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The Forrester Wave™: Data Management Platforms, Q4 2015

The Data Management Platforms That Matter Most And How They Stack Up

by Susan Bidel and Richard Joyce

November 10, 2015

Why Read This Report

In our 66-criteria evaluation of data management platforms (DMPs), we identi!ed the eight most signi!cant ones and researched, analyzed, and scored them. This report shows how each provider measures up and helps B2C marketing professionals pick the right one.

Key Takeaways

Adobe, Krux, And Neustar Lead The Pack
Forrester's research uncovered a market in which Adobe, Krux, and Neustar lead the pack. Oracle, Google, KBM Group, and Lotame offer competitive options. Cxense lags behind.

The DMP Market Is Growing As Marketers Seek To Use First-Party Data To Drive Results
Marketers with !rst-party data are looking to data management platforms to help them use it for, at minimum, ad targeting purposes. Those not endowed with !rst-party data rely on DMPs to help facilitate second-party data deals blending publisher and marketer data resources to the bene!t of both.

Customization, Integrations, And Analytics Are Key Differentiators In The DMP Market
As previous technology becomes outdated and less effective, improved customization, seamless integrations, and robust analytics options will dictate which providers will lead the pack. Vendors that can provide these capabilities, either as part of integrated stacks or with best-of-breed independent vendors, position themselves to successfully deliver insights and actionable marketing and targeting data to their customers.

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by Susan Bidel and Richard Joyce
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Notes & Resources

Forrester conducted product evaluations in July and August, 2015, and interviewed seven vendor and user companies: Adobe, Cxense, KBM Group, Krux, Lotame, Neustar, and Oracle.

Related Research Documents

The Forrester Wave™: Data Management Platforms, Q3 2013

The Forrester Wave™: Demand-Side Platforms, Q2 2015

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DMPs Become The Intelligence Engines Driving Marketing

As programmatic ad buying and selling become the norm, marketers and publishers are learning that harnessing their first-party data; developing single and consistent identities for their consumers across devices and systems, like email and site optimization; and gaining access to second-party data are mission-critical and require partnership with a data management platform (DMP). The best DMPs have evolved significantly since the 2013 Forrester DMP Wave.[1] What was innovative then is table stakes today. Since our last evaluation, the leading DMPs have better aligned their operations to the needs of their clients, provided the widest possible array of proprietary solutions along with seamless integrations with third-party vendors to maximize data gathering and analysis and facilitate marketer/publisher collaborations within secure second-party data marketplaces. As we look at the DMP ecosystem in 2015, we see several trends driving the development road maps of most vendors in the space:

› **Programmatic buying is growing rapidly.** Forrester forecasts that programmatic display buying spending will grow by 22.8% by 2020.[2] To be successful at programmatic buying, marketers need data to identify and target the most promising prospects and customers. In this context, marketers need tools that help them federate and create new customer segments by mixing and analyzing both first-party and third-party data.

› **Programmatic flourishes with robust first- and second-party data.** While there are certain categories of marketers with rich first-party data, like retail, travel, and financial services, many big marketing spenders don't have such resources. For them, collaboration with publishers or other marketers rife with first-party data is mutually beneficial and drives the success of ever more sophisticated person-based marketing initiatives.

› **DMPs increasingly facilitate data sharing between advertisers and publishers.** DMPs with an unbiased client base across both marketers and publishers are best positioned to administer data coops and second-party data marketplaces and facilitate such publisher/marketer collaboration wherein marketers get access to person-based data and publishers get revenue or guaranteed media buys.

› **DMPs will help marketers get to the mythical "segment of one."** Sixty-two percent of online adults in the US are now always addressable.[3] They use multiple devices from multiple locations. In order to deliver meaningful and brand-consistent messages efficiently to these consumers, marketers must develop the ability to recognize individuals consistently and persistently wherever they may be, on whatever device they choose.

› **With individual targeting, marketers can finally focus on driving loyalty and lifetime value.** The ability to consistently recognize customers whenever they see them on whatever device of choice will deliver relevant experiences that deepen engagement and the bonds that tie companies to their customers.

