

WINTERBERRY  GROUP

Data as Competitive Advantage

A WINTERBERRY GROUP WHITE PAPER OCTOBER 2015

IN PARTNERSHIP WITH



WITH THE
SUPPORT OF



FOREWORD *Data, data everywhere.*

Over the past decade, the revolution that is Big Data has reshaped the practice of marketing, impacting how ads are bought, customer relationships are managed and promotional messages are orchestrated across a multitude of channels.

What was once the exclusive domain of the “quant jock” has now become the norm, ushering in a slew of new practices—programmatic media buying, granular audience segmentation and targeted, real-time trigger marketing—that would otherwise be untenable without a constant stream of information on consumer audiences and their interactions.

Big Data, in short, has gone mainstream. But that raises an important question: If *everyone* is “data-driven” in both theory and action, how can businesses carve out meaningful competitive differentiation through their use of information? What room exists for real commercial advantage when *everyone* in the marketing ecosystem is advancing from the novice to expert stages of their respective data maturities?

Those are critical questions for practitioners aiming to make informed (and often multi-million-dollar) choices about the datasets, technology platforms and internal business processes that are most appropriate for supporting their next-generation marketing strategies. And they’re why we’ve compiled this white paper, synthesizing the feedback from an executive-level panel to help map where—and how—data is positioned to drive both differentiation and real-world performance.

Jonathan C. Margulies
Managing Director, Winterberry Group
jmargulies@winterberrygroup.com



ACKNOWLEDGEMENTS

This white paper would not have been possible without the significant contributions of more than 100 executive-level thought leaders—including contributors, sponsors and reviewers representing all segments of the advertising, marketing, media and technology industries. In particular, Winterberry Group is grateful to our research partner, the Interactive Advertising Bureau, as well as the following sponsors for their generous support of this research initiative:

PREMIER SPONSORS:



SUPPORTING SPONSORS:



Additionally, we extend our deepest appreciation to the marketers, publishers, technology developers and service providers who contributed their time, insights and enthusiasm in support of our research. Though their individual names are not mentioned in this paper, they represent some of the most respected and innovative companies in the data-driven marketing and media world—including 360i, Amica Mutual Insurance Company, Amnet Group, Annalect, DWA Media, Google, Mutual of Omaha, OnCampus Advertising, SAP, StubHub, Terminus, UPS, Xaxis, Zipcar and many others.

NOTICE

This report contains brief, selected information and analysis pertaining to the advertising, marketing, media and technology industries and has been prepared by Winterberry Group LLC in partnership with the Interactive Advertising Bureau. It does not purport to be all-inclusive or to contain all of the information that a prospective manager, investor or lender may require. Projections and opinions in this report have been prepared based on information provided by third parties. Neither Winterberry Group, the Interactive Advertising Bureau, nor their respective sponsors make any representations or assurances that this information is complete or completely accurate, as it relies on self-reported data from industry leaders—including advertisers, marketing service providers, publishers, technology developers and agencies. Neither Winterberry Group, the Interactive Advertising Bureau (nor any of their officers, employees, representatives or controlling persons) make any representation as to the accuracy or completeness of this report or any of its contents, nor shall any of the foregoing have any liability resulting from the use of the information contained herein or otherwise supplied.

INTRODUCTION AND EXECUTIVE SUMMARY

In the context of today's marketing landscape, "data" is a great many things.

It tells us who our customers are, how they spend their time, what kind of products and offers engage them. It provides insight into preferences and spending patterns, and helps draw critical distinctions between those consumers who are "in market," versus those just browsing across the vast terrestrial and digital storefront.

As data continues to *democratize*—as it grows in both volume and velocity, and as the tools used to support its application grow simpler, less expensive and more actionable—its importance is only likely to grow as a driver of virtually all marketing, advertising and media interactions.

But that growing role, and the growing propensity of both marketers and publishers to adopt the "data-driven" approach, raise a series of important questions: If *everyone* is turning to information as a bridge to better audience interactions, is there sufficient opportunity for *anyone*—advertiser, marketer, digital media provider, technology developer—to leverage that information for unique competitive advantage? How can that opportunity be unlocked? And what are the key ingredients to a lasting business edge built upon the foundation that is audience insight?

This white paper seeks to provide answers to those questions, clarifying the role that data plays in driving competitive business advantage across a range of advertising, marketing and digital media use cases. Compiled through an executive-level outreach and interview effort—including online, telephone and in-person surveys of over 100 thought leaders—it will demonstrate that:

- Overwhelmingly, marketers and publishers see **competitive advantage as something that's driven by a better understanding of their customers**—and better-informed deployment of the media channels and technologies that power engagement with the same. Perhaps not surprisingly, their greatest data-driven successes thus far have been associated with their collection and segmentation of **first-party** data in efforts to drive a richer, more actionable view into their customer interactions
- By contrast, data practitioners continue to **struggle with a significant performance gap when it comes to applying audience data in support of broader business objectives**. Though large numbers of marketers and publishers continue to see basic enterprise needs—such as "growing revenue" and "improving profitability"—as the fundamental (and expected) outcomes of their data-related investments, relatively few have succeeded in meeting their expectations with respect to audience data and its contribution to those baseline performance goals

- Marketers and publishers remain focused on activating a wide array of use cases linked to available audience data. But the variety of these applications (and corresponding deployment approaches that vary substantially across industry segments) suggest that **future competitive advantage will be grounded in how practitioners use data to support their unique needs**, rather than whether they pursue use cases that may be common among their industry peers. Increasingly, that will grow the importance of data in the customer-facing organization and elevate a series of considerations—*What kind of datasets do we seek to collect? How is that information managed? What’s the approach through which our audience data infrastructure is assembled from custom and/or third-party technologies? How are those “in-house” stacks connected to external solutions and data feeds?*—to a new level of strategic importance.

∨ CONCLUSION

For sophisticated users, audience data represents a definitive source of competitive advantage, particularly as it powers deeper and more actionable insights into consumers and the ideal segmentation of those audiences. By contrast, the data-driven approach has thus far delivered less significant results in support of basic business objectives—including, most notably, sales revenue and profitability growth—that typically represent critical enterprise priorities

Among all the types of data at their disposal, practitioners said the most valuable is often that which is closest to home. First-party data—compiled directly by a given entity, either through a direct customer interaction or by observing behaviors across their owned properties—is the most commonly used type of information, and the type associated with the delivery of greatest independent value

In advertising and media circles, open-market programmatic buying—originally known as “real-time-bidding (RTB)” —continues to represent the most prevalent center of data activity. Increasingly, though, both advertisers and publishers are aiming to apply the principles of “programmatic” to media transactions that are managed through closed networks—identifying reserved programmatic media as the data use case offering the highest potential to deliver new value over the coming years

∨ SUPPORTING EVIDENCE

- About 90 percent of our panel of executive-level professionals—including marketers, publishers, agency leaders and technology developers—say that audience data has driven at least “some” value in supporting unique competitive advantage for their organization, with a substantial number—32 percent—adding that it has driven “substantial” competitive advantage
- More than 74 percent of the same panel said that “growing revenue” represents one of the three most important objectives their organization hopes to achieve through the use of audience data, but less than half that number—some 34.8 percent—say that they’ve been successful in doing so to date

- A majority of panelists—52 percent—said they had achieved more than “average” satisfaction with the performance of their first-party data assets. By contrast, just half that number—26 percent—expressed similar satisfaction with the contributions of the third-party data assets they’ve used in supporting their marketing, advertising and/or media initiatives

- Open-market programmatic RTB was cited as the most common among data-driven advertising use cases, with more than 70 percent of panelists saying their organization currently leverages the approach. Looking down the road, however, the same panel was more bullish about data delivering value in support of a “private-market” programmatic approach, which was cited as a high-potential use case by over 43 percent of panelists

≡ CONCLUSION

Despite the critical role that reporting and attribution play in substantiating the value of various media and marketing investments, efforts to measure the true value of data have generated only modestly useful insights thus far (though users remain committed to elevating the practice so that they can measure data’s net contribution to desired *business* outcomes)

Deriving competitive advantage from data requires a concerted effort to activate a range of different resources in close coordination. Above all else, though, practitioners say the growing “buy-in” of senior executives both within and external to the marketing function—leaders that provide support for and encourage development of a data-driven culture across the enterprise—has been most influential in driving innovations across various data applications

Despite years of investment and innovation in the fields of advertising and marketing technology, practitioners say that they continue to see new and/or improved data technology—powering the faster and higher-volume processing of raw data from many different sources—as the resource that would most substantially advance their data initiatives.

