



# PEGA MARKETING PAID MEDIA MANAGER

## *Frequently Asked Questions (FAQ)*

### PAID MEDIA MANAGER OVERVIEW

#### **What does Paid Media Manager do?**

[Paid Media Manager](#) creates and manages “Next Best Action Audiences” on Paid Advertising Platforms like Google, Facebook, LinkedIn, etc... It does this either by integrating with a platform directly (generally recommended), or through integration with a Data Management Platform (for specific use cases). Basically, Paid Media Manager looks at each customer in the brand’s database, analyzes all of the relevant Next Best Actions for that person, then places them into multiple audiences – and from that point on, keeps those audiences updated automatically, in real-time. Which audiences a customer is placed in depends on 1) what content is most relevant for them (calculated via propensity modeling), and 2) the value of each potential action (typically the profit margin, or some other financial consideration).

PAID MEDIA MANAGER OVERVIEW.....	PAGE 1
PAID MEDIA LANDSCAPE.....	PAGE 2
FINDING THE NEXT-BEST-ACTION.....	PAGE 3
BENEFITS OF PAID MEDIA MANAGER.....	PAGE 4
ADDITIONAL FEATURES.....	PAGE 5
WHY USE PAID MEDIA MANAGER?.....	PAGE 6

#### **How do you differentiate from your competition?**

Unlike any other solution, Pega uses customer **data from across your entire enterprise** – whether it be finance, sales, service, operations, etc... and uses it to empower your Paid Advertising channels (safely, as stated above). We don’t rely on broad audiences or segments that clump people into groups – we enable you to target individuals with offers and content that you know is relevant - because the data just came directly from your call-center, email program, mobile channels, stores, website, etc... and you collected it *seconds* before it was used – not days or weeks. Every channel is connected, and learns together – whether they’re owned or paid.

#### **How would you integrate with my Data Management Platform (DMP)?**

Integration with a DMP works much the same as the above, with platforms like Google, Facebook, and LinkedIn. When we first integrate your DMP, your customers and audiences are pushed directly to the DMP from [Paid Media Manager](#), in one bulk load. From that point on, each Next Best Action change is communicated to the DMP in real-time, as it occurs – if the DMP utilizes APIs, we recommend using those as opposed to a batch integration. Your teams would manage the campaigns and creative for those audiences, the same way they do now – but again, the customer -> audience assignments are managed automatically by Paid Media Manager. Depending on what data is coming back from your paid channels, that data will also be fed back to Paid Media Manager and the [Pega Customer Decision Hub](#), and used to provide additional intelligence regarding Individual or Audience performance.

#### **How do you integrate with paid channels like Google, Facebook, and LinkedIn?**

We integrate directly with their S2S (Server-To-Server) APIs, which allow us to manage audiences in real-time. When we first turn [Paid Media Manager](#) on, your customers and audiences are pushed

directly to the platform, in one bulk load. From that point on, each Next Best Action change is communicated to the platform in real-time, as it occurs. Your teams would assign campaigns and creative to those audiences, using the same tools they do now – but the customer -> audience assignments are managed automatically by Paid Media Manager.

## PAID MEDIA LANDSCAPE

### Why do Facebook and Google have a combined 70% market-share?

These platforms have an **incredibly large number of highly engaged, easy-to-identify users** that are providing data about themselves with each and every click. Facebook has nearly two billion “monthly active users”, and you can add another 600 million when you include Instagram. Google Search gets 9 BILLION search requests every day, and YouTube (owned by Google) gets another 5 billion video plays every 24 hours. That’s a tremendous amount of traffic, and it offers significant opportunities to market to the individuals generating that traffic. Those users can be targeted at a very granular level, and Facebook constantly exposes users to different types of ads, to determine exactly what will resonate with each individual, and incent them to take action.

### What type of advertising platforms will become important? Why? Examples?

Platforms that generate **high levels of repeat engagement** will become more and more important over time. The most important platforms like Facebook aren’t just advertising platforms – they’re social, ecommerce, media, etc... platforms that give people a REASON to come back, over and over. Some examples might include Facebook, Google, Instagram, YouTube, Snapchat, LinkedIn, Pinterest, Twitter, and WeChat.