› DMPs sit at the center of the marketing cloud, bridging the gap between ad tech and mar tech. As enterprises discover the ad tech power of data-driven decisioning, they, too, will embrace the opportunity to harness, learn from, and deploy data for better business results with email and web content customization, among other areas. With the DMP at the center, the marketing cloud will be the hub of enterprise intelligence.

Data Management Platform Evaluation Overview

To assess the state of the data management platform market and see how the vendors stack up against each other, Forrester evaluated the strengths and weaknesses of top data management platform vendors.

Evaluation Criteria Focus On The Needs Of Marketers And Publishers

After examining past research, user need assessments, and vendor and expert interviews, we developed a comprehensive set of evaluation criteria. We evaluated vendors against 66 criteria, which we grouped into three high-level buckets:

› Current offering. This set of criteria examines each vendor’s solutions for data ingestion and syndication, data classi!cation, device identi!cation, and segmentation and syndication.

› Strategy. With this set of criteria, we examined each vendor’s corporate strategy, product strategy, pricing, and customer references to assess how well its vision, road map, and execution align with the needs of marketers and publishers.

› Market presence. We reviewed each vendor’s market presence and position as re"ected by the size and retention rate of its client base and the distribution of clients, services, and staf!ng worldwide to re"ect the increasingly global strategies of marketers and publishers.

Evaluated Vendors Have Strong Client Bases Of Publishers And Marketers

Forrester included seven vendors in the assessment: Adobe, Cxense, KBM Group, Krux, Lotame, Neustar, and Oracle. Google’s DMP offering was in beta when this evaluation process was conducted, could not participate in the full Forrester Wave evaluation, and is included as a non-participating vendor based upon its market presence and the information available to Forrester on its product and service offering. Each of these vendors has (see Figure 1):

› A standalone DMP product offering.

› Publishers and advertisers as clients.

› A minimum of 100 live clients, which is ten times the limit that was required for participation in the 2013 Forrester Wave on the same topic.

› Growth of at least 40 net new clients over the past 12 months.

FIGURE 1 Vendor Product Information And Selection Criteria

Vendor	Product
Adobe	Adobe Audience Manager (AAM)
Cxense	Cxense DMP
KBM Group	Zipline DMP
Krux	Krux
Lotame	Lotame
Neustar	PlatformOne
Oracle	Oracle DMP

Vendor selection criteria
The vendor must have at least 100 live DMP clients.
The vendor must be able to offer its DMP solution as a standalone product.
The vendor's DMP solution must be serving both publisher and marketer clients.
The vendor must have acquired more than 40 net new customers for its DMP product in 2014.

Leaders Offer Full Stack And Best-Of-Breed Integrations

The evaluation uncovered a market in which (see Figure 2):

› Adobe, Krux, and Neustar lead the way. Adobe has long been a market trendsetter; its acquisition of Demdex in 2011 resulted in an integrated stack of ad tech components with the DMP at the center and the intelligence engine generating insights that can cross the enterprise and drive smart marketing decisions. Krux continues to forge its own path as an independent vendor with a far-reaching vision for highly customized person-based intelligence that will inform marketing decisions and much more in the future. Neustar acquired Aggregate Knowledge in October 2013 to form the core of its DMP capabilities and complement its onboarding business. While Neustar takes a highly pragmatic approach to the business of digital marketing, its goal is to bridge online and of"ine activity to identify and understand customers' behavior and measure the ef!ciencies of cross-channel campaigns.

› Oracle, Google, KBM Group, and Lotame offer competitive options. Oracle acquired DMP BlueKai in 2014 and put it at the center of Oracle's integrated stack of components that include even more recent acquisitions, like Datalogix, intended to bridge online and of"ine interactions. Google's DMP will facilitate client-speci!c person-based targeting across search, email, and video and will become a compelling offering to marketers, especially direct marketers wishing to upsell to existing customers. KBM Group aims to facilitate access to a DMP through self-serve interfaces and a wide array of partnerships, bringing sophisticated data management tools to mid-range clients. Lotame sees the DMP as the center of a convergence between ad tech and mar tech and aims to deliver a uni!ed view of the customer across platforms to enable marketers to understand lifetime value.

