



A Guide To Data Monetization In The Digital Age



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Introduction

So you have valuable data and are new to monetizing your data digitally.

What does it take to succeed when you're unsure how to proceed or protect the value of your asset—and differentiate from your competition?

To do well monetizing data, you have to set yourself apart from the crowd with products that fill a niche in the market—differentiated data and customized segments—then put your sales and marketing efforts behind them, and most importantly, a commitment to data ethics and transparency.

Successful data providers have operational agility around creating custom segments, fine-tuned sales and marketing processes, and compelling messaging about their data and its differentiation, and most importantly, a commitment to data ethics and transparency.



Put data ethics and transparency first.

Whether you're an established data provider or just getting into the space, put your regulatory hat on for all you do. Legislators, policy advocates, advertisers, and consumers are increasingly savvy about what is allowed under the GPDR, the CCPA, and other far-reaching data privacy regulations, and what simply feels right to them.

Have your data collection methodologies and compliance strategies clearly mapped out and written in layman's terms, so you can proactively share this information with any prospects, customers, and partners.

Want to go one step further?

Get certified under the **IAB Tech Lab's Data Transparency Standard**, which is akin to providing a "nutrition label" for your data that provides information on segment quality, recency, provenance, and criteria.



This guide is about making your data stand out.

You'll be taken through the key steps by experts with impressive and valuable success stories to tell. You'll hear how they created and packaged their data, assured its accuracy with identity resolution, established the agreements and distribution channels—and, crucially, how they marketed and sold their unique products.

You'll learn the five key steps data providers need to take to monetize their offerings and thrive in a competitive, ever-changing marketplace.



Five key steps to monetize data

1 
Package and
differentiate your data

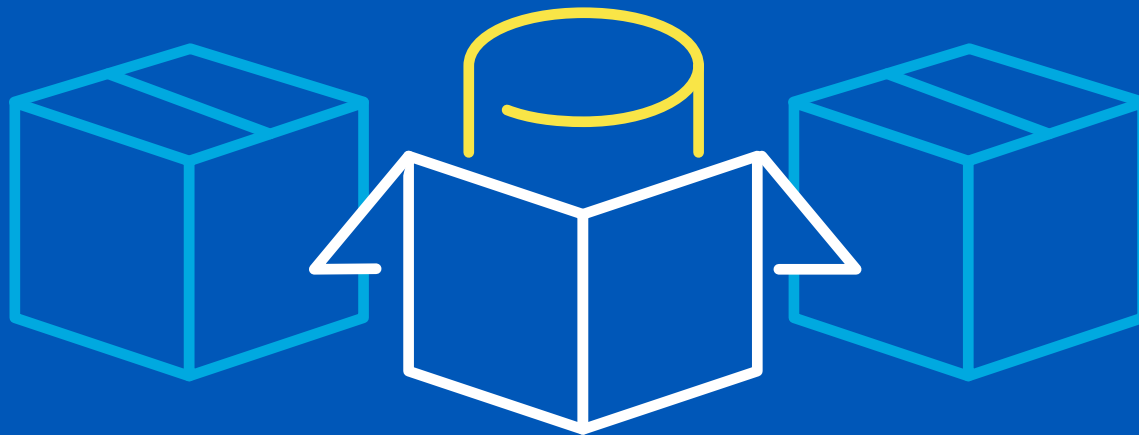
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Sell your data

Package and differentiate your data



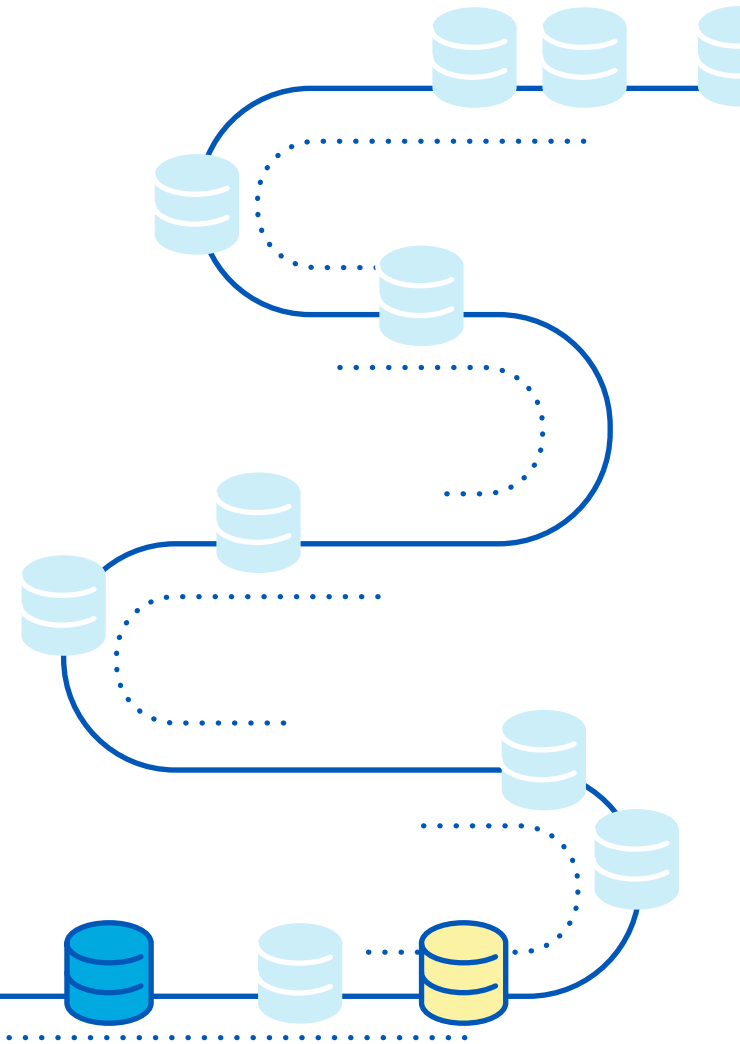
Differentiate your data

Two realities define the business landscape facing a new data provider: the overwhelming amount of data flooding the market—much of it repeat data—and the number of players in the market.

In such an environment, advertisers and platforms want offerings with a clear benefit from trusted providers. That means your data sets need to be unique.

"In a day and age where brands are all vying for the same consumers, data providers need to provide highly customized and unique data sets to enable brands to create connections at the individual level," said Doug MacDonald, SVP of Digital Solutions at omnichannel powerhouse, V12 Data.

"Consumers seek highly personalized connections with brands, and data providers need to be focused on people-based marketing: a data-driven approach that focuses on connecting brands with actual individuals across devices and channels."