≡ SUPPORTING EVIDENCE

- Though virtually the entire panel said they had deployed at least basic tools to measure the value that data contributes across their advertising and marketing efforts, the majority of respondents—51 percent—said they could only measure that contribution “to some extent” and only 16.3 percent said they can measure it “very well”

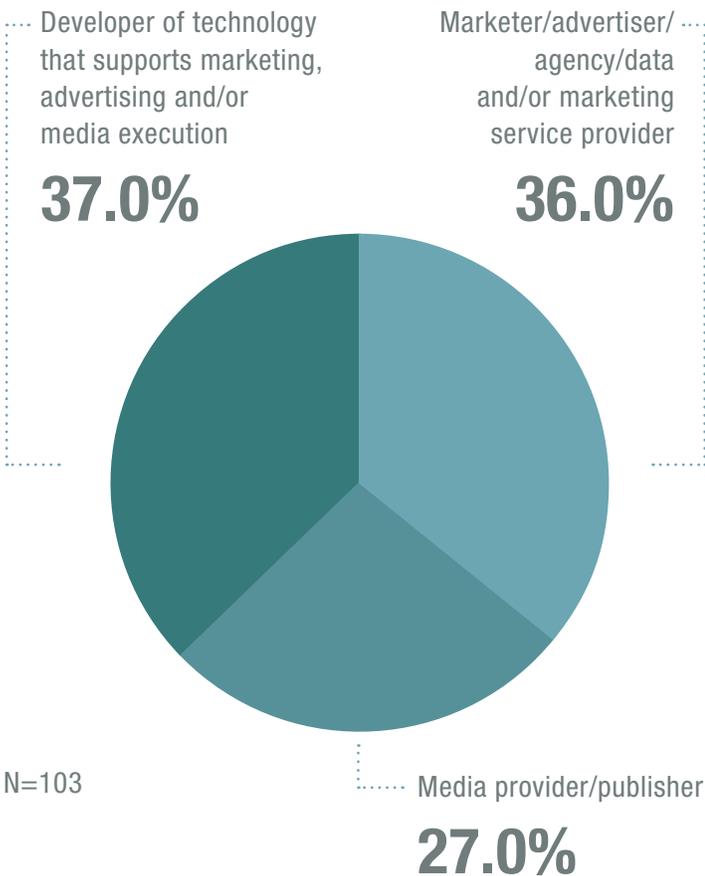
- Among a wide range of potential factors that might serve to drive or inhibit the value that contributes to advertising or marketing efforts, panelists said that the growing “support/buy-in of senior executives in our organization” has represented the most significant contributor to their successful efforts, even besting data “quality... and/or depth” and “capabilities/features of third-party technology.” Along the same lines, data seems to have breezed past a tipping point in its general embrace within the marketing organization: 89.7 percent of panelists said that key stakeholders in their organization understand the role and potential contributions of data to at least “some extent”

- Panelists were somewhat inconsistent in their views on which resources and tools would serve to most significantly advance their efforts to achieve competitive advantage through data, though “better data technology” captured the interest of a greater share of the panel (47.9 percent) than any other, edging out “more first-party data” (41.7 percent) and even “standardized metrics and KPIs for measuring data’s contribution” (39.6 percent).

**RESEARCH
METHODOLOGY**

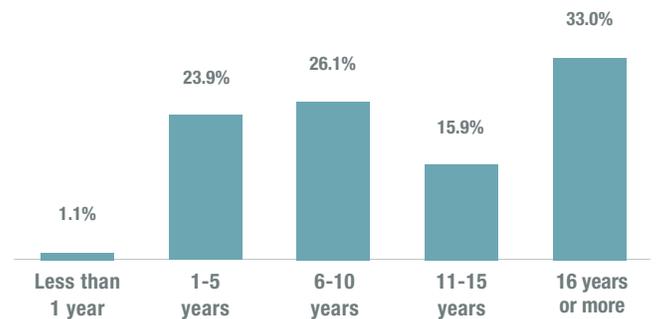
This white paper explores the rapidly evolving applications of audience data, with a specific focus on the ways marketers, publishers and others are leveraging information to drive competitive advantage for their businesses. Published in partnership with the Interactive Advertising Bureau—and with the sponsorship of Accordant Media, AddThis, Dun & Bradstreet, Oracle Marketing Cloud, Alliant Cooperative Data Solutions, Connexity and SAS Institute—the paper’s findings are based on the results of an intensive research effort that included phone, online and in-person surveys of more than 100 advertisers, marketers, publishers, technology developers and marketing service providers (primarily based in North America, and conducted between August and September 2015).

How would you describe your principal role/
business focus?

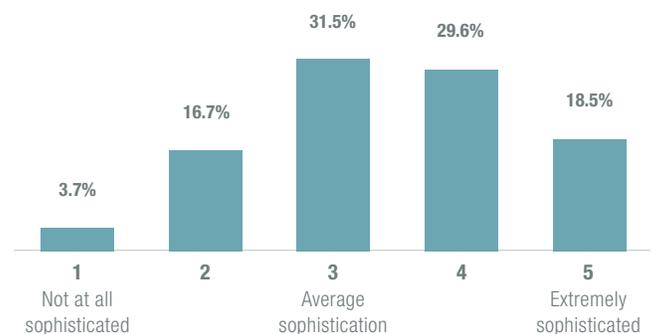


Includes panelists who either completed a detailed online survey questionnaire, or participated in a structured telephone interview; panelists were not required to answer every question.

How many years of experience do you have working in marketing, advertising and/or media?



How sophisticated would you say your organization is with respect to its use of data in support of marketing, advertising and/or media?



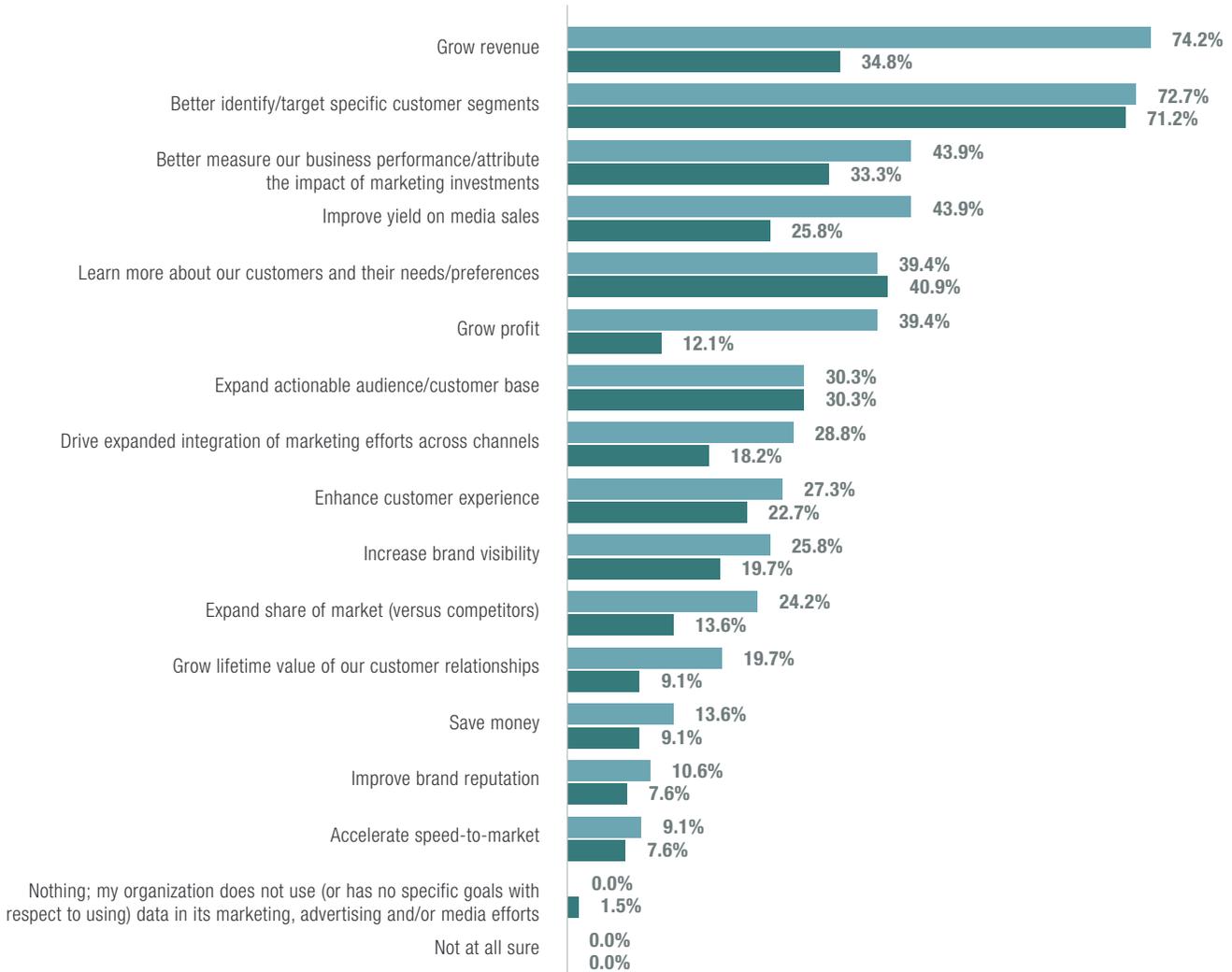
DATA AS A DRIVER OF COMPETITIVE ADVANTAGE: IN DETAIL