› Cxense, a relative newcomer to the field, is a contender. Headquartered in Oslo, Norway, Cxense is focused on clients with !rst-party data sets, interest in developing second-party data sets in collaboration with partners and in data capture and segmentation, and integration with the ad ecosystem to facilitate personalization and targeting.

This evaluation of the data management platform market is intended to be a starting point only. We encourage clients to view detailed product evaluations and adapt criteria weightings to !t their individual needs through the Forrester Wave Excel-based vendor comparison tool.

FIGURE 2 Forrester Wave™: Data Management Platforms, Q4 ’15

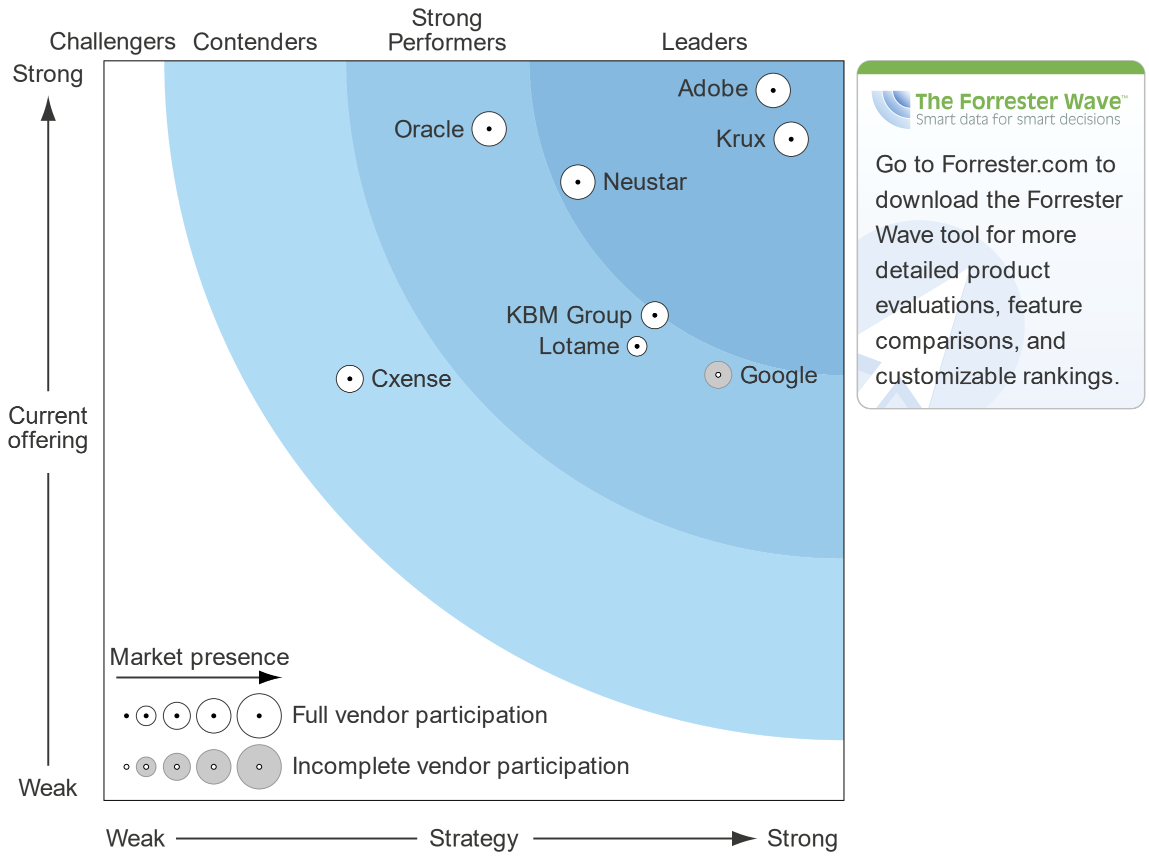

FIGURE 2 Forrester Wave™: Data Management Platforms, Q4 ’15 (Cont.)

