The Personalized Marketing Blueprint

Right Person, Right Experience, Right Moment — At Scale

Executive Summary

Personalized Marketing has long been one of the biggest challenges for marketers — using data to reach the right person with the right message at the right moment, automated at scale — but now it's experiencing renewed urgency and focus.

Covid-19 has dramatically accelerated consumer adoption of digital — e-commerce in America recorded a decade's worth of growth during 90 days of lockdown[1] and is projected to hit $5 trillion globally this year.[2] At the same time, consumer expectations are continually rising, set by their best digital experiences. The most popular products, from Amazon and Netflix to Google and Facebook, are all highly personalized and constantly learning from consumers to anticipate what they'll need next.

The personalization puzzle

Adapting fast, brands are prioritizing the use of data and digital channels to reach and serve customers with personalized experiences (since Covid, businesses are three times more likely to conduct the vast majority of customer interactions digitally).[3] But while most understand the imperative for Personalized Marketing, many organizations struggle to implement it effectively.

As sophisticated and accessible as tech has become, in practise there's no off-the-shelf technology solution for companies to reach their most valuable audiences with highly individualized communications at precisely the right time and place. There are many pieces of the personalization puzzle — people and process as well as tech platforms – and the complexity can seem quite daunting.

A practical guide

However, this white paper offers a practical guide for senior marketing executives on how to ask the right questions and take the necessary steps to deliver an ROI-positive Personalized Marketing program (Omnicom has achieved an eight-fold return on investment from Personalized Marketing for clients). It includes a list of the ten most important personalization priorities and the quick wins they will deliver.

"This white paper offers a practical guide for senior marketing executives on how to ask the right questions and take the necessary steps to deliver an ROI-positive Personalized Marketing program."

The guide is organized around a Personalized Marketing Blueprint with three pillars: Customer (right person), Content (right experience) and Channel (right moment). The paper explains how to put data foundations in place for each, and how to turn that data into actionable intelligence then activate it in personalized campaigns. Importantly, to make this happen effectively at volume and speed requires careful orchestration of humans and machines, so the blueprint also describes the operating model of People (right experts), Process (right workflows) and Platforms (right tools) that will align Personalized Marketing with a brand's organizational culture and goals.

The art and science of data

Additionally, the paper analyzes two essential competencies that determine the success or failure of Personalized Marketing initiatives: Data Problem-Solving and Data Creativity. First, the criticality of applying data science to solve the most important marketing problems. Personalized Marketing at scale needs specialists to acquire, match and enrich first-, second- and third-party data and build predictive models that make the biggest business impact. Bespoke algorithms that solve brand-specific use cases create greater competitive advantage and more valuable data IP over time.

Secondly, algorithms and automation need to be twinned with the magic ingredient of creativity because consumers are much more likely to buy from and stay loyal to brands they emotionally connect with — 95% of our purchase decision-making takes place unconsciously. Without the ability to craft persuasive, 'right-brained' emotional experiences that can take on a programmatic digital life of their own and inspire consumers to act because they feel differently about the brand being advertised, Personalized Marketing risks being efficient but not effective.

"Algorithms and automation need to be twinned with the magic ingredient of creativity because consumers are much more likely to buy from and stay loyal to brands they emotionally connect with."

Great marketing campaigns touch people where they can feel it, delight in it, become moved to buy something because of it and become an advocate for the brand. To do this Personalized Marketing must integrate human-led creative ideas designed to work brilliantly with algorithmic decisioning powered by AI. Embracing the improved level of insight that can be extracted from data — the ability to identify and forecast new trends in consumer culture for instance — leads to a much more nuanced understanding of what customers do and more accurate predictions of what they might do. This in turn provides a springboard for better strategic planning and more influential and irresistible creative ideas.

The age of personalization

Getting it right unlocks extraordinary potential. According to the Harvard Business Review, Personalized Marketing boosts revenues, reduces acquisition costs and increases the efficiency of marketing spend. It enables executives to deliver event-triggered, real-time communications to mass audiences on a one-to-one basis, while meeting consumer expectations for privacy — often without needing more money or team members to do the work. In fact, orchestrated correctly, automation eliminates manual processes to reduce costs further and free up resources. Marketers can use that newfound time and budget to develop strategies that focus on creativity and brand, further improving the customer experience, and generating more revenue, loyalty and competitive differentiation.

Modern marketing has entered the era of personalization and the more that firms personalize, the better the business outcomes they drive: more satisfied, engaged customers, increased sales, greater loyalty and stronger brands. This blueprint offers a practical guide for senior marketing executives on how to achieve it. The time to start is now.

opmg

01

Introduction

Introduction

A few years after launching Amazon.com a 34-year old Jeff Bezos was interviewed by The Washington Post (which he now owns). "If we have 4.5m customers," Bezos said, "we shouldn't have one store. We should have 4.5m stores."[4]

This idea of using data to tailor the individual digital experience of millions of customers has long been the promise of the commercial web. With the industrial revolution, the invention of transportation and communications technologies like railways and the electric telegraph massively expanded the physical reach of businesses, but also distanced companies from knowing and understanding their customers as individuals.

The Internet promised the best of both worlds. Companies could deliver the kind of personal service they once offered when catering to small, local markets, but at an industrial scale with huge efficiencies.

Fast forward more than two decades from the Bezos interview and today all leading businesses are built on a foundation of personalization driven by data, predictive models and machine learning. For example, take the recommendation algorithms that digital platforms like Amazon, Netflix and Spotify use to help customers discover new content and products on their sites and apps — around 70% of everything Netflix users watch is a personalized recommendation.[5]

"Today all leading businesses are built on a foundation of personalization driven by data, predictive models and machine learning."

Traditional brick-and-mortar retailers like Starbucks use personalization to create a hybrid physical / digital customer experience. Their mobile app drives 17% of sales in the U.S. by letting people customize and pre-order drinks to collect from the store of their choice. The Starbucks Rewards program then uses this customer data to personalize the app experience for each individual — such as tailoring their promotional offers — based on unique preferences and spending behaviors.[6]

It is how mass scale personalization applies to marketing communications that is the specific focus of this paper. Consider the example of an Omnicom Precision Marketing Group global healthcare client that delivers tailored content to individuals across owned, paid and social channels. Based on how a large set of different creative executions perform at different moments in their journey, machine learning algorithms predict customer preferences and then optimize for the best performing content on the fly.[7]

The Value of Personalized Marketing

This kind of individualized communication, coordinated in real-time across channels, segments, geographies and content assets, is a world away from simply greeting customers by name on an email (the most basic form of personalization in marketing). Let's define more specifically what we mean by a modern version of Personalized Marketing at scale:

- Personalized Marketing is the process of applying AI and analytics to historical and real-time customer data to predict what people want and need in a given moment.

- This intelligence is used to adjust the relevance of individual communications that each customer encounters, based on where someone is, what they are doing and the device they are using.

- Content is automatically assembled and presented to millions of customers on the fly, and algorithms learn from each interaction to become cleverer and more predictive over time.

"Personalized Marketing is the process of applying AI and analytics to historical and real-time customer data to predict what people want and need in a given moment."

Of course, automating the right message for the right customer at the right moment has been talked about by marketers for years. In practice, however, making it happen at great scale in real time was more the preserve of "born digital" Internet companies than traditional brands. This is no longer the case.

Cloud-based marketing technology infrastructure and tools ("MarTech") from firms such as Adobe, Google, Microsoft, Oracle and Salesforce have matured to the point where it's now practical for all traditional corporations to integrate them with legacy data systems. While this has driven wider adoption, a surprisingly large number of firms still labor to leverage customer data to monetize these new platforms.

opmg

One Size Fits None

The reason is that technology is only part of the solution. To work effectively, a Personalized Marketing system has to be orchestrated by the right team of experts, using the right workflows and tools. (Spoiler alert: The alchemy of humans plus machines to make data-driven programs succeed at scale is a recurring theme throughout this paper.)

You need data scientists, for instance, who can build predictive algorithms that turn data into actionable intelligence to solve the most pressing marketing problems. And, given that 95% of purchase decisions take place unconsciously,[8] you need creative directors who can craft powerful emotional ideas that are designed to evolve over time as they're experienced differently by millions of individual customers.

Ultimately, what matters most are the outcomes created by these efforts. So, how does mass personalization benefit customers and companies? According to the Harvard Business Review, it pays off for brands to make consumers feel special by being more personal — Personalized Marketing can boost revenues between 5 and 15%, cut acquisition costs by half and lift the efficiency of marketing spend by up to a third.[9]

"A one-size-fits-all approach no longer works when everyone expects to be treated as one of a kind."

Modern consumers are used to businesses catering to their increasingly complex individual needs; a one-size-fits-all approach no longer works when everyone expects to be treated as one of a kind. As a consequence, the more a brand communicates in a way that's personally relevant, the more useful, interesting and actively valued those interactions become. On the flip side, customers quickly get frustrated when a brand appears to have no knowledge of their previous interactions or communicates in an impersonal way. An example is having to enter your account number in an automated telephone system only to have the service agent ask you for the same information moments later.

Driving Sales and Building Brands

For firms, the ultimate benefit of more satisfied, engaged customers is greater loyalty and growth. Customers who feel that they are important to a brand tend to come back again, buy more and tell their friends. In one research study, over half of consumers defined "feeling connected" to a brand emotionally by how that brand understands them (precisely the sentiment that personalization is designed to create). Furthermore, when they did feel this kind of brand connection, 57% were more likely to spend more, 64% to be more loyal, 68% to recommend the brand to a friend and 76% to buy from that company over a competitor.[10]

"Customers who feel that they are important to a brand tend to come back again, buy more and tell their friends."

The problem for many traditional brands is they find it hard to maintain an ongoing connection with customers that feels worth having (reward schemes may help but they can be complicated to set up and expensive to run). Intelligent personalization solves this by enabling firms to continually improve the customer experience, which in turn strengthens their customers' brand connection over time. The more you interact with businesses like Amazon, Netflix or Spotify, and the more they learn about you, the more useful they become — now all companies have the opportunity to keep learning about their customers and use this data to continually improve the value of the services and experiences they offer.

Twenty years ago, Bezos recognized that the benefit of personalization was using a computer to do what a good salesperson would do: "You get the economies of mass merchandising and the individuality of 100-years-ago merchandising." A more personal experience is usually a more human one. A store assistant can help you find the right product by getting to know you better, and many frequent flyers have enjoyed being recognized by a cabin staff member and asked about their last trip. Done right, communicating with a mass market on a one-to-one basis doesn't just create vast operational efficiencies; it can humanize how companies build mutually valuable relationships with their customers, which drives sales and builds brands.

When Customers Feel Connected to Brands, They Are More Likely To:

57%
Spend more with the brand

64%
Be loyal to that brand or business

68%
Recommend the brand to a friend

76%
Buy over a competitor

opmg

Study based on a survey of 1,013 U.S. consumers by Sprout Social in 2018

The Time Is Now

Personalized Marketing is experiencing a renewed urgency and focus in 2021 for three reasons:

1. Closing the Gap in Customer Expectations

Customers are driving digital adoption and demanding that brands keep up with their rising expectations, which are benchmarked against the best digital experiences on the mobile, social web. They expect all brands to be as clever as Google, as easy as Apple, as immediate as WhatsApp, as on demand as Uber, as social as Facebook, as visual as Instagram, as convenient as Amazon, as predictive as Netflix, and as entertaining as YouTube, all of which offer highly personalized customer experiences.

> **"Personalized Marketing enables marketers to compete more effectively by meeting consumers' continually evolving digital expectations."**

As a result, consumers assume that all brands will know them, anticipate what they'll need next and make their lives easier, more frictionless and fun. And they reward the ones that do — 77% of North American consumers have chosen, recommended, or paid more for a brand that provides a personalized service or experience[11] while 78% are more likely to make a purchase with a brand or retailer that better personalizes their experiences.[12] In a nutshell: Personalized Marketing enables marketers to compete more effectively by meeting consumers' continually evolving digital expectations.

