

PAY BACK YOUR INVESTMENT

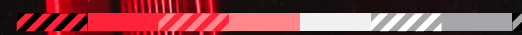
IN MARKETING TECHNOLOGY

at The Speed of Light

Part 2

Ogilvy

Vertical





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PART II



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CEOs across the globe have made optimization of their marketing technology (MarTech) stacks a top priority. The key principle of MarTech stack optimization is using incremental revenues from more personalized marketing to pay back investments at a faster rate, thereby maximizing the Net Present Value (NPV) of capital investments in technology.

From our experience, “Digital Champions” - clear digital marketing leaders in their respective sectors - are investing in real-time hyper-personalization. Hyper-personalization ensures that every step in the customer journey is personalized with data-driven targeting rules and offers that drive advantage in CX, revenue generation and brand loyalty. From this experience, we have developed the next era of personalization that we call “Affinity at Scale.” Affinity at Scale is a new approach to personalization that is a unique formula of human insights and data signals that drives an authentic, empathetic connection to the brand.

Champions continuously innovate, then apply rigorous test & learn techniques to find and then focus on the marketing activities that produce the highest Return on Marketing Investment (ROMI) from personalization.

Following are five categories of best practices and the companies that are implementing them, they include:

- 1) Investing in creative asset management tool(s) to drive higher productivity and improve cross-functional campaign collaborations**
- 2) Before investing heavily in the data ecosystem, an end-to-end Data Maturity Assessment is critical**
- 3) Creating a Single View of Customer**
- 4) Leverage Attribution Modeling to measure ROI & ROAS**
- 5) Investing in Intelligent AI Chatbots to reduce abandonment rates and increase sales**



1 INVESTING IN CREATIVE ASSET MANAGEMENT TOOL(S) TO DRIVE HIGHER PRODUCTIVITY AND IMPROVE CROSS-FUNCTIONAL CAMPAIGN COLLABORATIONS

The demand for content to be used in hyper-personalization is exploding, but the processes for creating, accessing and activating targeted content is linear in most companies. Static content, extracted from content management systems to support marketing interactions (either in batch or non-real time), is the current best practice. Champions are shifting to a model where targeted content is created in real-time during the transaction, using data from the interaction to tailor the experience and drive conversion efficiencies. Innovation in real-time, AI-generated content is discussed in future thought briefs.

Investing in creative asset management to drive real-time personalization leads to better campaign performance and increased ROI. Regarding best practices, a group of global Champions are executing dynamic content personalization strategies which includes experimenting with combining traditional content repositories like DAMs, DMPs and CMS platforms with AI-generated content created and presented in real-time customer sessions.

Creative asset management includes every step in the lifecycle of your digital marketing files, from their ideation and creation to their storage and distribution. What really sets a modern DAM solution apart from basic cloud-storage options like Dropbox, SharePoint, or even a local hard drive are the out-of-the-box capabilities for managing the assets, which include:

- The use of artificial intelligence (AI) to identify and auto tag assets
- Configurable permission structures for easy and secure system access
- Multiple search options like quick search, category search, collection search, and more
- Integrations with other marketing systems and digital experience platforms (DXPs)
- Advanced analytics and reporting capabilities
- Capabilities like version control, file resizing, annotations and markups, download format options, scheduled publishing, automated approvals, and change notifications are just some examples that make a DAM system invaluable to marketers and creatives alike.