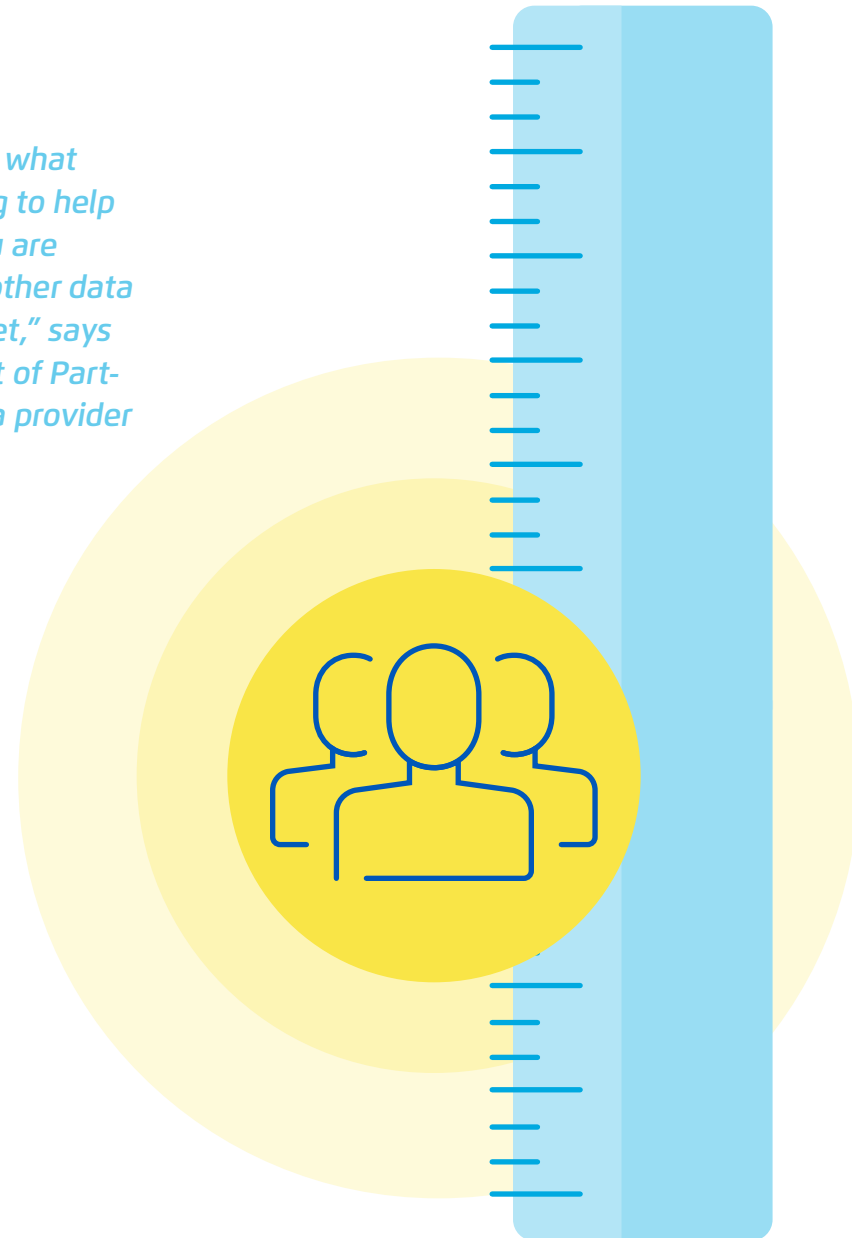


Think audience, think scale.

Begin by focusing on the data needs of advertisers and their agencies. Consider the scale for your data sets—their relevance to advertisers, the audience they reach—and the importance of creating products around them that will build out your brand preference and value. After all, advertisers and agencies are looking to you and your products to support their campaign directives.

To deliver against advertisers' needs, you should have two core competencies—understanding how to use data digitally and how to create a value proposition.

"It's important to ask yourself what specific problems you're trying to help a marketer solve and how you are differentiating yourself from other data providers already in the market," says Brandon Zirkle, Vice-President of Partnerships at PushSpring, a data provider focused on mobile.



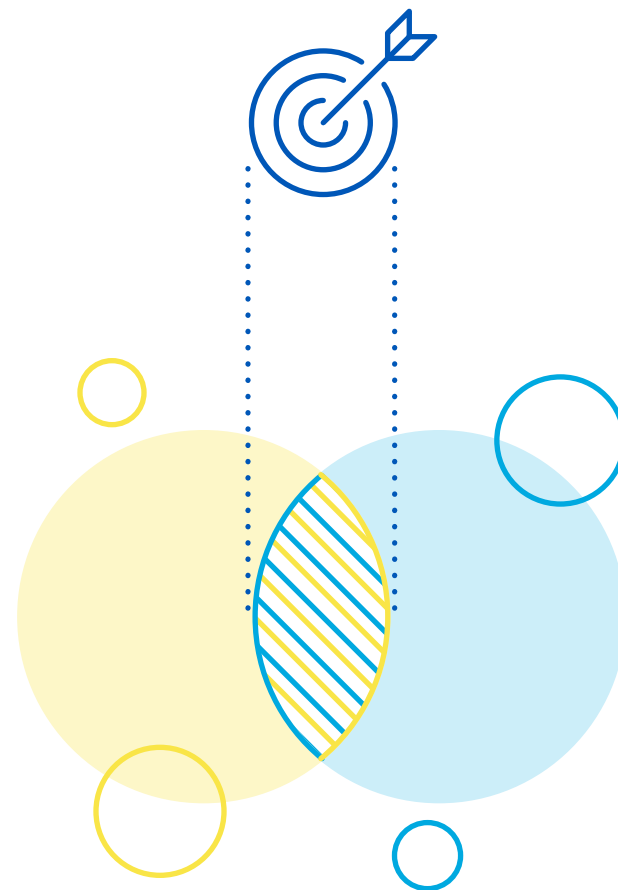
Segment, segment, segment.

Having data—being a company that owns data assets— isn't enough; you have to create products from them by building a system that will enable your customers to use it for specific campaigns and targeting. If you have offline data, you will need to connect all you know to the online identities of your customers and prospects in a highly segmented way.

"Let's say a data provider has a strong core set of automotive data," said MacDonald. "Augmenting that data with real-time shopping behaviors and other indicators of purchase intent would be of huge interest to marketers, as it would enable brands to get much closer to the sale." MacDonald believes new data providers need to be focused on blending traditional offline data with online shopping indicators to create a competitive niche in the marketplace.

By providing intersecting data points, you'll have solved a problem for your prospects: they only have to purchase one data set instead of two. Besides, there's plenty of generic, high-level data-sets out there, and getting specific is one easy way to differentiate yourself.