2. Riding the Wave of Mass Digitization

The imperative for digital transformation was already clear. Most boards and senior executives today acknowledge that the capacity to innovate and dominate in the modern economy depends on the intensity of data flowing through a business connecting all resources. Digital leaders are more than twice as likely as other brands to use real-time data analytics, machine learning and predictive algorithms to deliver personalized customer experiences, reduce churn, provide more responsive service and more accurately forecast demand.[13]

Covid-19 has dramatically accelerated this shift — e-commerce in America recorded a decade's worth of growth during 90 days of lockdown.[1] All areas of the economy, from our education and healthcare systems to entertainment services and the workplace, are experiencing a renewed surge of digitization as consumers create lasting new online habits and organizations rely on digital systems to scale and connect where physical people and environments cannot. For example, retail brands are forced to turn to digital channels as an alternative to in-store merchandising, which relies on physical proximity. If Personalized Marketing at scale was already a priority for many marketers, now it is an urgent necessity for all.

3. Starting the Personalization Journey With Marketing

Organizations are realizing that marketing communications is the best place to start their mass personalization journey. Even when the business case for modernizing digital infrastructure has already been made, companies struggle to get a return from their technology investments. This is where marketers should take the lead. A core objective of most digital transformation programs is to better understand, anticipate and deliver value to customers across all channels, which sounds like a mission statement for marketing departments.

Company-wide 'tip to tail' transformation efforts can take many years to come to fruition. This leaves CMOs waiting a long time before they get to implement what P&G chief brand officer Marc Pritchard calls "mass one-to-one marketing". The benefit of focusing on marketing first, as a narrower angle of approach to digital personalization, is it needs less cross-departmental co-ordination to get up and running, which means faster time to revenue.

For example, one Omnicom Precision Marketing Group automotive client used a performance-driven Personalized Marketing program to help deliver an impressive two billion dollars of revenue for OEMs and dealers within a year.[7] Unlocking this kind of short-term ROI via a lift in customer acquisition and sales acts as a powerful proof-point for the business to invest further in personalization and buys marketing a lot of leeway to expand the initiative.

The Personalized Marketing Blueprint

All brands today compete on the quality of their customer experience (CX) as much as product or price. According to research from technology consultants Gartner into CX leaders, customer experience now drives over two-thirds of customer loyalty, outperforming brand and price combined.[14]

But while the theory of personalizing customer experiences in marketing is well understood, it doesn't often happen effectively at scale. This is because many of the challenges of delivering Personalized Marketing across customer journeys that encompass different channels, regions and creative assets are practical rather than theoretical.

This paper offers a practical guide for senior marketing executives on how to personalize communications experiences for customers at scale, from envisioning a desired end customer experience and connecting together the data layers to enable it, to understanding how to monetize the program and how to orchestrate the many different marketing capabilities necessary to implement and operate it effectively.

Like any practical guide to implementation, it begins with one simple question, followed by another: where do you start, then what do you do next?

opmg

02

Blueprint

Reference Blueprint

Personalized Marketing helps companies reach the right person with the right experience at the right moment, at volume and speed. To do this involves orchestrating a complex system with many interdependent parts. We can simplify it by using a **framework** organized by three main competencies:

1. **Customer:** How well you know your customers and how well you act on what you know

2. **Content:** How effectively you make and manipulate content at scale using real-time data insight

3. **Channel:** How instantaneously you adapt to the constantly changing, connected environments where customers interact with your brand

An essential part of this system is how humans cooperate with machines. Success depends on having a multi-disciplinary team of specialists using an organized system of processes and technology tools to choreograph delivery services in multiple markets and across marketing disciplines (CRM, Media, Advertising, PR, etc.). The **operating model** for delivery should be customized for an organization's specific needs and combine these three elements in bespoke ways:

4. **People:** Individuals with a range of specialist marketing execution and data analysis skills closely integrated with the client to form a single delivery unit — ideally a co-located scrum team — that works together at speed

5. **Process:** Operating procedures to coordinate services and activities across Customer, Content and Channel systematically in delivery phases

6. **Platforms:** A marketing solution partner will have developed specialist data tools and techniques to unlock key customer experience use cases — these platforms are complementary to the client's existing technology stack

Below is a reference blueprint laying out the full set of building blocks that need to be assembled for Personalized Marketing to work effectively at scale. The blueprint introduces three additional descriptors to help explain how Personalized Marketing works in more detail:
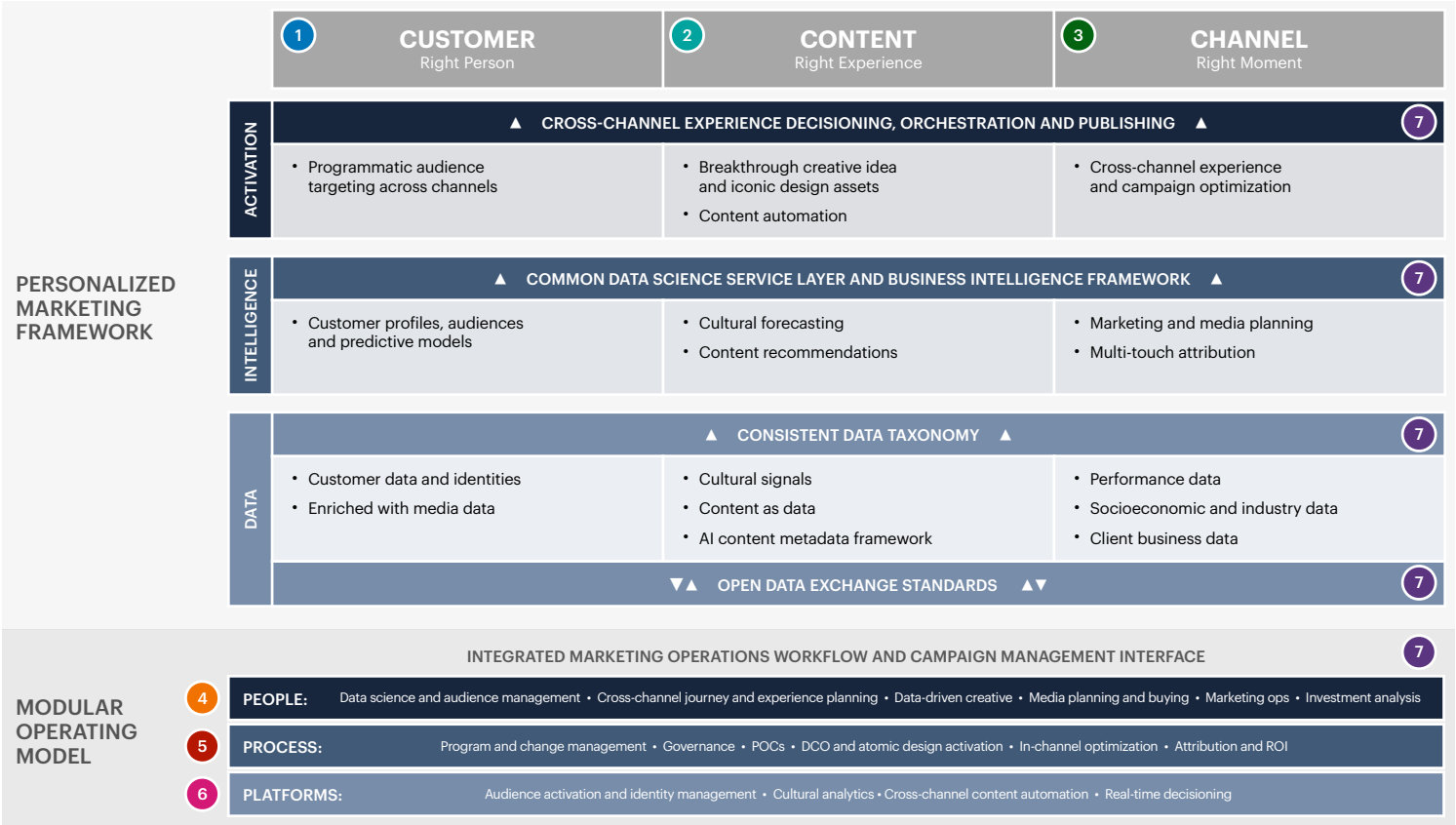
• **Data:** The data foundations supporting all activities

• **Intelligence:** How data is processed into actionable intelligence

• **Activation:** How this intelligence is used to activate in-market campaigns that reach the right person with the right experience at the right moment

First, we'll look at the **personalization framework** (1, 2, 3) and what happens in each of the delivery pillars of Customer, Content and Channel, breaking down the activities by Data, Intelligence and Activation in each.

Secondly, we'll go through the **operating model** (4, 5, 6) of People, Process and Platforms and how they combine to deliver a winning performance by stage-managing many different moving parts in the system.

Lastly, we'll review **system enablers** (7) — technology components that need to be in place and layers of data standards and organizing structures that enable everything to work together in a coordinated system.

Reference Blueprint for Personalized Marketing at Scale

	① CUSTOMER Right Person	**② CONTENT** Right Experience	**③ CHANNEL** Right Moment
PERSONALIZED MARKETING FRAMEWORK			
ACTIVATION ▲ CROSS-CHANNEL EXPERIENCE DECISIONING, ORCHESTRATION AND PUBLISHING ▲ ⑦	• Programmatic audience targeting across channels	• Breakthrough creative idea and iconic design assets • Content automation	• Cross-channel experience and campaign optimization
INTELLIGENCE ▲ COMMON DATA SCIENCE SERVICE LAYER AND BUSINESS INTELLIGENCE FRAMEWORK ▲ ⑦	• Customer profiles, audiences and predictive models	• Cultural forecasting • Content recommendations	• Marketing and media planning • Multi-touch attribution
DATA ▲ CONSISTENT DATA TAXONOMY ▲ ⑦	• Customer data and identities • Enriched with media data	• Cultural signals • Content as data • AI content metadata framework	• Performance data • Socioeconomic and industry data • Client business data
▼▲ OPEN DATA EXCHANGE STANDARDS ▲▼ ⑦			

INTEGRATED MARKETING OPERATIONS WORKFLOW AND CAMPAIGN MANAGEMENT INTERFACE ⑦

MODULAR OPERATING MODEL

④ **PEOPLE:**	Data science and audience management • Cross-channel journey and experience planning • Data-driven creative • Media planning and buying • Marketing ops • Investment analysis
⑤ **PROCESS:**	Program and change management • Governance • POCs • DCO and atomic design activation • In-channel optimization • Attribution and ROI
⑥ **PLATFORMS:**	Audience activation and identity management • Cultural analytics • Cross-channel content automation • Real-time decisioning

① Framework: Customer

Modern brands still need a strong platform to communicate from — a meaningful brand purpose, a strategic brand positioning and a distinctive brand identity. However, the lasting impression they leave in the hearts and minds of customers is built one positive interaction at a time. An organization's ability to deliver best-in-class interactive customer experiences depends on two things:

A. The quality of insight it has into the needs, lives, behaviors, attitudes and motivations of its customers and prospects.

B. Its ability to act on what it knows by leveraging technology, data, marketing science and real-time decisioning capabilities.

Data

✓ Customer data and identities

Customer data provides the foundations that a Personalized Marketing system is built on and it falls into three categories:

1. "Known" customers already exist in a customer database or are social media followers and have unique identifiers like names or usernames and contact details (email, telephone, via social media). Customer insight can be deepened by cleverly combining in-house records with third-party data.

2. "Anonymous" customers can be identified by their digital behaviors as they start to interact with the brand (e.g., clicking on an ad which links to a web page). This customer knowledge can also be boosted with third-party data.

3. "Unknown" customers can be identified as prospective segments to reach with paid, owned or earned media. They can also be created as "look-alike" audiences that match the characteristics of "known" customers or followers.

Data about "Known", "Anonymous" and "Unknown" customers and their interactions with the brand provide the greatest value when they can be connected together. However, growing concerns about data privacy and ownership are fragmenting the landscape, so brands must adopt an ecosystem approach to capturing value from data — one that embraces the different ways data can be collected, integrated, combined, and utilized.

