



# The Computerworld Honors Program

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## Final Copy of Case Study

**Status:**

Laureate

**Year:**

2013

**Organization Name:**

DataXu

**Organization URL:**

[www.dataxu.com](http://www.dataxu.com)

**Project Name:**

Data Science and the Art of Marketing.

**Please select the category in which you are submitting your entry:**

Innovation

**Please provide an overview of the nominated project. Describe the problem it was intended to solve, the technology or approach used, how it was innovative and any technical or other challenges that had to be overcome for successful implementation and adoption. (In 300 words or less.)**

Today, the pervasiveness of digital channels and the volume of real time consumer behavioral data they generate is fundamentally disrupting business and shifting influence to the CMO - increasing the pressure placed upon them to improve the effectiveness of their investments and drive more revenue growth. It is forcing organizations to restructure and implement new technology solutions that can easily exploit the data to acquire, retain and satisfy customers the number one mandate of the C-Suite around the globe. To help bridge the gap between the analysis and use of consumer data, DataXu provides a real-time, multivariate decision technology platform that automates the marketing lifecycle to help marketers make smarter, faster and more effective decisions. DataXu is the only enterprise digital marketing management provider with a real-time, multivariate decision system that does not rely on "cookies" to make bidding decisions. DataXu's Active Analytics, its patented machine-learning ability to sense and course correct, in flight, based on changing consumer behavior across all touch points, considers

creative, context and other variables dynamically. It examines the dynamic combination of messages, people, and places to determine what works best. The system gets smarter with every interaction, making better and faster decisions to improve ROI. DataXu's technology brings the power of data science to the art of marketing. DataXu created the industry's only real-time multivariate decision system in support of our product vision to make marketing in a digital world easy, efficient and effective. And we've stuck to our core values amid the dubious claims, shady practices and hype of the ad tech industry: to work with integrity, transparency, respect, and to continuously learn with our customers as the business of marketing transforms at unprecedented speed. DataXu's customers include, Ford, General Mills and American Express.

**When was this project implemented or last updated? (Please specify month and year.) Has it incorporated new technologies and/or other innovations since its initial deployment? (In 300 words or less.)**

DataXu has had a very successful 2012, including great success with our customers General Mills, Ford and Lexus. For Ford, we are the only DSP or ad network that can optimize media investment in real-time based on consumer sentiment changes (brand sentiment shift optimization), and we are the only one that can give them creative optimization for guaranteed media. For Lexus, we became the company's platform of record with a \$6 million commitment. In January 2012, DataXu acquired the leading European DSP, Mexad, creating the first and only truly global Demand-Side Platform. With offices in Germany, France, Spain, the United Kingdom, Italy, Poland, and Brazil, Mexad leads in European and Latin American market share, providing local service and superior results for customers across more than 60 countries. The addition of Mexad came at an important time for brands looking to run global programs, leveraging the effectiveness and efficiency of an enterprise-class platform. Also, in September 2012, DataXu announced that it has run an array of customer campaigns on Facebook® Exchange. As one of the earliest Preferred Marketing Developers (PMD) to receive access to Facebook Exchange, DataXu is able to build customer campaigns on Facebook Exchange, offering advertising customers the efficiency of real-time bidding and analysis on its powerful marketing platform.

**Is implementation of the project complete? If no, please describe the project's phases and which phase the project is now in. (In 300 words or less.)**

DataXu has built a reputation as one of the smartest demand-side platforms, or DSPs, in the field and the only one that offers an integrated stack that combines media, data and attribution management. We are a company built on math and science, founded by true rocket scientists. Our founders used technology they developed as students at MIT to aid NASA missions to Mars and created a state-of-the-art decision-making system that resolves petabytes of data into actionable intelligence. DataXu is literally an algorithm-making machine that builds a unique data model based on the information it is asked to measure. We've all been hearing so much about big data but what is big data without a way to convert it to something truly useful. DataXu takes consumer behavioral data and converts it from insight to action quickly and efficiently so marketers can use the data to

improve the effectiveness of their investments and drive more revenue growth. DataXu is disrupting the way marketing is viewed within organizations by turning the marketing department from a creative-based cost center to a data-driven profit center. DataXu continues to innovate every day. The next version of our real-time multivariate decision system will be release in April 2013.

