



WINTERBERRY  GROUP

The Data-Centric Organization: Transforming for the Next Generation of Audience Marketing

A WINTERBERRY GROUP WHITE PAPER SEPTEMBER 2016

IN PARTNERSHIP WITH



FOREWORD For well over a decade, analysts have leveraged white papers like this to tell a story of how “Big Data” would soon revolutionize how companies practice advertising, marketing and virtually all other customer-facing functions.

If such research has occasionally been criminally responsible for provoking hype and over-generalization in the marketplace, well, we’re probably as guilty as any. In concert with our research partners at DMA and Interactive Advertising Bureau, we’ve investigated the potential of data through the lens of supporting use cases, programmatic media strategies, supporting technology platforms, institutional governance structures and a multitude of other topics.



After so many man-hours of research, we can safely say this: enterprises are sold on both the *potential* and the *real value* of data. In fact, it’s no over-generalization to say that marketers and media companies alike have signed on for what’s effectively a data revolution, with the same companies working furiously—in ways that are both big and small, highly visible and lurking beneath the surface of complex organizational structures—to make data an integral part of how they engage with their respective audiences.

Many are going about that task largely in the dark, without benefit of a strategic roadmap, industry-standard benchmarks or even, typically, a series of performance objectives tied back to their overarching business needs.

Though no white paper can provide all the guidance that any single data stakeholder might be seeking to affect such a transformation, we hope this report—a collaborative effort between associations representing marketers, media companies and the vast ecosystem of firms that support their respective efforts—can help *all* data users frame their efforts in the context of what’s working for their peers, and what’s delivering real value in a market where such can often be hard to quantify.

More importantly, we hope it furthers the industry dialogue focused on supporting the productive and responsible use of data—as a foundation for doing better marketing, a means of growing the value of media and a tool to deliver better experiences to the consumers who are such an integral part of the exchange.

All hype aside, that’s what the value of data is all about. We welcome your feedback.

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ACKNOWLEDGEMENTS

This white paper would not have been possible without the significant contributions of more than 200 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 partners, DMA and the Interactive Advertising Bureau’s *Data Center of Excellence* including its board member companies:



We are further grateful to our independent supporting 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 AARP, American Broadcasting Company, American Express, Dell, Hulu, Macy’s, Metlife, NBC Universal, Nutrisystem, TD Ameritrade 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 DMA, 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, DMA, 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. Nor shall any of the forgoing (or their respective officers or controlling persons) have any liability resulting from the use of the information contained herein or otherwise supplied.

INTRODUCTION AND EXECUTIVE SUMMARY

Over the past several decades, the practice of marketing has undergone a number of transformative shifts.

Direct marketing welcomed “digital” into the fold. Digital became “omnichannel” and, with the help of new technology, increasingly “programmatic” in its application. More recently, virtually *all* forms of marketing and media adopted a renewed embrace of the customer “audience” and its needs.

Underlying this evolution has been a common theme: the growing role of data. But while the sheer volume of audience data (and the use cases to which it’s considered addressable) have proliferated in recent years, the organizations that aim to use it generally haven’t evolved nearly as much.

Despite rampant enthusiasm for the potential of “Big Data,” many enterprise-class marketers and media providers remain saddled with infrastructure, technology and internal processes designed for *yesterday’s* business needs, thus hindering their ability to capitalize on data and its potential.

And so even as these firms attempt to innovate—to stand up the latest marketing cloud technologies, assess emerging data onboarding protocols and build custom targeting personas, for example—they struggle with the same organizational silos, limited budget visibility and talent constraints that have stymied them for years.

