Chapter 1   The Age of the Customer

Customer relationship marketing (CRM) isn't merely about the implementation of a tactical marketing plan. A true customer-centric business strategy requires a fundamental shift in the organization's framework—its leadership, its priorities, its processes, even its culture. These changes result in a new paradigm for the company's goals, its customers' expectations, and its trajectory for the future. The force behind this shift is the state of today's consumer marketplace, which can be characterized as the *age of the customer*.

Think back to the brand revolution of the 1950s, when the advent of national television broadcasting created coast-to-coast demand and brand recognition. The companies that had the vision and resources to seize the opportunity and take their brands nationwide were the clear winners. Brands like Tide and Chevrolet became household names across the country, triumphing over smaller companies that faded away in their wake during the *age of the brand*.

The channel revolution was symbolic of the 1990s and early 2000s. It exploded when online marketers like Amazon and eBay changed the meaning of "going shopping" by making Internet purchasing commonplace. And GEICO, a proven insurance industry innovator, managed to shift the buying norm by introducing consumers to a whole new way to shop for insurance. Today, 13.1 percent of Americans are considered digital natives,[1] having never known a time when the world was not at their fingertips. The result of this way of life is an unfathomable amount of data that can either overwhelm marketers or help them increase their customer knowledge and drive strong relationships.

During the *age of the channel*, marketers like Capital One and GEICO pioneered the use of individual-level data and analytics to target and personalize direct marketing efforts that drove new customer acquisition and strengthened customer relationships. The innovative application of analytics on valuable first-party data (owned customer information) and third-party data (acquired from data providers) within direct mail and telemarketing (the addressable media of the day) resulted in massive scale and efficiencies. These one-to-one trailblazers recognized the market opportunity of the moment, and like Tide and Chevrolet before them, they capitalized on it. They used a strategy of addressability at scale to gain enormous market share in highly competitive markets.

Today, we're facing another moment-in-time opportunity to harness the power of addressability at scale. Simply defined, this refers to the application of data and analytics to drive highly efficient, individual-level targeting and personalized experiences to consumers—and doing it at massive scale. It is now the *age of the customer*, where consumers are empowered with the tools to make their own purchase decisions—and they know how to use them. The gateway to competitive dominance lies in the addressable audience platforms that are being created for the "always-on consumer," who engages with brands through digital media and channels, across multiple screens and platforms, 24/7. Leading third-party providers are scaling their platforms to deliver the experiences consumers seek, while creating an addressable marketing stage for advertisers. Some of these are household names, such as AOL, Facebook, and Twitter, providing tools for advertisers to

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[1] www.nbcnews.com/id/53255563/ns/technology_and_science-science/t/digital-natives-most-least-wired-countries-revealed/#.VQimiGR4pEE.

reach their logged-in users. Others, like Rubicon Project and App-Nexus, are little known technology players that are leveraging their place in the ad delivery ecosystem to create addressable experiences across an open web of thousands of publishers. The competition for advertising dollars among the major platform players is driving increased targeting, tracking, and content capabilities that continually enhance the opportunity for the marketer to implement addressable consumer experiences.

The opportunity for efficiency and scale within the addressable audience platforms dwarfs that of the aforementioned offline direct marketing opportunity of the channel age. In our opinion, it is poised to generate many times the value for those companies willing to take first-mover advantage. Further, due to the increased complexity of leveraging data and analytics in today's digital world, addressability at scale will create more enduring competitive power for those leaders.

CREATING COMPETITIVE ADVANTAGE THROUGH THE DIGITAL AUDIENCE PLATFORMS

The opportunity for brands to create competitive advantage rests squarely on their ability to achieve addressability at scale. Addressability at scale is enabled through the application of data and analytics to the digital audience platform marketplace that is now at massive scale. And CRM is all about using addressability to increase the targetability, relevance, and measurement of marketing impressions and experiences across the customer lifecycle, in all channels and media, both online and offline.

Consumers are changing every day in the ways they interact with brands—shifting their media consumption patterns and decision processes. We have observed three prominent macro trends emerging from these changing behaviors, which are driving the market toward more individualized interactions. The first is the scaling of digital media; the second is the proliferation and penetration of social media; and the third is the multiscreen, always-on mobile population. We will delve more deeply into these trends in Chapter 4, but it's important to note that, as they continue to increase in scale, so will our capacity for addressability—and our commitment to customer centricity and individualized digital experiences across media and channels.

Over the time period of 2010 to 2014, we've seen a marked downward shift in the consumption of traditional media such as radio and print; at the same time, consumers have drastically increased the number of hours spent on digital media, social in particular, with an increase from about 52 minutes a day to nearly 90.[2] In 2010 Google didn't have a social media capability, and today, 540 million people have accounts on Google+.[3] Pinterest is a 300-person company, and one in every four women in the United States is using it on a weekly basis . . . incredible.[4]

Mobile is scaling, too. Today, we've hit an inflection point, where mobile Internet use is actually eclipsing desktop use.[5] Who would have thought that would happen so fast? So the shift is on from traditional media to new media. And marketers are trying to leverage the use of data to figure out to whom— and how—they should offer individualized digital experiences. Advertisers in particular are shifting their dollars into this effort. In response to massive consumer migration to digital, brands are scaling their mobile and social media advertising budgets across formats such as native and video.