	Forrester's Weighting	Adobe	Cxense	KBM Group	Krux	Lotame	Neustar	Oracle
CURRENT OFFERING	50%	4.80	2.85	3.29	4.47	3.07	4.18	4.54
Data ingestion and syndication	65%	4.77	3.06	3.37	4.60	2.84	3.79	4.50
Data classi!cation	10%	4.48	2.03	3.80	4.82	4.33	4.66	4.65
Data analysis	25%	5.00	2.64	2.88	4.00	3.14	5.00	4.60
STRATEGY	50%	4.52	1.66	3.72	4.64	3.60	3.20	2.60
Corporate strategy	30%	5.00	2.40	5.00	3.80	1.00	3.80	5.00
Product strategy	10%	5.00	1.00	3.00	5.00	3.00	5.00	5.00
Pricing	0%	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Customer references	60%	4.20	1.40	3.20	5.00	5.00	2.60	1.00
MARKET PRESENCE	0%	3.50	3.00	2.75	3.50	1.38	3.88	3.50
Client base	75%	3.00	3.00	2.00	3.00	1.50	3.50	3.00
Global presence	25%	5.00	3.00	5.00	5.00	1.00	5.00	5.00

All scores are based on a scale of 0 (weak) to 5 (strong).

Vendor Pro!les

Leaders

› Consider Adobe if you want all options: a full stack plus an array of integrations. Adobe leads the DMP Forrester Wave, as it did in 2013. Adobe’s anticipation of market development and the ensuing interests of its clients — existing and potential — made the vendor an early mover, as exempli!ed by its acquisition of Demdex in 2011. It continues to have a compelling product development strategy built on partnerships with best-of-breed specialists, like LiveRamp for onboarding; on customization, as with its approach to taxonomy; and on seamless access to complementary Adobe products, like Analytics, Experience Manager, Target, Social, and more. For those clients who prefer to work with external, third-party vendors on speci!c initiatives, Adobe offers a wide range of fully developed integrations.

While Adobe’s DMP is integrated with Adobe Media Optimizer Social for paid media and Adobe Experience Manager for social depth, it lacks independent, third-party integrations across the remaining social spectrum of listening, reach, and relationships as de!ned by Forrester. Adobe’s reliance on third-party partners for probabilistic matching and probabilistic device graph partners is a case of relying on best-of-breed point solutions but also represents a hole in its development of a soup-to-nuts stack. Adobe’s data rights management solution allows clear labelling of valid and prohibited use cases, but it still does not manage, track, and bill sold data, leaving much day-to-day management to its clients.

- **Consider Krux if you value agility and innovation from an independent vendor.** Krux, a fast-growing independent vendor, entered the DMP sector from an enterprise data governance angle. It sees customer data management as the intelligence engine driving business decisions beyond marketing and across the whole enterprise, including commerce and content, with always-on services that parse the "ood of data and connect it to the events, places and devices where it's needed. Krux has designed its products and services to be highly customizable to the needs of its clients. And Krux's superlative customer references bear out its strategy. Krux is an excellent alternative to a fully integrated stack option, an innovative independent vendor with deep expertise in the DMP space and a real commitment to client-driven customization.

  While all of that is true, there are areas in which Krux could improve. Krux relies on its own latency protection solution to detect errors, autoblock and/or correct errors, and issue alerts to all necessary parties, providing automation that Krux believes eliminates the need for customization and user intervention. Its social listening, depth, and reach integrations are not as deep as they could be. And, while Krux facilitates continuous synching, there are occasions when clients have sync priorities, which Krux cannot accommodate. Possibly its single biggest gap lies around inventory discovery and forecasting tools: Krux does not believe that the inventory forecasting function can be performed within a DMP in a way that is accurate and actionable.

- **Consider Neustar if having a single view of your customer is a priority.** Long a leader in customer data on-boarding, Neustar aims to close the gap between of"ine and online activity to deliver a 360-degree view of the customer grounded in its identity framework. Its go-to-market strategy is focused on global brand marketers. Neustar demonstrates particular strength with its data classi!cation capabilities, which includes identity resolution, device identi!cation, and segmentation and syndication. It offers a comprehensive set of data analysis tools, too, including predictive analytics, customer journey analysis, and inventory discovery and forecasting.

  While it's certainly the case that Neustar has a demonstrated capacity for data manipulation and interpretation, it is more important to have a matching strength in data ingestion and syndication. This is where Neustar needs to improve. Today, the vendor exhibits weakness in its ability to ingest SDK, mobile web, social, email, content management, and site optimization data, which is why, although still a leader, Neustar is not in the forefront of the leader group.

