

# Data Management Platforms will flourish in the data-centric economy

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# Brands and enterprises will turn to Data Management Platforms to enable data-driven advertising

As agencies and brands seek to deliver timely, relevant messaging to consumers, the ability to leverage data becomes increasingly critical and the Data Management Platform (DMP) becomes a key component in the advertising technology (ad tech) stack.

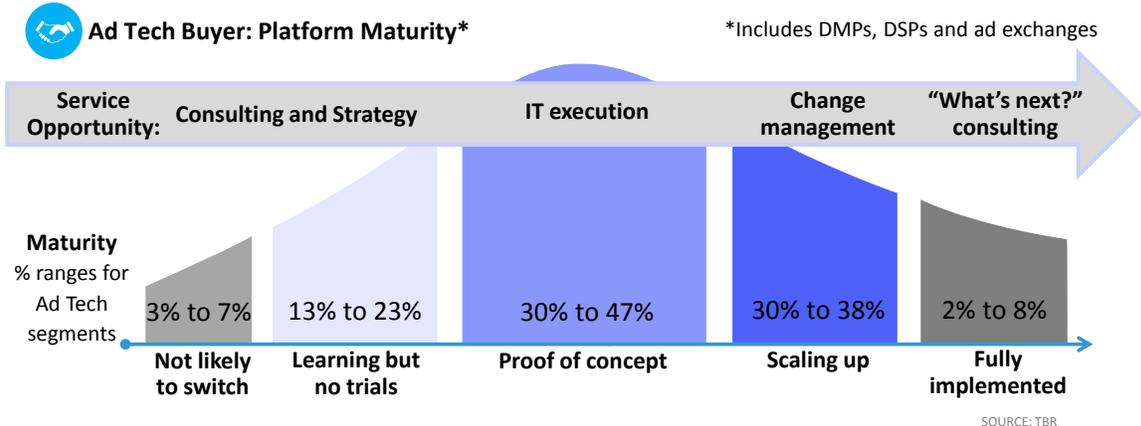
Enhanced capabilities enable campaigns to target individuals at specific times and places on specific devices or within specific contexts. This contextual information allows advertisers to improve ROI on ad spend and reduce negative audience reactions to poorly placed or timed ads.

First generation DMPs (1.0) were well-versed at collecting data and providing tools for audience segmentation that could be applied to paid ad campaigns, with media execution delivered via a demand side platform (DSP). These early tools supported display advertising on PCs and drove much of the early success of advertising technology.

Today’s sophisticated DMP operates as more of a digital CRM, with capabilities that add value by synthesizing data across a variety of channels (e.g., online and offline), including paid media as well as owned and operated media. Next-gen DMPs unlock the full value of not only programmatic ad investments, but drive new levels of business intelligence and ROI into adjacent tools and platforms, which have been largely siloed to date, such as email marketing and delivery of contextually relevant content. As the connective tissue between ad tech and marketing tech platforms, the DMP market will grow a TBR estimated 20% to 30% year-to-year from its current \$2 billion through 2020.

## DMP adoption is emerging from the Early Adopter stage

**TBR** **Less than 10% of clients have fully implemented key ad tech components; DMPs are in the most nascent stages**



TBR's 2Q15 Ad Tech Customer Research highlights clients are in the earliest stages of implementing key ad tech platforms (e.g., DMPs, DSPs and ad exchanges). This holds particularly true for DMP maturity, with only 5% of respondents indicating solutions are fully scaled.

## The days of siloed advertising and marketing technologies are ending

The exponential growth of mobile devices in today's marketplace requires marketers to shift from 1:1 marketing tactics to "marketing in the moment," engaging a customer by understanding real-time behavior to deliver relevant messaging and drive e-commerce, or another desired action. The shift in consumer behavior requires

*Of enterprises, 16% use a DMP versus 35% that use a Customer Data Platform for CRM data. This gap indicates businesses have not made the leap from getting insight out of known leads and customer data to making the same analytical decisions based on audience data.*

communication between the DMP and DSP (ad tech) as well as email automation and content management systems (marketing tech). Data integration partners and data exchanges will play a vital role in sharpening audience profiles, creating customer audiences and modeling audiences. Combining these tactics can enable agencies and advertisers to extend beyond their traditional lines of vision, paving the way to better engagement with consumers. By breaking down data

silos, clients can minimize latency and maximize the benefits of real-time decisioning. In this vein, Rocket Fuel's partnerships with Merkle (CRM services), Marketo (marketing automation), and IBM (enterprise marketing hub) enable Rocket Fuel DMP clients to unify ad tech and marketing tech stacks.