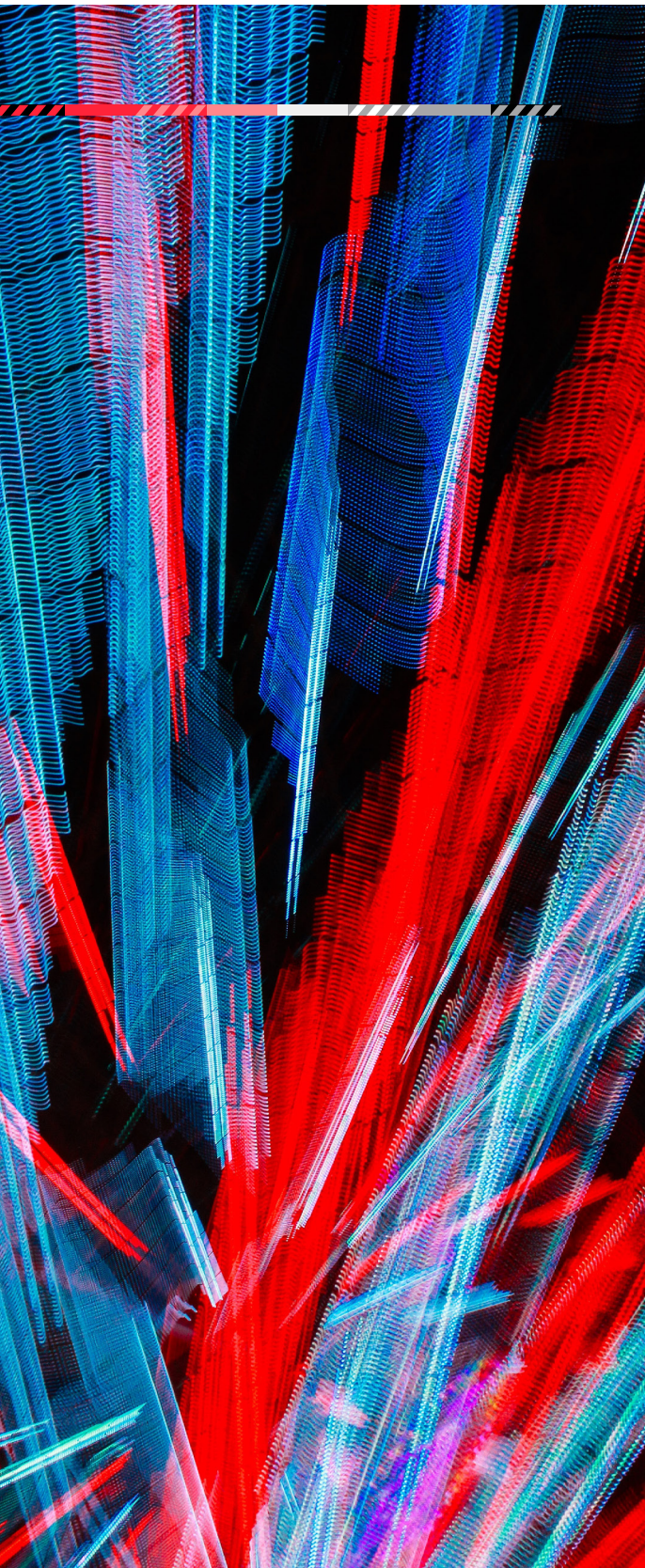




BEFORE INVESTING HEAVILY IN THE DATA ECOSYSTEM, AN END-TO-END DATA MATURITY ASSESSMENT IS CRITICAL

Data is at the center of every marketing challenge. Data incompleteness, inconsistent data encryption processes, inconsistent data synchronization processes, duplicate data logic in the data ingestion process and lack of a data governance model are common challenges faced by every company in every sector.

Solving data issues such as the above, combined with innovation in omni-channel data ecosystem design, is critical to delivering the Nextgen customer journey. This is because our experience shows that app stacks alone cannot create a seamless customer journey - gaps remain in the customer-facing processes and between data/tech silos that need to be filled by skilled data engineering. An end-to-end data maturity assessment is a proven method to discover the gaps and harness the data. A proven methodology for accelerating the development of the data ecosystem to support accurate personalization is required to optimize investments in MarTech stacks.



Key components of the methodology include assessing and enhancing items such as:

- **Data Quality** - ensure data fits its intended business use cases
- **Data Integration** - deliver an integrated and reusable view of that data regardless of their source
- **Data Security & Privacy** - ensure data is secure and confidential
- **Metadata Management** - ensure data has consistent contextual information to get a uniform understanding and meaning of that data
- **Master Data Management** - ensure a single integrated and authorized view of master data across the enterprise
- **Data Modelling** - ensure data is selected, organized and defined in the most effective and purposeful way
- **Data Governance** - ensure proper data governance model is in place.

When the data ecosystem is correctly engineered, Champions are creating data-fueled omni-channel architectures like the one shown below.

Organizing data and technology assets in this way creates the foundational platform for the Nextgen customer experience, allowing digital leaders to maximize revenues while optimizing the cost of operating the stack.