Strong Performers

- **Consider Oracle if you're looking for a complete data management suite.** Oracle's commitment to developing a full-"edged marketing cloud has driven multiple acquisitions over the past two years, including BlueKai and Datalogix — a well-respected customer data onboarding service — both in 2014. BlueKai was a leader in the 2013 DMP Forrester Wave. Now, as part of Oracle and with its new and expanded capabilities, the DMP offers a full stack of data management products and services for its clients, including strong data ingestion and syndication capabilities, best-in-class user and device identi!cation, segmentation and syndication, and data analysis. Both Oracle's corporate strategy and product strategy scored the highest marks.

However, Oracle does not define cross-channel attribution measurement as a part of its stack today, and it provides the dataset to ecosystem players. Its site optimization solution lacks a proprietary component, a flaw Oracle is in the process of correcting with the acquisition of Maxymiser. The Oracle DMP's deterministic scale of authenticated IDs is not as large as we would like. While it offers clients a customized taxonomy, there are limits on storage, and it does not offer unlimited levels of complexity in its segment development logic. Finally, the Oracle DMP had low customer reference scores, as is common after an acquisition as customers adjust to working with a new company. These scores reduced its overall score in the Forrester Wave.

› **Wait for Google if you want to plug into that walled garden.** In addition to the table stakes data ingestion, syndication, classification, and analysis capabilities that Google's nascent DMP will offer, its clients will also have the ability to onboard their own CRM files and then market to their proprietary customer base across Google search and video properties. It stands to reason that targeting audiences on Gmail will be possible at some point in the future, too. Given the scope of its search and video audiences and this level of person-based marketing, Google presents a compelling alternative to Facebook's Custom Audiences and positions Google as a data management platform strong performer right out of the gate.[4] Clients who already bought into the Google ecosystem and wish to hit the ground running should consider Google's DMP offering.

On the downside, while Google is entering the DMP space with a solid offering focused on the integration with the Google-owned ecosystem as well as with a host of demand-side platforms (DSPs), its DMP lacks integration with many respected external tools — like Adobe Analytics, for example — and its integration with other marketing technologies, like social listening, reach, depth, and relationship companies, and email vendors is limited. These integrations are essential parts of the leaders' basic tool sets; this solution's lack of these integrations calls into question Google's commitment to a truly open platform.

› **Consider KBM Group if global operation from one central point is mission-critical.** KBM Group, which is a division of Wunderman, part of WPP, acquired iBehavior, a company specializing in consumer and business transaction data, in late 2010. KBM Group's DMP is called Zipline and its focus is on facilitating cross-channel marketing on a global basis. While there is much talk that this is the goal of big marketers, there is little evidence so far that they are buying on a global basis in practice. KBM Group demonstrated particular strength across the device identification criteria, with the exception of probabilistic data, where it does not access third-party IDs. KBM Group is a good choice for clients inclined to operate globally from a single, central point.

KBM Group's Zipline DMP needs to continue to develop its ingestion and syndication of SDK, mobile web, search, social, email, and CMS data. The DMP's normalization solution lacks customization capability, and its probabilistic data solution does not take advantage of third-party partner IDs. Its taxonomy process rests on a three-tiered structure, rather than complete customization, and its segment development lacks depth and complexity. While KBM Group can report on reach and overlap of audiences, its overall approach to inventory discovery and forecasting lacks dimension.

- Consider Lotame if you want a DMP that stays abreast of a rapidly evolving market. Lotame was founded in 2006 with a publisher focus, which endows it with a wide view of the challenges and benefits of working with first-party data. It has since migrated to working across disciplines and has a significant number of advertiser clients. In this Forrester Wave, Lotame's capabilities and solutions for data classification, including user identification, device identification, and segmentation and syndication are fairly comprehensive. Its client base is relatively small, but its references were among the most effusive for all four criteria: flexibility, ease of use, services and support, and value.