Nevertheless, transformation is underway, with an increasing number of organizations seeking to reinvent the way they aggregate, manage and activate audience insight. But this move to embrace data as a centerpiece of the marketing and media effort—and to become truly “data-centric” across all facets of the enterprise—raises a series of questions: **How should organizations reinvent themselves** to support data-driven approaches to marketing and media? **Where should they prioritize their investments** to ensure greatest impact? And **what kind of progress has the industry made toward these objectives?**

Developed through a groundbreaking partnership between DMA and Interactive Advertising Bureau’s Data Center of Excellence, this white paper—compiled through an executive-level outreach effort including online, telephone and in-person surveys of over 200 thought leaders—will address those and other key questions that enterprises are encountering as they attempt to transform with an eye on becoming “data-centric” in *both* theory and action. Among other findings, it will demonstrate:

≡ TAKEAWAY

≡ SUPPORTING EVIDENCE

Though strategies to promote data-centricity are in full force—and will continue to represent a dominant priority among marketing and media organizations over the coming year—few organizations have yet to achieve meaningful results from their efforts at data-centered business transformation.

- Virtually all (95.7 percent) enterprise marketing and media panelists reported that their organizations have taken efforts to build strategies geared to support a more central use of audience data. But less than a third—just 28.6 percent—said that such strategies have begun delivering quantifiable business results.
- Nevertheless, while less than a quarter (24.3 percent) of panelists described their organizations as “extremely data-centric” today, more than twice that number—59.4 percent of the panel—said they expect their organizations were likely to achieve that maturity within the next two years.

Though marketing and media organizations are looking to engage audience data to support a wide array of use cases, the hierarchy of those applications is steadily shifting.

- Panelists said that current high-priority data use cases (that typically focus, for example, on delivering greater process efficiency through the lever of programmatic ad operations) would likely give way over the next two years to a new set of effectiveness-centered missions (leveraging audience insights, for example, to deliver better online experiences).

Data users and their supply chain partners agree: few organizations have either the depth or breadth of talent they need to derive full value from their data-driven initiatives, particularly when it comes to leveraging analytics as a driver of audience insights.

- Less than a third of panelists (32.9 percent) are confident—and only 5.2 percent are “extremely confident”—that their internal teams have the right expertise, skills and experience to support their data-driven initiatives.

Standing in the way of business transformation: organizational silos and other internal process issues that hinder data access and sharing.

- Few panelists (2.7 percent) are “extremely confident” that their companies’ business processes and organizational structures are geared to support the optimal use of available audience data, and a majority (58.5 percent) agreed that dissolving functional silos would represent the most important step their organizations could take to derive more value from their use of audience data.

≡ TAKEAWAY

As they look to significantly ramp up their investments in technology, data and service-driven solutions over the next several years, data users are looking for their third-party partners to elevate their support for the *strategic* functions underlying such investments—calling for a renewed focus on business case development, technology assessment and holistic system alignment as elements of a comprehensive approach to “data-centricity.”

Going forward, data users are also likely to look to their supply chain partners to play a more active role in supporting their day-to-day marketing and media objectives—in particular, by helping leverage analytics to deliver strategic and campaign-level insights.

≡ SUPPORTING EVIDENCE

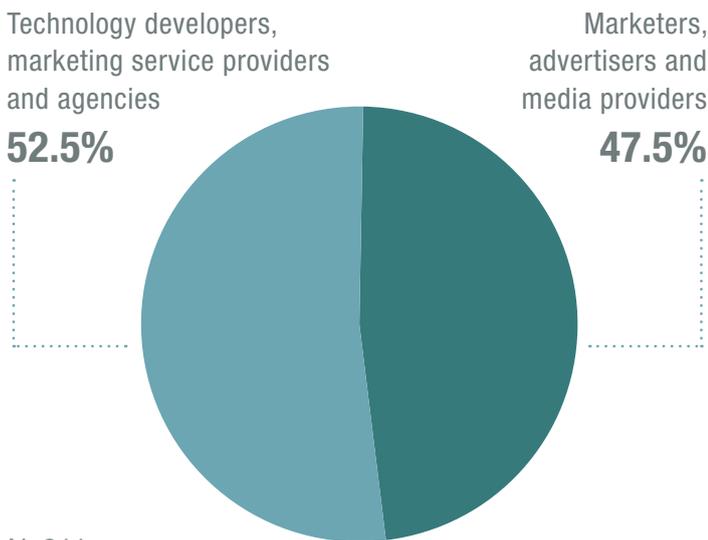
- 60 percent of panelists said that improving how they “build a credible business case for technology investments” and “formalize ongoing technology assessment” are foremost among the tactics their organizations could pursue to generate more value from their data-related technology investments.
- While very few panelists (just 5.2 percent) said their supply chain partners currently offer “substantial support” in their efforts to derive value from the use of data, nearly half (44.8 percent) said they would benefit from a deeper relationship with these partners.
- Although panelists were varied in their viewpoints on which third-party technology functions best support their data-driven marketing and media efforts, 49.3 percent agreed that predictive analytics and audience segmentation represent the features they value most in supporting technology platforms.