In one example, V12 Data created a new data set called V12 Signals by matching its offline automotive VIN database with mobile IDs so marketers can target actual on-premise auto shoppers (see **"Major automotive brand uses V12 Data to triple their response rate"** on page 13). The solution uses mobile location device data to identify daily consumer audiences who have visited a dealer's lot within the previous 24-48 hours.

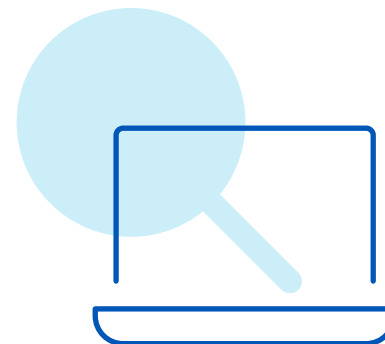
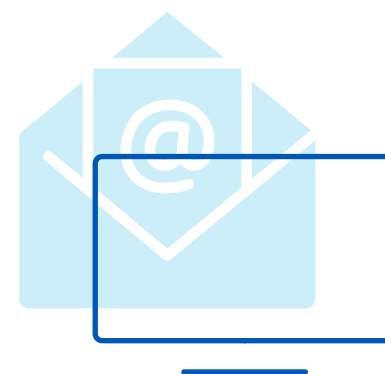


Build something new.

Make sure you're coming to the table with something new.

That's what PushSpring did when it started out. The nimble firm set out to solve marketing problems with better data and quality targeting for mobile advertisers. It acquired unique and differentiated data sets, specifically mobile-originated deterministic data; then built a data science team to model and extend the data into segments that were in demand from marketers in the mobile and cross-device space.

"From there, we focused on the marketer's perspective," said Zirkle. "Any feedback that you can get directly from advertisers is crucial because you need an understanding of the objectives related to your offering and how they'd like to activate it. You need to understand your customers' pain points."



Be customer driven.

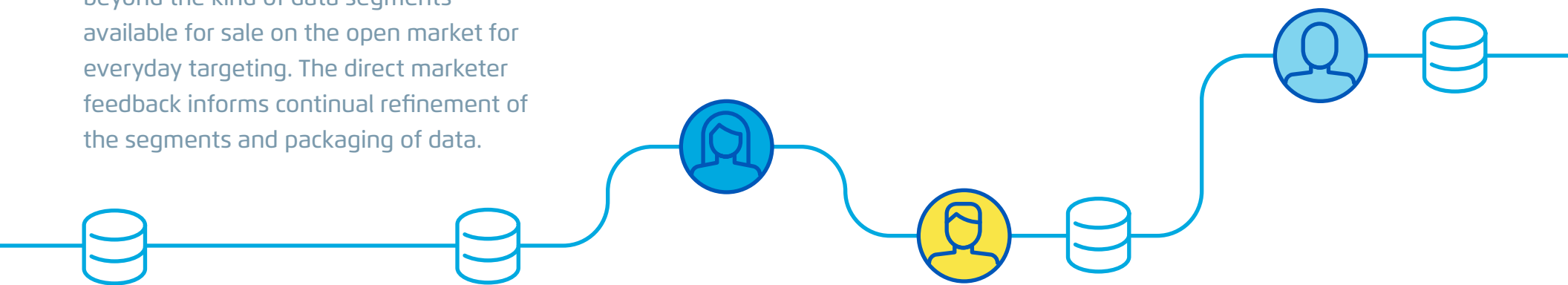
Data providers should be as focused on the needs of advertisers as the ad folks are on their clients and end customers. “We really took a customer-driven approach to the needs of the market, addressing pain points first instead of building a product in a box and then bringing that data offering to the market and simply hoping it would be what the marketers needed,” Zirkle added.

Customization that responds to customers’ needs filters throughout PushSpring’s business. The firm’s aim was to delve beyond the kind of data segments available for sale on the open market for everyday targeting. The direct marketer feedback informs continual refinement of the segments and packaging of data.

The power of a story transcends the customer. It is the thread that connects your data and your brand to the entire marketing value chain. You must empower your clients to tell a story around a particular set of data—a targeting segment, an audience group—so they can explain why it will work for the advertising they’re launching.

“Helping advertisers tell that story differentiates their offering to brands, and that’s something that the data teams really wanted,” Zirkle said.

“Marketers we talked to really wanted the ability to customize their own segments at a very granular level,” Zirkle said. “And they wanted to be able to visualize a particular customized segment. Custom segments enabled them to meet the audience goals of their campaigns, and visualization enabled them to be able to tell a story to their clients.”



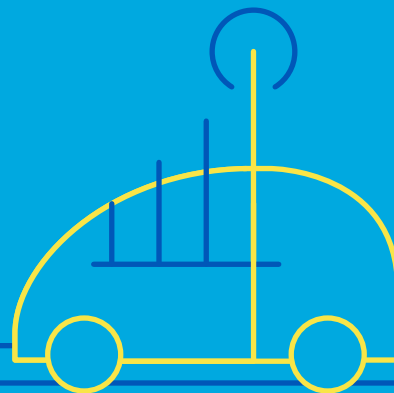
Major automotive brand uses V12 Data to triple their response rate

V12 Data recently worked with a large automotive brand to help boost their customer acquisition and retention efforts. The client was using traditional auto lead data but sales conversions remained low. The client was seeking to use mobile location technology as an alternate way to generate sales.

"Our client used our V12 Signals solution to track vehicle shoppers at their dealer lots as well as at competitor locations," said MacDonald. "The client then implemented an omnichannel approach to market to these shoppers. The results were absolutely astounding, producing more than three times the engagement rate compared to other leading acquisition programs our client has previously used."

Based on this success, V12 recently scaled the brand's audiences across the full U.S. population by applying machine-learning techniques across V12 Data's 200+ million consumer database.

"This allows us to evaluate different behaviors and infer that a consumer is shopping for a car, even if they have not recently visited a car dealership," said MacDonald.



These customized segments include:

Auto Purchase Intender:

Households that are currently in the market to buy a vehicle in the next six months. These are qualified, intent-to-purchase consumers who have recently visited an auto dealer lot.

Auto Aftermarket Purchase Intender:

Households that are currently in the market to buy aftermarket auto parts such as tires, cleaning supplies, motor oil, seat covers, tires, GPS vehicle devices, and more.

Auto Service Buyer:

Households that are likely to bring their vehicle to a dealership for routine maintenance such as tune-ups, oil changes, tire rotation, and other preventative maintenance services.

Auto Purchaser Intenders Broken into Brand Categories:

Households that have a high propensity to shop for and purchase vehicles within specific brand categories, including full range, luxury, and economy brands.