For example, walled gardens continue to limit data exposure, so granular data that was previously available to brands directly is now only available within "clean rooms" — privacy-controlled environments where brands can safely combine customer data with data from platforms like Facebook and Google for better insight and attribution.

It's also essential for brands to acquire more of their own first-party data to gain an edge by understanding their customers better. A global HBR study of 6,000 companies showed that acquiring direct customer connections, where you have permission to communicate and sell to them on an ongoing basis, adds more enterprise value than brand.[15]

"It's also essential for brands to acquire more of their own first-party data to gain an edge by understanding their customers better."

Activating customer data starts by focusing on specific use cases to prioritize what, where, and how it can be leveraged for Personalized Marketing at scale. But as the availability of data continues to expand and evolve, it's imperative for brands to adopt a future-focused approach:

A. Making best use of all the available data and ecosystem of digital and data partners.

B. Growing their unique competitive advantage through first-party data collection and curation.

✓ Enriched with media data

A deeper understanding of customers' lives is developed by enhancing client data with third-party information sources such as purchase and household data, demographics, technographics, travel, hobbies and other lifestyle indicators.

This enriched data is then used by a media platform to explore and create new audiences and activate them in market against available media inventory. (Sophisticated segmentation and targeting models won't count for anything unless they tightly match available inventory that can be bought to reach those desired audiences.)

Combining Data for More Personalized Marketing

CRM, CDP and DMP data have different strengths: the size of audiences you can reach and how much you know about them as individuals. Website behavioral data improves the personalization of CRM campaigns and media targeting, while third-party data from DMPs or CRM data improves the personalization of content and offers onsite.

DMP / Media — Data Quality, Reach
CDP / Onsite — Data Quality, Reach
CRM — Data Quality, Reach

opmg
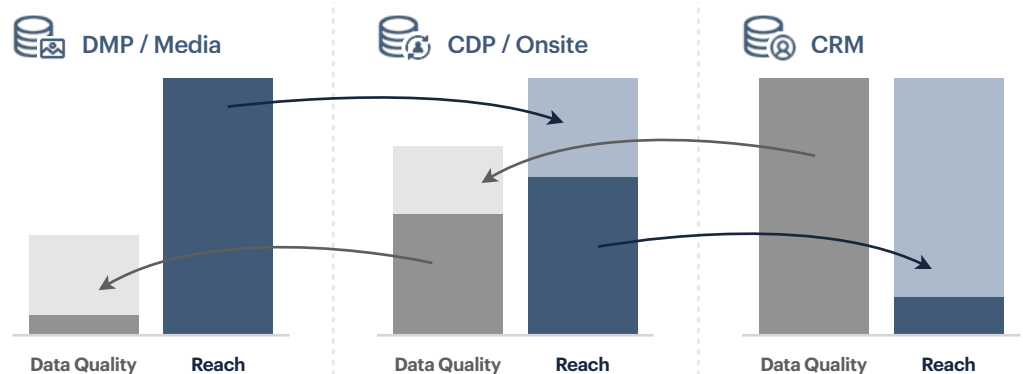
Intelligence

✓ Customer profiles, audiences and predictive models

These are used to build customer profiles and micro segments and develop audiences and journey models. Further predictive analytics automatically recommends the next-best action for each customer, for example, which piece of content is most likely to make them take the desired next step on a sales conversion journey.

Activation

✓ Programmatic audience targeting across channels

Algorithmically driven decisions are made in real time about when and where to engage target customers across all channel touchpoints. The system responds programmatically to new customer data and behaviors to optimize all future decisions for the desired marketing outcome.

② Framework: Content

As the sophistication in data analytics and programmatic targeting increases, so does the volume of Personalized Marketing experiences that can be delivered. But without a step change in production processes and platforms, marketers face a bottleneck in producing enough content to capitalize on these opportunities.

> **"As the sophistication in data analytics and programmatic targeting increases, so does the volume of Personalized Marketing experiences that can be delivered."**

Observe the example below of a regional Omnicom Precision Marketing Group client attempting to scale their Personalized Marketing content. Once you start to multiply channels, campaigns, languages, segments, dynamic URLs for the calls to action (CTAs) and creative content variants, the requirements quickly exceed the manual capacity of any marketing team.

Content automation, as part of a Personalized Marketing system, enables marketing to scale for multichannel, programmatic and personalized content delivery. Without this, a gap in content production capabilities creates a gap in the quality of customer experience, which leads to a gap in sales.

Data

✓ Cultural signals

Marketers need the ability to capture, categorize, score and store tens of millions of signals about cultural change in multiple languages, globally. Sample signals are social media conversations, academic discoveries, VC activity, patents and case law databases, company data, consumer ratings and reviews, current news and historical archives.
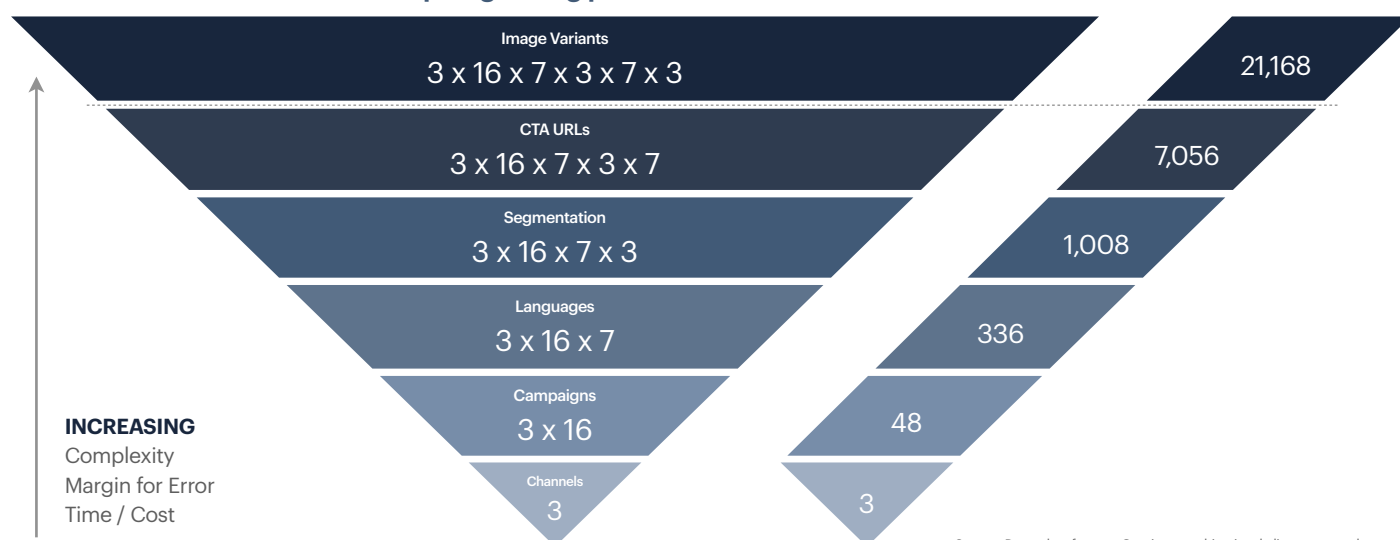
✓ Content as data

Categorizing the compositional and narrative elements in communications assets like images or video means they can be programmatically analyzed and optimized by machines. Creative content becomes tagged, structured, dynamic, automated and able to be measured and optimized. The digital assets themselves also need to be stored and managed, as does data about how the content elements perform across channels.

✓ AI content metadata framework

Artificial intelligence tools can be used to build up additional sets of metadata around the content (e.g., images that performed best in certain channels contained human faces with X expressions, Y set of background colors and Z calls to action in the advertising copy).

The Content Gap - a growing problem for brands

Image Variants	3 x 16 x 7 x 3 x 7 x 3	21,168
CTA URLs	3 x 16 x 7 x 3 x 7	7,056
Segmentation	3 x 16 x 7 x 3	1,008
Languages	3 x 16 x 7	336
Campaigns	3 x 16	48
Channels	3	3

INCREASING
Complexity
Margin for Error
Time / Cost

Source: Data taken from an Omnicom multinational client case study

opmg

Intelligence

✓ Cultural forecasting

Applying AI-powered predictive analytics to cultural signals can identify patterns and capture the zeitgeist of any topic in real time and over time — this can be used to predict cultural trends and inform brand innovation and breakthrough creativity.

> **"Applying AI-powered predictive analytics to cultural signals can be used to predict cultural trends and inform brand innovation and breakthrough creativity."**

✓ Content recommendations

Predictive analytical models built using historical and real-time data about Customers, Content and Channels enable the system to recommend what kind of creative should be dynamically constructed to communicate with each individual customer or audience segments, across all channels. Algorithmically derived models provide content intelligence such as:

- Identifying key components in the content (e.g., visuals, audio) and design style (e.g., colors, typography, layout, animation) that have a positive or negative impact on engagement

- Predicting the next-best experience for a customer based on a detailed scoring of an individual's connection to a brand (relationship from a recency / frequency perspective, engagement / channel preferences, customer lifetime value and price elasticity, what role the brand plays in their daily life)

- Recommending content based on profiling the personality of a customer

- Recommending products based on a customer's purchase history, behavior and how they engage with content

- Recommending pricing and discounting levels based on each customer or microsegment's propensity to purchase

Activation

✓ Breakthrough creative idea and iconic design assets

Mapping customer journeys and forecasting cultural shifts are required inputs to the Personalized Marketing creative process. They enable the development of a powerful, overarching creative idea and the design and production of iconic content assets that can be broken down into smaller "atomic" elements for automation at scale on a 1:1 basis.

In a dynamic system where the sequence and composition of content is constantly being optimized by algorithms, the introduction of cultural indicators into the data taxonomy is vital. It helps machines learn how to mass personalize high-performing creative that is individually relevant, rewarding and emotionally resonant.

✓ Content automation

Personalized versions of creative communications are dynamically compiled and published to individuals or segments across channels, based on the algorithmically recommended best content experience. This ability to adapt and version content for any channel and provide a relevant experience to each individual is indispensable — without it a brand risks losing its investment in audience data and programmatic targeting as everyone effectively sees the same content.

> **"Personalized versions of creative communications are dynamically compiled and published to individuals or segments across channels, based on the algorithmically recommended best content experience."**

opmg

③ Framework: Channel

The third pillar in the Personalized Marketing framework determines precisely how, where and when to engage with customers as they weave between different channels and devices in their connected journeys. Delivering static executions in a single channel via a cumbersome manual model is no longer fit for purpose. Modern marketing needs to be programmatically and algorithmically based so communications can be instantaneously delivered across addressable media, website, CRM and social — and synchronized with traditional, non-digital media.

Data

✓ Performance data
Customer engagement metrics are captured and stored by audience type per channel and campaign media performance data is enriched by category benchmarks.

✓ Socioeconomic and industry data
Customer factors such as employment, education, health and income, combined with social, political and economic trends within a specific brand sector, are all taken into account to deliver personalization.

✓ Client business data
Client data such as customer purchase and engagement histories, call center logs and retail locations are incorporated to formulate program KPIs, multi-touch attribution models and predictive algorithms.

Intelligence

✓ Marketing and media planning
Planning tools such as media mix and channel propensity modeling, insights from cultural analytics, and algorithmic investment strategies need to be employed.

✓ Multi-touch attribution
A Personalized Marketing system needs the ability to understand the impact of media activity across channels in relation to specific business goals in order to operate effectively. A direct statistical relationship between sales and media mix should be developed by factoring in elements such as audience, channel, creative, tactic, campaign, location and decision stage in the customer journey.

Activation

✓ Cross-channel experience and campaign optimization
Real-time data feedback about how customers respond to communications is utilized to programmatically optimize content within each channel and the overall delivery of a campaign.

A Personalized Marketing Customer Scenario

Bill and Rima are expecting a baby so they're in the market for a bigger car. Bill starts researching options online — would they be better off selling their current car or trading it in? The manufacturer of the car they currently own is determined to sell them a new model because it knows that over two thirds of new sales will come from returning customers. Bill is in the auto manufacturer's database of current and former owners and has already been identified by predictive algorithms as among the most likely prospects to lease purchase a new car.

