

DEMYSTIFYING DECISIONING & ORCHESTRATION

The Power Behind Customer Journeys



Acknowledgements and Methodology

This white paper is based on contributions from over fifty martech and adtech industry experts—including senior executives representing marketers, advertisers, publishers, decisioning and orchestration platforms, agencies and data providers—who offered their time and insights during a series of surveys, telephone and videoconference interviews between March and August 2020.

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Executive Summary

Interacting with consumers has become increasingly difficult—deciding on the right message to send to a customer, and effectively orchestrating the activation of that message has become more challenging than ever before. Why? Consumers are now interacting with brands in more places, using more (and different) devices and channels than any time in history. They expect brands to know the history of their interactions, and to quickly solve their needs at the moment of interaction. And, they will punish a brand that fails—either by publicly calling them out, or simply by taking their business elsewhere at a moment’s notice.

Delivering on the promise of effective communication (“right message, right time, right consumer”) is simultaneously more complex and more important than ever. And the research shows that marketers and advertisers are struggling with this—in a survey of practitioners conducted for this paper, only 14% of respondents indicated that they are very satisfied with the contribution and value that their decisioning solutions have brought to their organizations.

Winterberry Group defines decisioning as a practice comprised of the people, processes and technology(ies) that determine the who, what, where and how a brand communicates with its customers. It doesn’t stand alone—it is fueled by data and analytics—and acts as the brain of the marketer’s technology stack. Decisioning works in tandem with orchestration solutions to move analytics outputs and insights through the martech and adtech stack, informing activation in the application layer. This function enables marketers to leverage data and insights across disparate technology platforms and solve for real-time, cross-channel customer journey execution. If decisioning is the brain, then orchestration is the central nervous system within a marketer’s technology stack.

Throughout the research, Winterberry Group found that decisioning engines solve for both micro-decision (at the application layer) and macro-decisions (within a centralized decisioning hub), underscoring that there is no “one size fits all” solution. The vast array of use cases that decisioning and orchestration solve for—ranging from optimization of content, journey, media and operations—to the disparity in maturity of how firms apply decisioning and orchestration

further supports this notion. As such, Winterberry Group broadly segments the market into four levels of application: (1) Marketers employing mass marketing; (2) Those employing decisioning and orchestration on a channel-by-channel basis; (3) Those taking a multi-channel approach; and (4) Marketers with an omni-channel marketing approach.

As every organization is at a different point in its decisioning and orchestration journey—and has a unique set of considerations—a combination of process, people and technology will impact an organization’s ability to successfully

implement and evolve its decisioning and orchestration. As with most transformation initiatives, there will need to be alignment among the stakeholders and divisions that rely on and benefit from these solutions. The complexity of factors impacting each company’s approach to decisioning and orchestration ensures that each brand must define the solution that is unique to their circumstances. This research provides a framework to understand the challenges, identify the opportunities, and build a roadmap for decisioning and orchestration success.



THE OPPORTUNITY AND CHALLENGE OF EFFECTIVE DECISIONING

The concept of “decisioning” as it relates to marketing and advertising is not new. For years, marketers and advertisers have strived to deliver on the elusive “right message, to the right customer, at the right time” mandate, yet have struggled to successfully achieve this vision. In fact, technology vendors have long sought to sell marketers a promise of a truly personalized customer experience, evoking imagery of a time when shopkeepers knew their customers so well they could personally direct them to new products or make recommendations tailored to their individual needs.

However, not only has this promise been elusive, but delivering on the concept has become even more difficult. Changes in consumer behaviors and expectations, coupled with developments in both brand and enterprise technology, have raised the bar for determining the single best decision at any point in time to meet both corporate objectives and satisfy customer needs.

Consider the following: Consumers are interacting across more touchpoints and devices than ever before. They are more informed than ever about a company and its competitors, as well as the products, prices, offers and features available in the market. They understand that companies capture data about their online interactions and behaviors and, in most cases, permit this capture and usage if they see reciprocal value—in the form of more streamlined, effective customer interactions and relevant offers. Although they wouldn’t use these words, consumers today expect an omni-channel, cross-device and cross-application experience from the brands and companies with which they interact—and expect it to be both relevant and valuable from their perspective.

As a result, the level of complexity in decision-making and orchestration of messaging and response has multiplied exponentially. Brands today face a mandate to leverage all available information to determine and orchestrate the time, place and manner of each individual customer interaction in service of customer needs and business objectives. And, brands told us that they are struggling. Reflecting this struggle, 69% of survey respondents indicated that they work with at least one external partner—including systems integrators, marketing service providers and agencies—to support their decisioning efforts. After all, the right decision for the customer and brand must account for a myriad of data points, including customer

profile, communication channel, and environmental factors, and must determine the best content and format—all of which must be done in a manner compliant with consumer privacy and

consent standards. Critically, that decision must be made in nano-seconds.

It is this challenge that this research addresses.

Supporting Quotes

“ I would want to challenge [marketers] to see how they could transform things to impact the customer journey in the right place at right time to have the most impact as fast as possible ”

– Executive, Decisioning Technology

“ We are recognizing that as companies get data together, what they are really missing and looking for is a set of insights that enable them to make better decisions and activate different types of campaigns and programmatic experiences ”

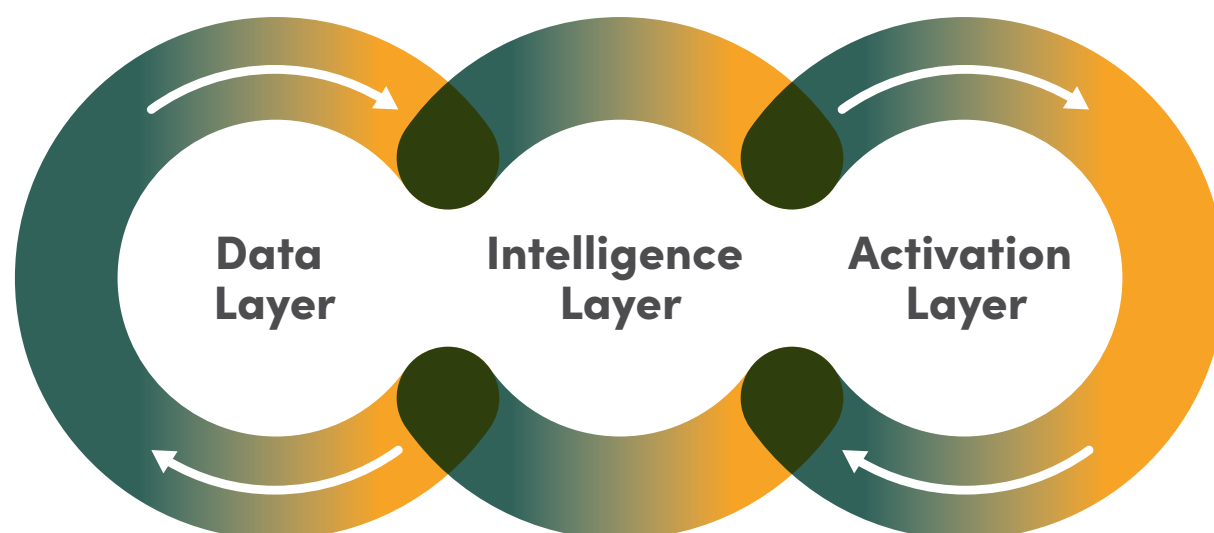
– CEO, Customer Data Platform

“ We want to help our customers succeed and provide them with the tools for every moment an operational decision needs to be made so they can automate and scale those solutions with analytics ”

– Executive, Decisioning Technology

THE ROLE OF DECISIONING IN THE MARKETING AND ADVERTISING ECOSYSTEM

Before diving deep into decisioning and orchestration, it is important to understand how the practice integrates with the rest of the martech and adtech stack that power customer journeys. Winterberry Group categorizes this ecosystem as composed of three interrelated layers that inform and optimize customer journeys—data, intelligence and activation.