### Why is now the right time to re-evaluate our Paid Media strategy?

The digital advertising market is changing very quickly. A few years ago, Banner Ads on websites were mission-critical, and most advertising technology was designed around them. But now, Banners are just a small percentage of the market’s total advertising spend - [Facebook and Google control nearly 70% of all digital ad revenue in the US](#), their market share is growing, and the critical formats are **video, mobile, social, and search**. Unless you are consistently re-examining your strategy, you’re likely to lose touch with what’s happening in the market, and you can fall behind fast.

### What digital advertising formats are trending well, currently?

[Over the last 12 months](#) Video ad spending is up roughly 30%, Mobile is up 45%, Social Display 46%, and Mobile Searching spending is up more than 130%. This coincides with consumer’s increased use/dependence of mobile devices, plus significantly better network coverage from providers, overall (you need bandwidth to use mobile).

### What’s the future of the Data Management Platform (DMP)?

This is a tough question, but more and more, marketing and advertising performance requires highly-personalized, **one-to-one interactions with individuals** – and DMPs are heavily dependent on “one-to-many” type segmentation, that doesn’t really “know” any individual customer. Also, much of the average DMP’s value comes from being able to identify a person and their interests / preferences across multiple channels and interaction-types, then being able to stitch that history together. But with the rise of platforms like Facebook and Google – where users are *always* known to the publisher – this kind of stitching becomes less critical. Eventually, as **platforms become less reliant on cookies**, they will get better at identifying and validating who people are... and at that

point, Artificial Intelligence capabilities become the priority - which extends beyond the scope of the typical DMP.

## FINDING THE NEXT-BEST-ACTION

### How does Next Best Action work with Paid Media Manager?

The [Pega Customer Decision Hub](#) (which is included with [Pega Marketing](#) and [Paid Media Manager](#)) uses predictive analytics and machine learning to constantly re-assess each customer's "Next Best Action". Each time a customer interacts with the brand (across any channel), the Customer Decision Hub looks at that customer's unique situation, and recommends what the brand should do - whether it should attempt to sell, retain, service, collect, etc... in that situation - along with what offer to use in that context. Paid Media Manager constantly watches for Next Best Action changes, and when they occur, it immediately updates the organization's Paid Media strategy for that customer, by shifting them to a new audience. Those changes are pushed out to all integrated Paid channels, in real-time.

### How do you use information about Customer Context?

With Next Best Action, you set your business priorities - how to prioritize selling, vs retaining a customer, vs servicing that customer, vs starting a collections process, etc... Our software reads signals from the customer to arbitrate those priorities, depending on the customer's situation. If we determine they're ready to buy? You can show an ad for the product they're most likely to respond to. If they're unhappy and ready to switch to a competitor? You can advertise 20% off to renew their membership. If they're overdue on a bill? You can prioritize collections - and avoid wasting money advertising in the meantime. The contextual approach and offer are determined by the AI, using predictive modeling and machine learning - then distributed to your paid channels in real-time, by [Paid Media Manager](#).

### Can you show me an example of how an audience gets changed?

Sure. Let's say that the [Customer Decision Hub](#) looks at a customer's profile, and determines that the Next Best Action for a particular customer is to cross-sell them Service Plan A. But then the customer calls the contact center, and says "I'm not interested in that plan, sorry." The Customer Decision Hub then re-assesses the customer's situation with the new information, and uses a propensity model to determine that the NEW Next Best Action is to sell that person a completely different product, Service Plan 86. As soon as that decision is made, [Paid Media Manager](#) pushes that update out to all the connected paid platforms, instantly. So as soon as that customer logs onto Facebook, or does a Google search, they see an Ad for Service Plan 86 - even if that's just **seconds** after their call into the contact center was completed.