> **"Bill has already been identified by predictive algorithms as among the most likely prospects to lease purchase a new car."**

As a current owner, Bill is considering the brand anyway, particularly because he just saw one of their TV ads for a model he likes while he was watching football. The manufacturer communicates with Bill directly via CRM (a direct mail piece plus email) and this is reenforced by targeted creative messages in paid media environments such as Facebook where Bill's social profile is matched to his CRM record for targeting as part of a custom audience. Because of this he visits the auto company's website a number of times as part of his digital research and starts to configure a model of car that he and his wife like.

The manufacturer's analytical models for customer insight have already predicted with a high degree of certainty that Bill was part of a media audience they reached with the 30-second spot on his connected TV. It also has the ability to recognize him in a privacy-compliant way when he visits the manufacturer site, providing even more data signals to process. Now the system also knows that Bill saw the ad and configured the same model and color of car on the OEM site.

The website identifies Bill among site visitors who have not yet converted but are likely to. Relevant information about his past behavior on-site is exchanged with media buying platforms in real time to target him with advertising offering a test drive for the specific model he was interested in. Artificial intelligence algorithms have optimized the ad Bill sees in a number of ways. A particular creative message is sequenced based on understanding all the other communications and interactions Bill has had in his buying journey so far — for example, now he's interested in more detailed safety features like advanced driver assist systems. The advertising is also formulated using creative elements (message, image, design) that Bill and customers like him are most likely to respond to positively.

When Bill clicks back to the site, his partially configured car is displayed as the hero image on the homepage driving him even more quickly back to the configurator to fully price out the car and fill in the test drive form. AI predictive analytics on the website identify Bill as a potentially high-value returning customer who needs a voucher to incentivize him to make the final purchase decision. It also invites him to consult with a live chat agent to help him further along the decision path. Costly chat agent resources have been allocated more efficiently while Bill feels valued as a customer and is now firmly on a journey towards sales conversion.

opmg

4 Operating Model: People

Make no mistake, technology alone will not deliver Personalized Marketing at scale. Software vendors are in the business of selling licenses to one-size-fits-all solutions. A more effective services partner will go far beyond that to operate alongside companies in close partnership, integrate disparate data sources or write bespoke predictive algorithms that deliver business results. Companies need a services partner who can customize the engagement model to suit the client's particular organizational dynamics and commercial objectives and enable them to solve urgent business problems with the right data and technology tools.

A true marketing services partner works with their client to form a multidisciplinary team that blends skills and methods across the fields of Strategy, Creative, Technology, Data Science, CRM, Media and Marketing Operations. Team members will possess the capability to deliver and optimize data-driven communications in at least one channel as this capability will be scalable across many channels.

Skills	Activities
Strategy	• Extracting customer insights from data analytics and bespoke research (including cultural forecasting) • Data acquisition and activation strategy • Customer journey mapping • Customer experience planning
Creative and Content	• Designing personalized customer experience models • Concepting creative ideas suited to cross-channel automation • Creating iconic design assets that can be broken down into many different "atomic" units for dynamic delivery • Building dynamic content templates to house creative elements that are put together on the fly • Leveraging automation to create thousands of personalized customer stories and journeys
Technology	• Data accessibility and integration — extending existing marketing technology investments by connecting data from legacy systems • Creating a common data science service layer and business intelligence reporting framework • Systems integration to enable the real-time decisioning and synchronizing of customer experiences across all channels
Data Science	• Sourcing then cleaning, matching, compiling, validating and maintaining data sets to solve specific marketing problems and meet KPI goals • Identifying use cases to build predictive models that drive the next most valuable customer action; feeding results back into live business systems • Utilizing machine learning and AI to uncover critical insights to adjust business strategy and optimization
Media, CRM and Audience Management	• Working closely with Data Science to acquire, enrich, match and merge disparate sets of audience data across many platforms • Building, profiling and managing cross-channel audience segments; resolving data to a single, interoperable, targetable identity for a unified customer view • Planning placement across channels and connecting first-party CRM data and segment models to available inventory for targeted media buys
Investment Analysis	• Attributing investment and measuring ROI against core KPIs • Analyzing budget allocation among channels with MTA and econometric models to optimize investment decisions based on customer lifetime value • Real-time, automated tracking of KPIs and metrics
Marketing Operations	• Tracking and managing customer journeys to ensure that activity in specific channels and touchpoints is optimized to achieve client goals • Delivering planning, governance, support functions, and legal / internal approvals to allow the team to focus on delivering maximum value • Focusing on end-to-end performance to reduce errors and increase agility (from planning and budgeting to campaign execution and results analysis)

opmg

5 Operating Model: Process

As established in the section on "People" above, Personalized Marketing requires close collaboration between the client and marketing services partner — where possible operating as a single implementation team that works together in the same physical location. This integrated, co-located approach enables the team to engage audiences continuously, and oversee the automated optimization of personalized content experiences by channel and across all channels (addressable programmatic media, websites, CRM and social).

"Personalized Marketing requires close collaboration between the client and marketing services partner."
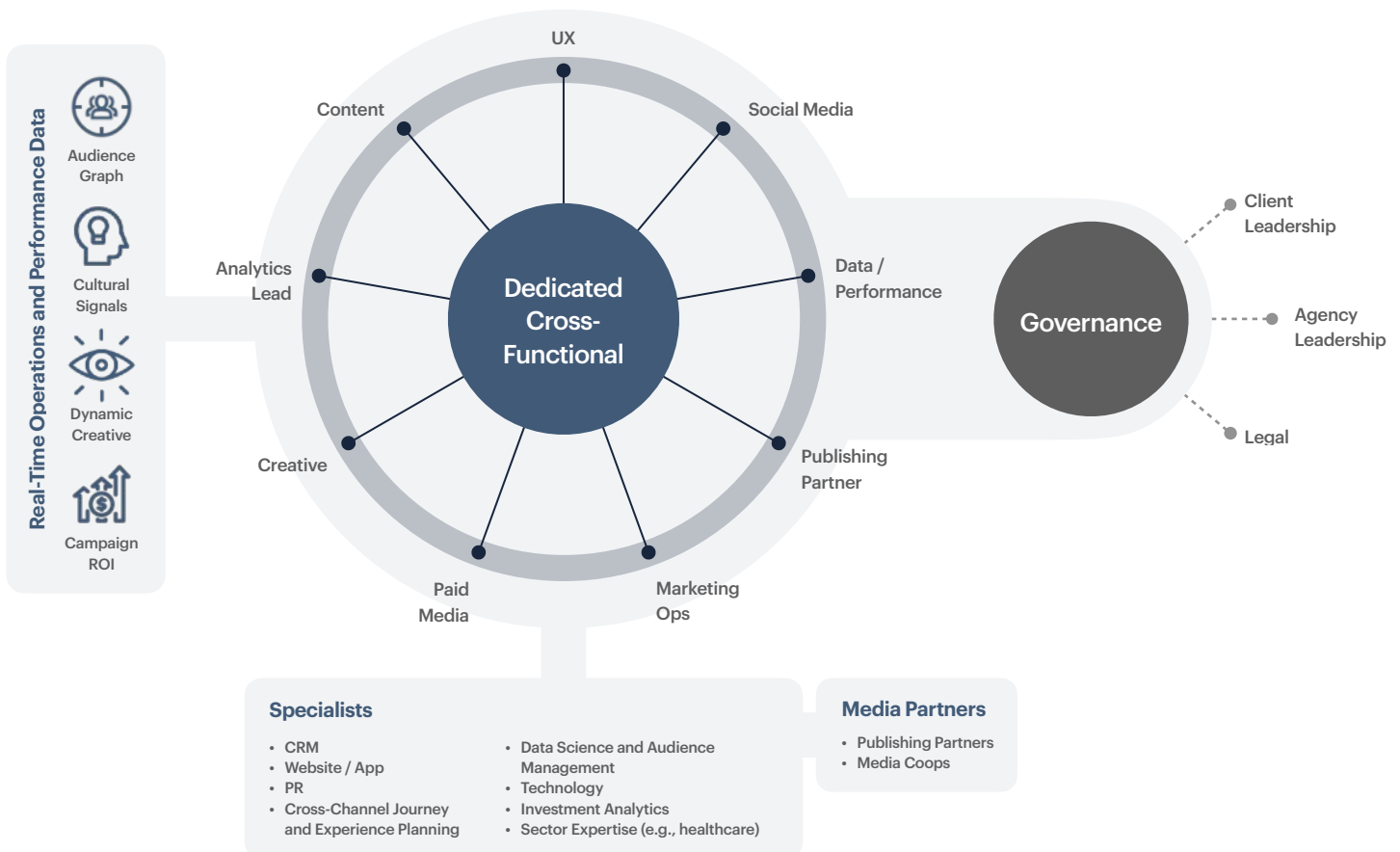
A "newsroom" metaphor is helpful to describe this approach: a dedicated, cross-functional team of specialists (data science, creative, UX, campaign and audience management, media, technology, content templating) that sit together constantly tracking and investigating information sources and collaborating at speed to produce and distribute content in response to unfolding events. This newsroom-style approach speeds up the cycle of ideation, creation, launch and evaluation and lets the team improve the performance of the automated system by further adapting or prioritizing content based on audience engagement to drive better business outcomes.

The Following Best Practices Also Underpin Successful Collaboration:

- Establish common ways of working — for example the "agile" methodology pioneered in software development where a "scrum master" leads a small, cross-functional team in short bursts of activity (one- or two-week "sprints"), iteratively working to accomplish top priorities
- Co-create the program organization and operating cadence
- Use shared templates, standards and tools
- Align on common success metrics and implement ongoing monitoring
- Articulate a clear governance model and communications strategy

The Structure Of A Newsroom

Real-Time Operations and Performance Data

Audience Graph
Cultural Signals
Dynamic Creative
Campaign ROI

UX
Content
Social Media
Analytics Lead
Data / Performance
Creative
Publishing Partner
Paid Media
Marketing Ops

Dedicated Cross-Functional

Governance

Client Leadership
Agency Leadership
Legal

Specialists
- CRM
- Website / App
- PR
- Cross-Channel Journey and Experience Planning
- Data Science and Audience Management
- Technology
- Investment Analytics
- Sector Expertise (e.g., healthcare)

Media Partners
- Publishing Partners
- Media Coops

opmg

For example, in the case of shared tools, success metrics and monitoring, the entire team should have access to real-time performance analytics (see also "Integrated marketing operations workflow and campaign management interface" below in the section on "System Enablers").

Multi-touch attribution models should allow the team to follow performance at different points in the customer journey: from Consideration (email and media engagement, web visits, brand interaction) to Intention (product page visits, store locator, product configurator) and Conversion (online sales, store visit, registration).

Ideally these kinds of metrics would be physically present on wall-mounted screens in a co-located space enabling the team to track KPI measures, respond immediately to data signals and stay focused on program objectives.

In terms of governance and communications strategy, the marketing team can avoid getting sidetracked by the organizational politics of departments and silos by positioning Personalized Marketing in service of a universal customer goal that everyone in the business can align behind.

Case Study:
Global Fashion Brand[7]

One of the world's most successful luxury apparel brands found itself in steep decline. Disintermediated from customers by retail partners and trapped in an addiction to endless price promotions, brand value had been eroded and sales and profits had slumped by 50% in three years.

Omnicom Precision Marketing Group helped the company set up a Personalized Marketing program to relaunch its customer experience and break the culture of discount dependency. By developing a rich, detailed understanding of its customer base and serving them highly targeted creative communications across all digital channels in real time, the company was able to move from "one-size-fits-all" sales messages to "made-for-me" individualized brand experiences. Customers were reminded why they loved the brand.

"The company was able to move from "one-size-fits-all" sales messages to "made-for-me" individualized brand experiences."

The first step was to pull disparate data sets into a single, unified Customer Data Platform so that deep customer insights could be unearthed using data science analytics. The next step was to reorganize marketing operations to create the ability to scale customer engagement on a one-to-one basis. Endless personalized creative variants could be generated in hours with no human intervention, through the introduction of process automation and atomic design principles where creative elements can be programmatically mixed and matched. AI algorithms could then predict customer behavior to continually optimize the content they received. The immediate operational impact was a 50% reduction in time and cost to produce campaigns and reducing a 12-week campaign cycle in 36 languages down to two weeks.