Adopt an identity resolution service



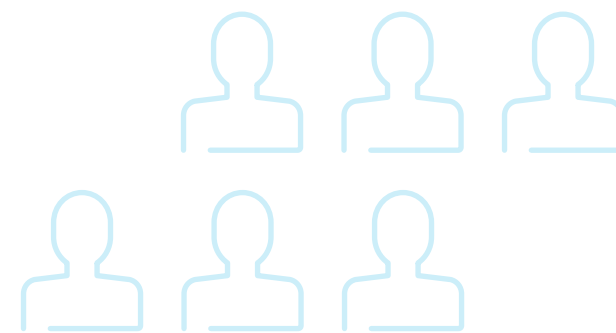
Focus on identity resolution

Consumers constantly change as their lives evolve—with each job and each new address, with marriage and children, as new devices and platforms emerge. Only by connecting all this data together at the consumer level in near-real-time will you be able to help advertisers reach the consumers who are most likely to respond.

The key is identity resolution—the ability to match consumer data collected over time and across channels and devices to an accurate identifier of an individual. Identity resolution is also the ability to connect personally identifiable information (PII) and anonymous data to form an accurate picture of a consumer.

Why should data providers take the time to do this?

According to MacDonald of V12 Data, “It wasn’t all that long ago when targeting prebaked or profiled personas was the height of sophistication for most data-driven marketers. Fast-forward five years and we data providers are now helping marketers succeed by delivering CRM segmentation, analytics, custom audiences, and predicting likely behavior based on measurable results. The critical shift has been up to us—the data providers—working with marketers and agencies, nudging them away from persona-based targeting towards custom segmentation.”



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So where do you start?

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Use deterministic matching.

Deterministic matching is all about finding people rather than cookies or device IDs. It's what powers the people-based marketing that Facebook and Google are known for, and consumers are starting to expect brands to deliver.

When V12 started out in 2002 in the direct mail space, their large data clients wanted to be sure they were reaching the right people with those mailings. V12 needed to be sure their data was accurate. After the firm started with digital in 2010, they had to find a way to go beyond household data to set themselves apart from the market.

"You need to have a one-to-one deterministic match. What we mean by that is—when looking to V12 Data—having emails that match that one individual to a device ID," MacDonald said. "Once we have that match, we can start doing the interesting, people-focused targeting; we can follow someone through a journey and have a conversation with one person, not just a household."



Matching Defined

Deterministic identity methodologies create device relationships by joining devices using personally identifiable information (PII), such as email, name, and phone number. Devices are only linked when they are directly observed using the PII tied to a consumer, prioritizing accuracy and limiting false positives.

Probabilistic identity methodologies create device relationships by using a knowledge base of linkage data and predictive algorithms as the foundation for an identity graph. Devices are also grouped together implicitly—via device fingerprinting, IP matching, screen resolution, operating system, location, Wi-Fi network, and behavioral and browsing data—using statistical modeling at a given confidence level. These groups can be linked to identities based on predictive algorithms.

Be omnichannel.

Advertisers and the brands they represent are relentlessly focused on achieving true people-based campaigns where the right messaging reaches consumers so seamlessly that channels disappear.

Having a single view of your customers across channels—that is, an omnichannel view—helps you build custom experiences, no matter where someone encounters your brand. To provide segments to your buyers who meet those goals, you first need to recognize a person through identity resolution—and the first step to that is onboarding, the process of taking offline data and matching it to online identifiers in a privacy-conscious way, enabling you to deliver segments to your buyers in whatever channel they want.

“People underestimate the complexity that’s involved,” said Kent Hall, Managing Director, Data Solutions, at LiveRamp.

“It’s not easy to match data consistently and then make sense of it and get it to all the right places once it’s on platforms. It’s hard work, but getting an accurate view of the individual consumer is the only way to for a brand to become omnichannel. And looping in third-party is crucial to that process, so anything a data provider can do to make that easier makes their data more attractive to buyers.”



What to expect from an identity resolution provider:



Match offline data by resolving first-party offline CRM, direct marketing, and point-of-sale data back to a single anonymous consumer identifier



Marketplace for data. Once you create and package your segments, you need a place to make it easily available to buyers that gives you control over both pricing and usage



Connect data to platforms. Offline and online data is connected back to a single identifier that can be distributed to digital marketing platforms



Secure environments. All data onboarding should take place in a SafeHaven-certified environment. Be sure all data respects privacy rules and regulations, no matter where it is sent



Layer exposure data to pull together online exposure data from platforms and publishers and tie it back to the same identity as the rest of your data for a complete, measurable understanding of customer behavior



Full visibility. Check the status of uploads and activation against selected platforms as they happen

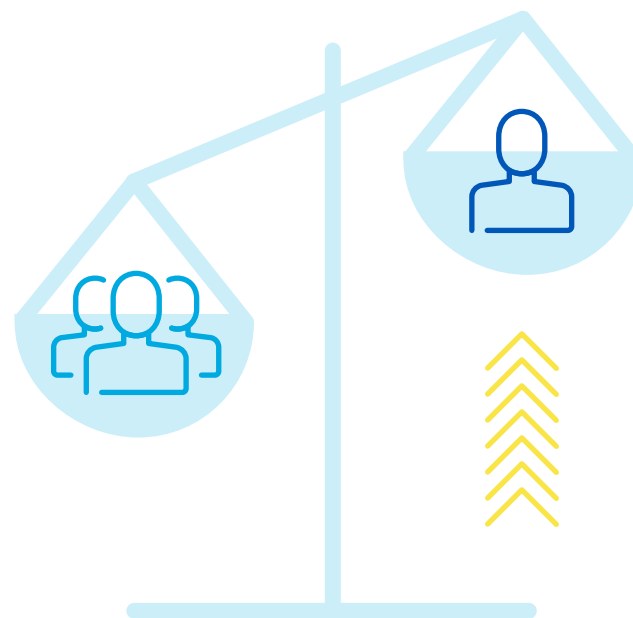
Link to scale.

Let's return to the discussion of scale because identity resolution is at the root of a marketer's ability to model and expand data—and, of course, scale is critically important for ROI. The question boils down to this: Is the audience you're building large enough to even sell as an offering?