### What is a "Next-Best-Action Audience"? How is it used?

A brand has many different offers (sometimes dozens, hundreds, or even thousands) - and each one of those can be recommended as a Next Best Action. **Each Next Best Action is linked to its own unique audience** (a group of customers); when it comes time to serve a customer an ad, **the customer will see the ad that's associated with their Next Best Action**. E.g. If their Next Best Action is Service Plan 86, they'll see that ad. But this isn't like a segment - each customer's unique

needs, preferences, and interactions are taken into account when calculating their Next Best Action – it's just that an audience is made up of people with the *same* Next Best Action.

### How many audiences will I need? Are all my offers included?

Each one of your offers will have at *least* one audience – *probably* more – but you have complete control over how granular you want to get. Obviously you don't want to pay the same amount of money for every customer, and for every ad – some customers just aren't as likely to buy (so you don't want to pay as much for them), and not all products have the same value (you want to pay more for the ones that *really* drive revenue or margin). So we **create and manage multiple audiences for each offer**, and let you assign customers based on their propensity to buy that product. Customers that are likely to buy go in the "High CPM", for an offer – the less likely go in the "Medium CPM" audience, etc... For each audience, you can assign a specific bid amount (\$2 CPA, etc..), like you would for any other Paid audience. This lets you invest specifically in each customer and situation, at a one-to-one level.

### Will customers be in more than one audience? Why?

Yes, customers can and will be in more than one audience. While a customer only has one *true* Next Best Action, there are many potential actions a brand could take, if the situation arose – and some of those are driven by the customer, *not* the brand. For instance, a customer might perform a google search for a product you didn't expect – like for a mortgage, when you thought they were interested in a mobile phone. You still want to be able to serve them the mortgage ad, even though it's not what you were expecting – so we place your customers in multiple audiences, and prioritize those audience for the platform using a combination of propensity (e.g. likelihood of responding), value (e.g. likely profit margin), and price. The customer will always see the ads that are most relevant to them, unless they do something unexpected – but this way you'll be ready for the unexpected when it happens, and you won't overpay for those situations.

## BENEFITS OF PAID MEDIA MANAGER

### How do you support Customer Acquisition?

With [Paid Media Manager](#), we support your customer acquisition efforts in 3 ways:

- We extract **predictive customer attributes** from our machine learning algorithms, which are used to construct look-alike models and audience segmentations that target prospects on paid channels.
- We share those attributes with **integrated paid channels** and with your **Data Management Platform (DMP)**, updating them as they change and adapt along with your customer base – those attributes can then be used by partners throughout the ecosystem.
- We consume data collected by the DMP about engagement – for prospects, typically **audience-level engagement** – and integrate that data, if the AI determines that it provides predictive "lift".

### How do you support Customer Retention?

Using the [Customer Decision Hub](#) that's integrated within [Pega Marketing](#) and [Paid Media Manager](#), the software determines when a customer's churn risk increases, and automatically shifts your approach, across channels. Instead of trying to upsell or cross-sell a customer, the system will prioritize retention-drivers, such as service tasks, contract extensions, % off renewal discounts, etc...

The same retention “offers” that are utilized in agent-facing channels will be made available to paid channels, so the experience is consistent wherever the customer interacts.

### How do you support Customer Up-Sell & Cross-Sell?

Using the [Customer Decision Hub](#) that’s integrated within [Pega Marketing](#) and [Paid Media Manager](#), the software determines when the customer is “in-market” for a product, and automatically shifts your approach to prioritize sales actions such as upsells, cross-sells, etc... The same sales offers that are utilized in owned channels will be integrated within your paid channels, so the experience is consistent wherever the customer interacts.

### How do you improve advertising performance?

By using Next Best Action to identify customer context (sales, retention, service, etc..) and the best offer for that individual, in that situation - your **paid ads become much more relevant**. Ads are no longer geared towards segments of people, but towards the individual and their specific needs – using data you’ve collected from across your enterprise. Relevant ads are far more likely to convert, and to improve the overall customer experience.