All of this digital interaction is creating a tremendous amount of data. Each day, 182 billion emails are sent.[6] Each month, 70 billion pieces of content are shared on Facebook.[7] As Google Executive Chairman Eric Schmidt observed, "There were five exabytes (5 million terabytes) of information created from the dawn of civilization to 2003, but that much information is now created every two days, and the pace is increasing." For one of our top clients, we manage a single database that contains over 8 billion page views and more than 24 terabytes of data for a single brand.

The exhaust coming from all of this digital movement is data. Lots of it. And it's scaling quickly.

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[2] GfK, "MultiMedia Mentor" as cited by Interactive Advertising Bureau, "45 Million Reasons and Counting to Check Out the New Fronts" conducted in partnership with GfK, April 29, 2013; and Experian, "Experian Marketing Services Reveals 27 Percent of Time Spent Online Is on Social Networking," press release, April 16, 2013.

[3] Ken Yeung, "Two Years Later, Google+ Is Growing, with 540m Active Users Worldwide, 1.5b Photos Uploaded Each Week," *The Next Web, Inc.* (blog), October 29, 2013.

[4] Leslie Meredith, "What Pinterest Reveals about Women," *The Christian Science Monitor* (blog), February 22, 2013.

[5] Tom Standage, "In 2013 the Internet Will Become a Mostly Mobile Medium. Who Will Be the Winners and Losers?" *The Economist*, January 18, 2013.

[6] Sara Radicati and Justin Levenstein, "Email Market, 2013–2017," The Radicati Group, Inc., November 2013.

[7] Statistic Brain, "Social Networking Statistics," January 1, 2014.

To consider addressability in the context of this much data is overwhelming. It simply can't be achieved through traditional methods. Not only is the overall digital media marketplace going to be $61 billion by 2017,[8] but a significant portion of digital media today is, in fact, being bought programmatically, meaning through an automated approach that uses technology to select audiences based on data and analytic insights. Real-time bidding on media is actually going to reach $10.5 billion by 2017,[9] growing more than 50 percent. And we estimate custom audiences, or "identified addressability," to reach the $8 billion mark by that time. So the shift is toward digital but to the individual addressability opportunity within digital as well. As marketers, we're trying to build strategies for first-party and third-party data to aggregate that information so that we can apply analytics to it and deploy on this abundance of digital platforms. Brands—and the marketers charged with driving their growth—cannot keep up with this pace without continually upskilling themselves to capitalize on the massive opportunity. You will make swift progress or you will fall by the wayside while other companies—and other marketing executives with them—pass you by.
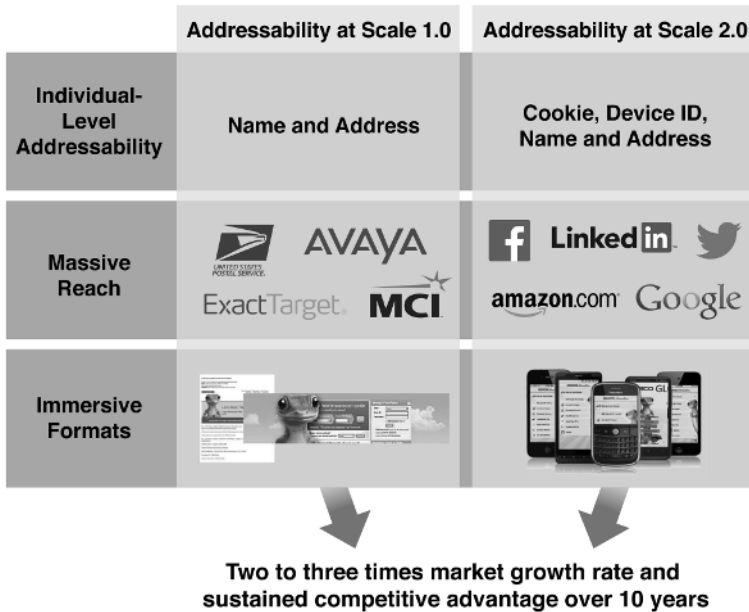
The power of addressability to create competitive advantage, both for the organization and for the marketer, has been proven by history. To set up some context, it is meaningful to consider its roots, which are surprisingly deep. We observe, in general, two distinct eras of addressability at scale (see Figure 1.1). Each possesses three common criteria of scale and effectiveness to drive superior performance. The first is individual-level addressability, which goes beyond broad segments, demographics, or panel-level data to reach individuals directly. The second is that the addressable platforms must have massive reach. And third, you must be able to deliver via immersive formats; meaning media and channels that are accessible by the general population. We have found that marketers who tap into the opportunity presented by these three factors have outpaced market growth rates by two to three times and have enjoyed competitive advantage for a sustained period.

With "addressability at scale 1.0," the individual-level addressability factors were limited mostly to name and address—and later phone number. The primary addressable platform at scale was the United States Postal

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[8] "US Total Media Ad Spend Inches Up, Pushed by Digital Read More," *eMarketer Daily*, August 22, 2013.
[9] Kate Maddox, "Real-time Bidding Pushes Display Advertising to Double-digit Growth," *AdAge BtoB*, November 18, 2013.