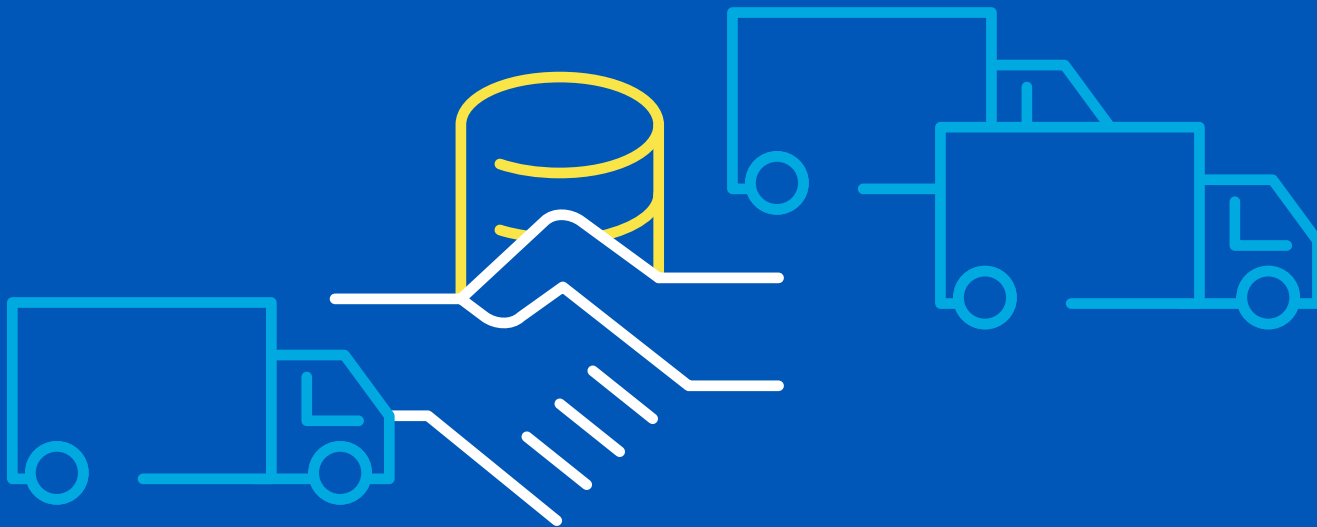
PushSpring's Zirkle said, "If you're just thinking about sending a hundred mobile device IDs to a platform, that's far too small for any advertiser to be interested." Advertisers won't get a large enough addressable audience as they run their campaigns.

"If I had a larger offline data set with hundreds of millions of users, I would be focused more around the accuracy of the matching, the quality of my data, and how interesting and differentiating the data set is in market, once it's been properly onboarded."

Partnerships are crucial for most marketers to model and scale niche data, a key step we'll explore next.



Partner with other data owners for distribution



Partnering with other data owners for distribution

A unique set of data with a high degree of relevance to a marketing category is far from the final step toward monetizing data. Next, you will almost certainly need syndication or licensing agreements to combine and distribute your data set with another data owner, going to market together as a way to connect and expand your product.

When it comes to appending your own data set, sometimes it helps to think like a brand. They are, after all, your customers, and their concerns should be your concerns. Brands are rigorous in choosing which

data providers meet their privacy, security, and accuracy expectations, and you should be as well.

As such, the first concern for a client in a partnership with you will be data security and data privacy.

"Brands are very protective of their data" Hall said. "They don't want their data being accessed by competitors or by a partner they don't trust, which is obvious, so they are looking for a partner that can translate their data and get it everywhere."



Gaining trust.

Identity resolution extends beyond the connection of offline and online data to form the all-important single view of individual consumers; the quality of your data and the integrity with which you manage their data must breed trust among advertisers and brands.

"V12 Data embraces the concept of right-time marketing—reaching the right person across the right channel at the right moment," MacDonald says. "We're honing in on where the industry is getting even more focused—and that's transparency on sources and focus at the individual level."

To Hall, trust is a big part of the value proposition that a partner or data provider brings to the market and its partnerships. "Privacy folks at agencies want to understand what we do in terms of

sourcing and why they should be confident in our practices," he says. "More and more platforms care about that because they don't want to be on the front page of the *Wall Street Journal* for the wrong reasons. So trust in your data sourcing has value."

Hall believes data providers just starting out should be able to answer core questions that clients or prospects ask.



Do you have a framework for the ethical use of data to ensure permissible collection, use, and application of customer data?

How do you manage the collection of new data sources and the integration of those data sets with existing data sets on customers in a privacy-conscious manner?

Source from the ground up.

How do you answer these questions? Think about sourcing.

It's important to include many different data points and sources, such as public records, phone directories, census data, consumer surveys, and other proprietary sources. By accessing and blending numerous data files and sources and implementing multipoint verification processes, data providers can ensure they are providing only the highest blend of data and the most accurate picture of the consumer as possible.

A missed mark erodes trust in the brand from a consumer who clearly sees that the message is not really for him or her—and that annoyance ultimately will come back to haunt the data provider that didn't source and deliver great data. There are more dynamics in play than just reaching the right person at the right time in the right channel. Messaging must do more than hit the mark, it must be just right in tone, cadence, and frequency. Targeting with inaccurate data sets can throw any one of these off and lead campaigns to fail—or succeed for incorrect and, perhaps more importantly, unreplicable reasons.

That's why accuracy and sourcing is a big issue for brands—and it's why marketers today have to ask their data management partners how they identify customers.

The first line of defense for accuracy is ensuring it's based on a PII core identifier, then ensuring you're matching the information collected as the customer traverses the digital world back to an exact match, not an inferred match.



How a data provider manages sourcing

Offline data collected by V12 Data comes from hundreds of sources, ranging from public records to different kinds of surveys, self-reported documentation (a questionnaire from a cruise experience, for example), transactional data, and more.

From all these different sources, the company might see one user and source at the PII level that shows this person just purchased luxury jewelry. “We’ll wait until we have two other sources corroborate that interest,” MacDonald says. “It doesn’t mean they have to make a purchase.”

The data could mean the consumer went to Neiman Marcus and made a purchase. V12 Data collected that interaction maybe through a retail data aggregator, but then saw this consumer sign up for a luxury jewelry publication—and she also showed interest offline by filling out a survey and receives opt-in emails for jewelry and luxury goods. This signals more than gift buying.

“Once we see an individual showing an interest across three different sources, she get puts into that bucket—let’s say the jewelry bucket—because at first we don’t know whether she bought that bracelet for herself or her daughter or her mother or daughter-in-law,” MacDonald says. “We need to see that she made three other different actions across three different sources to make sure we understand her and that her behavior expresses something in which she is truly interested.”



Finding data, finding success.

PushSpring's Zirkle points to the natural result of finding early partners that buy into your niche offering and forming proof points and case studies around the ROI your data can provide. Happy partners tend to attract more interest. "If you had success with the auto vertical, clearly you should go find more automakers or parts

suppliers because your data is likely going to do very well there," Zirkle says. "Success is finding where your data performs the best and growing your capabilities within that vertical."

That's where marketing comes in.