3 CREATING A SINGLE VIEW OF CUSTOMER

Using the insights gained from customer data analysis, we recommend building the 360 view/ progressive profile of prospects & customers, converting them from anonymous to known and then to revenue conversion. Preferences contained in the 360 can include 1) how they want to be reached, 2) what they buy, 3) predicting what they will buy (scores), 4) who they are and 5) how they prefer to interact with your brand.



LEVERAGE ATTRIBUTION MODELING TO MEASURE ROI & ROAS

As businesses search for new ways to increase both revenue and margins the pressure on the CMO builds. As a result, CMOs increasingly look to prove marketing's revenue contribution and to justify their marketing budgets - including investments in the MarTech stack. Taking a revenue-focused approach to your marketing strategy ensures you remain accountable for your share of the sales forecast.

CEOs have mandated that marketers better understand the ROI of their marketing campaigns. New technologies offer a wide variety of rules-based and advanced attribution models (first and last touch, linear, algorithmic, etc.) that help optimize investments across all channels and media — paid, owned and earned. In addition, hidden patterns in your data can now be identified that assist in precision targeting.

5 INVESTING IN INTELLIGENT AI CHATBOTS TO REDUCE ABANDONMENT RATES AND INCREASE SALES

Personalized chatbot experiences engage customers - they can identify high-value website visitors, engage with them instantly, then quickly gather data-rich leads and assemble identifiable audiences and apply segment tags and/or scores that can be used to generate hyper-personalized content and interactions. AI chatbots deliver relevant and comprehensive customer information that customers are interested in and that increase conversions.



PLAYBOOK OF OPTIMIZATION TACTICS



Based on the above best practice categories we are advising our clients to take the following actions:

1. Investments

don't invest in new technologies without knowing the potential pain points that the specific technologies can cause. Start discovering the pain points and fragmented touch points in the customer journey and identify the root causes. For example, are these pain points caused by the MarTech product deficiency, poor process design, gaps in the journey process between apps, limited resources, inadequate investments to upskill staff or upgrade the technology, lack of data, etc.

2. Roadmap

after the pain points and root causes are defined, start creating the future state blueprints based on the priority of MarTech Stack Optimization. (See first whitepaper in the series).

3. Data

conduct an end-to-end data maturity assessment for near-term activations. With the end-to-end data maturity assessment, brands can define the gaps in the marketing data warehouse and redefine the data strategy across the entire ecosystem. This includes what data to acquire, store and prioritize, how to enrich data (scores, etc.), data profiling, data activation and identifying high value data elements (predictive & prescriptive). A clean and strategically architected data ecosystem is essential for precision real-time personalization.

4. Attribution/Measurement

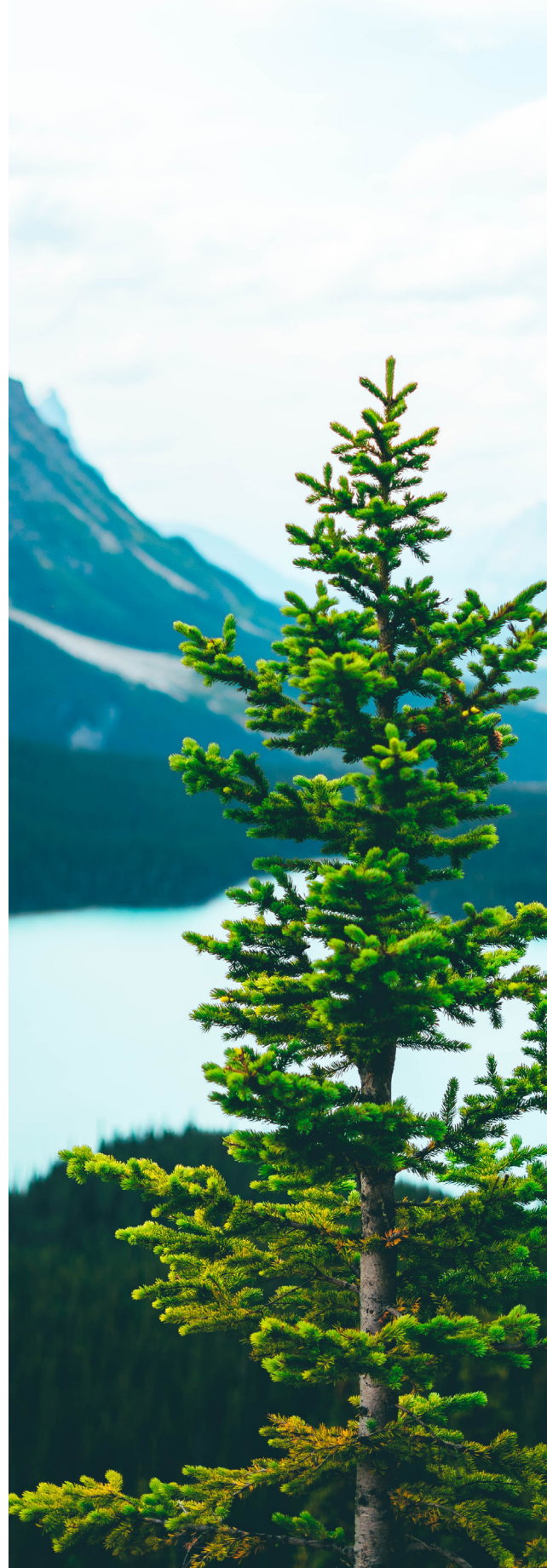
with a clear blueprint for the data ecosystem, the next step is activation attribution modeling. Enabling the attribution model will prove marketing's revenue contribution and justify investments in the MarTech stack. Taking a revenue-focused approach to marketing strategy improves your media planning, budgeting and, eventually, eliminates the media buying agencies as a middleman.