**Please provide at least one example of how the technology project has benefited a specific individual or organization. Feel free to include personal quotes from individuals who have directly benefited from the work. (In 300 words or less.)**

Programmatic approach to premium media drives 20% lift in outcomes. Challenge: Like many large advertisers, Ford Motor Company allocates a substantial share of its digital budget to guaranteed buys on premium and endemic sites which offer audience profiles within their targets and guaranteed a high-quality, relevant context. Inspired by the benefits of exchange-traded media, Ford asked DataXu to apply their programmatic approach to these direct buys. The question: What is the incremental benefit, if any, of using data to match the right offer to the right consumer at the impression level? Solution: DataXu for Guaranteed Media optimizes performance by determining the consumer's position in the purchase funnel. It then delivers an across vehicle type or name plate that best matches the consumer's profile. The test included: 15 campaigns across endemic sites, 15 creative variations, 19+ Intender Audiences. DataXu ran a portion of the plan using Ford's traditional approach, a series of concepts, run in random rotation. Results: DataXu for Guaranteed Media drove a 20% increase in the conversion rate for key shopping outcomes like Request A Quote. "DataXu's guaranteed media buying tools tap into the power of their platform and enables us to leverage the technology for the broader plan." - John Gray, SVP, Director of Interactive Media, Team Detroit

**Would this project be considered an innovation, a best practice or other notable advancement that could be adopted by or tailored for other organizations and uses? If yes, please describe that here. (In 300 words or less.)**

DataXu has pioneered the market of programmatic marketing. As data experts, we enable our customers to make decisions based on science, not intuition or dirty supply chain. The programmatic enterprise uses science as a systematic and automated way to build and organize knowledge, and take action; decisions are based on truth and transparency from methodical testing, which is rare in marketing today. DataXu is an analytics company, not a player in the ad tech market. We are focused on the fundamental question of how to engage consumers in a digital world, which is a paradigm shift from the advertising industry's focus on the publisher and the ad media. We are redefining the future of marketing, and challenging the industry standards to help our partners and customers in any industry better understand consumers and make analytics actionable to drive business.



**If there are any other details that the judges should know about this project, please note them here. (In 300 words or less.)**

DataXu recently announced that it has raised \$27 million in new capital, our largest capital raise to date. The investment was led by Thomvest Ventures, with all of our existing institutional investors participating as well. This is a major milestone for the company for several reasons. First, it's a ringing endorsement of the burgeoning market we have pioneered for programmatic marketing. Second, it's a reflection of the record-breaking year we had in 2012, which saw us expand to 11 offices in 8 countries, triple our customers, and triple our team size. And, most importantly, it means that we have the resources to invest aggressively in continuing to provide our customers a best-in-class product and an "innovation agenda" unrivalled in the industry. This funding round comes on the heels of a number of milestones: Created a new software category, Programmatic Marketing. Grew direct-to-enterprise platform sales revenue more than 700% year over year, now comprising the majority of the company's revenue. Introduced the first multi-channel Demand Side Platform to include display, tablet, smartphone, video and Facebook Exchange, with 80 percent of revenue coming from customers running multichannel. Tripled staff and customer base, and increased the company's global footprint with 11 offices in eight countries. Developed the only real-time multivariate decision system that "learns" how consumers engage across channels and manages media investments for optimal return. Extended the DataXu platform to optimize media investments in real time based on consumer sentiment shift and beyond exchanges on guaranteed media investments. Launched a suite of integrated analytics for customer intelligence and media investment analysis. Founded the OpenRTB consortium, whose standard for programmatic media was adopted by the IAB and is in use in more than 80 companies