**RESEARCH
METHODOLOGY**

This white paper explores how enterprise marketers and media companies are reshaping their organizations to leverage data as a more central driver of their various audience interactions.

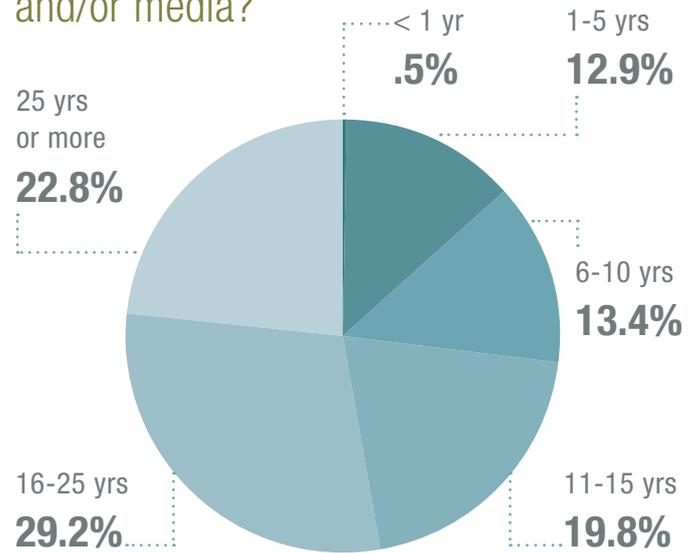
Published in partnership with DMA and the Interactive Advertising Bureau’s Data Center of Excellence—and with the independent sponsorship of Merkle, V12 Group and Valassis Digital—the paper’s findings are based on the results of an intensive research effort that included phone, online and in-person surveys of more than 200 advertisers, marketers, publishers, technology developers and marketing service providers (primarily based in North America, and conducted between May and August 2016).

How would you describe your principal role/business focus?

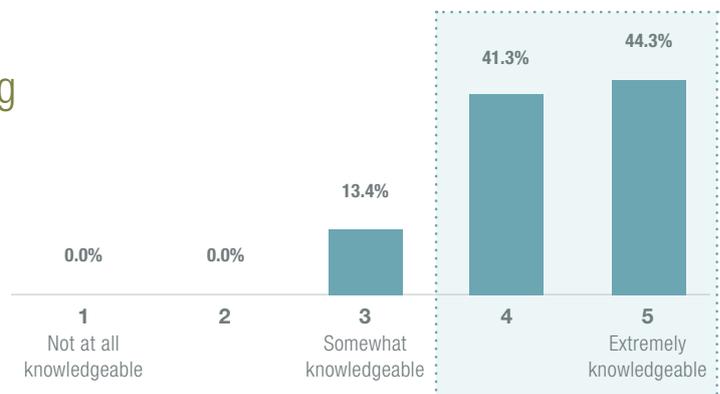


Note: Includes panelists who either completed a detailed online survey questionnaire or participated in a telephone interview; panelists were not required to answer every question. Where appropriate technology developers, marketing service providers and agency panelists were asked to provide opinions on their clients’ organizations