Data Layer

In the data layer, customer and prospect data is ingested, consolidated and standardized with the end goal of using the data for analysis and activation. These data inputs generally come from a multitude of offline and digital sources—with different structures, nomenclatures and identifiers—and are often stored in different places within the organization.

DATA TYPES MAY INCLUDE:

- Customer data, such as name, address, gender, date of birth, contact details, etc. (typically housed in a data warehouse, data lake, CDP or MDM solution);
- Behavioral data, such as brand interactions with a website, applications, call centers and CRM systems;
- Transactional data, such as purchases, returns or discount sensitivity (collected from e-commerce and/or POS systems);
- Campaign data, such as promotional and response history, as well as engagement metrics (procured from channel engagement systems);
- Customer service data, such as frequency and length of interactions, live chats and resolution information (supplied by CRM systems); and
- Modeled data, such as RFM models, propensity scores and external data, including psychographic and socio-demographic

data (from third-parties), contextual data relating to the customer situation and provided data (collected from NPS and survey data).

Once the data has been standardized, companies turn to customer profile management—unifying profiles and focusing on identity resolution. This requires companies to:

- Create universal and persistent consumer profiles by resolving the identity of customers and visitors across different statuses (known and unknown);
- Assign persistent identifiers to the individuals; and
- Leverage a range of keying mechanisms (including multiple email addresses, changing social IDs and device IDs, among others) and linking approaches (leveraging both deterministic and probabilistic matching) to connect all information regarding a customer or prospect.

Once customer identities have been resolved, the customer data can be exposed across the martech and adtech ecosystems. From the data layer, customer data is made accessible to third-party systems (via connectors and APIs) to allow marketers access to the data, which they can leverage to perform analysis and/or inform customer engagements.

Intelligence Layer

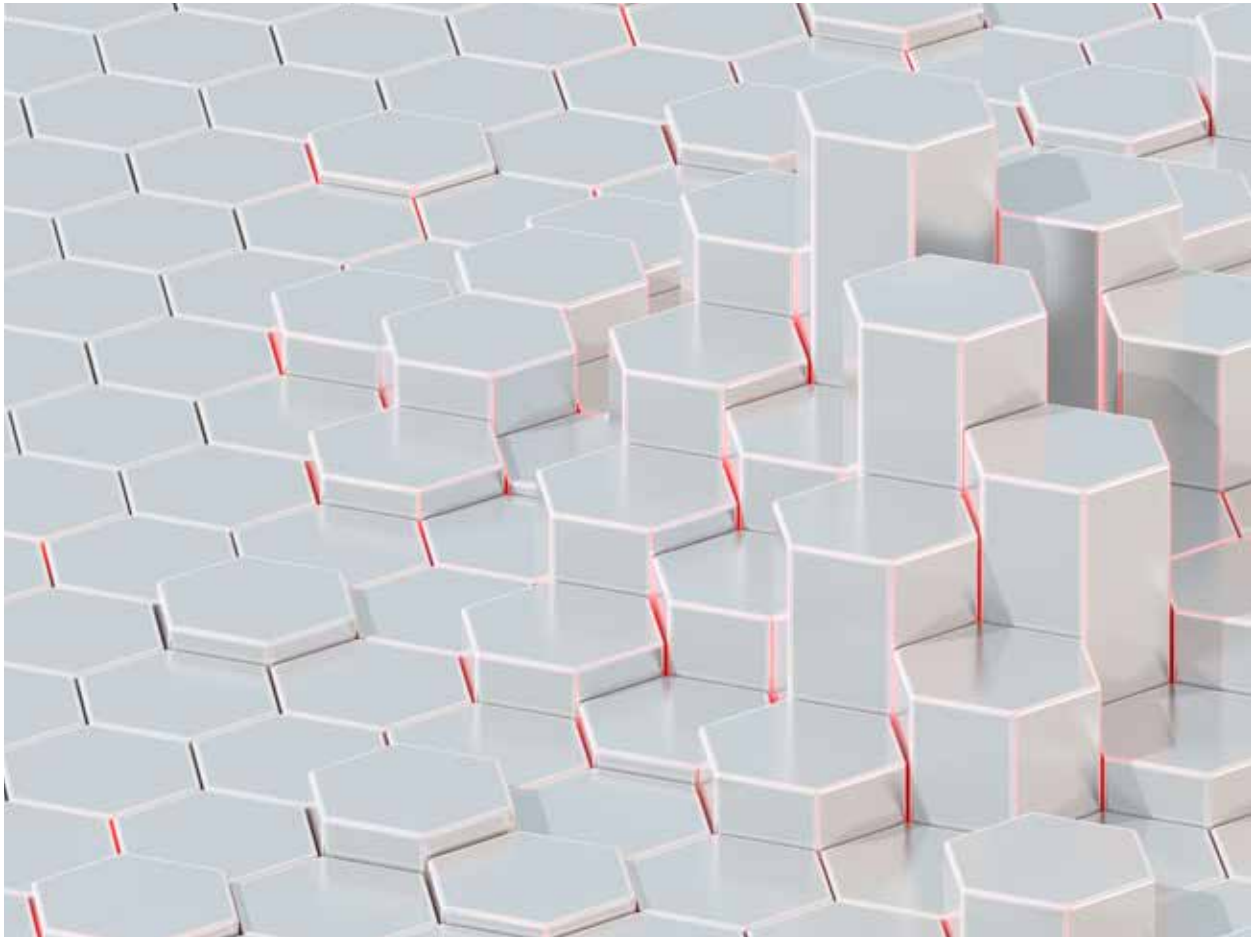
At the intelligence layer, marketers and advertisers leverage customer profiles to drive insights, gain audience intelligence and inform a range of marketing and advertising decisioning-related use cases. The intelligence layer consists of three key components: analytics, decisioning and orchestration.