	Addressability at Scale 1.0	Addressability at Scale 2.0
Individual-Level Addressability	Name and Address	Cookie, Device ID, Name and Address
Massive Reach	USPS AVAYA ExactTarget MCI	f Linked in (twitter) amazon.com Google
Immersive Formats		

Two to three times market growth rate and sustained competitive advantage over 10 years

FIGURE 1.1   Drivers of Scale and Effectiveness

Service (USPS), whose reach was basically 100 percent of the nation's households. The direct mail format allowed for the use of imagery and long-form content in a manner that was highly immersive. There were many different engagement tools that could be delivered on the platform, from direct mail to catalogs. The USPS and third-party providers offered solutions and standards that helped us optimize on the platform, like National Change of Address (NCOA), Delivery Sequence File (DSF), and numerous proprietary tools. Companies figured out how to take both first- and third-party data, deploy analytics to that data, and leverage it using those tools. We became (or hired) experts who lived and breathed the nuances of the USPS platform. We used a framework to help brands create competitive differentiation. For all practical purposes, this was the start of addressability at scale. We helped our clients figure out how to segment their customers and create experiences for them using addressability. We helped them optimize the performance of their marketing programs through accurate measurement. We built technology structures to implement those programs. And effectively, we helped them organize their businesses around the opportunity of addressability at scale.

Companies like Capital One, GEICO, and DirecTV were actually executing addressable strategies, just with a different framework than today's. The winners made marketing advancements like we had never seen before. Capital One, for example, had hundreds of people associated with its database marketing and addressability at scale functions. The company emerged as a clear market leader during the time period of 1995 to 2005 because of its strength in leveraging the USPS platform at scale.

If we look at the big picture, addressability at scale 2.0 has many parallels to 1.0, except they exist in an increasingly digital realm. We still have individual-level addressability; it has just expanded into new forms. Now we're dealing not only with name, address, and phone, but with cookies, mobile device IDs, and social IDs. We have seen the digital audience platforms scale to massive reach with immersive formats in site, search, display, and social media, with new channels such as addressable TV emerging. They are providing us with countless different toolsets and targeting products that we can use to optimize on their platforms. Google alone has given us an integrated addressable platform, inclusive of its own ad network, exchange, server, and, of course, search platform, that delivers addressable experiences across devices and formats, such as YouTube. For Facebook, targeting products include the Facebook Exchange (FBX) and Custom Audiences, which can be optimized through a number of certified third-party partner toolsets. For Twitter, it's products like tailored audiences, keyword targeting, and TV conversation targeting, in which audiences can be purchased directly or through third-party partner toolsets. Numerous unexpected players, including Amazon, eBay, and even Walmart, are following close behind with their own similar offerings. And these behemoth audience platforms have spawned a massive ecosystem of advertising technology, or "ad tech" companies to supply data, targeting, and measurement tools intended to support or enhance addressability. One need only glance at a LUMAscape[10] infographic to imagine the number and complexity of these tools. There are literally thousands of companies that are developing technologies to help us optimize on these platforms.

So, the crucial question is: who is going to take advantage of addressability at scale in 2.0? The opportunity is there, but most of the market is constrained in its ability to scale its addressable spend to make a significant impact. Our belief is that there will be noteworthy winners and

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[10] www.lumapartners.com/resource-center/.

losers. Most marketers who are moving their brand spend into more direct, measurable media tools, such as programmatic, performance-based, and direct response, are still working through the traditional marketing funnel. That funnel is narrow, with awareness at the top and little to no addressability. They end up spending marketing resources to contact people they don't know. And often, adverse selection is a problem, where people who don't have a high value potential are the ones cascading down the funnel. This, in turn, presents a targeting dilemma: a small audience of people who can ultimately be converted, wasted remarketing dollars, and a generally less valuable client base. It's only at the bottom of the funnel, after the restricted universe of converted customers comes out, that marketers can have insights about the outcomes of their marketing tactics. The result is a very inefficient funnel that's simply not scalable—all because you started out with no addressability at the top.

Historically, even in the most direct-response-focused industries, budgets have been heavily concentrated on the upper and lower parts of the funnel. One insurance advertiser we know spends more than $700 million in media, with more than 70 percent of that budget going into top-of-funnel tactics, such as television, print, sponsorships, and guaranteed display. This advertiser also spends more than $200 million a year at the very bottom of the funnel on things like branded search, aggregators, ecommerce, and call center experience. All told, this advertiser spends less than 15 percent of its combined consumer budget in the mid-funnel, where consumers actually consider, engage with, and decide which products they will buy from which brand. We call this the "cinched belt" phenomenon. Spend is fat at the top and bottom but cinched tight in the middle. The reason for this has not been a lack of desire to spend more in this area. This insurance marketer would love to find a way to productively spend another $100 million in the mid-funnel.

Until recently, lack of addressability has been the primary constraint to spending in the mid-funnel. Once broad awareness and share of voice were established, little could be done to engage with individual consumers as they moved through consideration and into decision. Direct mail was used to target individuals whom we believed were in-market, but that medium is now in decline. Email and display were used to relentlessly and impersonally retarget with diminishing returns. Once these tactics were maxed out, marketers were out of ideas for how to stay engaged with

consumers through the buying process. So they saved their dollars to really unload on the consumer once they typed the brand name into Google or appeared on the site.