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



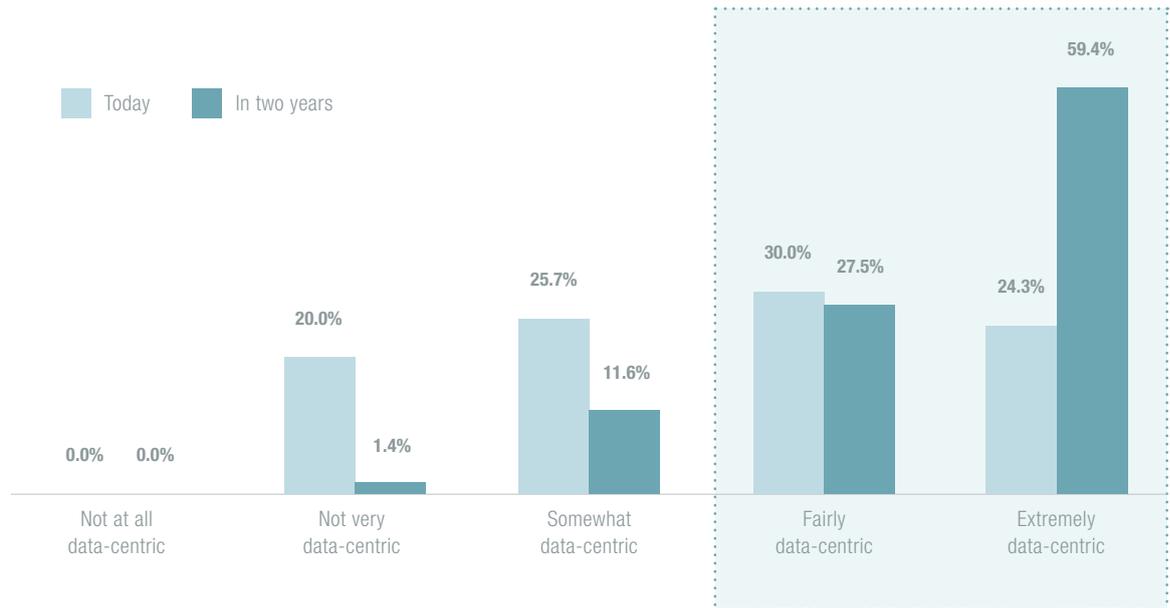
How knowledgeable are you with respect to data and its various marketing, advertising and/or media applications?



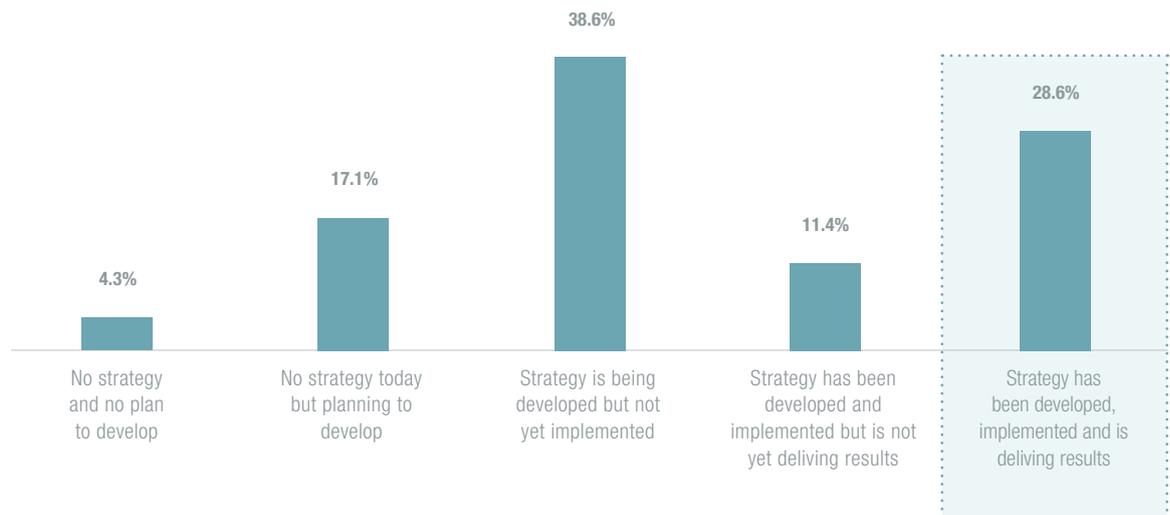
THE DATA-CENTRIC ORGANIZATION: A TRANSFORMATION IN PROGRESS

Though strategies to promote data-centricity are in full force—and will continue to represent a dominant priority among marketing and media organizations over the coming year—few organizations have yet to achieve meaningful results from their efforts at data-centered business transformation.