For sophisticated users, audience data represents a definitive source of competitive advantage, particularly as it powers deeper and more actionable insights into consumers and the ideal segmentation of those audiences. By contrast, the data-driven approach has thus far delivered less significant results in support of basic business objectives— including, most notably, sales revenue and profitability growth—that typically represent critical enterprise priorities.

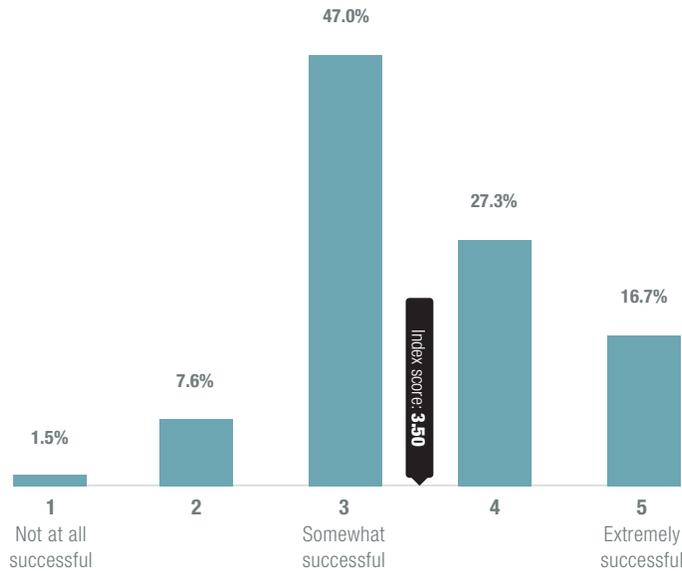
What does your organization hope to achieve by using data in its marketing, advertising and/or media efforts? What has it been most successful in achieving to date?

- My organization **hopes to achieve**
- My organization **has achieved**

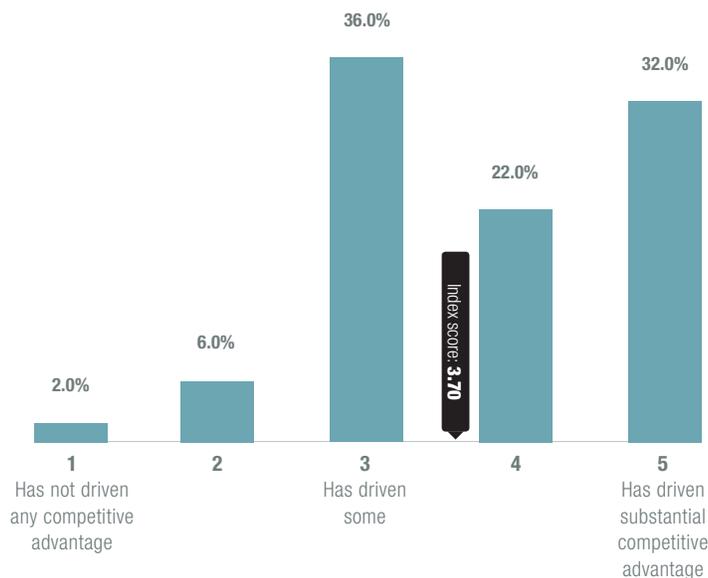
Note: Multiple responses allowed



To what extent would you say your organization (and/or your clients) has been successful at achieving those goals through the use of data to date?



To what extent has your organization (and/or your clients) realized tangible competitive advantage through its use of data in support of its advertising, marketing and/or media efforts?



**KEY
TAKEAWAYS**

- ▶ **Without question, data drives competitive advantage.** More than 90 percent of panelists (representing a highly-sophisticated population of those who work with data extensively across advertising, marketing and media applications) reported that their organization has achieved at least some competitive advantage through their use of such data, with almost one-third (32.0 percent) saying that their use of data has driven substantial competitive advantage
- ▶ Panelist feedback suggests that **audience data may even deliver value that exceeds its users' expectations.** Asked how successful their organizations have been in achieving their data-driven goals on a 1-to-5 scale (with 5 indicating their organization has been “extremely” successful to date), panelists pegged their companies' performance, on average, at a modest 3.50. But when asked how much *competitive advantage* their data-driven efforts have fueled, panelists assigned a higher 1-to-5 index—3.70—indicating that despite achieving only some progress toward their internal goals, their data use is driving greater *differentiation* in comparison to their less-sophisticated peers
- ▶ While marketers and publishers focus on applying data to a wide range of use cases, **their most notable successes, to date, have been associated with the development of basic audience insights—and deployment of those insights to the creation of actionable segments.** Nearly twice as many panelists—71.2 percent—said their most substantial data-driven success has been associated with “better identify[ing]/target[ing] specific customer segments” than noted similar success in tackling other objectives. Next on the list of oft-cited achievements: “learn[ing] more about our customers and their needs/preferences,” cited as an accomplishment by 40.9 percent of the panel
- ▶ Despite these successes, **there remains a real gap separating that which marketing and media practitioners hope to achieve through their use of data, and that which they've actually managed to accomplish.** The contrast is particularly stark, panelists reported, with respect to general business objectives that often represent high priorities of senior management outside the marketing suite. For example, nearly three-quarters (74.2 percent) of panelists said that “grow[ing] revenue” is one of the objectives their organization most hopes to achieve through its use of data—but only 34.8 percent of respondents noted a similar level of accomplishment toward that goal. Likewise, 39.4 percent of panelists said “grow[ing] profit” is a high priority, while only 12.1 percent reported commensurate accomplishment

**IN THEIR OWN
WORDS**

“We’re a small company, so we use data to be smarter than our competitors. By extracting data meaningfully and acting on it, we can be more targeted and still get results from a small budget.”

—MARKETING OFFICER & DIRECTOR OF MARKET RESEARCH, INSURANCE PROVIDER

“We use data to gain understanding and learn about our customers—a lot of us have a preconceived notion of what our customers do, but now we are able to test and learn against our theories rather than just make assumptions. This, for us, is competitive advantage. And, the more data that I have, the more informed I can be about what I want to invest in, which audience members I want to target, and what action I want to take.”

—CEO, DIGITAL MEDIA TECHNOLOGY DEVELOPER

“Knowing what we want to do and trying to make it happen are two very different things. Conceptually, we are an ‘8 out of 10’ in terms of how we understand data and what we’d like to achieve by using it. In terms of execution though, we are more like a ‘3’ or ‘4.’ It’s difficult to execute on those concepts.”