- **ANALYTICS:** Manipulating customer data to understand how a consumer has behaved in the past and how they are expected to behave in the future based on inputs and analysis from historical interactions and observed behaviors. Customer and audience analytics can take the form of descriptive, predictive and prescriptive analytics.
- **DECISIONING:** Determining the next-best action based on the available customer insights and in light of defined business objectives. As we will discuss throughout this paper, decisioning may occur centrally to inform macro-decisions relating to a customer or segment, or it may occur locally at a specific customer touchpoint based on their behavior in the moment.
- **ORCHESTRATION:** Coordinating and optimizing how these decisions are activated through the appropriate channels and applications. Companies deploy orchestration in different ways: sometimes channel-by-channel; sometimes in clusters—such as all digital channels or all outbound channels; and, occasionally on an omni-channel basis providing orchestration across all channels and devices regardless of whether the customer or the company initiated the interaction.

Activation Layer

The activation layer includes the applications and platforms that marketers and advertisers use to communicate across outbound (such as email, display or Advanced TV) and inbound (such as website, app, or customer service) channels. Interactions with

customers are informed either by in-channel behavior or by decisions identified in the intelligence layer that are executed in the activation layer. This is described in more detail in the next section.



DEFINING DECISIONING AND ORCHESTRATION

Decisioning as a practice is comprised of the people, processes and technology(ies) that determine the who, what, where and how a brand communicates with its customers. Fueled by data and analytics—and informed by business objectives across marketing, advertising and customer service—decisioning is the brain of the marketer’s technology stack. Marketers leverage decisioning engines to automate the process of determining the next appropriate action in a customer journey (including next-best content, offer or channel), enabling them to optimize brand-customer interactions in real-time.

Decisioning is rarely discussed without mentioning its partner, orchestration, referring to the coordination and delivery of next-best actions determined by the decisioning engine. Orchestration moves analytics outputs and insights through the martech and adtech stack to inform activation in the application layer. This function enables marketers to leverage data and insights across disparate technology platforms and solve for real-time, cross-channel customer journey execution. If decisioning is the

brain, then orchestration is the central nervous system within a marketer’s technology stack.

Decisioning and orchestration go hand-in-hand—the decisioning hub determines the next-best step in the interaction between brand and customer, at any point on the customer journey, and orchestration activates that decision in the application layer. Decisioning engines solve for both micro-decisions at the application layer and macro-decisions

within a centralized decisioning hub, which means there is no “one size fits all” solution—and no effective decisioning solution without orchestration. While decisioning engines automate the process of determining the who, what, where and how of personalized customer communications, orchestration powers true omni-channel marketing in real-time—without it, channels would remain siloed and the customer experience would continue to be disjointed.



Supporting Quotes

“Orchestration is ‘making other channels do things’ –actually taking and creating the action by instructing the channels to do different things, or by providing the channels with the right decision. There is so much more to orchestration than making data available. We are actioning the change; orchestration comes to life when players are running the experience”

– CEO, Marketing Technology Platform

“We consider orchestration to be the execution component of how decisioning gets done”

– CEO, Customer Decisioning Platform

“Orchestration is how you operationalize decisioning: you have information about customers and need to operationalize this information for specific use cases. There’s data orchestration—making sure the right data gets to the right place at the right time—and then there’s customer orchestration—making sure the right material is in front of the right customer at the right time”

– CEO, Customer Data Platform

“Decisioning at macro level is ‘what next best action style should [the customer] receive’; it’s not necessarily what you are going to say...decisioning is a layer higher of macro logic of ‘what channel I should be talking in’”

– Executive, Agency

“We try to represent decisioning as ‘digital decisioning’: using all available customer data insights to try and inform what the right next-best-action offer experience is for the consumer in the moment”

– Executive, Decisioning Technology

“Decisioning is, ‘how do you enable end-users to make better decisions’ and then also a level of programmatic automated decisioning that is built into the system that looks like our orchestration capabilities. The first half is an insights component where you are enabling the end-user to have a set of insights that enables them to make decisions. The second half is the automated approach”

– CEO, Customer Data Platform

THE ROLE OF DECISIONING AND ORCHESTRATION IN THE CUSTOMER EXPERIENCE ECOSYSTEM

Winterberry Group identifies four primary categories of decisioning and orchestration use cases: content optimization, journey optimization, media optimization and operations optimization.

These categories further break down into eighteen specific use cases that are leveraged in different ways: sometimes by individual departments, such as marketing, advertising and customer service, and sometimes in a centralized manner, spanning departments and coordinated across channels. Our research shows a wide range of solutions that are used by organizations including segmentation (used by 92% of respondents), predictive modeling (73%), personalization (64%), omni-channel orchestration (64%), business rules

(58%), machine learning and AI (54%), and content optimization (42%). As it relates to how decisioning is applied, our research identified two primary modes that organizations leverage within their martech/adtech environments: centralized and peripheral.

CENTRALIZED DECISIONING: An informed, collective-based set of information, based on large customer data sets that enable an intelligent, customer/group-oriented decision to be made. These types of decisions typically occur within a

central decisioning function that can send triggers to, and activate the specific action required at, the application or channel level.

PERIPHERAL DECISIONING: Event-and/or rules-based decisioning that may occur at a specific point of interaction, based on real-time or environmental triggers. These decisions tend to be more granular and specific to the individual, based on their current environment/state.

Content Optimization

These use cases focus on creating and delivering content in a way that is optimized for the end user.

Use Case	
Personalization on Site	<ul style="list-style-type: none"> Decisioning and orchestration deliver the insights to create personalized customer experiences on owned websites Decisioning can occur either within the application (i.e., CMS) or via a centralized decisioning engine
Personalization in Email	<ul style="list-style-type: none"> Decisioning and orchestration deliver insights to personalize email communications, content and messages Components of decisioning will occur at both the application level (i.e., ESP) and within a centralized decisioning engine
Personalization in Mobile	<ul style="list-style-type: none"> Decisioning and orchestration deliver the insights to personalize communications with users across mobile devices and in-app Decisioning can occur either at the application level or via a centralized decisioning hub
Personalization in Programmatic	<ul style="list-style-type: none"> Decisioning and orchestration power the insights that target consumers and deliver personalized and appropriate messaging to them across digital devices and channels Decisioning can occur either at the application layer (i.e., DSP) or via a centralized decisioning engine
Personalization in Advanced TV	<ul style="list-style-type: none"> Decisioning and orchestration deliver the insights to personalize ads and communications across Advanced TV formats Decisioning can occur either at the application layer (i.e., DSP) or via a centralized decisioning engine

Use Case	
Omni-channel Personalization	<ul style="list-style-type: none"> ■ Decisioning and orchestration deliver the insights to personalize customer communications across all touchpoints in their journey for seamless, tailored engagement ■ Components of decisioning will occur at both the application level (depending on which channel(s) the communication is being sent across), as well as within a centralized decisioning engine
Personalization in Customer Service	<ul style="list-style-type: none"> ■ Personalizing the customer service experience by leveraging insights and outputs from decisioning recommendation engines to understand and respond to the customer needs ■ Decisioning can either occur at the application layer (i.e., contact center software) or via a centralized decisioning hub
Personalize Creative/Content in Paid Media	<ul style="list-style-type: none"> ■ Decisioning and orchestration deliver the insights to personalize content and inform the appropriate messaging across paid media channels ■ Decisioning can occur both at the application layer and/or via a centralized decisioning engine

Journey Optimization

Ranging from the simple to some of the most complex, these use cases involve identifying, acquiring, connecting and mapping all of the key touchpoints across a customer's journey to determine the appropriate content to send them based on where they are in their lifecycle.