Enter the addressable consumer experience. Now the advertiser can take advantage of increased addressability to drive more targeted, timely interactions with the consumer through the key moments of the cycle. A single consumer can be engaged with an individually targeted message in the Facebook newsfeed, receive a personalized offer on the landing page, get remarketed with a relevant search ad, and receive follow-up via an outbound call—all with a singular brand voice and highly engaging content throughout.

Essentially, we can widen the funnel and place addressability at scale at the top by using data and analytics to target and maximize spend against high-value customers and prospects from the outset. First- and third-party audience platforms are enabling not just targeting but delivery of immersive, highly branded content, such as native and video, across devices. This means the traditional separation between right-brain and left-brain thinking around brand versus performance falls away, leaving a more powerful, integrated approach. And there is a cascading effect all the way down the funnel.

Advertisers now have the opportunity to expand the boundaries of the mid-funnel. In effect, if one equates the mid-funnel with the space between mass media awareness and the ecommerce transaction, the marketer's definition of the mid-funnel must expand dramatically, eating into the traditional boundaries of the upper and lower portions of the funnel.

At the upper end, fewer dollars will be allocated to untargeted messaging through things like national television, and more dollars will be allocated into addressable, programmatic tactics meant to drive consideration through relevance, such as addressable TV and programmatic video. At the bottom end, things like A/B testing and offer optimization will get pulled up into the mid-funnel as tactics integrated into the rest of the addressable experience. In essence, addressable and accountable spending has won most of the budget, which is what most advertisers have been seeking. That insurance marketer can now let that belt out several notches, and overall return on ad spend has increased.

This shift will drive greater returns but will require some fundamental changes to both organizations and external supply chains. The expansion of the mid-funnel boundaries requires re-organization of internal functions for most marketers. "Brand" functions that own domain over

certain media like display and social from direct marketing organizations no longer make sense. Organization around media (having separate owners for search, email and display) should be questioned.

Similarly, external marketing supply chains with disconnected components where multiple tech platforms and agencies attempt to deliver the integrated mid-funnel in silos will create complexity and insurmountable barriers to the addressable experience. Consolidating the supply chain to fewer, more vertically integrated suppliers and platforms will become the norm.

The knowledge and insights gained as the audience travels through the funnel extends down into the channel, creating a larger universe of people who can now be brought into the funnel and are more likely to convert (Figure 1.2). This ultimately reduces the targeting dilemma, and this is how we scale. The result is more productive customer marketing, characterized by greater conversion rates. More knowledge means more targeted remarketing efforts. More efficient targeting, greater conversion, and more effective remarketing; they all lead to a richer customer portfolio.

Our experience has proven this—in a big way—time and time again. Our clients have been able to increase their addressable impressions by more than 400 percent. In many cases, they have increased their addressable media spend by over 300 percent. Cost of leads and cost of conversions have decreased by as much as 30 and 40 percent, respectively. We have seen remarketing pools increase more than 500 percent. Average lifetime value of acquired customers has increased by more than 60 percent. And these results aren't atypical. They are commonly seen among our clients who take this opportunity seriously. Imagine the competitive advantage over those brands that don't.

THE MECHANICS OF ADDRESSABILITY AT SCALE

Digital Addressability

Digital addressability involves the use of customer data, whether it is anonymous or identified. Figure 1.3 depicts the addressability spectrum, in which anonymous individuals move to partially identified and identified status over time, as the customer relationship expands and data is being collected. And as both the level of knowledge and the level of identification increase, so does the value of the customer.

The New Addressable Marketing Funnel

Integrated, targeted management of addressable consumers throughout the funnel

Awareness

Digital Targeting Optimization

Consideration

Differentiated Consumer Experience

Unqualified Leads and Waste

Remarketing

Channel Optimization

Conversion

Customer Remarketing

Audience 1	Audience 2	Audience 3
Auto		
Property		
Multi-Line		
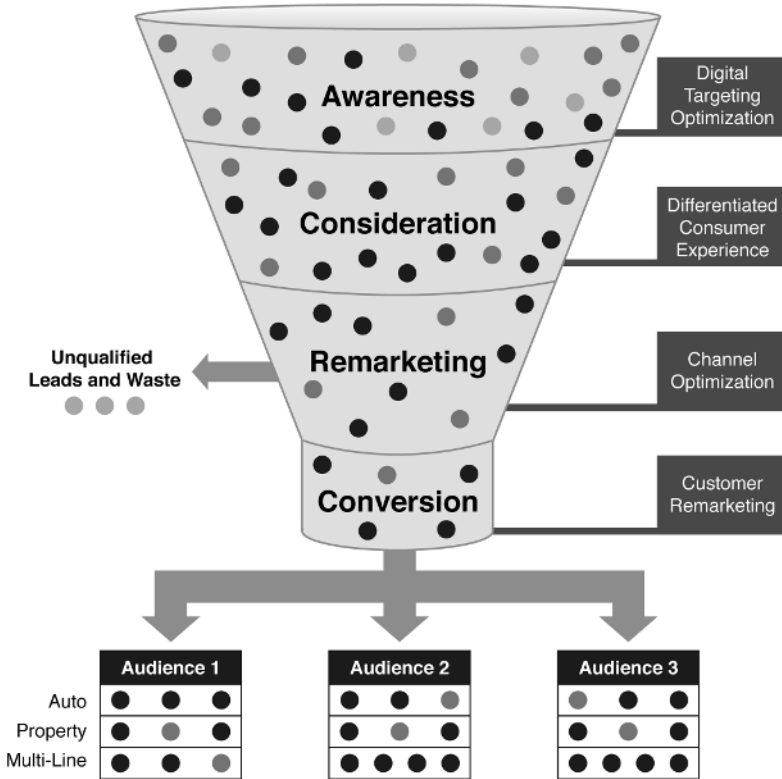
Digital Targeting Optimization
Leverage data and analytics to target and maximize spend on high-value prospects in the addressable universe.