—SOLUTIONS ARCHITECT, GLOBAL SOFTWARE COMPANY

“Part of the challenge is that the industry itself is immature around data. We’ll look back 15 years from now at what we’re doing and say, ‘Wasn’t that cute?’”

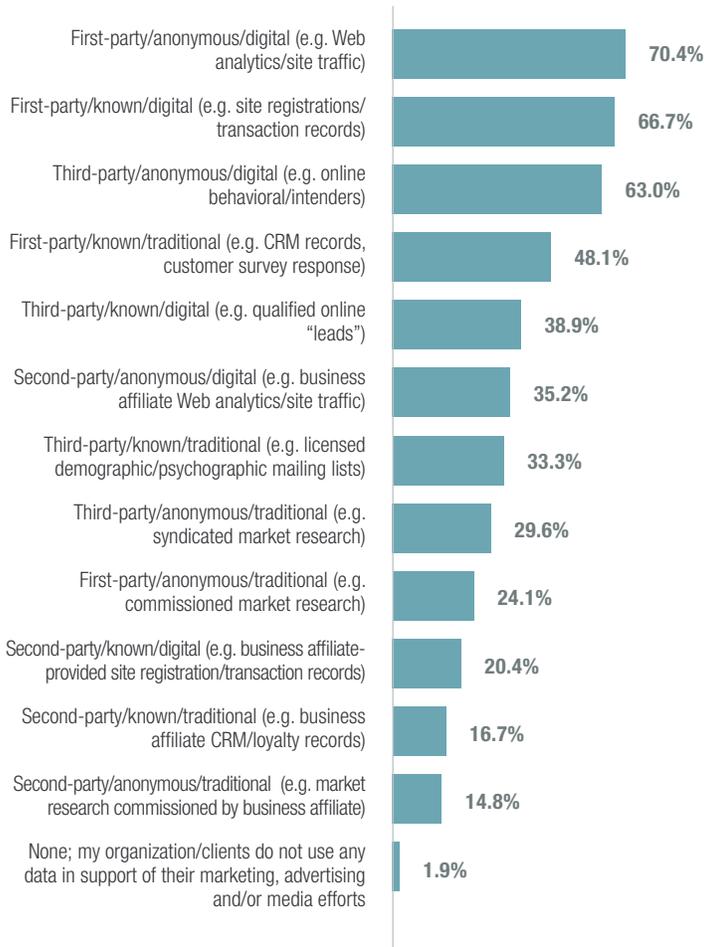
—DIRECTOR OF PROGRAMMATIC MEDIA, GLOBAL MEDIA AGENCY

ASSESSING THE CONTRIBUTIONS OF DIFFERENT TYPES OF DATA

Among all the types of data at their disposal, practitioners say the most valuable is often that which is closest to home. First-party data—compiled directly by a given entity, either through a direct customer interaction or by observing behaviors across their owned properties—is the most commonly used type of information, and the type associated with the delivery of greatest independent value.

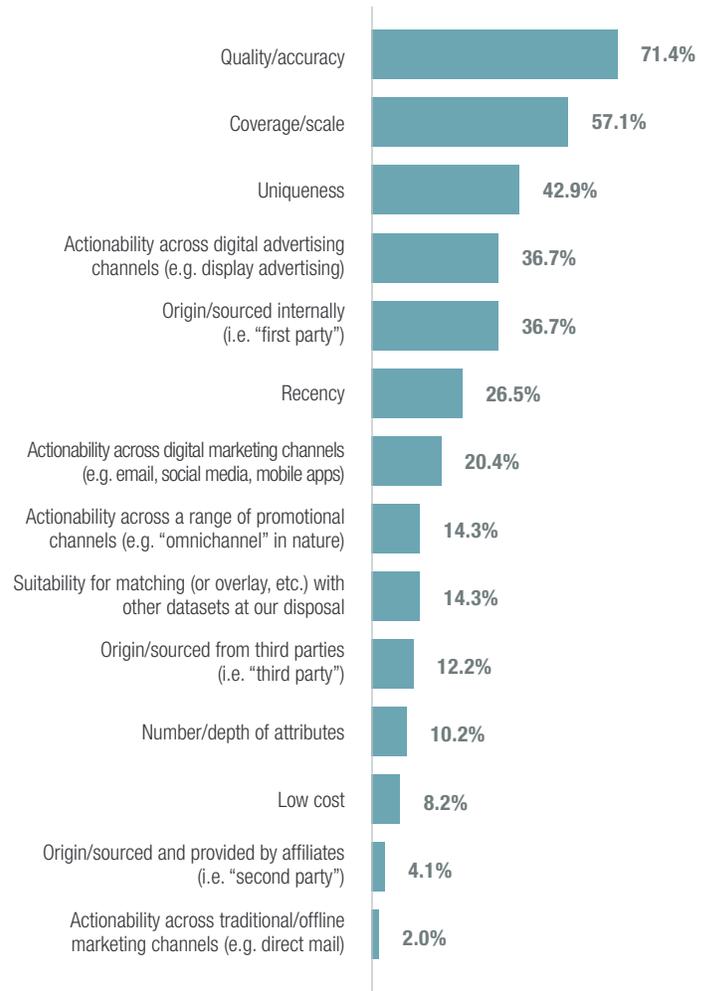
What types of data does your organization (and/or your clients) currently leverage to support their marketing, advertising and/or media efforts?

Note: Multiple responses allowed

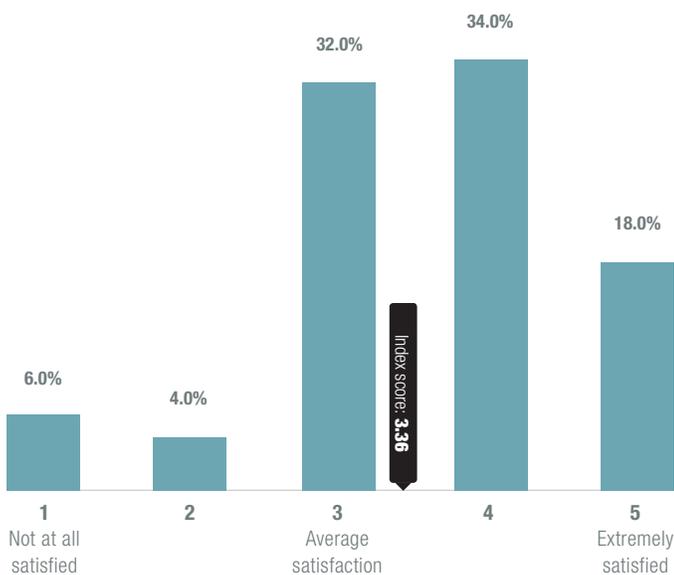


What characteristics have typified the datasets that were most valuable in supporting desired outcomes?

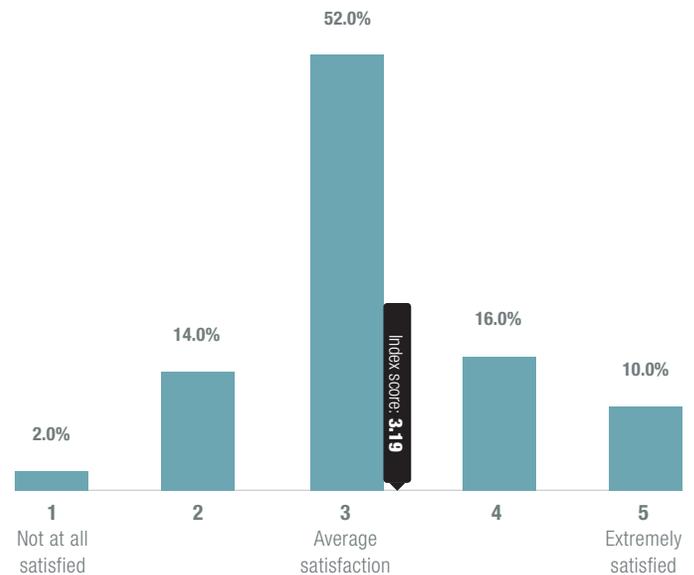
Please select the top three.