To what extent is your organization “data-centric” today? How data-centric do you expect your organization will be two years from now?



To what extent would you say your organization has an overarching strategy to govern its use of audience data for advertising and/or marketing purposes?



PANELISTS SAID...

- ▶ Enterprise-class marketers and media providers are actively pursuing organizational change initiatives aimed at leveraging data as a more central driver of their audience engagement efforts. Though the specific drivers behind these initiatives (and the frameworks within which they're managed) vary across markets, they tend to be driven by one or more of the following overarching objectives:
 - The embrace of "customer-centricity" as a fundamental go-to-market strategy
 - A desire to engage digital channels as primary promotional, transactional and/or customer service vehicles, supplanting traditional media
 - A desire to better integrate the deployment of various channels—both digital and traditional—around a richer understanding of the customer audience
- ▶ As much as data has already served to transform the practices of marketing and media, its greatest transformative impact isn't likely to be realized for at least several years. Less than a quarter (24.3 percent) of panelists described their organizations as "extremely data-centric" today, but more than twice that number—59.4 percent of the panel—said they expect their organizations would achieve that maturity within the next two years
- ▶ Further, virtually all (95.7 percent) enterprise marketing and media panelists reported that their organizations have taken efforts to build strategies geared to support a more central use of audience data. But less than a third—just 28.6 percent—said that such strategies have begun delivering quantifiable business results
- ▶ Even in cases where data-related initiatives have yet to deliver a quantifiable payoff, few data stakeholders question the validity or appropriateness of those investments. Instead, panelists suggested that many companies remain deep in the midst of their "early days" data transformations, and relatively few have taken the steps necessary to align stakeholders across their organizations to identify and activate a slate of use cases that offer the potential for value creation at the enterprise level

IN THEIR OWN WORDS

- “The goal is being customer-centric, but we are putting more emphasis on data as the center of that initiative, enabling those insights and data-driven strategies. In order to put the customer at the center, you need the data. And in that respect we're definitely in the middle-to-late stage of 'crawl' on the way to 'walk' and then 'run.' We've got some basic segmentation and versioning that we're doing, but everyone knows a more significant transformation is the priority.”
- “Being data-driven and analytical underpins the success of any state-of-the-art marketing organization. We aren't totally there yet, but we're moving in that direction.”
- “We're definitely moving to be a more customer-centric organization and to do that you need the data around the customer to drive value and amplify the opportunity we have.”
- “Becoming really data-centric and data-driven has been a focus here for a number of years now and we keep making progress. We just hired a 'chief strategy, analytics and innovation officer' as a peer to the CMO. He owns customer insight and a lot of customer groups, but the data piece can't just be under one department because we all rely on it.”
- “We started moving in this direction—setting up a shared data center of excellence and company-wide strategy—because our lack of coordination and the confusion that it created were becoming business issues. In particular, we were struggling with conflicting data, with one business unit interpreting data differently than another, and the CEO was given conflicting numbers.”

Though marketing and media organizations are looking to engage audience data to support a wide array of use cases, the hierarchy of those applications is steadily shifting.

