Pega's Paid Media Manager
Frequently Asked Questions

Paid Media Manager Overview

At Pega, we help brands take control of their paid media strategy with Pega's Paid Media Manager. It uses a central brain that takes first-party data from your owned channels and uses AI-driven, real-time decisioning to automatically engage individuals with hyper-relevant offers on paid channels like Facebook, Google, YouTube, and Instagram.

What does Paid Media Manager do?

Paid Media Manager creates and manages "Next Best Action Audiences" on paid advertising platforms like Google, Facebook, Instagram, and YouTube. It looks at each customer in your database, analyzes the relevant next best actions for that person, then places them into multiple audiences accordingly – and from that point on, keeps those audiences updated automatically, in real-time. Which audiences a customer is placed in depends on 1) what content is most relevant for them (calculated via propensity modeling), and 2) the value of each potential action for your business (typically the profit margin, or other financial consideration).

With the imminent deprecation of 3rd party cookies, companies need a 1st party cookie approach. Browsers are blocking 3rd party cookies, there is increased regulatory scrutiny on how data is collected stored accessed, and managed. And on top of that consumers have started to take matters into their own hands by clearing out their own data and installing ad blockers and paying attention to what data companies are collecting about them – actively working on preventing their own data to be shared with the platforms in the first place. Paid Media Manager focuses on 1st party owned and consented data to engage with customers on social media channels.

How do you integrate with paid channels like Google, Facebook, Instagram, and YouTube?

We integrate directly using their S2S (Server-To-Server) APIs, which allows us to manage audience publication via the standards set by these platforms. When you first turn Paid Media Manager on, your customers and audiences are pushed directly to the platform, in one bulk load, or as defined in your segments. From that point on, each next best action change is communicated to the platform when needed (taking synchronization times with the social channel into account). Your teams assign actions and creatives to those audiences, using the same tools you use now – but the customer -> audience assignments are managed automatically by Paid Media Manager.

How does "next-best-action" work with Paid Media Manager?

The Pega Customer Decision Hub uses predictive analytics and machine learning to constantly re-assess each customer's next best action. Each time a customer interacts with your brand (across any channel), Customer Decision Hub looks at that customer's unique situation, and recommends what you should do – whether that be sell, retain, service, nurture, or do nothing in that situation – along with what offer to use in that context. Paid Media Manager constantly watches for next best action changes, and when they occur, it

immediately updates your paid media strategy for that customer, by shifting them to a new audience. Those changes are pushed out to all integrated paid channels.

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

A brand has many different offers (sometimes dozens, hundreds, or even thousands) – and each one of those can be recommended as a next best action. Each next best action is linked to its own unique audience (a group of customers); when it comes time to serve a customer an ad, the customer will see the ad that's associated with their next best action. E.g., If their next best action is Service Plan 86, they'll see that ad. But this isn't like a segment – Customer Decision Hub takes each customer's unique needs, preferences, and interactions into account when calculating their next best action – it's just that an audience is made up of people with the same next best action.

What are some of the key capabilities of Paid Media Manager?

Paid Media Manager extends an organization's next-best-action strategies into paid channels by mapping each customer to relevant digital audiences, offers & content. These audiences include:

- **Conversion Audiences:** Improve your bidding and targeting using audiences created from 1st party omnichannel conversion data. With Pega, once a customer converts (on any channel), Paid Media Manager communicates that information back to the ad platform using people-based APIs so that you can optimize your advertising strategy and bid priority for actual conversions rather than intermediary clicks and impressions.

- **Negative Audiences:** Eliminate wasteful ad spend by creating audiences that suppress irrelevant offers. With Paid Media Manager you'll constantly rescore customers to assess whether they *should not* receive an action (i.e., aren't eligible, low propensity to accept, already declined, etc.) and communicate that to the ad platforms in real-time so you can avoid showing customers non-contextual offers and refocus your budget on real, high-value prospects instead.

- **Lookalike Audiences:** Identify high-value prospects with audiences based on the shared characteristics of your best customers. Pega uses predictive and adaptive modeling to constantly reassess the propensity and conversion value for each individual, for each action to generate lookalike audiences. Then leveraging people-based APIs, Pega shares these audiences with the paid platform for them to use as the foundation for their own lookalike capabilities. Lookalike audiences can also be based on the Negative Audiences and Conversion audiences as defined in the previous bullets.