How satisfied are you (and/or your clients) with the contributions/value realized through deployment of **first-party** data assets in support of marketing, advertising and/or media?



How satisfied are you (and/or your clients) with the contributions/value realized through deployment of **third-party** data assets in support of marketing, advertising and/or media?



KEY TAKEAWAYS

- ▶ Marketing and media practitioners not only **leverage first-party data assets more often than any others, but also consider those datasets most valuable among all at their disposal**. Eighty-four percent of panelists, for example, said they have been satisfied with the value delivered through the use of their organization’s proprietary data, compared to 78 percent who said the same with respect to their third-party data deployments
- ▶ Nevertheless, **there remains room for improvement in how well both first- and third-party data contribute to overarching marketing and media objectives**. More than half of survey respondents (52.0 percent), for example, reported only middling levels of satisfaction with the value of the third-party data assets
- ▶ Perhaps not surprisingly, **panelists cited “quality” as the characteristic that most typifies high-value datasets—though interpretations of what constitutes “quality” vary across use cases and industry segments**. When product sales cycles dictate specific and rapid campaign timelines, for example, a number of panelists said that the *recency* (or “freshness”) of a dataset is most commonly considered a proxy for the quality of the data on the whole. In cases where establishing contact with a customer across channels is a priority, by contrast, the reliability of terrestrial contact information—email and postal addresses—may trump the “freshness” of the underlying data as a priority consideration.

IN THEIR OWN WORDS

“It’s imperative that marketers understand that they have incredibly powerful data at their fingertips, especially clients that have registered or transaction data. If they’re not using that to make their campaigns smarter, they’re wasting media dollars.”

–VP PROGRAMMATIC ADVERTISING, PROGRAMMATIC MEDIA PLATFORM

“The more data collected in an explicit manner—rather than modeled—the stronger the dataset, the higher quality it is and the better for fueling use cases.”

–DIRECTOR OF DATA MANAGEMENT, GLOBAL MARKETING SERVICES PROVIDER

“First-party data is your most valuable type; I’d estimate it represents about 60 to 80 percent of the total value you can get from data because it tells you how long someone has been a customer, how they interact with your brand, on what type of device, their length of product use, type of service contract and whether they have a family account. Payment history is also very important.”

–SOLUTIONS ARCHITECT, GLOBAL SOFTWARE COMPANY

“Though third-party data has a lot of potential, the mystery, or the big question mark, is where it [the third-party data] is coming from. There’s a spectrum, and some of it is really good but some of it is not. If we could get more transparency around how it’s sourced it would do a lot towards helping us ascertain and reap value appropriately.”

–PRINCIPAL, DIGITAL MARKETING AGENCY

“Overall, recency is king. There’s recency of updates to the data, and there’s recency of contact or purchase information from a customer. Which pieces of that dataset are useful and which are most important will be dictated by the use case and product, but either way, recency is probably the most important factor in data on customer interactions and purchases.”

–SOLUTIONS ARCHITECT, GLOBAL SOFTWARE COMPANY

“When we look at data that we want to use, recency is most important for us because our sales cycle tends to be very fast; when people come to our site, they know what they want, sometimes they’re even at the location where they want to buy so we want to take that information and leverage it immediately. If we wait, we’ve probably lost our opportunity to be relevant.”

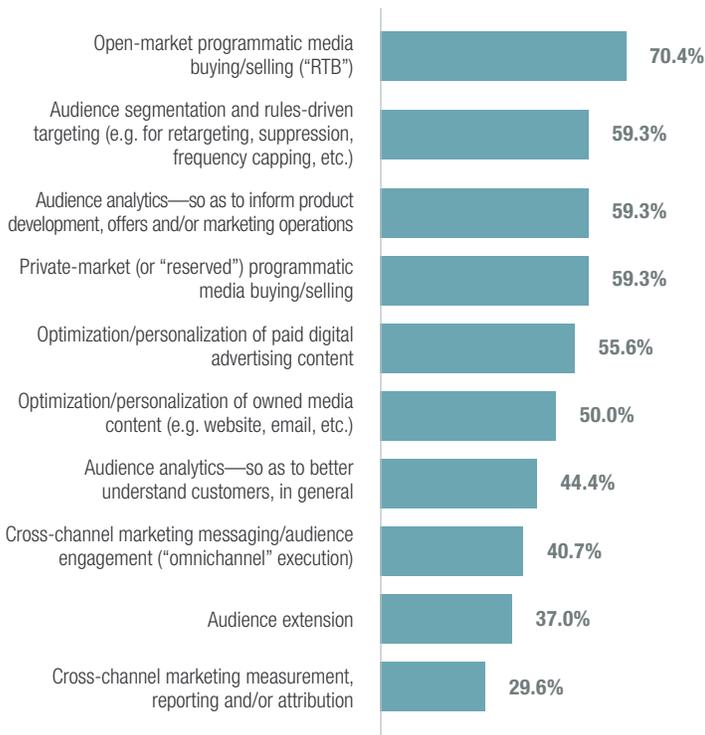
–MANAGER, GLOBAL DIGITAL MARKETING, E-COMMERCE PLATFORM

USE CASES: TODAY AND TOMORROW

In advertising and media circles, open-market programmatic buying—originally known as “real-time-bidding (RTB)” — continues to represent the most prevalent center of data activity. Increasingly, though, both advertisers and publishers are aiming to apply the principles of “programmatic” to media transactions that are managed through closed networks—identifying reserved programmatic media as the data use case offering the highest potential to deliver new value over the coming years.

Toward which of the following use cases are your organization (and/or your clients) currently leveraging data?

Note: Multiple responses allowed



Towards which use cases do you think a more sophisticated use of data could most substantially advance your organization’s (and/or your clients’) practice of marketing, advertising and/or media in the years ahead?

Please select the top three use cases:



KEY TAKEAWAYS

- ▶ **Among advertising and media practitioners, open-market programmatic media buying represent the most common data-driven use case in deployment today;** 70.4 percent of panelists said they're currently pursuing RTB as a central means of activating the data at their disposal
- ▶ Perhaps responding to the success they've reported achieving in leveraging data to learn more about their current customers (and customer interactions), **practitioners say they intend to focus greater effort to the application of data, technology and know-how in support of private-market—or “reserved”—programmatic initiatives,** establishing proprietary markets focused on leveraging their first-party data (and supporting technologies) to help power more effective media engagements. More than 43 percent of panelists said that such efforts would most substantially advance the value their organization generates through their use of data
- ▶ Practitioners have been focused on standing up these data- and technology-driven buying processes but **interest moving forward may shift more towards data analytics** in support of a range of use cases beyond media transactions. Over one-third of panelists said more sophisticated data use would help their focus on analytics in support of product and offer development (34.8), while others said the same for audience analytics in support of general insight development (to fuel personalization, message optimization, media mix decisioning, etc.)

IN THEIR OWN WORDS

“I would put the data applications where we are seeing the most demand from clients in two broad buckets. The first is media; if you can be more specific, you can be smarter around what media you're paying for. Customization is the second; if you are using data on the media side to drive to the right customer, you need to make sure the site experience is relevant and tailored. But, it all really comes down to analytics. Analytics is the starting point, and that's having data to inform a better profile of the customer so that you can get insights into who your users are, what they're doing and what they want.”

—DIRECTOR OF DATA MANAGEMENT, GLOBAL MARKETING SERVICES PROVIDER

“Above all else, data-driven programmatic media buying enables you to reach the right audience. And, it's been the easiest transition for marketers when they shift from buying sites that over-index against a particular audience to buying cookies that are the exact audience they want to go after.”