Use Case	
Optimization of Prospect Journey	<ul style="list-style-type: none"> ■ Decisioning and orchestration provide insights to identify the next-best action to take as it relates to acquiring new customers ■ Decisioning can either occur at the application layer or via a centralized decisioning engine
Optimization of Customer Experience	<ul style="list-style-type: none"> ■ Decisioning and orchestration identify how and where to improve the customer journey to ensure a seamless, personalized experience ■ Decisioning occurs via a centralized decisioning engine
Optimization of Abandoned Journeys	<ul style="list-style-type: none"> ■ Decisioning and orchestration identify where breaks in the customer journey happen and how to leverage different touchpoints across the customer journey to minimize losses and reduce abandoned journeys ■ Decisioning occurs via a centralized decisioning engine
Orchestration of Customer Experience	<ul style="list-style-type: none"> ■ Decisioning and orchestration help identify past customer interactions to determine the best course of future communication to ensure a seamless and personalized customer experience ■ Decisioning can occur either at the application level or via a centralized decisioning engine

Media Optimization

Decisioning and orchestration are key to identifying and prioritizing the best channel and 'spot' to send messages and communications to audiences and segments.

Use Case	
DSP Buy Optimization	<ul style="list-style-type: none"> ■ Decisioning and orchestration identify KPIs to optimize the performance of programmatic media campaigns and provide cost-effective ad placements ■ Decisioning occurs at the application layer (i.e., DSP)
Advanced TV Optimization	<ul style="list-style-type: none"> ■ Decisioning and orchestration optimize the performance and placement of Advanced TV ads ■ Decisioning occurs at the application layer (i.e., DSP)
Across Format Optimization	<ul style="list-style-type: none"> ■ Decisioning and orchestration optimize the performance of media placements across a customer journey to improve the customer experience, as well as create efficiencies in the ad buying and placement process ■ Decisioning occurs via a centralized decisioning engine

Operations Optimization

These use cases focus on improving the efficiency of internal operations to enhance customer experience and service.

Use Case	
Dynamic Pricing	<ul style="list-style-type: none"> ■ Decisioning and orchestration determine and develop a flexible pricing strategy that changes based on where the consumer is in their lifecycle/customer journey, as well as overall market demands ■ Decisioning occurs via a centralized decisioning engine
Digital Customer Servicing	<ul style="list-style-type: none"> ■ Decisioning and orchestration help power customer support across digital channels (e.g., email, text, social media, in-app, web, etc.) based on where the customer is in their journey and what their needs are ■ Decisioning occurs via a centralized decisioning engine
Agent Assistance	<ul style="list-style-type: none"> ■ Decisioning helps automate the process of customer communication (via chatbots and other applications) ■ Decisioning occurs at the application layer (i.e., chatbot)

THE EVOLUTION OF DECISIONING AND ORCHESTRATION IN ORGANIZATIONS

Implementing decisioning and orchestration successfully within an organization is an incredibly complex process. As such, we found a wide disparity with respect to the prevalence, sophistication and application of decisioning and orchestration in different organizations.

When we asked survey respondents what they hope to accomplish over the next two years through their decisioning solutions, a clear majority pointed to a desire to improve customer acquisition and conversion rates (selected by 86% of respondents), followed by a similar desire to improve campaign performance (66%). The survey highlighted a tiering of responses, with the next cluster focused on customer journeys and experiences, including the desire to execute omni-channel campaigns (61%), improve [their] understanding of the customer journey (58%) and increase customer loyalty/retention (51%). The final cluster focused on a desire to improve personalization of content, messages and/

or offers on paid media (49%), owned media (42%), and earned media (36%), as well as a desire to improve cross-sell/up-sell efforts, followed by a desire to improve customer service (24%).

It is worth noting that some firms forgo decisioning and orchestration altogether. For example, brand advertisers that do not seek a direct relationship with their end consumer usually employ mass advertising to communicate with consumers—and see little need to coordinate messaging across channels. Other marketers that employ a “spray and pray” approach to targeting customers, with little concern for the end user experience or satisfaction level, also

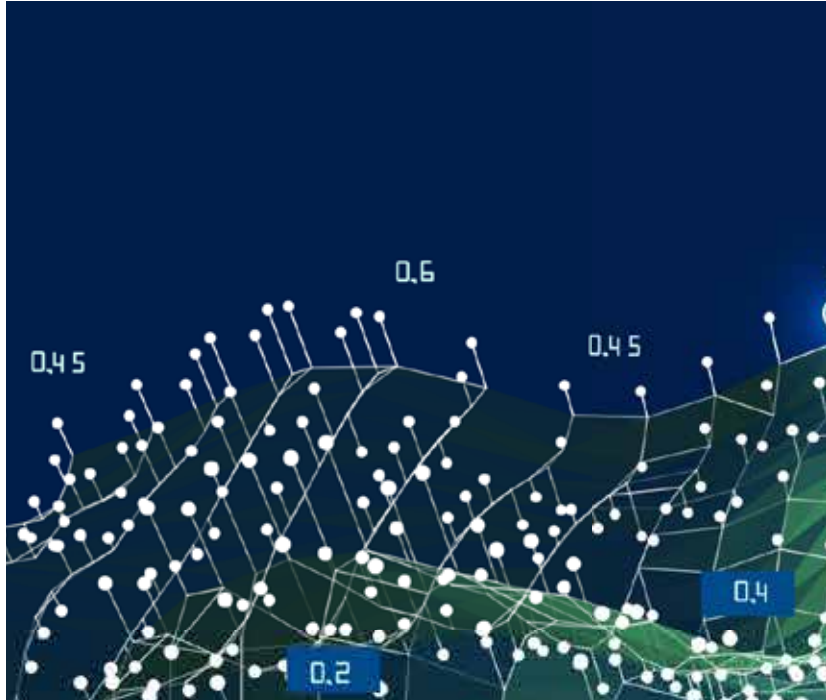
fall in this category. However, this group of marketers usually leverages basic and disparate tools (typically free or inexpensive solutions, with limited connectivity and communication between them) that address their specific needs. Given the lack of communication between systems—and the teams within the organization—efforts are typically duplicated, and the same consumers may be bombarded by a multitude of messages across disparate systems and channels. For the purposes of this research, we focus on the companies that have invested, or seek to invest, in some form of decisioning and orchestration.