The brand also knew that not all customers needed a discount, but when they reduced offer values sales went down, so they kept offering deals. To address this a "promotional elasticity" model was developed to test and predict the discount sensitivity of each customer to reduce the brand's dependency on price promotions.

The Personalized Marketing program's success was based on a Test, Learn and Scale approach. Each initiative had to prove its business payback and successful initiatives were used to fund future work. The approach was scalable and portable. Work began in Europe and was subsequently rolled out in North America and Asia. The same data, process and algorithmic approach was used in each region, substantially reducing time to revenue and creating major operational efficiencies.

The removal of blanket discounts significantly increased the sales margin in direct channels in just a few weeks while content optimization increased sales conversion by 10% at the same time. This drove a positive ROI of 7:1 and tens of millions of dollars in incremental sales and improved margin. Over this same period customer satisfaction scores improved by 3% year on year, and the brand's net promotor score improved by 13%.

opmg

Operating Model: Platforms

Technology platforms can come from anywhere; however, the Personalized Marketing solution partner should be able to access and apply these data tools — whether they are proprietary, client-developed or via third-party software vendors.

✓ Audience activation and identity management

A platform for first- to third-party data matching and new audience creation, mapped against available media inventory data provides the ability to create a single, data-enriched view of the customer by managing a unique, cross-platform digital identity across different customer journeys (channels, devices, touchpoints).

"Value is extracted from data not by owning it, but by applying a raft of individually constructed predictive algorithms to it that solve difficult marketing problems."

Some media platforms differentiate themselves on the ownership of proprietary data sets, but this is less important than it may seem. Value is extracted from data not by owning it, but by applying a raft of individually constructed predictive algorithms to it that solve difficult marketing problems. As long as a platform has the ability to pull in the quality data it needs from a broad range of media partners (including data held by competing platforms), apply smart analytics and customize the best

solution for client needs, then the ownership of individual data sources is no longer relevant.

✓ Predictive cultural analytics

A required piece of the Personalized Marketing puzzle is the ability to connect a brand to popular culture by quantifying cultural signals and predicting cultural change: a platform to analyze not simply what has happened in culture, but why it has happened in order to predict what will happen next.

"A required piece of the Personalized Marketing puzzle is the ability to connect a brand to popular culture by quantifying cultural signals and predicting cultural change."

For example, Omnicom Precision Marketing Group used its Q cultural analytics and prediction platform to help a traditional CPG client understand the future of hygiene in society and how this will impact its company transformation. A social media giant also uses Q forecasting to understand what's happening in culture so it can drive engagement across its global platforms and formulate social media strategies for the future.

This kind of cultural data intelligence and forecasting provides essential inputs for the development of pivotal creative ideas for Personalized Marketing that can be automated and individualized at scale.

Cultural Signals and Forecasting

opmg
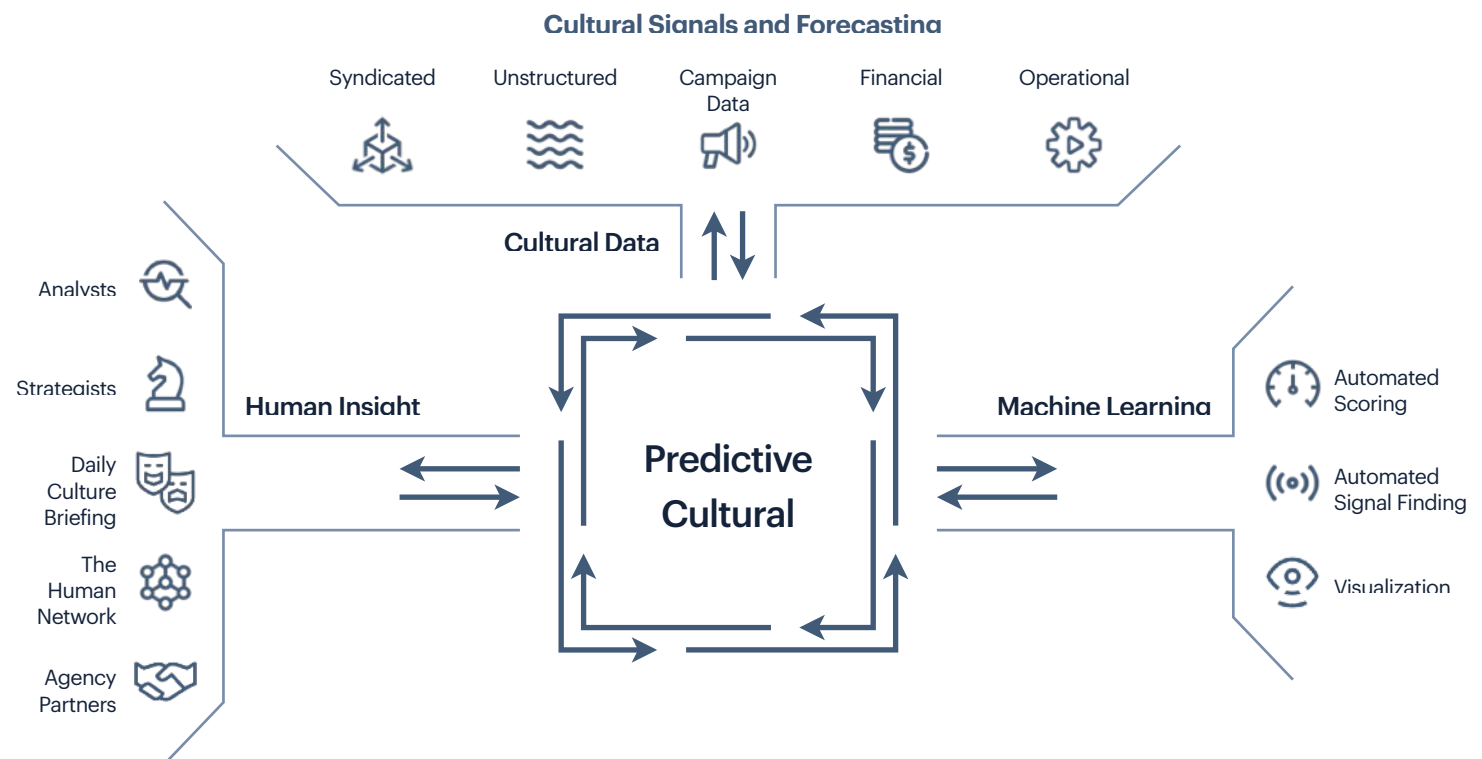
✓ Cross-channel content automation

A platform that predicts which content will be most effective with the individual or audience segment for each stage in their journey automates the adaptation and publishing of localized, personalized content into all channels.

The ability to publish across all channels is an important point of distinction. There are many ways to personalize marketing in a single channel such as email CRM solutions, tools for publishing dynamic advertising creative and website content management systems. But the only way to deliver the right experience to the right person at the right moment, at scale, is by enabling personalization across the entire customer journey.

> **"The only way to deliver the right experience to the right person at the right moment, at scale, is by enabling personalization across the entire customer journey."**
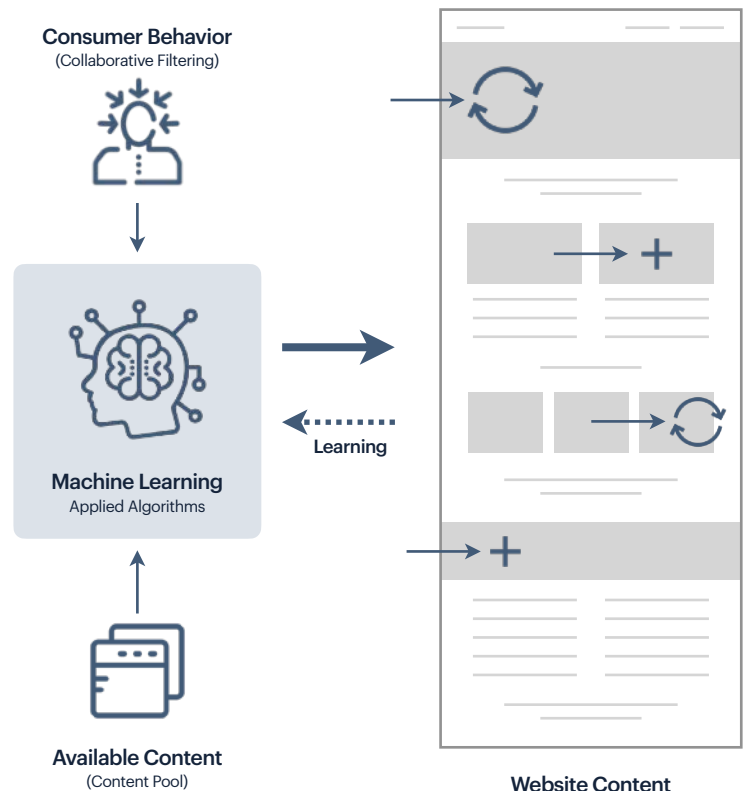
This means that the platform has the ability to produce thousands of versions of creative in minutes, formatted for channel and execution (ad, email, website, social), tagged to the correct audience, at a fraction of the cost of traditional methods.

✓ Real-time decisioning

A platform calculates data from user behaviors in real time to predict the next-best action to take on where, when and how to engage customers to move them towards defined client goals and KPIs. By putting all available data signals together in a meaningful way, the system can decide the most relevant information to present, form of content to display, or type of offer to make at any given moment.

Real-Time Decisioning for Website Content

Consumer Behavior
(Collaborative Filtering)

Machine Learning
Applied Algorithms

Learning

Available Content
(Content Pool)

Website Content

opmg

7 System Enablers

✓ Open Data Exchange Standards

Enables all Personalized Marketing data to be connected together — from client data (e.g., Customer Data Platform) and third-party data providers to software partners (e.g., Adobe, Microsoft, Oracle, Salesforce, etc.)

✓ Consistent Data Taxonomy

Creates a common pool of data that predictive models can be applied to and makes sure that the output of data science algorithms is usable by other live systems

✓ Common data science service layer and business intelligence framework

Enables predictive algorithms to be applied to all data sources even if they live on different systems, and for the data outputs to produce a consolidated set of dashboard reports

✓ Cross-channel experience decisioning, orchestration and publishing

Algorithmically driven decisioning on when and where to engage customers and programmatically buy media based on real-time behaviors

✓ Integrated marketing operations workflow and campaign management interface

The process and online management and reporting interface that individuals from different disciplines use to do their work needs to be tightly synchronized. This enables the Personalized Marketing team to track and manage activity across all touchpoints, responding faster to achieve client goals.

The Privacy Paradox

There is an inherent trade-off between data privacy and personalization because the more that a company knows about you, the more personalized an experience it can provide. Consumer attitudes reflect this duality. For example, in the same survey 79% of consumers thought that brands know too much about them, while 90% were willing to trade their personal data for a cheaper and more convenient shopping experience (such as exclusive discounts, quicker issue resolution, back-in-stock alerts and personalized product recommendations).[16]

It comes down to an age-old concept of 'value exchange' — the value a company provides to a customer in return for their custom. When the promised value exchange isn't clear and shoppers don't understand the benefit of buying a product or service, they keep their money in their wallet. By the same logic, brands shouldn't expect online consumers to hand over personal information without understanding what's in it for them if they do.

Even worse, consumers can easily feel like their privacy is being abused as they are followed around the Internet with crudely targeted advertising. Former CEO Eric Schmidt once infamously said that Google's policy with personalization was to "get right up to the creepy line and not cross it."[17] Today the extraordinarily precise and detailed targeting and measurement in ad tech that enabled the questionable approach Schmidt referred to is being challenged as the industry responds to changing norms around privacy and personally identifiable information by restricting the trade of third-party data.