Differentiated Consumer Experience
Leverage addressability to create highly efficient and relevant remarketing experiences.
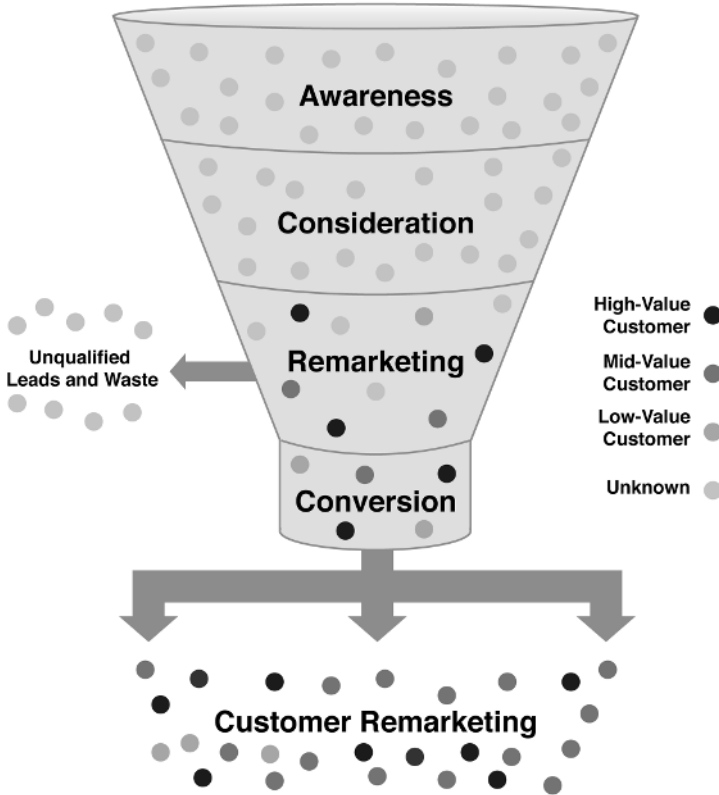
Channel Optimization
Extension of addressability into channel personalization to drive increased conversion.

Customer Remarketing
Effective utilization of addressability for re-engagement and maximization of existing customers.

FIGURE 1.2   The Evolving Marketing Funnel

The Marketing Funnel—The Old Way

Awareness

Consideration

Remarking

Unqualified Leads and Waste

High-Value Customer

Mid-Value Customer

Low-Value Customer

Unknown

Conversion

Customer Remarketing

Awareness
Adverse selection is a big problem in nonaddressable media—"People I don't want are the ones I get to respond."

Consideration
Efficient lead generation but adverse selection from mass and digital media results in lack of scale in quality and, therefore conversion.
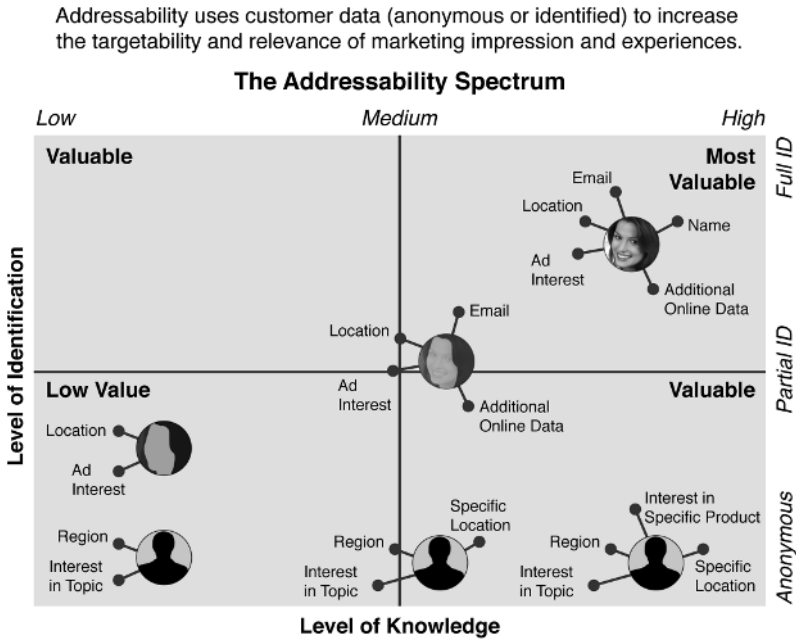
Remarketing
Lack of quality and scale of the remarketing pool is bad enough; made worse by an inability to use addressability to engage high-value leads in a relevant experience.

Conversion
As a result, marketers cannot scale budgets due to inefficiencies at the top of the funnel.

FIGURE 1.2 (*Continued*)

Addressability uses customer data (anonymous or identified) to increase
the targetability and relevance of marketing impression and experiences.