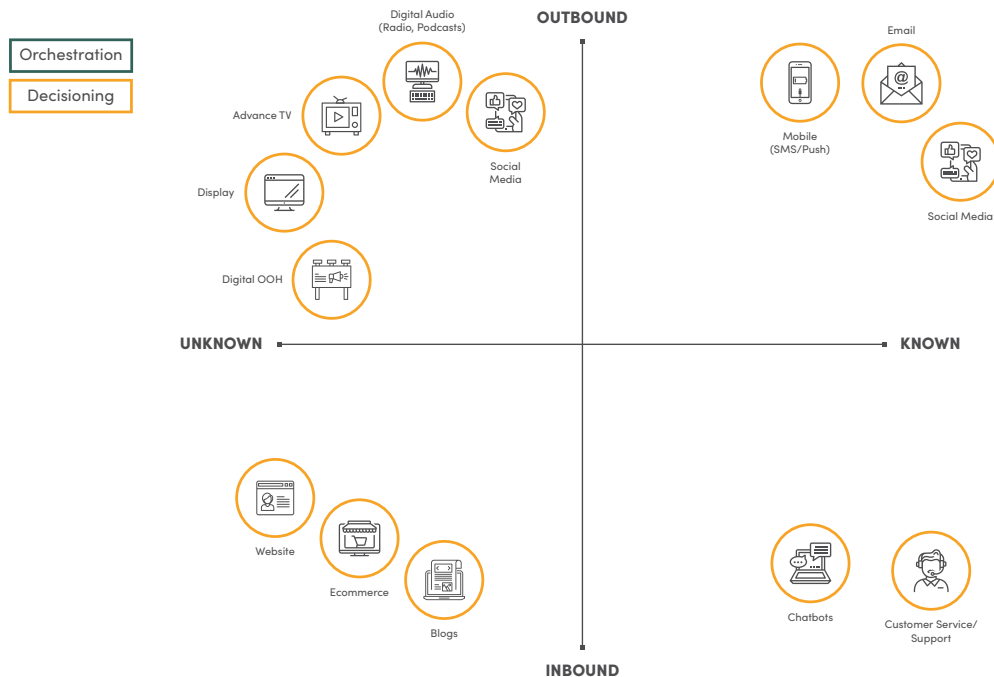
Level One: Channel-Based Decisioning

As marketing and advertising teams embrace decisioning and orchestration, their initial steps usually begin at an individual channel level. The company's data tends to reside in systems and tools that manage interactions in each channel, with no data sharing or orchestration occurring between the various applications.

At this level, decisioning is primarily owned by the marketing or advertising team, reflecting the fact that decisions are restricted to a specific channel or execution area. As firms begin to embrace decisioning, they typically adopt a relatively simplistic rules-based approach, and the sophistication of their efforts varies by channel. We mostly find that these marketers and advertisers target broad segments of consumers with communication that is based on past response behavior or anonymous in-session behavior.



Level One Diagram: Channel-Based Decisioning



Level Two: Multi-Channel Decisioning

As organizations mature in their application of decisioning, they typically migrate the decision point further upstream, orchestrating messaging across a broader range of applications. While this still results in decisioning siloes, we see improved customer experiences as firms begin to share data across activation channels and orchestrate messaging from more centralized repositories of insights. In this approach, channels share data and decisions are shared and/or accessed across different channels, applications and systems.

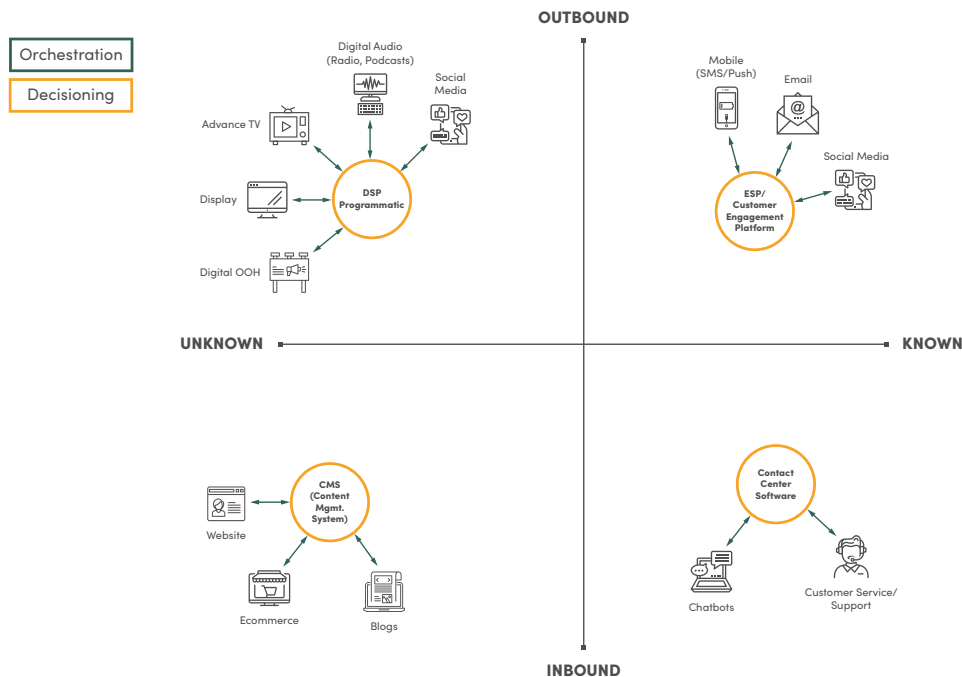
At this stage, decisioning is primarily rules-based and remains largely channel-oriented. Within these firms, decisioning still primarily fuels marketing use cases, though with the evolution and introduction of new technologies—such as programmatic media buying and Advanced TV—decisioning use cases and organizational ownership have expanded into advertising. Multi-channel marketers

are much more concerned with the overall customer experience, underscored by their efforts to orchestrate decisioning efforts across additional channels to enhance the customer journey.

The increased complexity at this level requires a coordinated effort between internal and external resources. When data is ingested from different applications, the marketing and/or advertising and IT departments need to coordinate their efforts to ensure data is effectively integrated. We see greater emphasis on process management, reflected in collaborative goal identification/setting, process mapping, and development of decisioning hierarchies to enable cross-channel/device/brand/messaging orchestration. Additionally, marketing and advertising departments typically need IT support to integrate their applications and channels with the decisioning solution to enable cross-channel decisioning and orchestration.



Level Two Diagram: Multi-Channel Decisioning



Level Three: Omni-Channel Decisioning

At the most sophisticated level, we find centralized decisioning functions that seek to inform communication and messaging to enhance the customer experience across all touchpoints at any given moment. These firms focus on delivering tailored, individualized communications to the end user, leveraging a mix of consumer insights, in-moment behaviors and environmental factors.