How does an audience get updated?

For example, let's say that the Customer Decision Hub looks at a customer's profile, and determines that the Next Best Action for a particular customer is to cross-sell them Service Plan A. But then the customer calls the contact center, and says "I'm not interested in that plan, sorry." The Customer Decision Hub then re-assesses the customer's situation with the new information and uses a propensity model to determine that the NEW Next Best Action is to sell that person a completely different product, Service Plan 86. As soon as that decision is made, Paid Media Manager pushes that update out to all the connected paid

platforms. So once the synchronization of updates to Google or Facebook is complete, and that customer logs onto Facebook, or does a Google search, they see an Ad for Service Plan 86.

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

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

To learn more about how audiences are managed view this video:

https://www.pega.com/insights/resources/own-paid-channels-paid-media-manager

Will customers be in more than one audience? Why?

Yes, customers can and will be in more than one audience. While a customer only has one true next best action, there are many potential actions you could take. For instance, a customer might perform a Google search for a product you didn't expect – like a mortgage when you thought they were interested in a loan offer. You still want to be able to serve them the mortgage ad, even though it's not what you were expecting – so we place your customers in multiple audiences and prioritize those audiences for the platform using a combination of propensity (e.g., likelihood of responding), value (e.g., likely profit margin), and price. That way the customer will always see the ads that are most relevant to them, and you won't overpay in those situations.

How does Pega help me improve customer acquisition?

Instead of relying on preconceived notions about what a "good prospect" looks like, Pega Paid Media Manager uses AI to build and continuously update lookalike audiences based on the shared characteristics of your best customers. These act as prioritized seed audiences to drive the lookalike capabilities of each ad platform – so you can easily acquire new prospects and grow your business.

Another way to attract customers is to use Facebook Lead Ads. Facebook Lead Ads provides a mechanism to drive individuals from an anonymous to a known state by running lead generation campaigns on Facebook and Instagram. They include a contact form for individuals that allows them to get in touch with a business. Leads generated with Facebook Lead Ads are captured directly in Pega Customer Decision Hub.

How does Pega help me improve customer retention?

Customer Decision Hub determines when a customer's churn risk increases, and automatically shifts your approach, across channels. Instead of trying to upsell or cross-sell a customer, the system will prioritize retention drivers, such as service tasks, contract extensions, or % off renewal discounts. The same retention "offers" that are utilized in agent-facing channels will be made available to paid channels.

How does Pega help me improve customer up-sell & cross-sell?

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Pega Paid Media Manager determines when a customer is "in-market" for a product, and automatically shifts your approach to prioritize sales actions such as upsell or cross-sell. The same sales offer that is utilized in owned channels will be integrated within your paid channels, so the experience is consistent wherever the customer interacts.

How does Pega help me improve advertising performance?
By using next best action to identify customer context (sales, retention, service, etc..) and the best offer for that individual, in that situation - your paid ads become much more relevant. Ads are no longer geared towards segments of people, but towards the individual and their specific needs – using data you've collected from across your enterprise. Relevant ads are far more likely to convert and improve the overall customer experience. Additionally, anytime a customer accepts an offer, on any channel, Pega Paid Media Manager communicates that back to the ad platform. The platform uses that data to update its audiences, accordingly, based on which ads led to which conversions, and for which types of customers. That way, you optimize your strategies for actual conversions, rather than intermediary clicks and impressions

How does Pega help me improve digital advertising efficiency?
Paid Media Manager improves advertising efficiency in two ways. First, it doesn't benefit anyone to leak budget on low-value targets that have a low propensity to accept, already own the product, or previously declined the offer. With the Negative Audiences feature in Pega Paid Media Manager, you'll suppress offers for these groups so you can refocus the budget on real, high-value prospects. Second, because you establish a "willingness to pay" for specific propensity levels and product margins, you will buy media based on the likely value to your organization – and avoid overpaying for low-value ads (e.g., focused on low-margin or low-revenue products). All audience management is handled automatically once you build your strategies.

How does Pega ensure the security of my customer data?
Unlike other solutions in the market, Pega allows you to keep your customer data inside the firewall, where it belongs. Instead of transferring sensitive information to the dozens of partners and vendors in the paid ecosystem, Pega makes the critical decisions using AI in a controlled setting (which can be on-premise, or in the cloud), then simply updates each customer's next best action, accordingly.