One clear consequence is that ownership of first-party customer data providing the ability to have direct CRM relationships with individuals and create look-alike audiences becomes even more valuable for brands. Another consequence is that brand trust plays an increasingly important role in convincing customers to give a firm permission to use their personal data. As Interactive Advertising Bureau chief executive Randall Rothenberg summarized: "If you don't have your consumers' trust, you won't get their data. And without their data, you don't have a company."[18]

> ## "If you don't have your consumers' trust, you won't get their data. And without their data, you don't have a company."

Brands need to build trust with customers by using their data to deliver genuinely valuable personalized experiences, and also to explain what they're doing with clarity and transparency. The customer experience strategy for Personalized Marketing must be to provide maximum relevance and value by reaching individuals with tailored communications at the right moment in their digital journeys, while meeting their expectations for privacy.

opmg

How To Start: The Top Ten Personalization Priorities

Priorities
1. Review capabilities in managing and using first-party and third-party customer data. Develop a strategy to acquire and apply first-party data (including data capture, enrichment, segmentation, KPIs, measurement and optimization).
2. Analyse project "time to value", factoring in your specific business context. E.g., for a CPG firm, focusing on third-party precision media may be lower hanging fruit initially than acquiring first-party data.
3. Develop Known, Anonymous and Unknown audience segments using existing customer data, search, behavioral insights, social, platform, media data and proprietary research. Construct personas and create test-and-learn pilots.
4. Use cross-channel journey mapping to audit the customer experience across all touchpoints. Identify opportunities for easy, rewarding, frictionless interactions and content experiences to better personalize communications against needs and pain points.
5. Focus first on improving the consistency of messaging and relevance of content. Conduct a content audit to develop a paid and earned content strategy, including content mapping and taxonomy.
6. Introduce content automation to drive product and category-level personalization. Use atomic design principles to create dynamic templates based on common design patterns in recent communications. Implement tagging to enable automated production and adaptation.
7. Audit your current MarTech stack utilizing the reference blueprint in this paper. Identify gaps, prioritize needs and determine platform solutions. A unified technology vision, architecture and roadmap is essential to prevent siloed decisions.
8. Integrate audience, inventory and identity management data into existing platform investments (e.g., Adobe, Microsoft, legacy CDPs, etc.). Create consistent data taxonomy and open data exchange standards.
9. Set up Creative Performance and Insights dashboards to demonstrate learnings from data-driven creative campaigns and to display optimization recommendations.
10. Create the business plan and top-level roadmap for each project stream, including KPIs and a rolling series of proofs-of-concept (POCs) to implement Personalized Marketing capabilities in a test, learn and scale approach.

Data Problem-Solving

As Personalized Marketing capabilities within an organization improve over time (see figure below), so does the quality of the customer experience and positive business outcomes it creates. One capability above all others is a critical success factor in achieving this: the knack of applying data science to solve the most important business problems.

Data Science Powered Personalized Marketing: Good, Better, Best

	Good	Better	Best
Customer	• Customers are addressed by name and other basic profile data • Or customers see segment-specific versions of communications and content based on history with the brand	• Personalization is enriched by combining first- and third-party data, behavioral segmentation and dynamic decisioning • Customers see segment-specific variants based also on other aspects of their lives (e.g., other brands they have affinity with)	• Individual customers / prospects identified, managed and served using a CDP and AI decisioning engine • Content experiences are individually tailored and delivered dynamically across channels based on predictive models; they evolve based on real-time feedback
Content	• Brand or product-based content is either one-size-fits-all or modular • Delivered through simple templates and a CMS based on campaign calendar	• Automated assembly of content from tagged assets and content analytics • Delivered dynamically based on rules, channel by channel	• Content is created, published and optimized across multiple channels programmatically using bespoke data science algorithms • Humans + machines: newsroom team oversees algorithmic decisioning and real-time analytics of performance and trends
Channel	• Customer content and contact approach is defined manually by channel, managed at a campaign or brand level • Differential messaging is defined by fixed markers of a customer's relationship with the brand	• Customer journey insights are extracted from multiple data sources and measured through media mix modeling • Differential messaging is based on customer behaviors over time, indicating an evolving relationship with the brand	• Custom predictive models inform AI-driven decisions on when and where to engage across channels — measured with algorithmic multi-touch attribution • Differential content experiences are dynamically generated based on the sum of all customer behaviors and an ever-evolving relationship with the brand

opmg

Data Problem-Solving

The ability to analyze digital data to solve business problems has existed since the earliest days of computer science in the 1940s, but the modern field of data science has been around for less than a decade. A new profession of Data Scientists emerged to deal with the exponential increase in data produced by an explosion of digital connectivity, for example, the real-time consumer data streams that are produced by always-on, mobile and social interaction, Internet of Things data from connected objects and devices, growing programmatic advertising media systems, and customer data platforms bursting with transaction records and engagement histories.

Making sense of this called for specialists — mavens that could use a sophisticated combination of data and science to extract value from analytics to make the quickest, biggest impact on a client's business. Google's Chief Economist Hal Varian highlighted the significance of this trend in 2009: "Now we really do have essentially free and ubiquitous data...I do think those skills — of being able to access, understand, and communicate the insights you get from data analysis — are going to be extremely important."[19]

"Now we really do have essentially free and ubiquitous data...I do think those skills — of being able to access, understand, and communicate the insights you get from data analysis — are going to be extremely important."

It would be hard to overstate how significant these skills now are to the successful execution of Personalized Marketing at scale. Data problem solving starts with data engineering — collecting all of the necessary data to solve specific problems, connecting it together into a single pool and validating it. At this point, data scientists can start to find answers to questions that they couldn't before, such as: Which KPIs best capture the company's goals? What data is needed to achieve those results and where can I get it? What new data do we need to manufacture from it? And so on. The figure below lists the kinds of questions that data science algorithms can be created to answer within the Personalized Marketing delivery framework of Customer, Content and Channel.

What Do We Want Data Science to Tell Us?

Customer	Content	Channel
• Who are our customers?	• What are the best cross-channel customer journeys and what experience gaps do we need to address?	• Which channels are most effective at each stage of the customer journey?
• How can we integrate known customers with unknown and anonymous ones?	• How can data insights about customers and culture inform breakthrough creative and iconic content assets?	• Where do we lose customers in the journey and why?
• Which users are likely to become customers — how can they be converted?	• Which content types (images, text, video) work best and why?	• Which experience model creates the best personalized narrative over multiple touchpoints, exposures and creative variants?
• What is their current and potential value and how do we increase it?	• Which creative formats and designs work best and why?	• How does product ownership affect behaviour on their journeys?
• What is their engagement, how can we increase it, what happens when we do?	• Which customers or audiences are interested in which products — what can we recommend to create a better UX?	• How are culture and socioeconomics affecting journey behaviour?
• How can we learn more about them?	• What pricing is most effective?	• What is the impact of direct and indirect sales channels?
• What's the role of our products in our customers' lives?	• Which offers and pricing should we use?	• How does competitor activity affect sales?
• What clusters, microsegments, and audiences can we derive from our data?		

What is the next-best action for this customer to drive value?

Data scientists create enormously valuable intellectual property for clients through acquiring, matching and enriching first-, second- and third-party data sources, and turning them into strategic algorithms that serve brand-specific use cases. As the number of proprietary algorithms that are maintained and updated grows over time, so does the defined competitive edge and brand differentiation this data IP provides.

opmg

Data Creativity

This paper repeatedly underscores the importance of humans collaborating with machines to orchestrate the best Personalized Marketing outcomes in terms of customer experience and sales. While in the future, technologies like artificial intelligence may have a direct role in the creative process itself, for now the priority is to adapt the human-led development of creative ideas so they work brilliantly in a world powered by algorithmic decisioning and AI. How do we do this?

First, by embracing the materially improved level of insight that can be extracted from data by using artificial intelligence tools. A much richer, more fine-grained understanding of what customers do and predictions of what they might do should be a springboard for better strategic planning and more persuasive and emotionally resonant creative ideas. Consumers are much more likely to purchase from and be loyal to brands that they emotionally connect with — a research study of 100,000 respondents found that customers with an emotional connection to a brand had a 306% higher lifetime value.[20]

"A much richer, more fine-grained understanding of what customers do and predictions of what they might do should be a springboard for better strategic planning and more persuasive and emotionally resonant creative ideas."

As an example of this, the ability for AI to identify new patterns in consumer culture and accurately forecast trends should form a bridge between data and more culturally catalytic creativity that drives growth. Consider successful consumer brands like Apple, Nike, Patagonia or Disney that lead with consumer passion rather than transactions. These brands use culture to influence how customers experience the world around them — this builds passion which generates transactions.

Differentiation at Human Scale

Secondly, we need to change the creative process to develop big ideas as themes that can take on an AI-powered digital life of their own rather than singular thoughts that require controlled executions. Think of how viral memes in social media can develop an idea in ways the original creator could never have foreseen, or how jazz musicians distill a song into a motif that can be expressed in an endless number of ways, while staying true to the original idea and mood of the composition.

Alternatively, consider computer games where designers create an environment with structures and rules to govern possibilities, but what happens in that environment is up to the players (in terms of effective storytelling media, the global games industry is now larger than movies and music combined).[21] The same approach can be applied to a creative communications idea that uses AI and algorithmic automation to tell a million different individualized stories but still constructs a branded narrative that's greater than the sum of its parts.

"Personalized Marketing has the power to amplify creativity by connecting emotionally with audiences on a one-to-one basis."

Harnessed correctly, Personalized Marketing has the power to amplify creativity by connecting emotionally with audiences on a one-to-one basis. As author and Internet entrepreneur Seth Godin puts it, personalization is a chance for brands "to differentiate at a human scale, to use behavior as the most important clue about what people want and more important, what they need."[22] By making creative communications more personal, conversational, intelligent and context-aware, brands can get closer to customers and align themselves more carefully with human behaviors.
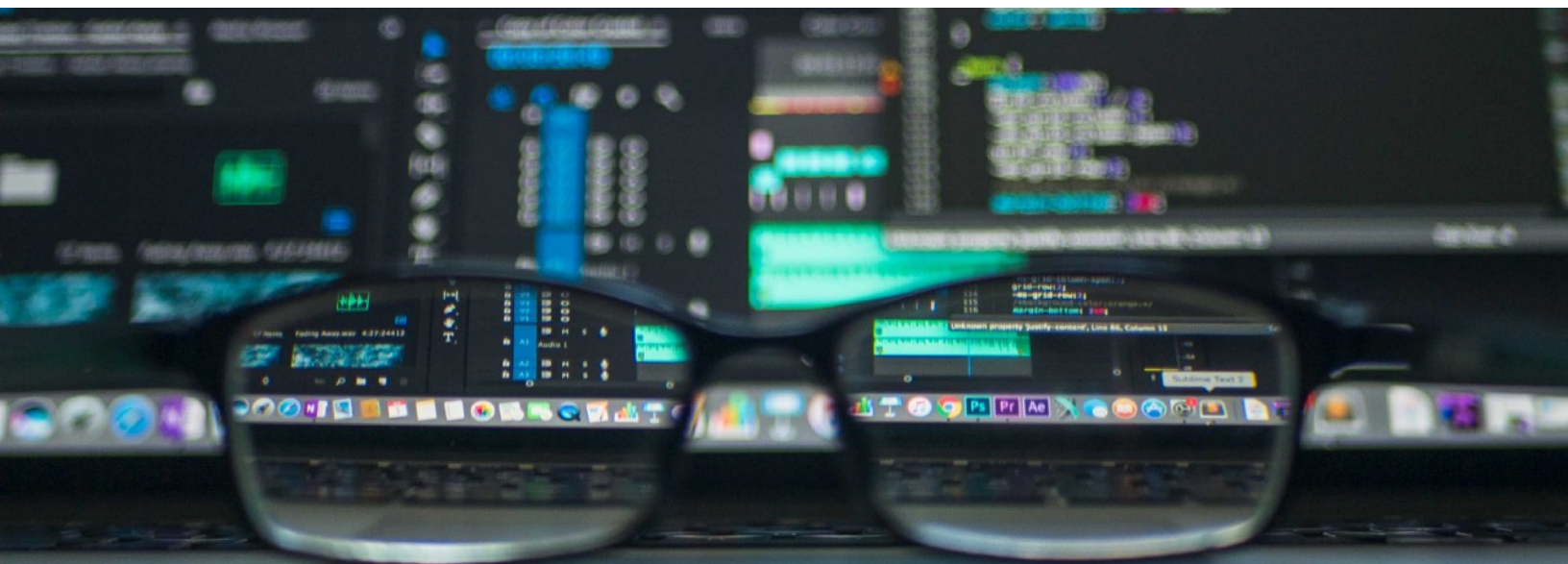
03

Conclusion

Conclusion

Carl Benz's patent application on January 29, 1886 for a "vehicle powered by a gas engine" marked the creation of the modern automobile industry. At first, no one understood the value of his invention. His wife Bertha Benz solved this with a PR campaign. She took their two teenage sons on a 180-km road trip to demonstrate a practical use case for the product that everyone could relate to: long-distance travel.