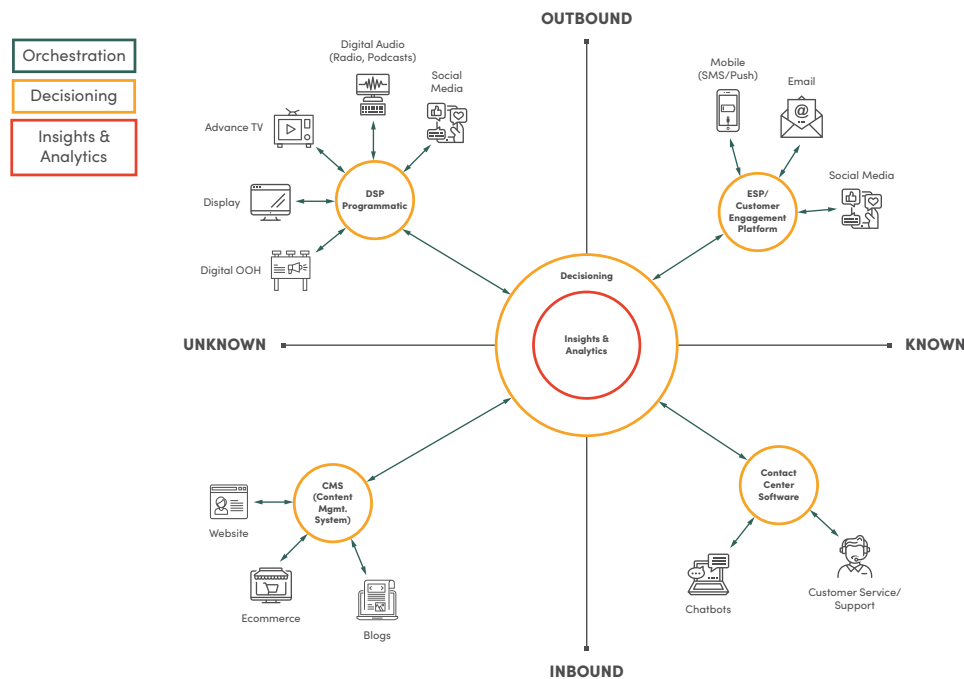
To achieve this, a centralized data management function, which incorporates historical and real-time data garnered from all or most channels/applications, informs the decisioning engine. That engine sends a trigger (the “decision”) to the various applications and channels it supports. The flow of data is continuous between the channels, the applications and the centralized decisioning layer, enabling a holistic view of an organization’s interactions with each customer, and

ensuring the next interaction is aligned with that individual’s point along the customer journey. Due to the volume and speed of data flow, sophisticated decisioning tends to rely on machine learning rather than a rules-based approach. Companies typically leverage a blend of automation (i.e., machine learning, prescriptive analytics, etc.) and human intelligence (i.e., training and oversight).

Structurally, decisioning tends to span all customer-facing departments and is leveraged to solve for use cases across multiple departments, including marketing, advertising and servicing. Other departments spanning marketing/advertising, IT, service, privacy—as well as risk, compliance and industry-specific teams, such as merchandising and yield management—also inform the process and benefit from centralized decisioning.



Level Three Diagram: Omni-Channel Decisioning



Decisioning and Orchestration Maturity

	Level 0: Mass Communication	Level 1: Channel-Based Decisioning	Level 2: Multi-Channel Decisioning	Level 3: Omni-Channel Decisioning
Approach	<ul style="list-style-type: none"> ■ Mass brand communications 	<ul style="list-style-type: none"> ■ Channel-by-channel approach ■ No coordination ■ No holistic perspective of the customer 	<ul style="list-style-type: none"> ■ Orchestrating communications across (at least two) channels for improved experience 	<ul style="list-style-type: none"> ■ Combination of centralized macro decision-making that impacts audience, content, and touchpoints ■ Localized (application) decision-making, impacted by real-time factors
The “Who”	<ul style="list-style-type: none"> ■ Limited differentiation of audience 	<ul style="list-style-type: none"> ■ Broad segments, based on past behaviors and/or anonymous in-session behaviors 	<ul style="list-style-type: none"> ■ More refined and up-to-date segments with some level of cross-channel identification 	<ul style="list-style-type: none"> ■ Individualized communication across all/most channels, leveraging insights, behavior, and environment
Data	<ul style="list-style-type: none"> ■ Little-to-no data leveraged other than customer lists 	<ul style="list-style-type: none"> ■ Data is stored in channel-specific repositories 	<ul style="list-style-type: none"> ■ Data shared and/or accessed between limited channels/systems 	<ul style="list-style-type: none"> ■ Centralized data management incorporating historical and real-time data
Analytics	<ul style="list-style-type: none"> ■ Basic reporting 	<ul style="list-style-type: none"> ■ Rules-based analytics 	<ul style="list-style-type: none"> ■ Rules-based analytics and predictive modeling with greater complexity 	<ul style="list-style-type: none"> ■ Machine Learning, as well as predictive/prescriptive modeling with human oversight
Technology Requirements	<ul style="list-style-type: none"> ■ Disparate systems ■ Outbound marketing solutions, by channel 	<ul style="list-style-type: none"> ■ Storing and leveraging of channel-specific data to enable basic segmentation of audience 	<ul style="list-style-type: none"> ■ Expansion of solution to a platform that will communicate in multiple channels (e.g. using the same solution to extend beyond email into mobile or web personalization) 	<ul style="list-style-type: none"> ■ Integrated solution with centralized data, intelligence (rules and machine learning) and decisioning/orchestration ■ Real-time behavior and environmental insights inform channel-level interactions and local decisioning
Resources (Internal and External)	<ul style="list-style-type: none"> ■ Internal resources and/or agencies 	<ul style="list-style-type: none"> ■ Often internal ■ Channels with heavy usage can be outsourced to an agency (e.g. display, search or email) 	<ul style="list-style-type: none"> ■ Includes both internal and external—as data integration begins to occur, the marketing and IT departments must work together ■ Often leverage external partners for data and channel execution 	<ul style="list-style-type: none"> ■ Aligned senior stakeholder approach is critical ■ Combination of marketing, IT, service and privacy (as well as risk/compliance and industry-specific teams, such as merchandising and yield management) ■ Requires external resources to support.
Process	<ul style="list-style-type: none"> ■ Mass approach to audience, with little concern for “experience” ■ Consent and privacy focus is on minimal compliance requirements 	<ul style="list-style-type: none"> ■ Marketing team selects the technology and manages the process from start to finish ■ Typically employ basic solutions due to limited experience or budget 	<ul style="list-style-type: none"> ■ Requires collaboration, goal identification/setting, and process mapping ■ Marketers begin to plan hierarchies of decisions, enabling cross-channel/ device/ message orchestration 	<ul style="list-style-type: none"> ■ Aligned approach across stakeholders, enabling channel, real-time decisions informed by and coordinated with the centralized intelligence and decisioning solution ■ Requires a blend of machine and human interaction, as well as management oversight

Supporting Quotes

“ There are a lot of folks in marketing that are trying to go on a journey approach for marketing communications, but still not in line with the service communications. You get a complaint issue and are still hitting them with marketing messages. Building journey's that handle these issues are important in managing the whole journey so you send the optimal messages out ”

– CEO, Decisioning Platform

“ We view decisioning as a platform for all types of use cases that might involve intelligent automation, back office processing, core CRM area (sales automation, customer service). In the marketing area (one-to-one customer engagement), driving value and top-line revenue, engaging with customers in the buying process we are making real time decisions in the moment ”

– Executive, Decisioning Technology



**WHAT DRIVES
COMPLEXITY IN
DECISIONING AND
ORCHESTRATION?**

Decisioning and orchestration are complicated by a myriad of factors, including the structure of an organization, how it manages data, and how it interacts with—and sells to—its customers.