### How do you improve digital advertising efficiency?

[Paid Media Manager](#) improves advertising efficiency in two ways. First, by determining the customer context, you can avoid marketing to customers that aren’t “ready-to-buy” (e.g. customers that just purchased, unhappy customers in need of service, or at risk or churn) that would be unlikely to respond – so you can re-allocate that spend towards marketing-worthy scenarios. Second, because you establish a “willingness to pay” for specific propensity levels and product margins, you will buy media based on the likely value to your organization – and avoid *overpaying* for low-value ads (e.g. focused on low-margin or low-revenue products). All of the audience management is handled automatically, once you build your strategies.

## ADDITIONAL FEATURES

### How do you support Real-Time Bidding (RTB)?

By integrating [Paid Media Manager](#) with your Data Management Platform (DMP), you can leverage intelligence from across your owned channels, *and* use it in Paid channels – include Real Time Bidding Auctions. Similarly to how we integrate with platforms like Facebook, Google, and LinkedIn, we will extend Next Best Action audiences directly into your DMP - and automate the ongoing audience management. When a customer’s Next Best Action changes, we automatically provide that update to the DMP.

### How do you ensure the security of my customer data?

Unlike almost any other solution in the market, Pega allows you to keep your customer data inside the firewall, where it belongs. Instead of transferring sensitive information to the dozens of partners and vendors in the paid ecosystem, Pega makes the critical decisions using AI in a controlled setting (which can be on-premise, or in the cloud), then simply updates each customer’s Next Best Action, accordingly. The data itself never has to leave the premises.

### How do you partner with Merkle?

Pega and Merkle often work closely together to provide customers with a best-in-class combination of CRM technology, and all of the required supporting implementation, consulting, and marketing services. Their [latest joint initiative](#) integrates the [Pega Customer Decision Hub](#) within a customer's Data Management Platform (DMP), so that organizations who wish to leverage the capabilities of a DMP can also take advantage of Pega's AI and one-to-one customer engagement capabilities.

## WHY USE PEGA PAID MEDIA MANAGER?

### Could I just build something like Paid Media Manager, myself?

You absolutely could, if you had dozens of teams of people that were dedicated to:

- Innovating and maintaining the underlying **Customer Decision Management (CDM)** engine (one of the most mature forms of AI), and constantly adapting to new use cases.
- Enhancing the required **Machine Learning** technologies (another powerful AI category), keeping them current, and constantly teaching the machine how to deal with new algorithms, attributes, and data types.
- Supporting the **Natural Language Processing (NLP)** AI that allows Pega to mine data from calls, emails, texts, and other forms of unstructured data – extracting customer information from owned channels, and using it to generate customer intelligence for paid channels.
- Integrating each of the above in real-time, so that you can perform the required **Audience Management** tasks on-demand, within platforms like Facebook, Google, and your DMP.

### What if I don't change anything, and just keep the Status Quo?

The real problem with the status quo is that it's built around an **aging and very fragmented ecosystem**. Technology built to support banners, cookies, pixels, and segments has quickly gone out of date, as it can't leverage the full scope of customer data, or engage individuals one-to-one. Companies are blind to unique customer needs and context, so they end up over-investing in the wrong customers, and showcasing irrelevant products – and it often takes days or weeks to onboard customers and adapt to changes in their behavior or profile. These issues not only **limits the revenue potential**, but also **increases costs**, and has a negative impact on the **customer relationship**.

### How is Paid Media Manager priced?

Pricing for [Paid Media Manager](#) is simple – it's based on what's already included in your existing [Pega Marketing](#) stack, and the number of customers you're marketing to across channels. Your account executive can provide a quote that has been customized specifically for your company and unique situation.

### How can I get more information about Paid Media Manager?

The following links provide access to tools and materials about [Paid Media Manager](#), or you can request a demonstration directly [here](#).

- [Paid Media Manager - Webpage](#)
- [Paid Media Manager - Video](#)
- [Paid Media Manager - Datasheet](#)
- [Paid Media Manager – Press Release](#)