The lesson is that by focusing on the outcomes we wish to achieve, we can understand new technology innovations as a means to an end. The enabling tools and technologies of Personalized Marketing should be approached the same way — they are not an end in themselves, but a means of delivering the desired results.

"By focusing on the outcomes we wish to achieve, we can understand new technology innovations as a means to an end."

While digital is evolving incredibly fast and the customer landscape in which businesses operate is constantly changing, fundamental marketing goals remain the same: product sales, brand performance, improvement in conversion, increase in referrals, and so on. Marketers should keep focus on the outcomes they want to attain and the KPIs that tell them if they are succeeding, then use data and technology tools with the help of solution partners as a means to that end.

Studies show that the more you personalize, the better the business outcomes you can drive. Some organizations report as much as a five to eight times return on investment from Personalized Marketing — indeed, Omnicom Precision Marketing Group has achieved a client-audited ROI as high as 834% in the automotive sector.[23]

Humans + Machines

Every business is unique. It is a singular combination of history and culture, financial structure and organizational dynamics, brand and go-to-market strategy, workforce and customer base, markets served, products and

services offered... the list goes on. The right, scalable Personalized Marketing solution cannot be picked up and implemented off the shelf. It takes a high degree of customization to suit the specific needs and goals of a business, which means that the capabilities of a solution partner need to be modular and able to be configured in bespoke ways.

"The right, scalable Personalized Marketing solution cannot be picked up and implemented off the shelf."

Technology and data are key enablers, but in the end, they are just tools. It's the combination of humans working with machines where the magic happens. The right team will orchestrate the right tools, workflows and personalized communications to customers, making sure that the more you do it, the more you learn and the better the value exchange gets between customers and brand.

In other words, Personalized Marketing is more about people than technology. To succeed, brands need to use technology to create a more human connection with their customers at global scale. This requires a team of experts who have learned how to collaborate and who speak each other's languages in terms of different disciplines and specialisms.

"To succeed, brands need to use technology to create a more human connection with their customers at global scale."

Collectively, they know how to use machines to identify the brilliant insights that inform breakthrough creative ideas that can be personalized for customers and prospects using algorithmic decisioning and AI, and they are trained to do this in a privacy-compliant way. The importance of how all these marketing services and activities are sequenced, coordinated, trafficked and measured should not be underestimated. It is a critical point of success or failure.

opmg

Choosing the Right Solution Partner

A services partner that can integrate technology only goes so far — the priority for brands now is to get a return on their infrastructure investments and grow their business by activating customer data in market. The logical solution partner for Personalized Marketing then is an organization of marketing specialists that can engage with both strategy and execution: a firm that solves marketing problems by starting with customers, not technology, one that has accumulated and coordinated the following mix of customer engagement skills and methodologies:

1. First, a specialist marketing practitioner will have access to all the customer data needed to implement Personalized Marketing at scale, which includes all-important second- and third-party media data. Trying to implement a Personalized Marketing solution for customers and prospects without the ability to find and develop new audiences via media is like building a rocket ship without a fuel source or means of navigation.

2. The right marketing services partner will also possess a sophisticated precision marketing, CRM and data science capability fused with their media expertise. This enables them to dynamically deliver high-quality, personalized communications that sell the product. Look for skills that have become a deep "muscle memory" in the organization from many years of specialist practice in managing unique digital identities at different stages in customers' marketing journeys, targeting, modeling and other algorithmic capabilities.

3. All of the above need to be combined with the magical ingredient of creativity, the ability to craft persuasive communications ideas that make enduring emotional connections with customers and help brands to shape popular culture. After all, it's a lot easier to optimize marketing performance when people care more about a brand in the first place.

The creative firepower to create an overarching communications narrative while also delivering a stream of automatically generated visual and textual permutations for millions of individuals will only be found in organizations where creativity is a core competence and part of the culture, not a recently bolted-on capability. If such creativity is not part of the partner's DNA, it's also unlikely to dovetail with adjacent domains like data science and engineering, technology integration, marketing operations, CRM and media, or effortlessly combine with real-time marketing tools like cultural analytics.

Many organizations claim to have many different capabilities. It's easy for firms to acquire islands of services or technology — it's much harder for these capabilities to be truly connected in a united system that knits together platforms, talent, workflows and culture. But without this, a partner is unlikely to have the flexibility and modularity to customize solutions that are just right for a client's business. As most executives know from direct experience in their own businesses, bringing together the right combination of technology tools, operating methodologies and services takes many battle-hardened years to get right and yield proven results.

> **"Bringing together the right combination of technology tools, operating methodologies and services takes many battle-hardened years to get right and yield proven results."**

Finally, the partner must have a rigorous methodology to migrate their Personalized Marketing know-how into the client's organization by transferring and building out all desired capabilities within the client's environments and under their ownership. Importantly, the data ownership point also applies to the valuable bespoke data science algorithms and predictive models created for the brand's specific use cases.

opmg

It's Time for Personalized Marketing

Unquestionably, modern marketing has entered the era of personalization. Global technology research and advisory firm Gartner reports that "event-triggered and real-time marketing are considered the technologies that will have the biggest impact on marketing activities in the next five years."[24] However, this demands more communications being delivered to more people more quickly — often without any more money or team members to do the work. For some marketers this can feel like a game that can't be won.

Orchestrated correctly, however, personalization technology provides a battery of automated assistants to reduce cost and free up time by eliminating manual processes. Marketers can use this newfound time and budget to develop strategies that further improve the customer experience, generating more revenue, loyalty and competitive differentiation as a result.
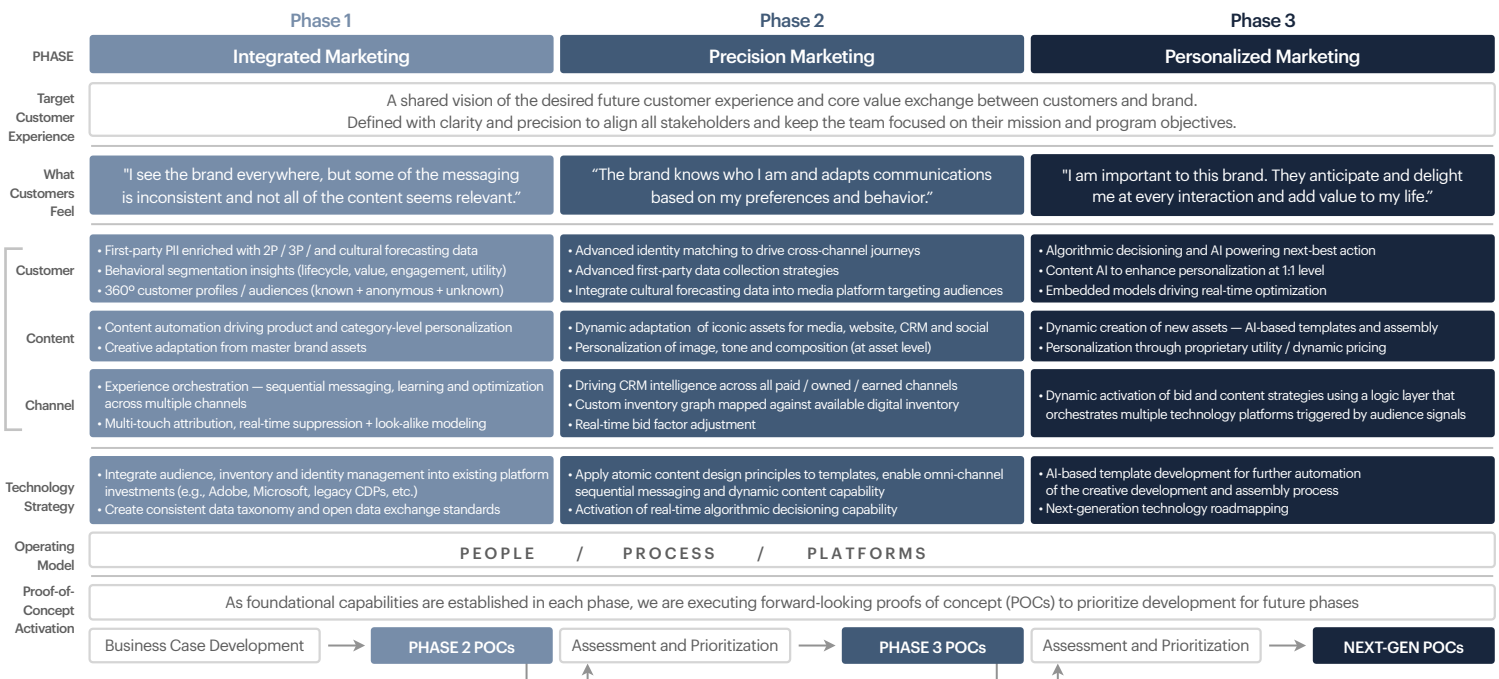
To do this, marketers need to bring together the capabilities to deliver Personalized Marketing at scale:

predictive analytics and other data science algorithms applied to a store of connected data, in concert with the ability to automatically produce, distribute and algorithmically optimize content experiences across all relevant channels in real time. See figure below for an example roadmap to do this.

The benefits for brands and customers are clear, the technology is here, and this white paper, The Personalized Marketing Blueprint, can be used to guide execution. Activities can be organized around the framework of Customer (right person), Content (right experience) and Channel (right moment) orchestrated with the operating model of People, Process and Platforms. You just need to select a marketing solution partner that has the right experience and alignment of talent and tools with a delivery playbook to help make it happen.

In short, it's time for Personalized Marketing. The imperative for marketing executives is clear: take the lead, use this blueprint and the roadmap below, and start now.

A Roadmap for Personalized Marketing at Scale

|	Phase 1	Phase 2	Phase 3
PHASE	**Integrated Marketing**	**Precision Marketing**	**Personalized Marketing**
Target Customer Experience	A shared vision of the desired future customer experience and core value exchange between customers and brand. Defined with clarity and precision to align all stakeholders and keep the team focused on their mission and program objectives.		
What Customers Feel	"I see the brand everywhere, but some of the messaging is inconsistent and not all of the content seems relevant."	"The brand knows who I am and adapts communications based on my preferences and behavior."	"I am important to this brand. They anticipate and delight me at every interaction and add value to my life."
Customer	• First-party PII enriched with 2P / 3P / and cultural forecasting data • Behavioral segmentation insights (lifecycle, value, engagement, utility) • 360° customer profiles / audiences (known + anonymous + unknown)	• Advanced identity matching to drive cross-channel journeys • Advanced first-party data collection strategies • Integrate cultural forecasting data into media platform targeting audiences	• Algorithmic decisioning and AI powering next-best action • Content AI to enhance personalization at 1:1 level • Embedded models driving real-time optimization
Content	• Content automation driving product and category-level personalization • Creative adaptation from master brand assets	• Dynamic adaptation of iconic assets for media, website, CRM and social • Personalization of image, tone and composition (at asset level)	• Dynamic creation of new assets — AI-based templates and assembly • Personalization through proprietary utility / dynamic pricing
Channel	• Experience orchestration — sequential messaging, learning and optimization across multiple channels • Multi-touch attribution, real-time suppression + look-alike modeling	• Driving CRM intelligence across all paid / owned / earned channels • Custom inventory graph mapped against available digital inventory • Real-time bid factor adjustment	• Dynamic activation of bid and content strategies using a logic layer that orchestrates multiple technology platforms triggered by audience signals
Technology Strategy	• Integrate audience, inventory and identity management into existing platform investments (e.g., Adobe, Microsoft, legacy CDPs, etc.) • Create consistent data taxonomy and open data exchange standards	• Apply atomic content design principles to templates, enable omni-channel sequential messaging and dynamic content capability • Activation of real-time algorithmic decisioning capability	• AI-based template development for further automation of the creative development and assembly process • Next-generation technology roadmapping
Operating Model	P E O P L E / P R O C E S S / P L A T F O R M S		
Proof-of-Concept Activation	As foundational capabilities are established in each phase, we are executing forward-looking proofs of concept (POCs) to prioritize development for future phases		
	Business Case Development → PHASE 2 POCs → Assessment and Prioritization → PHASE 3 POCs → Assessment and Prioritization → NEXT-GEN POCs		

opmg

About Omnicom Precision Marketing Group

Omnicom Precision Marketing Group (OPMG) is part of Omnicom Group Inc. OPMG operates out of 47 office locations around the world and employs over 5,500 data-driven marketing specialists. OPMG's best-in-class talent and cutting-edge marketing performance offerings align data, analytical, CRM, digital, media, strategic, creative and technical capabilities to deliver precisely targeted, personalized customer experiences at scale powered by advanced algorithmic decisioning and AI.