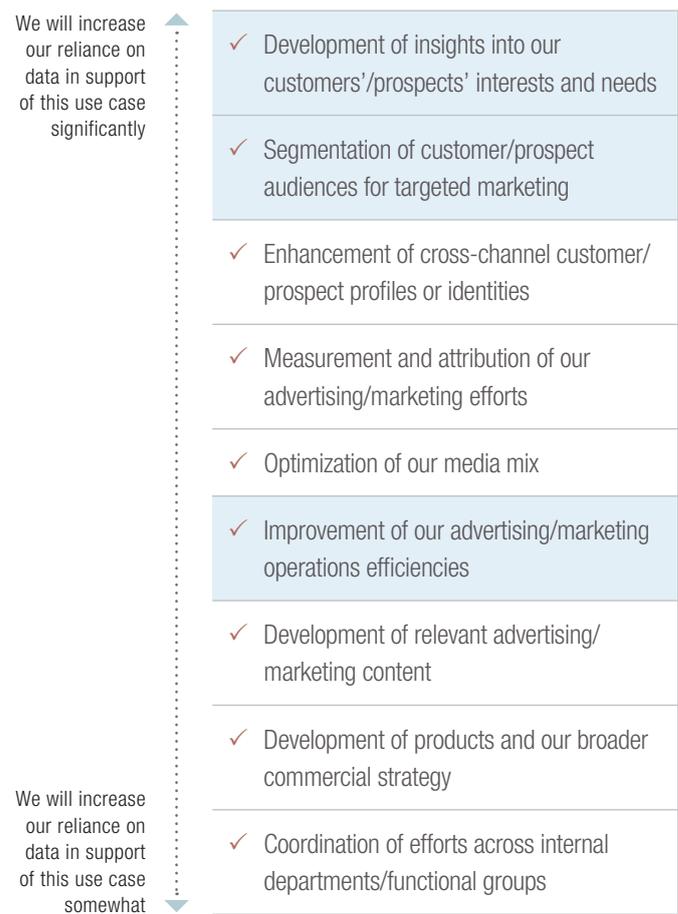
Current State Use Cases: Where Data is Driving Value

To what extent has data driven specific, observable value to your organization in support of the following marketing, advertising and media use cases?



High Priority Use Cases: Where Users Intend to Focus their Future Data Initiatives

Across the same use cases, how is your organization's approach to using data likely to change over the next two years?



Note: use cases are ranked according to blended average responses across all panelists

PANELISTS SAID...

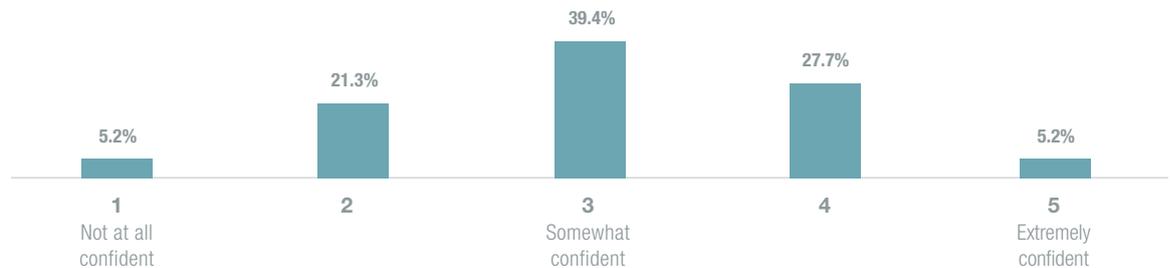
- ▶ The range of use cases that marketers and media companies wish to activate through their use of data is vast, and will likely remain vast over the foreseeable future
- ▶ Nevertheless, both marketers and media providers suggest that the hierarchy of their highest-priority data applications is likely to evolve over the coming years. Early applications that were focused on supporting greater operational *efficiency*—through, for example, the use of “programmatic” technology to automate processes that were once handled manually—are likely to give way to a renewed focus on the *effectiveness* of audience engagement efforts, with more and better targeting of cross-channel content a prime target for future investments
- ▶ Why the shift? Panelists said they remain deeply focused on *both* efficiency and effectiveness as levers of their organizations’ performance. But the earlier progress they made in supporting a basic shift to automation—and the growing availability of data from multiple sources, as well as the emergence of onboarding and other processes that support a richer “360-degree” view of the customer audience—suggest that a vast trove of potential remains to be tapped when it comes to more impactful, data-driven audience engagement

IN THEIR OWN WORDS

- “My team is focused on the next-level uses for audience data, which is the predictive and prescriptive analytics. It’s expensive to have advanced analytics talent just doing the basic stuff like segmentation and creating targets, so the marketing teams do that today while my specialized group works on the higher-level, predictive and model-based applications.”
- “We created a team called Insight Services; they’re really engineers, they’re not data analysts or scientists or technical people per se. They’re a mixture of all those things: process-oriented, critical thinkers, data hacks—they’re experts in connecting the dots and making things happen. Data scientists are great at modeling, but they’re not great at tweaking the model; we need people who can manage change and optimization while preserving the impact of the model for the intended outcomes to drive our business forward.”