Market your data

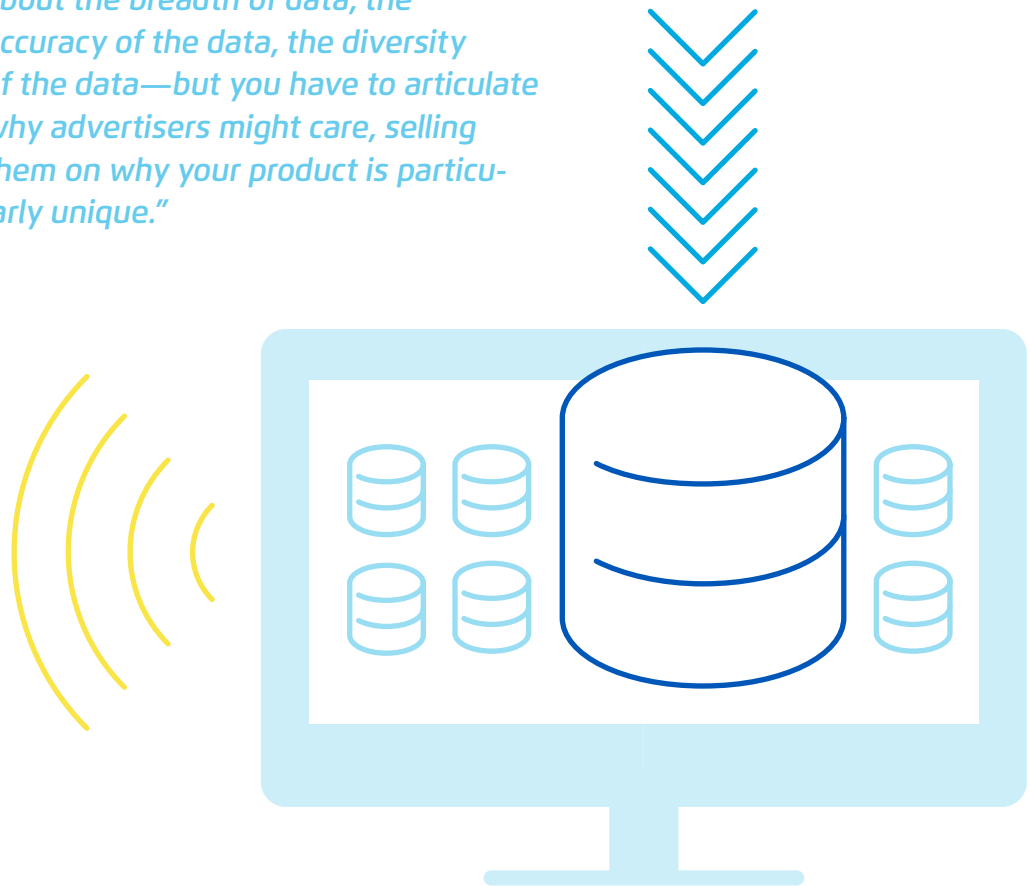


Marketing your data

So your young data business has created a unique product and you've found a solid partner to resolve identity and connect your offering to a vast match network. Your data is clean and clear. No one else has quite what you have.

Now what?

"You also need to be able to tell a story around your data to show why it's valuable" LiveRamp's Hall says. "The marketing might involve talking about the breadth of data, the accuracy of the data, the diversity of the data—but you have to articulate why advertisers might care, selling them on why your product is particularly unique."



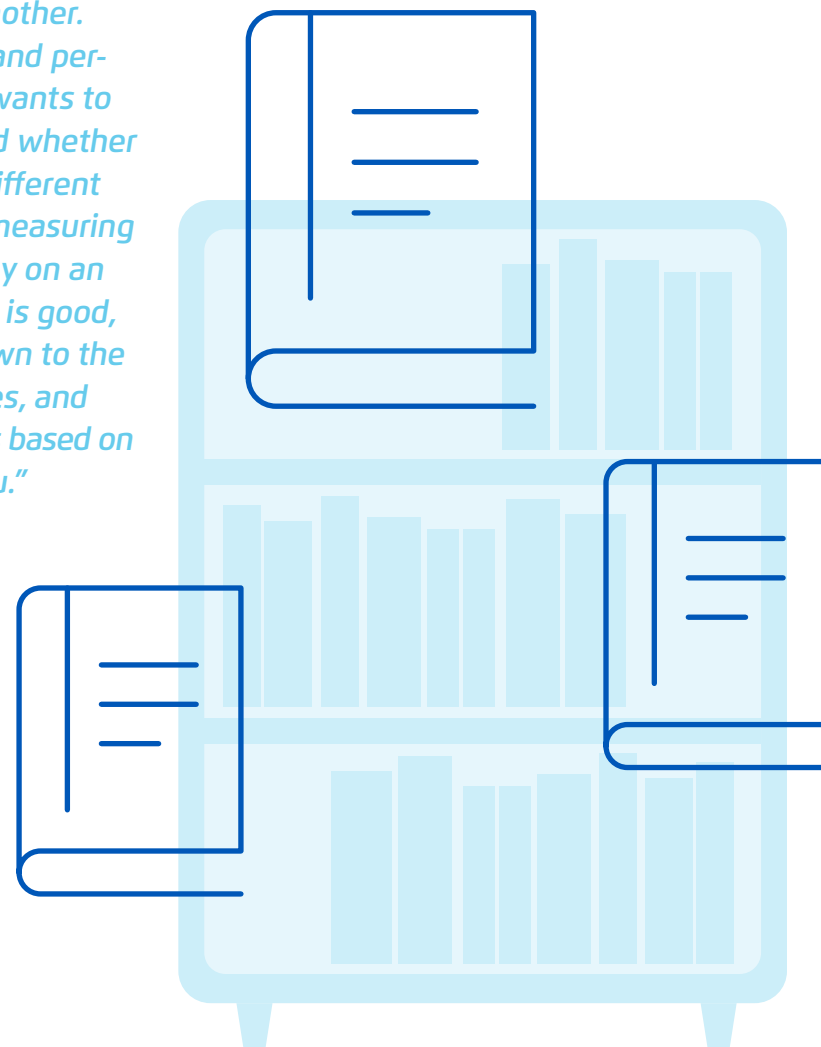
Tell your data's story.

Hall believes that effective communication of a company's value proposition is shockingly rare among data providers. Yes, he notes, those in business for a long time often market themselves well, but some small data companies are struggling with storytelling.

Your marketing lies in the very qualities that will set your business apart—sourcing and the existential need to differentiate yourself in the marketplace with niche data that is accurate. Those qualities are your marketing tools. So are the people who set you apart—your data scientists, your sales staff, your partners. They are the backbone of your story.

So why does some data fly off the shelf while other data sits there without a buyer?

"Differentiation is one reason," Hall says. "Brand awareness is another. Perception around accuracy and performance is key; everybody wants to know if your data is good and whether it performs. Everybody has different goals and different ways of measuring those goals, so it's hard to say on an absolute basis that 'this data is good, this data is bad.' It comes down to the fact that advertisers, agencies, and platforms will make decisions based on their past experience with you."