The Addressability Spectrum

Low	Medium	High

Level of Identification — *Level of Knowledge*

Valuable

Most Valuable — Full ID

Email
Location
Name
Ad Interest
Additional Online Data

Email
Location
Ad Interest
Additional Online Data — Partial ID

Low Value

Valuable

Location
Ad Interest

Region
Interest in Topic

Region
Interest in Topic

Specific Location

Region
Interest in Topic

Interest in Specific Product
Specific Location — Anonymous

FIGURE 1.3   Addressability Spectrum

Ultimately, the objective is to drive as much content as possible to that
most valuable quadrant, where you have as much information on an
identified customer as possible. But even in the far right lower quadrant,
you will see that, as long as you have individual-level data, you can still
drive a lot of value from anonymous consumers.
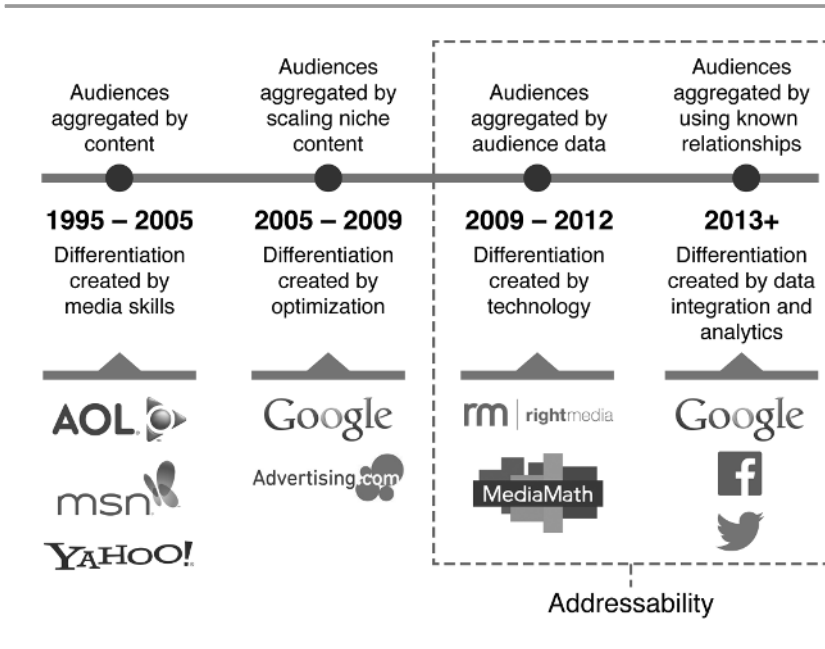
THE DIGITAL AUDIENCE PLATFORMS

What is enabling that coveted addressability at scale opportunity at the
top of the funnel and continuing throughout the funnel, is the growing
number and variety of digital audience platforms, which impact the
entire funnel. There is an ecosystem in play (Figure 1.4), in which all
the members are contributors and benefactors. The consumer wants the
speed, relevance, and convenience of digital delivery. The marketer
wants high-value customers and prospects. The publisher wants to
monetize its audiences. And the platforms themselves are what facilitate
the addressability at scale.
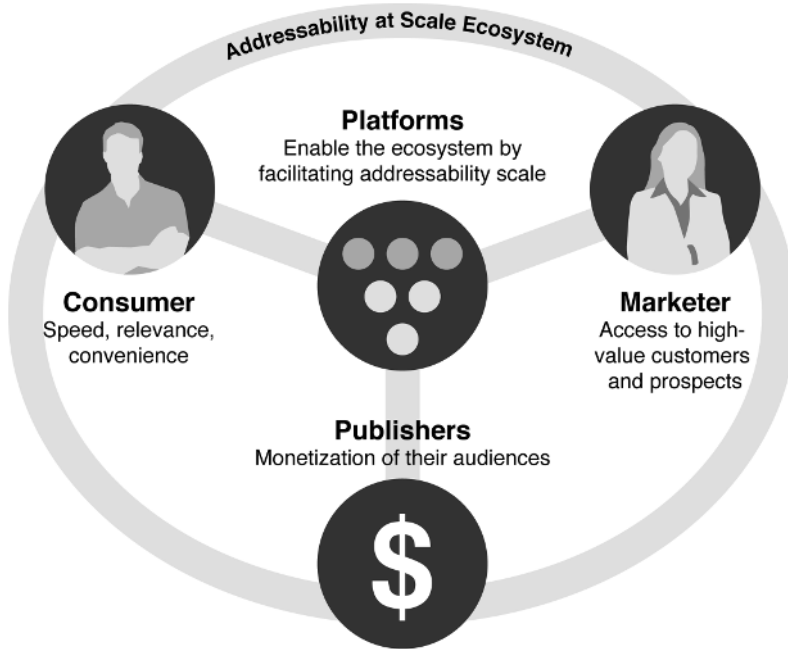
FIGURE 1.4   Addressability at Scale Ecosystem

Historically, marketing planning was focused on which publications would drive performance. As advertisers, the way we bought media was by studying syndicated research panels to determine our targeting demographics, then we went to media publishers to buy our spots, many weeks, even months, in advance. Today, because of digital addressability, our planning is audience based. Where we used to think of quarterly or even annual cycles, we're now using new technologies that are connected to large-scale publishers to carry out individual-level targeting *in real time*. It's less about the up-front plan and more about the ongoing optimization.