Decisioning and orchestration complexity can be impacted by:	
Company Size	<ul style="list-style-type: none"> ■ Larger organizations are typically more siloed and have more stakeholders involved, often with competing objectives ■ Organizations with multiple business units must balance resource and objective disparities, and those that span geographies face different restrictions and regulations
Customer Touchpoints	<ul style="list-style-type: none"> ■ The more communication touchpoints a company leverages to interact with its customers, the greater the challenge to integrate and activate decisioning and orchestration ■ Personalizing communication at scale heightens the need for real-time decisioning
Customer Data	<ul style="list-style-type: none"> ■ High data volumes and a larger array of channels complicate an organization's ability to ingest, integrate, analyze and access data, impacting the ability to successfully implement decisioning and orchestration
Sales Channels	<ul style="list-style-type: none"> ■ Direct sales models typically represent a less complex implementation of decisioning and orchestration solutions, whereas indirect sales channels complicate the decisioning/orchestration process as they require a greater deal of collaboration and consent for data capture and activation ■ Online sales channels demand real-time integration, data management and decisioning to deliver seamless customer experiences

Beyond these factors, the industry or sector in which a company competes can add complexity to decisioning and orchestration programs. For example, highly regulated industries—such as healthcare, financial services or insurance—often require a strict chain of custody for data, as well as strict adherence to content and offer regulations. Policy and regulations

may also impact a firm's ability to ingest, store and leverage data. For example, the Fair Credit Reporting Act prohibits banks and financial services firms from commingling prospect and customer data, while healthcare companies have to adhere to HIPPA (Health Insurance Portability and Accountability Act) protocols. In Europe, under GDPR,

care needs to be taken to ensure that personal data is only used in line with the specific purposes that were given when it was collected. Additionally, in certain circumstances, profiling may require specific consent, especially around decision making for some financial products.

Supporting Quotes

“ The mid-market needs [decisioning] much more packaged up than it is possible at the moment, in terms of doing real cross-channel journeys, but the enterprises are all over it ”

– CEO, Decisioning Platform

“ It is very much not just about technology and journey orchestration; organizations need to have their departments aligned. We have large customer success teams for each client that work with them on developing a hypothesis and illustrate how they are going to get operation value from our platform. The team helps drive the projects internally and make sure the client has goals that they are working towards ”

– Executive, Decisioning Technology

“ Over the next 2-3 years the enterprise will move more slowly to adopt it. I think the mid-market or digital natives will adopt machine learning-based decisioning faster because they do not have all this internal conflict. Larger companies struggle, smaller companies have an easier time to change their operating model ”

– CEO, Customer Data Platform

“ From a maturity standpoint, the enterprise level likes to say they have it figured out, but they don't. The enterprise level has many more barriers to entry...big ships are tough to turn; but once they do turn, the ROI is incredible...the mid-market can make decisions more quickly ”

– Executive, Customer Data Platform



REQUIREMENTS FOR USE

While every organization has a unique set of considerations as it relates to decisioning and orchestration, as with most transformation initiatives, a combination of process, people, and technology affect an organization's ability to successfully implement and evolve its decisioning and orchestration. Firms will need a planned and coordinated approach to each element to effectively elevate their approach and enhance the resulting impact on the customer journey and experience.

Process

Ask any marketer or advertiser about decisioning or orchestration and the conversation will quickly turn into a discussion about tools and platforms. In our experience, however, the critical first step to effectively impact the customer experience is to start with a focus on process. It is impossible to scale through the sophistication levels we discussed in the previous section without a planned approach, involving all of the relevant stakeholders. Specifically, three areas need to be addressed:

Alignment of objectives. The old adage of “if you don’t know where you want to go, it doesn’t matter which path you take” becomes an expensive warning in the world of decisioning and orchestration. We have seen too many firms purchase and implement an array of solutions that aren’t just disparate, but actually compete with one another for the customer’s attention

—and destroy goodwill and loyalty more quickly than they can acquire new customers. By gathering stakeholders from the right departments, firms can align on what they are trying to achieve, what they want customers to experience and what tradeoffs they are willing to make to maximize the value to the customer and the overall business.

Change management. Implementing decisioning and orchestration requires a new and organization-wide approach. We frequently see firms invest millions of dollars in a decisioning solution but fail to budget for the change management that will be required for it to be successful. As companies evolve, and place customers at the core of their decisioning strategy, almost everything has to change—strategic planning, financial and budget allocations, merchandising, customer support approaches, you name it,

it probably has to change. And, without a concerted effort driven by experienced change management experts, it is highly unlikely that those investments in technology will be a success.

Clear delineation of roles and responsibilities. As new approaches are defined, it is critical to agree on who owns which components of the program. Successful organizations often leverage tools such as RASCI matrices, which define which department or individual is ‘Responsible, Accountable, Supporting, Consulted, or Informed’ about each detail of the new approach. Defining these responsibilities upfront ensures alignment throughout the process and greatly enhances the chances of evolving and scaling the ultimate solution.

People

As organizations elevate their approach to decisioning and expand their orchestration requirements, the number of stakeholders increases, the skills and resources required become both more specialized and more complex and the need for external support usually grows.

Cross-functional teams are required to ensure all voices are represented and all groups are aligned. In addition to customer-facing departments such as marketing, advertising and customer service, firms need to include their IT departments, analytics teams, as well as risk, legal, privacy and any other departments that make customer-oriented decisions. In fact, our research points to the extent to which multiple departments were listed as primary users of their organization’s decisioning solutions,

including marketing analytics (selected by 73% of respondents), marketing strategy (66%), CRM/database management (51%), senior marketing management (44%), technology/IT departments (31%), product management (25%), data governance teams (22%), and operations teams (14%). In addition to the issue of alignment addressed in the process section, it is critical for these departments to learn to speak each other’s languages and recognize each other department’s objectives—from acquiring or satisfying customers, to offsetting risk or exposure to the company. Creating cross-functional teams, helps generate a better understanding of each group’s role—and makes the alignment addressed above more feasible.

Scarcity of resources and expertise forces many organizations to look outside their

own company for additional support. In our survey, 70% of respondents reported they rely on external service support: 41% rely exclusively on a service-based approach and a further 29% leverage a blended service- and platform-based approach. Systems integrators, marketing service providers and agencies often step in to support IT implementations, data management, advanced analytics, process development and campaign management, either on a project-by-project or ongoing basis. Leveraging external expertise allows companies to focus on their core business or to get out of the weeds and focus on more strategic aspects of a program.

Technology

There is a reason why conversations start with a focus on technology—without it, decisioning and orchestration simply isn't possible. However, we do not think the focus should be on the features, functions, bells or whistles. Rather, organizations need to align their technology roadmap to their desired use cases, talent and resource availability, as well as ensure their tech is aligned across their data, intelligence, and application layers of the ecosystem. Reflecting the role of the intelligence layer leveraging data from the data layer, and coordinating messaging at the application layer, in our survey of decision makers, we found 81% of respondents indicated that integration with other technology plat-

forms as one of the most important factors in selecting their decisioning solution, followed by the ability to ingest and distribute data (selected by 59% of respondents). Other major factors include ease of use (42%), cost (41%), the ability to extend beyond marketing use cases (to servicing, operations, and/or business analytics) (36%), speed of implementation (31%), and the ability to audit the decision-making process (24%).