## Rocket Fuel DMP allows brands to market in the moment

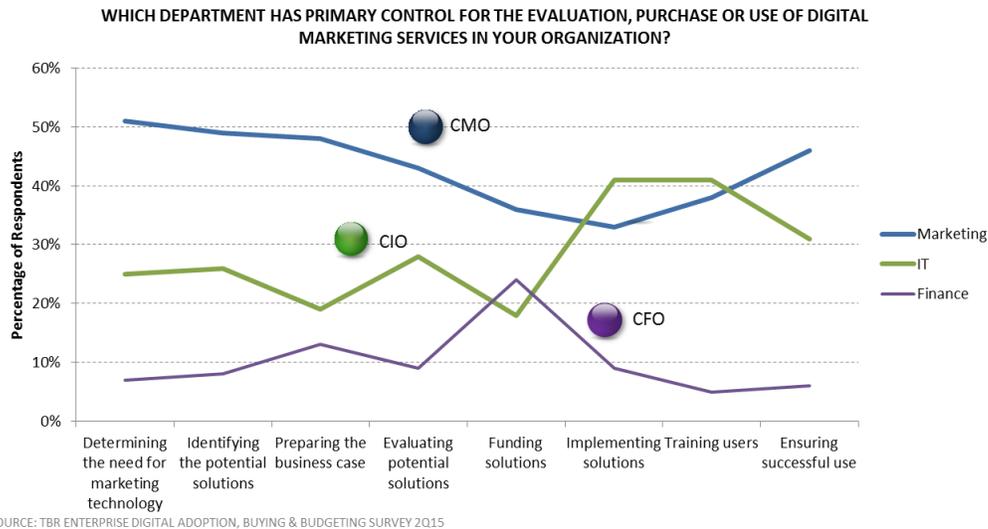
The DMP 2.0 is here, built using stronger integrations with media buying, email and digital content that allows advertisers and agencies to move from one-way messaging to two-way dialogue and marketing in the moment. Companies that turn a blind eye to this development may not only fall behind peers in today's hyper-competitive battle for the digital consumer, but risk alienating consumers and/or tarnishing brand equity. For example, a simple but common oversight such as highlighting a recently purchased item in a display ad can be avoided by properly leveraging DMP.

## Research indicates advertisers are ready, but need help with integration

TBR's 2Q15 Ad Tech Customer Research indicates most companies are in the early stages of implementing DMP functionality, meaning brands are far from unleashing the full power of advanced solutions in the market, such as Rocket Fuel's DMP. Given the need for the integration of disparate platforms managing paid media and earned or owned media, TBR believes clients will be best served by partnering with agencies and IT services firms carrying specialized systems integration (SI) teams. Deeper audience intelligence allows business decision makers to obtain real-time ROI into campaign and advertising spend performance. According to TBR's 2Q15 Ad Tech Customer Research, 16% of enterprises use a DMP versus 35% that use a Customer Data Platform for CRM data. This gap indicates businesses have not made the leap from getting insight out of known leads and customer data to making the same analytical decisions based on audience data. To embark on this journey, advertising clients require marketing and advertising stacks that do not limit user insights as multichannel campaigns are executed. TBR believes client education and cooperation among multiple teams internally are critical to unlocking the full value of the DMP.

TBR **Platform execution requires a team — CMOs identify need and solutions, CFOs fund projects, CIOs execute and CMOs ensure success**

**Digital Buyer Behavior**



While the importance of first-party data such as CRM platforms should not be minimized, data integration partners (e.g., Merkle) and data exchanges (e.g., BlueKai, Lotame) play a vital role in sharpening audience profiles, enabling agencies and advertisers to monitor behaviors outside of their traditional lines of vision. Advanced, data-agnostic DMPs such as Rocket Fuel’s are vital to collecting and sorting data from earned and/or owned media and paid channels, allowing clients to develop target audiences to push out campaigns, and then collecting post-campaign data for tactics such as retargeting.

**Rocket Fuel is a leader in next-gen DMPs with its marketing in the moment capability**

The DMP, through better targeting and better customer conversion, is the foundation of more successful campaigns. Rocket Fuel DMP’s ability to identify and manage audiences with cookies (DMP 1.0) and with the flexibility to leverage strengths found in probabilistic and deterministic ID techniques (DMP 2.0) made the company an early leader in the high-growth segment. Partnering with companies such as Marketo, IBM and Merkle extends the value of the Rocket Fuel DMP across the ad tech and marketing tech stack.

From a media-buying standpoint, Rocket Fuel DMP is able to support all major ecosystem DSPs and can also provide clients deep integration with Rocket Fuel DSP. The latter scenario (utilizing the same vendor as a DSP and DMP solution) can reduce concerns around cookie loss, while consolidating a client’s ad tech stack. “Rocket Fuel is frequently reported as a DMP of record in our enterprise survey work,” said Seth Ulinski, TBR senior ad tech analyst. “As clients seek to internalize valuable data assets, their next-generation DMP should be evaluated as it can aggregate and normalize data from a wide array of sources to provide real-time marketing intelligence better than first-generation solutions.”

## About Rocket Fuel

A leading programmatic marketing platform provider, Rocket Fuel (NASDAQ: FUEL) offers brands, agencies and platform partners managed services, as well as a SaaS-based Data Management Platform (DMP) and Demand Side Platform (DSP), to optimize performance, awareness, and lift across marketing objectives, channels and devices. By applying artificial intelligence at big data scale, Rocket Fuel's Moment Scoring technology performs a real-time calculation of each ad opportunity based on a marketer's goal to determine the likelihood a consumer will engage in a desired action. Moment Scoring goes beyond 1:1 marketing by learning to predict what marketing actions to take with a campaign at a precise moment in time, which results in a more efficient use of marketing dollars. Rocket Fuel serves 96 of the Ad Age 100, three of the top five agency holding company trading desks and partners with some of the world's leading CRM platforms, marketing platforms and systems integrators. Headquartered in Redwood City, Calif., Rocket Fuel has more than 20 offices worldwide.

## About TBR

Technology Business Research, Inc. is a leading independent technology market research and consulting firm specializing in the business and financial analyses of hardware, software, professional services, telecom and enterprise network vendors, and operators.



Serving a global clientele, TBR provides timely and actionable market research and business intelligence in formats that are tailored to clients' needs. Our analysts are available to further address client-specific issues or information needs on an inquiry or proprietary consulting basis.

## For more information

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