If we consider the marketplace and how addressability at scale has evolved from a media perspective, we might look back to the mid-1990s, when we had large audiences who either fit the broad demographics of our target audience, or they didn't see our advertisements (Figure 1.5). Then, in the mid-2000s, we moved to a more contextual, or cohort-based, digital marketing approach, where brands were aggregating audiences of specific interests, and we decided whether those were the interests of our customers

Audiences aggregated by content	Audiences aggregated by scaling niche content	Audiences aggregated by audience data	Audiences aggregated by using known relationships
1995 – 2005	**2005 – 2009**	**2009 – 2012**	**2013+**
Differentiation created by media skills	Differentiation created by optimization	Differentiation created by technology	Differentiation created by data integration and analytics

Addressability

FIGURE 1.5   Evolving Platform Marketplace

or not. A few short years ago, we began to realize there would be value in anonymous customer data. So ad exchanges were developed, and we had the opportunity through those exchanges to use anonymous, individual-level data for targeting.

Now, these audience platforms are creating the opportunity of individual-level targeting, whether anonymous, partially identified, or identified. We define an audience platform as a technology that enables automated, real-time delivery of targeted, personalized experiences to individuals (known and anonymous) at scale utilizing first-party data. One such platform is Facebook and Custom Audiences, where you can take an email address and send it to Facebook and match up to 170 million people in the United States. Another is Twitter, which has been moving forward from cookie-based toward addressable individual-level information as a connection point. Even Google is starting to move its search toward linking to advertisers' first-party data environment to make search ads perform better.

There are many different methods of addressable targeting, such as direct name-and-address match, real-time bidding in the exchanges, intent-based targeting through search platforms, or segment-based targeting coming from other social media companies. Most of these didn't even exist four

years ago. The change is happening fast. Most of the different types of digital audience platforms and addressable targeting opportunities didn't exist at all, even four years ago.

And it's happening across devices—PC, mobile, and tablet. It's also happening in search. Many of our clients think of search and say, "Oh, we've been in that space for many years; our plan is working well there." But there has been so much movement in search that they missed while their programs were on auto-pilot. It moved from traditional keyword targeting into different device-based search. And the format is diversifying to include features like video ads and click-to-call. It's now moving into integrated media and targeting, where you can actually load the data that you're collecting back into the platform and begin bidding on media that you would never have in the past, because you now have insights about those consumers.

New audience platforms have begun to arise from unexpected publishers (Figure 1.6). Amazon is now in the space, building a media business that has already reached the $1 billion mark.[11] Even Walmart has recently entered the media business, debuting its own digital marketing platform. And this phenomenon will continue to expand as more and more companies gain these very valuable first-party data assets and look for ways to create new monetization streams. It's just going to increase the opportunity for us all.

To illustrate how dramatically the marketplace is changing, we only need to think back a couple of years. Merkle works with many of the major addressable audience platforms, and we used to suggest that we take their user profile data and combine it with our clients' first- and third-party personally identifiable information (PII). We knew the tremendous potential of analyzing the combined data to determine its value for more robust targeting. The idea met with great resistance from these publishers, who weren't ready to loosen control on their profile data.

But here we are today, with rapid proliferation of addressability, and the use of first-party data on these platforms is the fastest-growing piece of their media business. We're also seeing the rapid build-out of highly integrated tech stacks that enable a lot of this addressability within the publisher platforms. As excited as we were about the prospect of bringing this data together, nobody could have predicted how quickly it would evolve or how broadly it would proliferate.

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[11] Alistair Barr and Jennifer Saba, "Analysis: Sleeping Ad Giant Amazon Finally Stirs," Reuters.com, April 24, 2013.

First- and Third-Party Data

Marketer

First- and Third-Party Data

Audience Platforms

rm | rightmedia   facebook. Exchange   TAILORED AUDIENCES   doubleclick ad exchange