5. Intelligent Chatbots and Hyper-personalized Content

intelligent automation combined with hyper-personalized content leveraged in real-time is the future. Champions are investing in connecting CDPs and personalization engines with content management repositories in new and different ways to service the needs of today's real-time digital native consumers.

In the above scenarios, leaders build in continuous improvement processes and goals throughout their operation, including:

1. Consolidation of tech redundancy - licensing, functionality overlap, other
2. Lowering agency cost
3. All automation actions are insight-driven
4. They tie transactional data and media investments to Marketing engagement revenue & cost to calculate a true ROI.



SUCCESS STORIES

Following are success stories from our client base and best practices, including business lift and ROI increases from analytics-driven personalization:

1. Fortune 100 Global CPG Brand

an American-based personal care corporation that manufactures & sells a variety of products in more than 175 countries, used a 360 Audience tool to unify customer data from multiple sources and create more targeted campaigns for their brands. It created a single view of the customer to enable personalization and messaging precision. This allowed them to increase the 30-48% engagement rate increases across markets, drive a 3-4% increase in Market Share and a 50% increase in targeted ecomm channels driven by digital campaigns leveraging new personalization capabilities. In parallel with Nextgen personalization campaigns, marketing tied AdTech and MarTech analytics together to get a full picture of ROMI across media investments in demand generation.






2. Fortune 100 Global Tech company, B2C & B2B

known for its server and PC products but also provides data storage, information security, virtualization, analytics, cloud computing and other products and services that enable organizations to store, manage, protect, and analyze data.

The company had challenges in targeting audiences with personalized messages. Additionally, they needed help to increase content velocity as they had a lean marketing team.

An end-to-end global nurture program and dynamic content tech module were created in their MarTech Platform that would integrate into various external company systems to send targeted, dynamic emails to customers. The program is behaviorally driven to provide the right content at the right time. This resulted in a 30% increase in creative creation efficiency, a 35% increase in conversion rate, and a 3x higher average order value. In parallel with new personalization capabilities, IT was given TCO targets that reduced the overall variable cost or revenue-generating interactions in the channels.

3. Major Airline Loyalty Group



a leading travel and lifestyle rewards program did not have any marketing automation and lack of scalability due to the home-grown legacy CRM system. It also had 100% dependency on an external ad agency while launching ad campaigns. They implemented a new CDP and integrated with their Data Warehouse, loyalty systems, and ad campaign management tool to enable an end-to-end customer experience. They were able to drive 25% membership growth from 8M to 10M within one year, a 70% efficiency increase in campaign time to market, and over a 3% email engagement rate. Internal marketing analyst teams were able to assume more control over execution and reduce total agency cost.



SUMMARY

As trusted advisor to brands worldwide, Verticurl guides our clients from ideation and activation through measurement across the full real-time marketing personalization lifecycle. Please don't hesitate to reach out to discuss ideas and recommendations presented in this paper.



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