Visualization powers PushSpring's storytelling to agencies

Customization of data segments has been a core strength of PushSpring since its founding. What we've heard from marketers is that they really wanted the ability to customize their own segments at a very granular level—and once they customized a particular segment, they wanted to understand it and be able to visualize it prior to activation.” Zirkle shared.

PushSpring responded to customization and visualization requests that they heard frequently from marketers. They created segments that met the audience goals of advertisers' campaigns, which allowed them to tell a story to their brand clients.

“We're working with agencies,” Zirkle says, “so it's important to be able to empower the agency to tell a story around why a particular set of data or targeting segment or audience group is going to work for that particular brand or advertising that they're helping to promote. If you, as a data provider, are able to successfully help an agency tell that story to a brand, you're strengthening the agency's core competencies. That's a tactic we heard again and again that agency buying teams really wanted. They had pain points around that—they didn't have the ability to tell that story with some of the other data providers they were working with.”



Speed.

One capability that will feed the marketing effectiveness of a start-up data firm is speed. Advertisers have to respond to a quickly shifting and evolving marketing landscape, and they want to reach end customers at the moment of desire.

“A good example of how we listen to customer feedback is around speed of activation,” says Zirkle, who references the standard in the market around customizing segments. When PushSpring started out, he notes, a custom segment could take two to three weeks to be accessible in an activation platform: It had to be modeled and an application team would create it in a one-off process. “We took all of those pain points and addressed them with our offering and combined that with the customization and visualization aspect of what we do.”

PushSpring’s Audience Console allowed advertisers and agencies to create their own custom segments, visualize them, and then activate them within hours after creating the segment—and to have instant feedback in terms of the segment composition and where they want to push it for application.

The result: PushSpring took what used to be a two- to three-week process with all the back-end work and automated that work through a new user interface that Zirkle says marketers found very intuitive and useful. “We were able to provide a lot of value to agencies and marketers looking to easily and quickly build, understand, and activate audiences at scale while eliminating their pain points.”



Sell your data

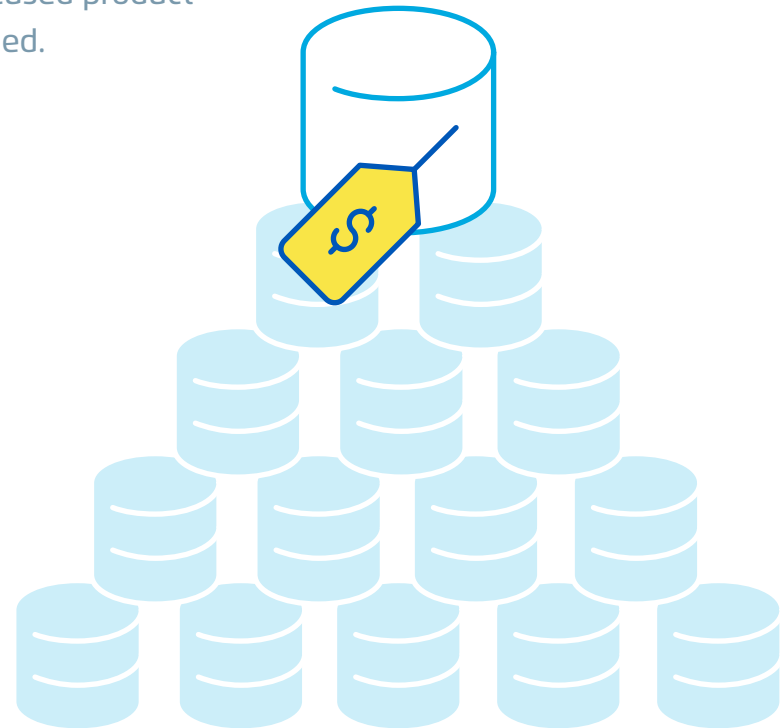


Selling your data

Think of what the world is like for sales.

“Very quickly you get questions about reach or about match rate with this or that platform,” Zirkle says. “And if you can’t answer those questions on the spot, well, they’ll go to another data provider, maybe one that worked for them in the past and gave them the answers they needed quickly.”

One data provider made a strategic decision to simplify their data. Their product was complicated, and a lot of different inputs and areas were going into it. Clients and prospects were confused. So they distilled their data set to 12 groups and then marketed that focused product aggressively—and succeeded.



**How do new data providers
get their message and value
prop across?**

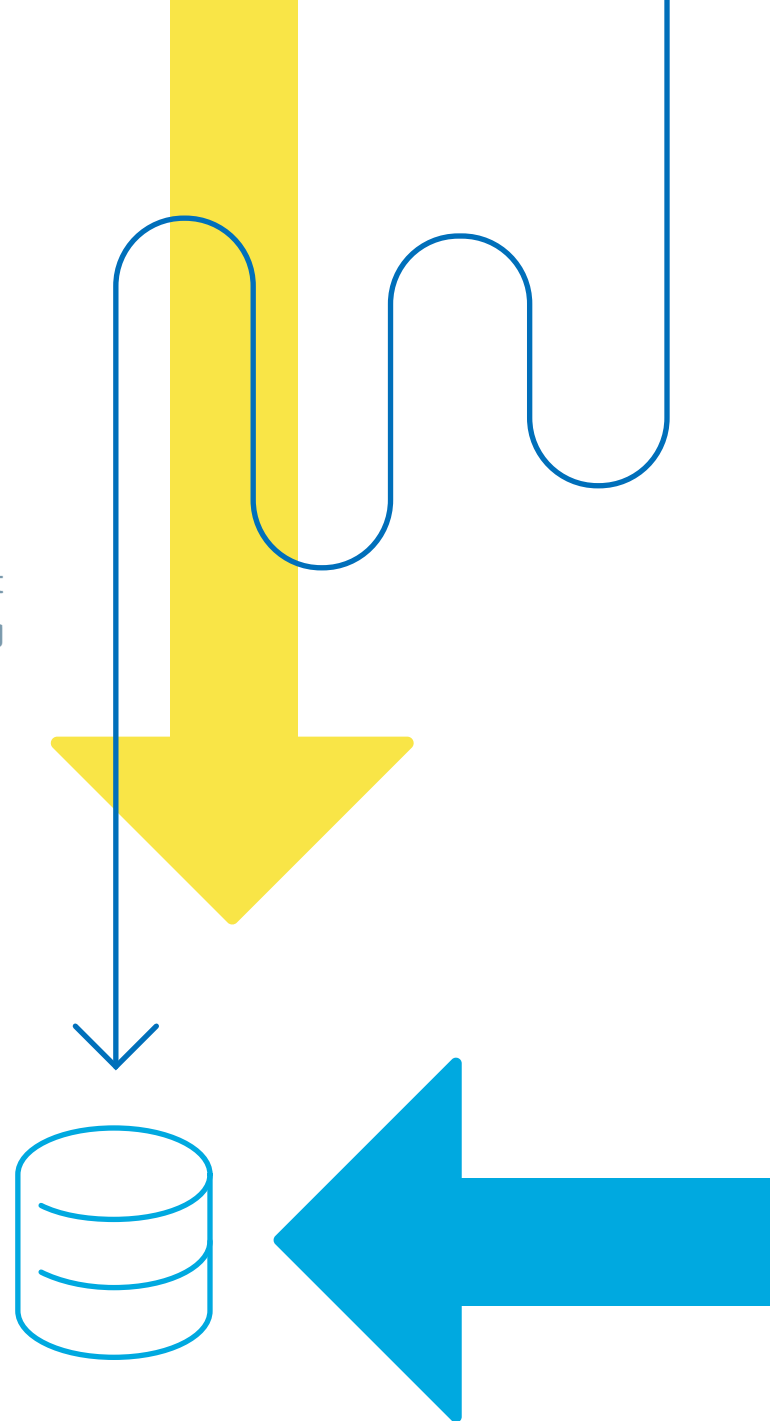
Go directly to marketers.