Automation

First- and Third-Party Data
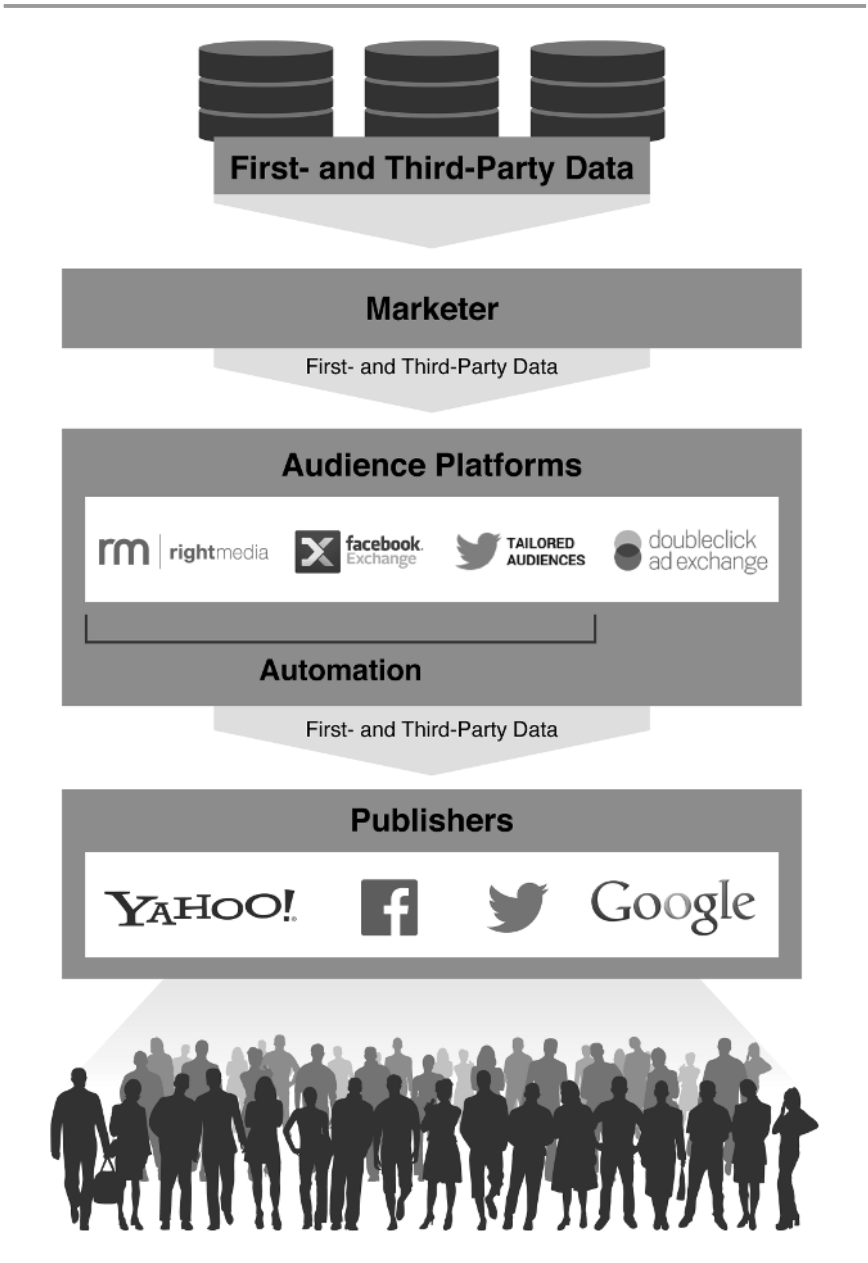
Publishers

YAHOO!   f   Google

FIGURE 1.6   The Audience Platforms

Whether you're trying to take advantage of the opportunity from the advertising and sales perspective of a publisher or the targeting and reach perspective of an advertiser, it's really hard to keep pace with what's happening. A lot of people think that the targeting is isolated within the audience platforms, as if it's just happening within Facebook or within Google or within Twitter, which have reached scale in and of themselves. But these publishers are all working to extend their ability to reach users off network, which will result in even more massive scale, the likes of which we would never have been able to comprehend before today. They have made some strategic acquisitions, for example: Facebook with Atlas' ad server technology; Google with Dart, DoubleClick, and other tools that enable a single view of the consumer; LinkedIn with Bizo's business audience marketing technology; AOL with marketing optimization platform Convertro; and Twitter with mobile exchange MoPub. These expansions allow the publishers to reach beyond their native environments and start leveraging first-party data to create audience extension networks that enable targeting across a wider landscape outside their platforms. It creates incredible opportunity for addressability at scale, not only for ad targeting but for delivery of rich, meaningful content across devices. The capabilities that the big publishers are creating for first-party data are great within their networks, but they create "walled gardens" that make cross-platform audience management very complex. The "Big 5" publishers—Facebook, Google, Twitter, AOL, and Yahoo!—know this and are adjusting their product and technology strategies accordingly (some more than others).

Today's ever-expanding and highly dynamic digital audience platforms are enabling marketers to scale addressability to unprecedented levels and at record speed. The opportunity is massive, and it's here now, creating a rare opening for brands to seize competitive advantage. It is rapidly changing the marketer's ability to manage the marketing funnel more efficiently and effectively. Taking advantage of this will require a new set of skills, business processes, capabilities and operating models, giving rise to a new breed of marketer who has the competencies to master and implement the integrated data management, technological and execution capabilities, and establish the operating model needed to leverage addressability at scale. This marketer has a deep understanding of CRM principles yet has the knowledge and innovative forethought to thrive in the world of digital audience platforms. We call this new persona *The Platform Marketer*.

THE COMPETENCIES

The Platform Marketer embodies the collective competencies needed to successfully exploit addressability at scale. Those USPS-based competencies that worked in the past were very different from what's required today. To take advantage of the opportunity, new competencies will be required. To succeed as a marketer (and as an organization), you must hone your skills in data, analytics, and audience experience to drive digital performance. You'll need to be a marketing technologist and an expert on the new audience platforms. You'll need to know how to create personalized individual consumer experiences across a multitude of customer touch-points. You'll have to deal with the privacy and compliance hurdles that we face as marketers today. And you must understand measurement and attribution in a much more sophisticated way than you have ever understood it. The brands that leverage these competencies on addressable audience platforms are going to have the greatest opportunity for competitive advantage.

Nine essential competencies lie at the core of platform marketing success: identity management; audience management; consumer privacy and compliance; media optimization; channel optimization; experience design and creation; platform utilization; measurement and attribution; and the technology stack. We have designated a chapter for each of these competencies, as well as the organizational requirements for planning and implementing them. But first, we'll discuss the advent and evolution of the ad tech ecosystem and the digital trends that are driving this new persona.