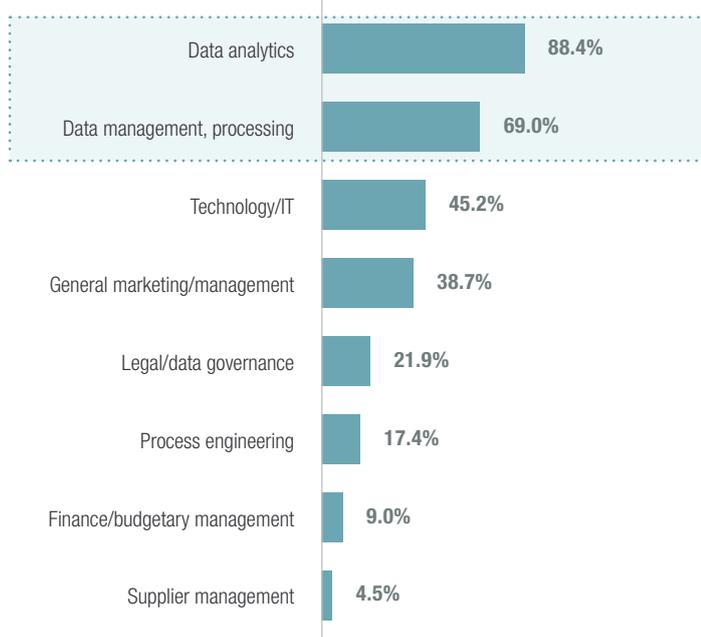
Data users and their supply chain partners agree: few organizations have either the depth or breadth of talent they need to derive full value from their data-driven initiatives, particularly when it comes to leveraging analytics as a driver of audience insights.

To what extent are you confident that the people in your organization have the right expertise, skills and experience to support your efforts to derive value from the use of data?



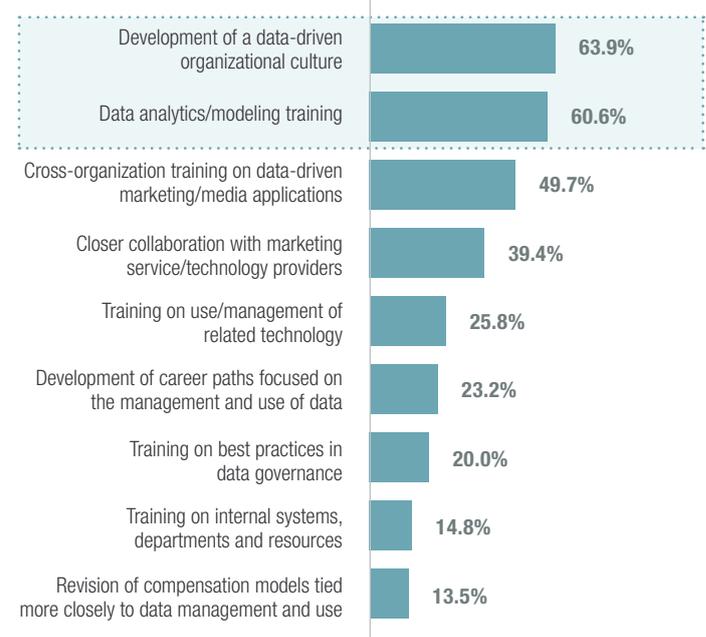
What specific skillsets or functional competencies do you think will be the most important for your organization to possess in support of its future data-driven marketing, advertising and/or media efforts?