  Lotame's reliance on a third-party vendor, no matter how respected, for its latency solution is one area of weakness as is its lack of a solution for ingesting social data. Its relative weakness in ingesting email data, web analytics, cross-channel attribution, CRM, CMS, and site optimization data are all areas in which it should improve. Its deterministic matching and scale, data rights management, and privacy and security practices are also less than stellar. But, Lotame has a proven track record of evolving its capabilities and meeting the needs of its clients, which makes it a good choice for a basic data management platform solution.

Contender

- Consider Cxense if you want a competitive offering at a good price. Founded in 2010, Cxense is the newest entrant into this pool of DMPs. Based in Oslo, Norway, Cxense is largely focused on publisher and marketer clients outside of the United States, although it includes USA Today and The Wall Street Journal among its clients. Cxense takes some pride in its ability to innovate and is, therefore, inclined to develop its own solutions. The result: It offers fewer integrations with outside vendors, which reduced its overall results in the Forrester Wave. Its focus on deterministic data and lack of probabilistic data solutions also impacted its ranking.

  Areas of development for Cxense include customizable latency protection and the ability to ingest social, CRM, and site optimization data. Its normalization solution would benefit from the ability to customize the rules to support deduplicated anonymous and/or masked user profiles, and the list of matching ID signals could be broadened. Overall, however, Cxense offers strong basic DMP functionality at a competitive price point.

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Supplemental Material

Online Resource

The online version of Figure 2 is an Excel-based vendor comparison tool that provides detailed product evaluations and customizable rankings.

Data Sources Used In This Forrester Wave

Forrester used a combination of three data sources to assess the strengths and weaknesses of each solution:

› Product demos. We asked vendors to conduct demonstrations of their products' functionality. We used !ndings from these product demos to validate details of each vendor's product capabilities.

› Customer survey. Each participating vendor was asked to send a client survey to eight of its clients. Results were tallied to deliver a mathematical evaluation.

› Customer reference calls. To validate product and vendor quali!cations, Forrester also conducted reference calls with three of each vendor's current customers.

The Forrester Wave Methodology

We conduct primary research to develop a list of vendors that meet our criteria to be evaluated in this market. From that initial pool of vendors, we then narrow our final list. We choose these vendors based on: 1) product fit; 2) customer success; and 3) Forrester client demand. We eliminate vendors that have limited customer references and products that don't fit the scope of our evaluation.

After examining past research, user need assessments, and vendor and expert interviews, we develop the initial evaluation criteria. To evaluate the vendors and their products against our set of criteria, we gather details of product qualifications through a combination of lab evaluations, questionnaires, demos, and/or discussions with client references. We send evaluations to the vendors for their review, and we adjust the evaluations to provide the most accurate view of vendor offerings and strategies.

We set default weightings to reflect our analysis of the needs of large user companies — and/or other scenarios as outlined in the Forrester Wave document — and then score the vendors based on a clearly defined scale. These default weightings are intended only as a starting point, and we encourage readers to adapt the weightings to fit their individual needs through the Excel-based tool. The final scores generate the graphical depiction of the market based on current offering, strategy, and market presence. Forrester intends to update vendor evaluations regularly as product capabilities and vendor strategies evolve. For more information on the methodology that every Forrester Wave follows, go to http://www.forrester.com/marketing/policies/forrester-wave-methodology.html.

Integrity Policy

All of Forrester's research, including Forrester Wave evaluations, is conducted according to our Integrity Policy. For more information, go to http://www.forrester.com/marketing/policies/integrity-policy.html.

Endnotes

[1] For more information on the DMP market in 2013, see the "The Forrester Wave™: Data Management Platforms, Q3 2013" Forrester report.

[2] Source: Forrester Research Online Display Advertising Forecast, 2015 To 2020 (US).

[3] Forrester defines the always addressable customer as someone who owns and personally uses at least three connected devices, accesses the Internet multiple times per day, and goes online from multiple physical locations, at least one of which is "on the go." See the "The Always Addressable Customer" Forrester report.

Source: Forrester's North American Consumer Technographics® Online Benchmark Survey (Part 1), 2015.

[4] Source: "Gmail at 10: How Google dominated e-mail," CNN Money, April 1, 2014 (http://money.cnn.com/2014/04/01/technology/gmail/).

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