Engaging directly with advertisers is ideal for a data firm just getting started because brands often work with more than one agency, each with different directives and goals. Who has the complete, holistic view of their needs around data?

"Somebody talking to an advertiser directly often gets sent to the agency, and if the agency was skipped in the process, they might be a little cranky," Hall says. "So it's a balancing act, and you should aim to connect with the advertisers because they generally decide what data to use."

According to Hall, agencies might not be the way to achieve the impact you want from a sales and marketing perspective. "You want to preach your story to the people who are actually making decisions around targeting" he says.

"If you don't even know what the advertiser's goal is, it will be hard to influence the success of your data. If the creative is horrible and you have no insight into the process behind it, then you might get knocked because that creative is sending a message that has nothing to do with the target a campaign is trying to reach."



Get great people.

Even in the age of data and AI, nothing great will happen without the staff to manage, market, and sell your offering.

"It's about having the right people," Hall says. "We work with companies with sales teams who are just great, pounding the pavement, talking to all of their partners and platforms, making them top-of-mind—and, in doing so, making their company top-of-mind. So with the right people, there's definitely a way to be successful."

The right people and culture are a factor on the client side. Your team, including the point-person in sales, might influence a client or prospect's culture in a data-positive way, helping them break silos and unify data science with marketing. Many data providers encourage the

advertisers managing different channels—those managing social and email or display, or those curating the website—to talk and work together, especially with data science teams.

The more your clients become data-driven, the more likely it is that they will achieve the efficiency within their ranks to bust silos and become truly omnichannel—and the more your data will succeed.



Answer challenging questions.

According to MacDonald, “Today’s customer journey is far from linear, as consumers traverse in and out of channel systems. Visibility into your best customers and the way they interact with your brand is what it takes to win at digital marketing and customer engagement in an omnichannel, data-driven world.”

To get there, marketing and other customer-facing teams must ask themselves:

- Who are our consumers—what do we know about them and their behaviors?
- Do we have visibility into all consumer activities and interactions?
- Do we offer a seamless experience across all channels?
- Do we have the data we need to generate actionable insights around consumer behavior and campaign performance?

These are challenging questions, but they are essential to gaining deeper and more actionable intelligence into who consumers are, what they do, and how you can more effectively engage them.

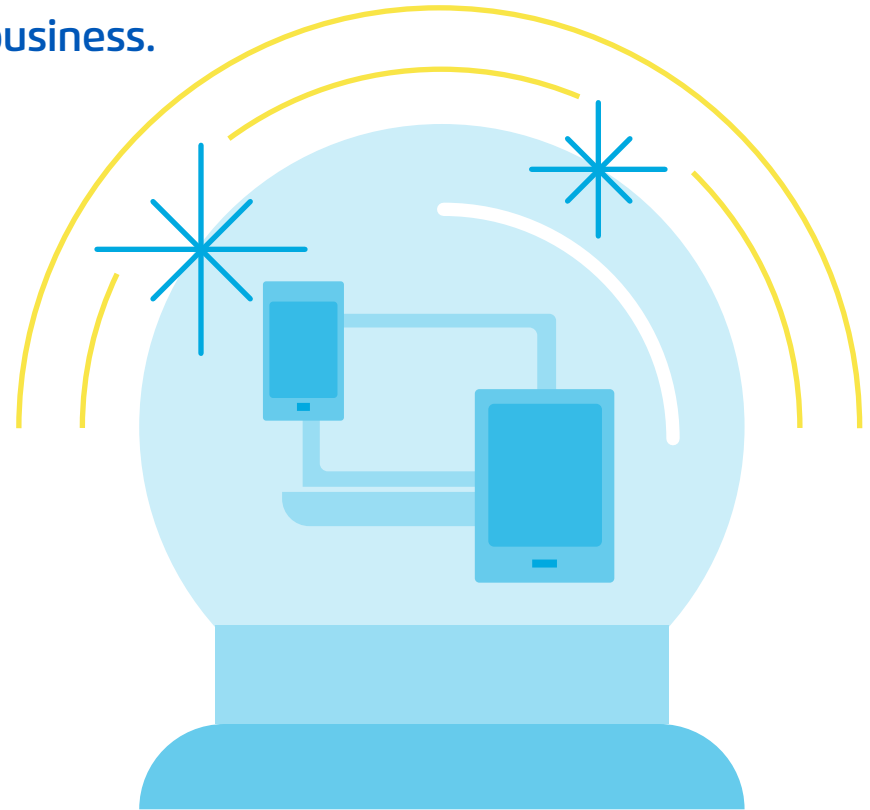


The future

Innovative companies and entrepreneurs will continue to develop new devices and platforms that will only make the shifting seas of data more complex. Hyperconnectivity through vast networks of sensors will enable organizations and businesses to monitor and record whole new streams of data. Emerging from all this will be fresh insights that are even more granular, raising the bar for what it means to be omnichannel.

Most advertisers and agencies won't be able to keep up—and they will look to data providers for help in finding and managing unique and powerful data sets.

There's never been a better time to be in the business.



About LiveRamp

LiveRamp is the leading data connectivity platform for the safe and effective use of data. Powered by core identity capabilities and an unparalleled network, LiveRamp enables companies and their partners to better connect, control, and activate data to transform customer experiences and generate more valuable business outcomes. LiveRamp's fully interoperable and neutral infrastructure delivers end-to-end addressability for the world's top brands, agencies, and publishers.

For more information, visit

www.LiveRamp.com