Real-Time Marketing Management is Here

Have you seen the flood of new acronyms spilling into marketing departments (RT-CMO, UMIA, MRM, DMP, RTIM, to name just a few)?

Opening the floodgates are Forrester analysts Jim Nail, Tina Moffett and Jason McNellis. At a roundtable in November, Moffett delivered a call to arms for marketers to embrace Real Time Interaction Management (RTIM). Marketers should expect to leverage Data Management Platforms (DMPs) and a new breed of analytics providers.

A few weeks earlier, Nail introduced Unified Marketing Impact Analytics (UMIA) describing a metamorphosis in measurement and imploring marketers to re-evaluate their mix models.

Meanwhile McNellis reviewed Marketing Evolution's Real-Time Creative & Media Optimization (RT-CMO) and recommended marketers "make their Marketing Resource Management (MRM) systems smarter with analytics."

Marketers have a long held philosophical commitment to more personal customer relationship marketing (CRM). "We are aiming for scaled personalization," Shelley Pisarra of Pepsico put it.

Why the sense of urgency? The short answer is the profit power of speed. A marketer that can tell which message is working with which people on a daily or real-time basis has a massive advantage over marketers that are only getting post-mortem analysis.

Jim Nail's report identified what has changed to demand an overhaul: real time data on individual consumers, plus more powerful analytic tools and cloud platforms. "With US Internet ad spending at 28% of measured media spending, marketers must incorporate digital marketing into any comprehensive measurement initiative." Marketers have to speed up analysis of everything to match the pace of the internet and its real-time bidding.

What you need to know

The common theme to these acronyms is speed and personal relationships. Massive amounts of data are available today including media exposure data from the digital ecosystem, set-top boxes, and geo-location sensors capable of mapping the exposure to individual advertisements, and subsequent visit to specific retailers. Economic indicators, weather, social media, neighborhood profile information, purchase databases, intent signals, surveys and more. The hard part is a creating a technology stack to convert the data into person level insights and actions.

The ROI Brain™ is an example Forrester uses to describe UMIA, RTIM, the connection to MRM and DMP to deliver RT-CMO. There are four layers to the ROI Brain™. I suspect you will find these same layers in any real time decisioning system:

1. Data Extract, Transform and Load (ETL)
2. Analytics
3. Solution Algorithms
4. Activation

ETL: In Marketing Evolution's ROI Brain™, data is ingested in the ETL layer continuously. Data is extracted from the source, transformed into a useful structure and loaded into the analysis layer. One transformation is mapping each data point to individual people. A separate transformation is the connection to marketing resource management (MRM) details, such as media flowcharts, marketing calendars, pricing plans, and so forth.

The transformation of data to specific people can be a simple match, such as the case with addressable media. For example, if you received Research World at your home address, or a message via email, these can be directly linked to you. Survey data, certain sales data, smart phone geo-location data – lots of data can be linked personally.

The next level is matching data that can be linked to an individual, but enters the system at a higher level of aggregation. For example, weather data is reported from thousands of weather reporting stations, with known locations and time stamps. These can be associated with individual people based on where they are at any moment (based on a link to smartphone geo-location sensors), or more generally matched to where the person lives and works.

The most complex level of matching is taking a set of information linked to a sub-set of the population and projecting it to everyone else. This is probabilistic matching. Researchers can trace the family tree to data imputation, ascription modeling, and data fusion.

Marketing Evolution takes a specific marketer's TV media plan from its MRM system and combines it with set top box TV data and DMP data. The ROI Brain™ projects TV exposure to every person in the country. Now TV can be examined side-by-side with the email that was sent to the same person to attribute value. One can gauge media synergies and optimize sequencing.

Analytics: Once the data is loaded into the ROI Brain™, the analytic engine looks for patterns. For example, the analysis may find that women, who Facebook defines as interested in psychology, eXelate defines as offer seekers and ESRI defines as living in three specific neighborhood types are much more likely to be influenced to purchase from a specific message and offer combination.

Solution Algorithm: Continuing with the same audience example, the algorithm calculates an incremental $272,000 in profit can be gained from changing the media placement. The solution layer specifies which television media touchpoints to increase and which to decrease. This is an example of Real-Time Creative & Media Optimization (RT-CMO).

Here are some solution algorithms: Optimize owned, earned and paid media. When to respond to a consumer defection with personal outreach. When to activate a flash sale, or change the pricing. How to optimize product assortment at individual stores.

Activation: Connections to the advertising agency media buyers, or direct connection to programmatic buying systems is how the ROI Brain™ activates the right message to the right people, at the right time, in the right media at the right price solution. Triggering a notification to a social media team to respond to a tweet is another.

Consideration for Analytic Firms

The unifying technique varies by the four vendors Forrester cites in their report. Marketing Evolution's approach is "person based" as every person has their own set of data that is analyzed to create their own personal media mix. Summing up all the individual data generates the familiar media mix pie chart – but underneath it are real-time decisions for what the next message should be for each person.

There are other approaches, which will yield different answers. Whatever approach one takes to unifying the data, it's a safe bet that the next few years will see marketers shift to unified, real time, personal marketing.

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