Aligning to use cases enables marketers to determine the right level of decisioning and orchestration for their organization. For example, an organization seeking to augment their existing display

advertising with the addition of Advanced TV ads might turn to their existing DSP to understand their cross-channel decisioning and orchestration capabilities—and orchestrate these across the application layer. On the other hand, a firm wishing to fully optimize the customer journey and experience will require centralized data and profile management, linked to a centralized decisioning and orchestration hub that provides insights to identify the next-best actions and that enables localized decisioning at the point of interaction as customer behavior or environmental factors emerge.

Supporting Quotes

“ It is very much not just about technology with journey orchestration – you need to have your departments aligned ”

– Executive, Decisioning Technology

“ [Our most successful clients] seem to have somebody that comes from an analytical background, but also understands and can talk business. They can champion it, understand it, articulate it, and drive it forward. When you do not have that in leadership, companies tend to struggle. ”

– Executive, Marketing Service Provider

“ I think its analytics culture and the ability to break down organizational silos. The companies that succeed in this can overcome the organizational alignment and silo baggage mentality and those that can develop an analytic maturity to compete on analytics ”

– Executive, Decisioning Technology

“ Our customers doing this most successfully are not CMOs – they're Chief Analytic Officers. They can do decisioning not only around marketing offers, but also service actions. It is not always a marketing and sales conversation ”

– Executive, Decisioning Technology

PRICING MODELS

Interviews with a wide selection of enterprise and mid-market companies revealed three primary pricing models for decisioning and orchestration solutions:

FLAT-FEE MODEL (LICENSE):

A flat rate based on the number of decisions, typically with a tiered structure to account for different organization sizes and the amount of real-time decisions that need to occur.

OUTCOME-BASED PRICING:

This pricing schema charges based upon predetermined metrics, such as leads acquired, sales increases and site-visits, among others.

SUBSCRIPTION-BASED PRICING
(Hybrid of Outcomes and Flat-Fees):

This pricing model will typically charge a flat rate (based on the number of decisions expected to occur) and will charge additional fees based on criteria such as customer base, integration fees and ancillary services.

Supporting Quotes

“

[Our pricing models] have three parts: there is an integration component where we charge for pulling all the data together. Our platform charges by the number of customers and, because we are delivering [decisioning] as a managed service, we charge consulting services for execution.

”

– Executive, Decisioning Technology

“

Our pricing models are changing rapidly. In the new environment that we are in, customers will pay for optimization to use their money more effectively. For our decisioning solution, we charged on a CPM basis; pricing is based on the number of decisions...We want to get to a place where everyone buys decisioning and pays per decision but we're not there yet. Until that time comes, customers first pay for insights, then for data, and then for decisioning.

”

– CEO, Customer Data Platform

“

We toyed with the idea of pricing decisioning by interactions, but it never mapped well with the client—they couldn't wrap their head around what counted as 'an interaction'. Instead, we look at customer and prospect records and channels. We can map decisions per second and find this works best because clients understand—they are familiar with CPM—and it allows us to easily show our math.

”

– Executive, Decisioning Technology

“

Our pricing is based on interactions and the volume of orchestrations performed—our biggest clients are doing billions [of interactions] per month. We have done some value-based pricing, but clients didn't really like that format. Because our pricing is interactions based, it becomes an open-ended checkbook. We see what patterns occur over a 3-month period and discuss any changes needed for the next renewal

”

– Executive, Decisioning Technology

PRIVACY AND TRANSPARENCY

Consumers are growing increasingly aware—and anxious—regarding their personal data privacy. Their concerns have been amplified by high-profile data breaches, backlash against online activities being monitored and/or tracked, and the growing fear of being manipulated by filter bubbles and echo chambers. In response to these concerns, forward-looking companies are not only thinking about how privacy and transparency fit into their organizations, but are also beginning to incorporate consent management as a key driver of customer trust and relationships—not just a legal requirement. And, as public scrutiny of company’s privacy regulations continues to grow, savvy organizations are zeroing in on their optimization strategy around consent.

The heightened levels of consumer scrutiny being placed on privacy, consent and the permissible use of consumer data is transforming how brands audit their decisioning engines. Our conversations unearthed the importance and need for a ‘human component’ to offset the risk involved with relying solely on machine learning algorithms and automated triggers. Marketers are paying particularly close attention to unintended bias within their decisioning platforms, including redlining consumer groups by race, gender, and/or income level. As decisioning becomes more commonly utilized across highly regulated verticals, such as retail banking, healthcare, and financial services, maintaining close human oversight of automated decisions will be critical to protecting against any machine-derived biases in the algorithms.

To combat the automated nature of decisioning trails, firms are eschewing black box systems in favor of access to electronic records that chronologically catalog events or procedures to provide support documentation and history. Audit trails allow organizations to track and review each decision that is made and determine where—if any—changes need to be made. Additionally, many vendors are adding auditing features to their platforms to meet marketer objectives as they relate to consent management and privacy adherence. Outside of decisioning-specific tools, marketers and publishers manage consent across different legislative frameworks and requirements using a combination of solutions: console dashboards, consent collection banners, and mobile software development kits (SDKs).

However, some fear that restricting access to personal information and limiting the scope of machine learning capabilities may do more harm than good. As one executive

we interviewed pointed out, “the more governance and protection put around PII [Personal Identifiable Information], the less likely [an organization] will get identity resolution right.” Marketers will

need to strike the right balance between protecting customer data, while allowing decisioning tools to access enough information to ensure the customer experience meets the customer expectation.

Supporting Quotes

“

We have customers where their interest is driven by that need to comply and to prove that they are complying: tracking why you make decisions and why they fit customer preferences and privacy regulations...for finance firms, this is vital. They like our approach of layering business rules around any analytic approach to make sure the compliance rules do not get broken.

”

– CEO, Decisioning Platform

“

I think good decisioning and good CDPs should have a level of governance. I think a lot of people are out of compliance when they use these home-grown systems.

”

– Executive, Marketing Technology Solution

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ABOUT WINTERBERRY

About Winterberry Group

A specialized management consultancy that offers more than two decades of experience and deep expertise in the intersecting disciplines of advertising, marketing, data, technology and commerce.

Winterberry Group helps brands, publishers, marketing service providers, technology developers and information companies—plus the financial investors who support these organizations—understand emerging opportunities, create actionable strategies and grow their value and global impact.

Winterberry Group Services

Growth Strategy

Help clients assess core competencies, understand the impact of market dynamics and build actionable, comprehensive strategies that consider a range of “buy, build and partner” opportunities

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Guide brands and marketing practices through business process planning efforts aimed at helping them achieve lasting competitive advantage—by transforming how they leverage data, technology and digital media

Mergers & Acquisitions

Support investors and operators in their efforts to leverage M&A as a tool for building lasting shareholder value—helping both buyers and sellers better understand addressable market opportunities and dynamics

Market Intelligence

Leverage our independent research platform to help clients and partners achieve clear thought leadership concerning issues of importance to the marketing community

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