with multichannel programmatic campaigns are much more confident in the consistency and personalization of their journeys.

When we look at the digital customer experience, the last thing we want to do is annoy our customers. Luckily, if you have your data all in one place, you can get those signals a lot earlier. From a customer standpoint, it’s going to be beneficial because they’re not seeing the brand everywhere, but rather they are just seeing relevant messaging. We believe that ultimately benefits the customer experience and makes the real-time bidding process that much more profitable.

- Ryan Bonifacino, SVP, Digital, Alex and Ani
Survey Methodology

For this report, WBR Digital conducted digital surveys of 117 American-based digital marketing and advertising professionals from online and multichannel retailers. Survey participants included decision-makers and executives with responsibility for their organization’s digital marketing, advertising, and consumer engagement strategies. Responses were collected in March 2015. Interviews with additional contributors were also conducted in March 2015.

Citations


MediaMath, Creators of the First Omni-Channel Programmatic Marketing Operating System

MediaMath.com
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New York, NY 10018

MediaMath is a global technology company that is leading the movement to revolutionize traditional marketing and drive transformative results for marketers through its TerminalOne Marketing Operating System℠. A pioneer in the industry introducing the first Demand-Side Platform (DSP) with the company’s founding in 2007, MediaMath is the only company of its kind to empower marketers with an extensible, open platform to unleash the power of goal-based marketing at scale, transparently across the enterprise.

T1 activates data, automates execution, and optimizes interactions across all addressable media, delivering superior performance, transparency, and control to all marketers and better, more individualized experiences for consumers.

MediaMath, which has experienced triple-digit year-over-year growth since inception, has a seasoned management team leading 15 global locations across five continents. Key clients include every major agency holding company, operating agencies, and top brands across many industries.
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Worldwide Business Research

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