—VP PROGRAMMATIC ADVERTISING, PROGRAMMATIC MEDIA PLATFORM

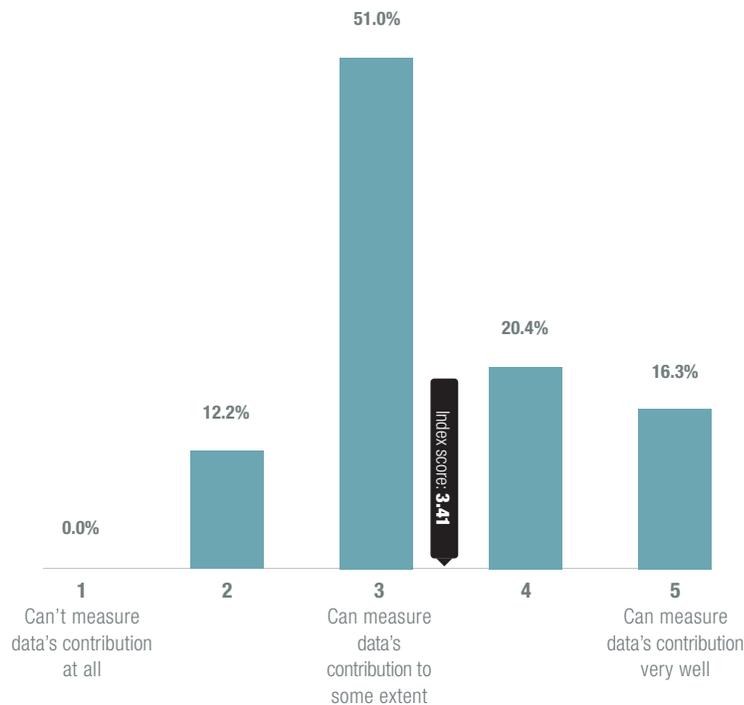
“Today, marketers are mostly using data in their media buys to support efficiency—that is, not investing in impressions served to an audience unlikely to be interested or convert. So marketers are paying for data to help them identify their most likely audience members for a particular offer or product—whether those individuals are existing customers or new prospects. Investing in interactions that are optimized to yield a return is an easy and straightforward way to drive marketing performance improvements.”

—PRINCIPAL, DIGITAL MARKETING AGENCY

MEASURING DATA'S CONTRIBUTION

Despite the critical role that reporting and attribution play in substantiating the value of various media and marketing investments, efforts to measure the true value of data have generated only modestly useful insights thus far (though users remain committed to elevating the practice so that they can measure the data's net contribution to desired business outcomes).

To what extent do you feel your organization (and/or your clients) can measure the value that data contributes to your marketing, advertising and/or media efforts?



**KEY
TAKEAWAYS**

- ▶ Though the vast majority of practitioners—87.7 percent—said they have **some ability to measure the value and impact of data as it relates to their advertising, marketing and media interactions**, demand is strong for better and more focused methodologies for tying such reporting to subsequent investment and campaign-level tactical decisions. Only 16.3 percent of panelists said they can measure data's contribution "very well," and many noted that measurement approaches, where they exist, are largely the product of homegrown processes and tools, rather than established industry standards
- ▶ Though *campaign-level* reporting continues to serve as the primary indicator of data's contribution and value, practitioners are increasingly focused on establishing holistic benchmarks to better understand how the deployment of audience information supports *strategic* business objectives.

**IN THEIR OWN
WORDS**

“Measurement is key to keeping the momentum going . . . We need to be smart about documenting results so that we're able to talk to senior leadership to establish their buy-in, and share information to create an understanding of the value of all of this at the very top of our organization.”

—MANAGER, GLOBAL DIGITAL MARKETING, E-COMMERCE PLATFORM

“Measurement is the critical factor in driving benefits from data; if you can't measure it, you can't decide what works and what doesn't and you can plan and execute optimally for the future. But the success of measurement depends on the framework you set up and it really needs to be customized to your particular business and use case; when it comes to measuring data's contribution, there's no silver bullet or one size fits all solution.”

—SVP BUSINESS DEVELOPMENT, MEDIA AND COMMUNICATIONS AGENCY

“A lot of data today is used for programmatic targeting, or identifying an ideal audience for a digital marketing effort, on an automated basis. It's a fairly simple use case to execute on and marketers can then track the related campaign metrics, such as how people engaged with the ad. Folks often use these campaign metrics as a proxy for assessing the data that was used, but that's not really accurate. There are lots of factors at play beyond the data itself, though practitioners need proof—or a rationale—to support their efforts and continued investments. As advisors we're trying to get clients to think about moving from traditional marketing metrics to overall business metrics.”

—DIRECTOR OF PROGRAMMATIC MEDIA, GLOBAL MEDIA AGENCY

“What we do today comes down to the KPIs of a particular campaign. We pick from third-party data partners we trust, and for the most part get the same segments across those partners. We'll do something like A/B testing across them to understand which had the greater impact on that KPI and prove out the worth of our efforts that way.”

—VP, PROGRAMMATIC ADVERTISING, PROGRAMMATIC MEDIA PLATFORM

THE “DATA-DRIVEN” CULTURE: RULE, NOT EXCEPTION

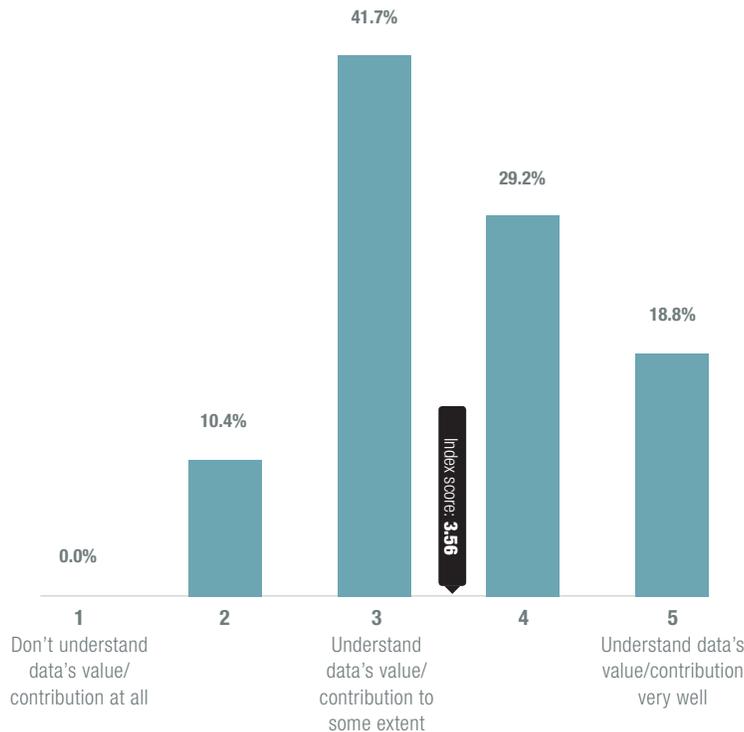
Deriving competitive advantage from data requires a concerted effort to activate a range of different resources in close coordination. Above all else, though, practitioners say the growing “buy-in” of senior executives both within and external to the marketing function—leaders that provide support for and encourage development of a “data-driven” culture across the enterprise—has been most influential in driving innovations across various data applications.

To what extent have the following factors driven or inhibited your organization’s ability (and/or that of your clients) to generate value from its marketing, advertising and/or media-related data initiatives?

Please use a scale of 1 to 5, with 5 indicating the factor is a significant driver of value, and 1 indicating the factor is a significant inhibitor of value.



To what extent do you feel that data (and its potential contributions) are well understood by key marketing, advertising and/or media stakeholders within your organization?



KEY TAKEAWAYS

- ▶ Increasingly, more organizations are moving to adopt the principles of Big Data—leveraging vast quantities of available information to fuel insight, decision making and action—as the centerpiece of their audience development and customer marketing efforts. Core to that transformation: **the growing embrace of data, and its potential contributions, by senior executives across a range of enterprise functions. Panelists said that factor, more so than any other, is helping drive their ability to derive value from their data-focused initiatives** (benchmarking that impact at 3.73 on a 1-to-5 scale, where 5 indicates a factor “significantly drives” value creation and 1 “significantly inhibits” the same)
- ▶ A wide range of complementary factors, some of which may once have been considered hindrances to the wider adoption of data-driven practices, are also now thought to contribute broadly to the creation of value. Improving **data quality** (3.64 on the 1-to-5 scale), **supporting technologies** (3.63) and **measurement/reporting methodologies** (3.40), just to name a few, were also cited as key factors powering the increased utility of information
- ▶ Organizational structures are continuing to evolve to support data-related use cases, though there remains **a stark need for senior executives—across virtually all categories of practitioner organizations—to take clear ownership over enterprise data strategy, management and deployment efforts.** Panelists broadly acknowledge, though, that key marketing and media stakeholders within their organizations are well versed in data and its potential business contribution (with 89.7 percent in agreement).