Data Science is at the heart of delivering ROI for Personalized Marketing and creating proprietary predictive models that achieve client goals is a core competence of OPMG. The art and science of blending and enriching the right sets of first-, second- and third-party data, and then applying strategic algorithms that serve brand-specific use cases and KPIs, creates a proprietary advantage for OPMG clients: a differentiated customer experience and more valuable marketing outcomes.

As the figure below shows, Omnicom Precision Marketing Group has the two principal sets of capabilities needed to deliver Personalized Marketing at scale: (1) a proven execution methodology; and (2) a modular operating model that can adapt delivery services to fit the client organization. The content in this white paper has been drawn directly from these proficiencies.

OPMG's proprietary **Dynamic Customer Experience (DCX)** personalization framework has been used to deliver the right experience to the right person at the right moment for brands on a global basis across a range of categories — from CPG and apparel, to automotive and financial services. Underpinning delivery is Omnicom's unmatched ability to build client-centric marketing services models that bring together the best people, process and platforms in the industry.

Reference Blueprint for Personalized Marketing at Scale
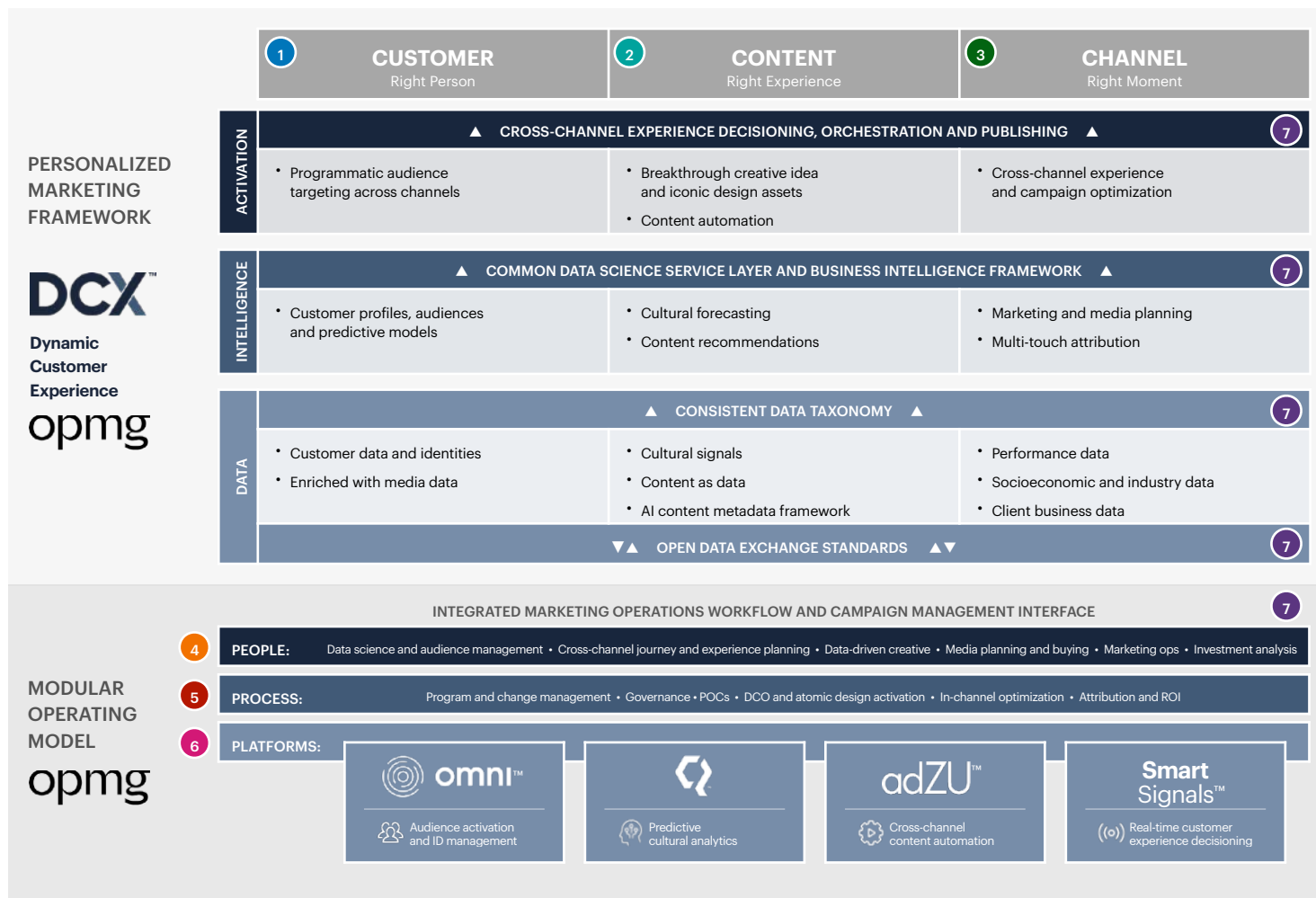
Key Facts

- Creativity is an established growth multiplier and Omnicom has been the most creatively awarded holding company in the world for 12 years in a row.[25]

- Omnicom has a long and distinguished track record of marketing technology innovation. It was the first group to acquire digital agencies at the dawn of Internet marketing and was the industry pioneer in scaling audience data platforms for programmatic media.[26]

- Today its platforms for identifying audiences and targeting media (Omni™), cultural analytics (Q™), content automation (adZU™) and on-site decisioning and personalization (Smart Signals™) provide the most advanced capabilities in the industry, recognized as such by Forrester, Gartner and Ebiquity.[27]

- OPMG is the only marketing solution partner that can fuse first-party customer data and behavioral insights with real-time, predictive cultural intelligence via the Q™ platform, to unleash creativity and deliver richer personalization.

- OPMG has developed the industry's most sophisticated multi-touch attribution and marketing mix modeling techniques.[28] These are used to measure key performance indicators using 360° business intelligence dashboards that tie agency operations to client business outcomes.

- While the group has invented industry-leading tools and is among the biggest users of marketing data platforms (Omnicom is Google's single largest consolidated media buyer), it passionately believes that it's the expert teams who orchestrate the use of technology that make the difference for clients.

- Omnicom has adopted a "Switzerland" strategy of neutrality towards data in its media planning and buying. It does not own any consumer data itself in order to remain unbiased in its media recommendations and to avoid any conflicts of interest by being locked into one platform over another. It believes that this is the only way to provide clients with full transparency and impartiality when recommending the most effective audience solutions. It has access to data from all the major platforms, regardless of who owns them, and is constantly augmenting this with a growing number of exclusive data partnerships.

Please contact us for a free assessment of your brand's Personalized Marketing capabilities — including comparable industry benchmarks where available and an illustrative roadmap to progress.

Addison Deitz
Chief Client Development Officer
Omnicom Precision Marketing Group
addison.deitz@omcpmg.com

opmg

End Notes

1. "U.S. e-commerce penetration %, 2009-2020", U.S. Department of Commerce; Bank of America; Forrester Analytics; ShawSpring Research; McKinsey analysis, 2020
2. eMarketer, InsiderIntelligence.com, 2021
3. "How COVID-19 has pushed companies over the technology tipping point—and transformed business forever", McKinsey survey, 2020
4. "Amazon Gets Personal With E-Commerce", The Washington Post, 1998
5. "The ROI of recommendation engines for marketing", MarTech Today, 2017
6. "Starbucks U.S. Order Ahead Volume Hits 17 Pct", Payments.com, 2020; "Everything You Need to Know About Starbucks Mobile Ordering", The Motley Fool, 2018; "Starbucks just changed its app – here's what's new", Today, 2019
7. Omnicom Precision Marketing Group case studies available on request
8. "The Subconscious Mind of the Consumer (And How To Reach It)", Harvard Business School, 2003
9. "How Marketers Can Personalize at Scale", Harvard Business Review, 2015
10. "Creating Connections: What Consumers Want From Brands in an Increasingly Divided Society", Sprout Social, 2019
11. "Communication CX: Insights and Implications", a study of over 3,000 U.S. consumers commissioned by Broadridge Financial Solutions Inc., Avionos, 2019
12. "Shoppers Demand Superior eCommerce Experiences: Consumer Expectations in 2019", a survey of 1,500 U.S. consumers who have shopped online in the past year, 2019
13. "What the Companies on the Right Side of the Digital Business Divide Have in Common", Harvard Business Review, 2017
14. "Creating a High-Impact Customer Experience Strategy", Gartner, 2019
15. "Why Strong Customer Relationships Trump Powerful Brands", Harvard Business Review, 2015
16. "Privacy and Personalization", SmarterHQ, 2019
17. "Eric Schmidt: Google's Policy Is To 'Get Right Up To The Creepy Line And Not Cross It'", Business Insider, 2010
18. "How to be a 21st Century Brand", IAB, 2018
19. "Data Storytelling: The Essential Data Science Skill Everyone Needs", Forbes, 2016
20. "Leveraging the Value of Emotional Connection for Retailers", Motista, 2018
21. "Is the video game industry more lucrative than the music or movie industry?", Quora, 2017
22. "...different people differently", Seth's Blog, 2014
23. "How Marketers Can Personalize at Scale", Harvard Business Review, 2015; Omnicom Precision Marketing Group case studies available on request
24. "6 Technologies on the Gartner Hype Cycle for Digital Marketing and Advertising, 2019", Gartner, 2019
25. "Gunn Report", WARC Rankings, 2018
26. "The Omnicom Group is forming a division to specialize in interactive marketing and media", New York Times, 1996; "Organic Celebrates Its 20th Anniversary — First Internet Agency and Industry Pioneer", PR Newswire, 2013; "With Launch Of First Agency-Owned Global DMP, Omnicom Media Group Focuses On Enhanced Insights And Effectiveness", EDN, 2013; "Omnicom Takes Data-Driven Marketing To The Next Level With Launch Of 'Omni'", PR Newswire, 2018
27. "The Agency Data Platforms That Will Power Creativity At Scale", Forrester, 2019; "Magic Quadrant for Global Marketing Agencies", Gartner, 2020; "No other major advertiser is known to be using advanced data science techniques and skilled personnel for content optimization capability. This capability makes Smart Digital unique for any brand", extracted from internal vendor recommendation paper for a global brand by Tim Hussain, Global Managing Principal, Ebiquity Tech, 2019
28. "Omni Competitive Assessment", MediaLink, 2019

DCX™

Dynamic Customer Experience

A Personalized Marketing framework from
Omnicom Precision Marketing Group

opmg | OMNICOM PRECISION MARKETING GROUP

CONTACT

Addison Deitz

Chief Client Development Officer
Omnicom Precision Marketing Group
Addison.Deitz@omcpmg.com