IN THEIR OWN WORDS

“You need to have a centralized data team or someone representing your business from a data perspective. Having the technology in place is one thing, then you need to have the right business structure and a champion to make that work and drive it through your business.”

–DIRECTOR OF DATA MANAGEMENT, GLOBAL MARKETING SERVICES PROVIDER

“What drives our company’s lack of successful execution is organizational structure and also turnover. We don’t have an owner at a high enough level that believes in and understands the promise of data and can lead the company toward our strategic goals. And then at the executional level we’ll have a lot of turnover, so the people that understand the details and are motivated to improve our processes leave, and then we’re back to square one. If we had the senior stakeholder in place, that person could at least shepherd the transformation, even through talent turnover at the junior/executional level.”

–SOLUTIONS ARCHITECT, GLOBAL SOFTWARE COMPANY

“It would benefit marketers to start to focus on internal organization and structure. It’s the same thing that happened with digital when it was managed separately at first; you need to make sure the organization is aligned. At least there needs to be a role—if not its own position—that is a center point of all things data.”

–MANAGING DIRECTOR OF DATA, GLOBAL MEDIA AGENCY

“We need buy-in from the top guys in senior management because seriously advancing our efforts will require real investment; we’ll need to hire and staff resources against these goals and implement new processes and systems. All of that requires budget, so it’s crucial that these priorities rise above our group or even the marketing function.”

–MARKETING OFFICER & DIRECTOR OF MARKET RESEARCH, INSURANCE PROVIDER

“Marketers are incredibly challenged to figure out where data sits within their organizations. Just understanding who owns a project, a data asset or an initiative is an enormous undertaking. But figuring that out—and then putting one person or group in charge of all data-driven efforts—is critical.”

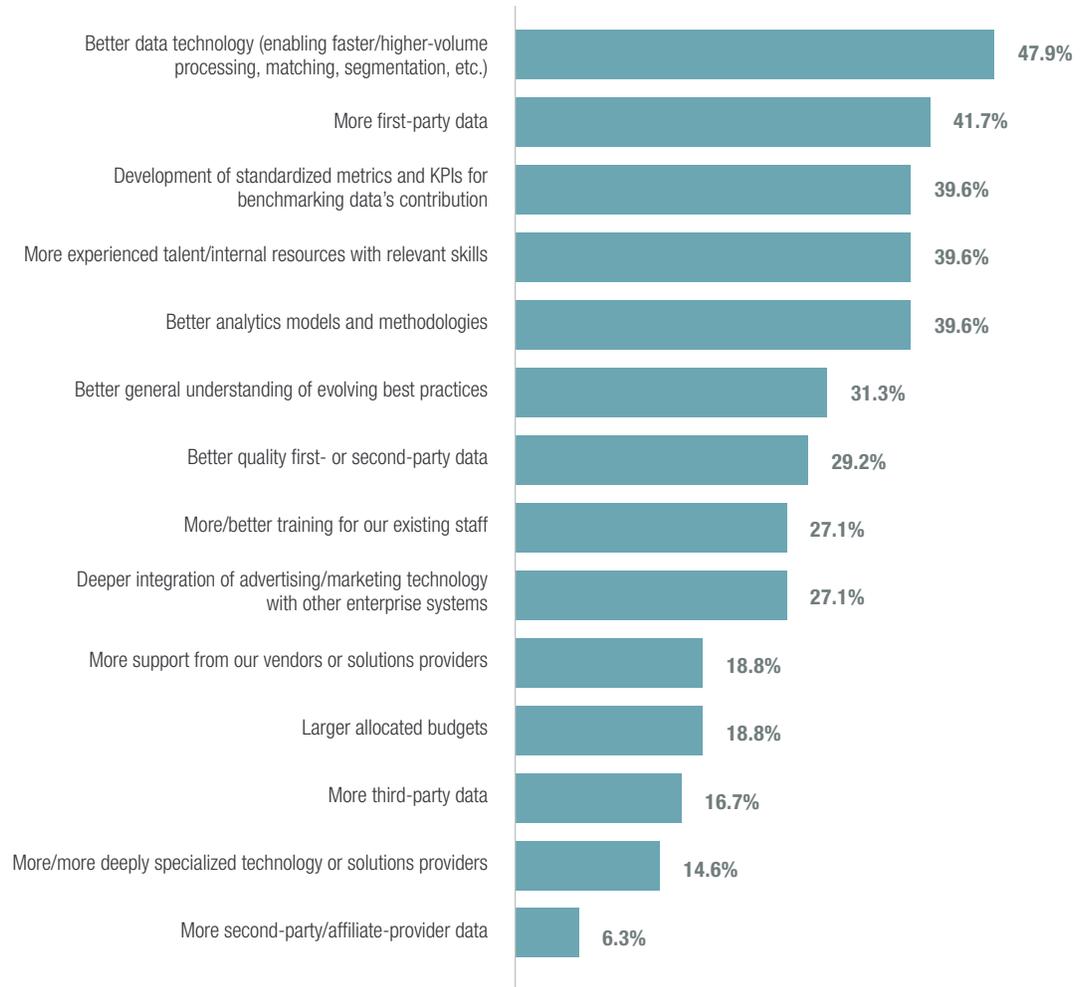
–CEO, DIGITAL MEDIA TECHNOLOGY DEVELOPER

**BUILDING FOR
A DATA-DRIVEN
FUTURE**

Which of the following resources would most significantly advance your efforts to achieve competitive advantage through the use of data in support of marketing, advertising, and/or media?

Please select the top five.

Note: Multiple responses allowed



**KEY
TAKEAWAYS**

- ▶ Despite the substantial growth and maturation of data-focused advertising and marketing technology over the past decade, nearly 48 percent of marketing and media practitioners **said that “better data technology (enabling faster/higher-volume processing...)” represents the resource that would most substantially advance their ability to derive competitive advantage from data**
- ▶ Anecdotally, numerous panelists said that **a unified data repository, integrating both digital and traditional data sources—as well as various media “output” channels**—represents the ideal to which they are aiming to engage third-party technology (and orient their internal organizational structures)
- ▶ Otherwise, panelists endorsed a wide range of potentially helpful resources. Nearly 42 percent, for example, said **“more first-party data”** would advance their competitive positioning, while just under 40 percent said the **“development of standardized metrics and KPIs for measuring data’s contribution”** would be equally impactful.

**IN THEIR OWN
WORDS**

“The most important and difficult thing to achieve is getting everything about the customer in the same place so that everyone across the organization can use it.”

—SOLUTIONS ARCHITECT, GLOBAL SOFTWARE COMPANY

“Different departments need to look at data in different ways for their particular use cases, and if they can’t access the data in that way, it’s meaningless. There are fantastic platforms that exist, but the organization needs to set it up and build a system where it works modularly.”

—VP OF CLOUD PARTNER MARKETING, SOFTWARE PROVIDER

“What’s critical is getting all the data in one place and reading it holistically. The challenge is putting it together in a useful analysis... I hope we get to a place of linking marketing data with operations data in order to be more nimble around the complexities of our business.”

—VP MEMBER ACQUISITION, SUBSCRIPTION-BASED SERVICE COMPANY

“One of the things that makes achieving our goals difficult is that we’re saddled with legacy architecture and technology, which makes data technology and integration costs high and hard to predict. For data to flow the way it needs to, we need a common platform that can be deployed at as many touchpoints as possible—touching marketing, IT and our analytics team.”

—SVP MARKETING, INSURANCE PROVIDER

IN CONCLUSION If we accept the basic premise of Big Data—that *more* information, processed *quicker*, can help develop *better* insights to support *smarter* decisions—then we must also accept its key corollary: that all data is good data.

Conceptually, that’s a conclusion unlikely to provoke much objection. In the marketing and media context, data helps build a more complete and actionable picture of customers and prospect audiences, and enables the engineering of marketing touchpoints that are more relevant (and thus more valuable) for all parties to the interaction. So long as the data is accurate, we should assume, the data should add value.

Today, though, as we near the end of what will likely be remembered as the first generation of digital data activation, both marketers and publishers are still learning how to go about using that information in ways that are impactful and additive to their bottom line (often, in the process, trying to weed out “good data” from that which is, simply, less good). In practice, this has driven a strong focus on managing for those critical *proprietary* assets—customer databases, first-party site traffic and custom audience segmentation—that help activate their most valuable resource: their customers.

Over the long term, though, the broader opportunity around Big Data in advertising, marketing and media is about leveraging other types of data—across a wide range of marketing and non-marketing applications—to support enterprise business needs. That will require a focus on prospects as well as customers, and broad insights as well as specific segmentation and targeting efforts.

Ultimately, the market will get there. But when it does, just as today, competitive advantage won’t be associated so much with *what its users do with data*, so much as *how they do it*. That means organizations aiming to be “data-driven” must continue to focus on building a series of institutional competencies—**an overarching strategy that governs how data is sourced and used... a robust set of relationships to guarantee access to multiple streams of raw information... a foundation of talented internal team members who understand the complex requirements of working with information... and access to tools that support “real-time” data activation**—if they are to achieve breakaway velocity relative to their competitors.

After all, that’s what competitive advantage is all about: tapping into the most innovative and impactful resources in a way that’s unique, and uniquely tuned to the needs of changing markets.

WINTERBERRY GROUP

WINTERBERRY GROUP is a unique strategic consulting firm that supports the growth of advertising, marketing, media and information organizations. Our services include:

CORPORATE STRATEGY: The *Opportunity Mapping* strategic development process helps clients prioritize their available customer, channel and capability growth options, informed by a synthesis of market insights and intensive internal analysis.

MARKET INTELLIGENCE: Comprehensive industry trend, vertical market and value chain research provides in-depth analysis of customers, market developments and potential opportunities as a precursor to any growth or transaction strategy.

MARKETING AND DATA TRANSFORMATION: Process mapping, marketplace benchmarking and holistic system engineering efforts are grounded in deep industry insights and “real-world” understandings— with a focus on helping advertisers, marketers and publishers better leverage their core assets and respond to growing market demands for responsiveness driven by the power of data, digital media and marketing technology.

TRANSACTIONAL DILIGENCE: Company assessments and industry landscape reports provide insight into trends, forecasts and comparative transaction data needed for reliable financial model inputs, supporting the needs of strategic and financial acquirers to make informed investment decisions and lay the foundation for value-focused ownership.

Additionally, Winterberry Group is differentiated through its affiliation with **Petsky Prunier LLC**, the leading investment bank serving the technology, media, marketing, e-commerce and healthcare industries. Together, the two firms provide one of the largest and most experienced sources of strategic and transactional services in their addressable markets.

For more information, please visit www.winterberrygroup.com

IN PARTNERSHIP
WITH:



The **INTERACTIVE ADVERTISING BUREAU (IAB)**) is comprised of more than 500 leading media and technology companies that are responsible for selling 86 percent of online advertising in the United States. On behalf of its members, the IAB is dedicated to the growth of the interactive advertising marketplace, of interactive’s share of total marketing spend, and of its members’ share of total marketing spend. The IAB educates marketers, agencies, media companies and the wider business community about the value of interactive advertising. Working with its member companies, the IAB evaluates and recommends standards and practices and fields critical research on interactive advertising. Founded in 1996, the IAB is headquartered in New York City with a Public Policy office in Washington, D.C.

For more information, please visit www.iab.net

PREMIER
SPONSORS:

Accordant Media makes advertising investments more successful for marketers by unlocking the value of audience data. Through a unique combination of sophisticated data management and activation technologies, expert service and industry-leading transparency, we give marketers more insights and accountability to drive (cost) effective results at scale. Our comprehensive Accordant ATST[™] solution has helped us attract leading marketing teams as our clients. Accordant, founded in 2010, was established by digital industry leaders from Avenue A | Razorfish, Aegis Media, Akamai and DoubleClick. Accordant Media has offices in New York City, San Francisco, Chicago and London.

For more information, please visit www.accordantmedia.com



AddThis helps digital marketers reach consumers with precision through quality audiences built from one of the largest first-party permissioned global datasets. AddThis gives marketers access to the anonymous, cross-web interest and behaviors of 1.9 billion monthly unique visitors traversing more than 15 million domains globally, across desktop and mobile. Behavior and interest-based audience intelligence is gathered from our massive footprint in real time to build high-performing, quality audiences at scale. Flexible workflow options are available to build unique, customized audiences with control and transparency, or choose from over 1,500 off-the-shelf standard audience segments available in all the major DMPs and DSPs. With AddThis, brands and agencies get the control, transparency and quality audiences needed for targeted, successful campaigns and easy activation paths.

For more information, please visit www.addthis.com



Dun & Bradstreet (NYSE:DNB) grows the most valuable relationships in business. By uncovering truth and meaning from data, D&B connects customers with the prospects, suppliers, clients and partners that matter most, and have since 1841. Nearly ninety percent of the Fortune 500, and companies of every size around the world, rely on D&B data, insights and analytics. Our Audience Solutions and Digital Marketing offerings enable B2B marketers to drive intelligent targeting and outreach to their most ideal customers and prospects with the right messages, at the right times, consistently across their marketing channels.

For more information, please visit www.DNB.com

ORACLE®

MARKETING CLOUD

Modern marketers choose **Oracle Marketing Cloud** to build customer obsessed cultures, create and manage ideal customers, and power revenue performance. They transform marketing by truly knowing the customer, engaging with cross-channel marketing, and achieving data driven accountability. Integrated information from cross-channel, content, and social marketing with data management and activation along with hundreds of app and data partners enables them to target, engage, convert, analyze, and use award-winning marketing technology and expertise to deliver personalized customer experiences at every interaction.

For more information, please visit www.oracle.com/marketingcloud

SUPPORTING SPONSORS:

Alliant®

Consumer insight is the foundation of marketing success. **Alliant** delivers audience targeting and campaign optimization solutions that increase profitability at every stage of consumer engagement. Alliant generates marketing results with proprietary data that consolidates a broad range of transactional behaviors on more than 270 million online and offline consumers. Alliant's data is continually updated, broadly activated, and highly predictive in identifying the motivations, desires and behaviors of American consumers. The right data matters. In digital marketing and traditional channels, Alliant insight enables marketers to deliver more profitable acquisition and retention campaigns, increase conversion and loyalty rates, and improve ROI.

For more information, please visit www.alliantinsight.com

connexity

Connexity leverages 15 years' experience with top e-commerce destinations to help retailers and marketers sell more online. Using its retail network, proprietary technology, and advanced audience modeling, Connexity help brands find and target the right audiences on any device with programmatic media. The company also helps performance marketers get more customers with syndicated product listings on its shopping-centric publisher network, and with search marketing services that includes hands-on management of SEM, PLAs, SEO and retargeting. And with Bizrate Insights, the company helps retailers keep their customers by supplying direct consumer feedback so they can improve their customer relationships and online store experience. Connexity, Inc., formerly Shopzilla, Inc., is headquartered in Los Angeles and operates in the United States, the United Kingdom, France, Germany, and Italy. It is owned by Symphony Technology Group (STG).

For more information, please visit www.connexity.com

| THE POWER TO KNOW.

Since 1976 **SAS** has been giving customers around the world The Power to Know®.

As the leader in business analytics software and services, SAS transforms your data into insights to give you a fresh perspective on your business. You can identify what's working. Fix what isn't. And discover new opportunities.

We help turn large amounts of data into knowledge you can use, and we do it better than anyone. It's no wonder an overwhelming majority of customers continue to use SAS year after year.

SAS customers receive a full suite of support services at no extra charge, including skilled telephone technical support and unlimited online technical support. Our online customer support center provides always-on access to a wealth of technical support, reference information, educational resources and communities. Knowledge-sharing is continuously available through regular seminars, Webcasts and training courses.

For more information, please visit www.sas.com