Select the top three

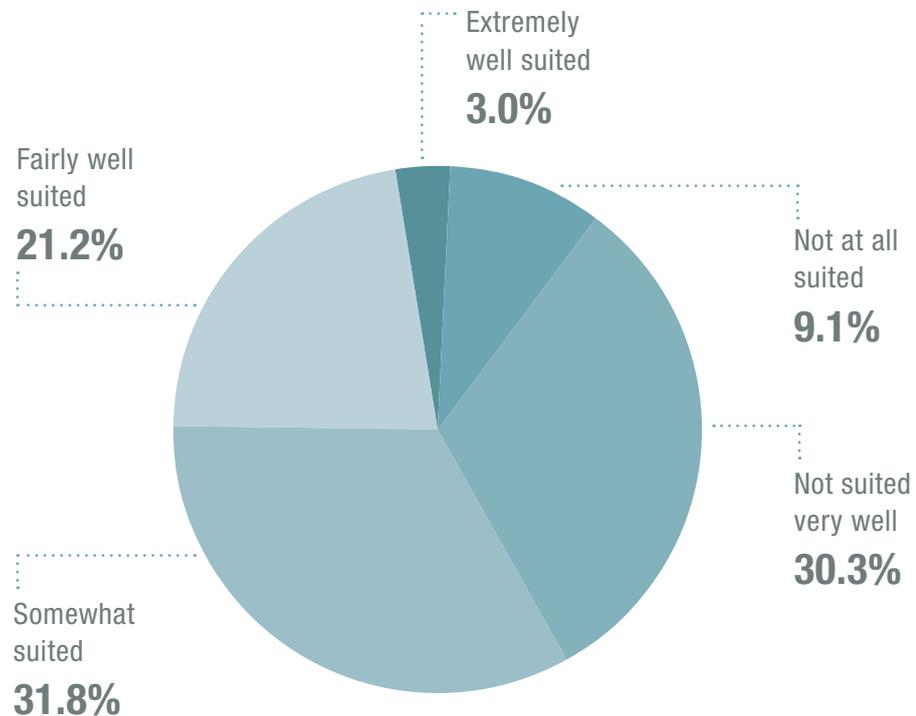


What training and staff development initiatives do you think would best support the development of those needed skillsets/functional competencies?

Select the top three



To what extent are your organization’s staff compensation models geared to support the optimal use of audience data?



PANELISTS SAID...

- ▶ Less than one-third of panelists (32.9 percent) are confident—and only 5.2 percent are “extremely confident”—that their internal teams have the right expertise, skills and experience to support their data-driven initiatives
- ▶ Panelists added that “data analytics,” more than anything else, represents the area where their organizations face the greatest need for enhanced resources (with 88.4 percent of panelists indicating such a need)
- ▶ However, analysts alone are unlikely support organizations’ efforts with respect to expanded use of data. True “data-centric” organizations require experienced practitioners who bring strategic, analytical and real-world program execution skillsets and experience. Finding these “unicorn” resources—talented marketers and data practitioners, and ideally professionals who offer a dash of both—is typically very difficult, though panelists indicate that it’s easier and less expensive to train existing team members rather than hire entirely new teams in an intensely competitive market
- ▶ Beyond training and skills development, nearly two-thirds (63.9 percent) of panelists also agreed that a data-driven organizational culture is essential to encourage audience-centric approaches and drive accountability—establishing an environment where data-driven insights are cultivated, strategic thinkers are rewarded and innovation and “test-and-learn” is encouraged
- ▶ In addition, a majority of panelists (71.2 percent) said their company’s compensation structures are not optimized to promote the use of data—another common legacy of product- or media-oriented organizational structures where objectives are not well aligned to business-wide goals

IN THEIR OWN WORDS

“My teams don’t have the right skills today—or they don’t have the right mix of skills—but my desire isn’t to fire everybody. I think that there are a lot of diamonds in the rough; they’ve never been asked to do certain things, but with a little training and guidance I think we’ll get there.”

“We don’t expect people to do what they’re uncomfortable doing or not trained to do. We’re not trying to make TV ad sales people become digital programmatic sales people. It’s about how we build the organization so our sales reps can support any of the conversations they get into. We can bring in subject matter experts to support people in conversations that get very specific rather than expecting everyone to do everything.”

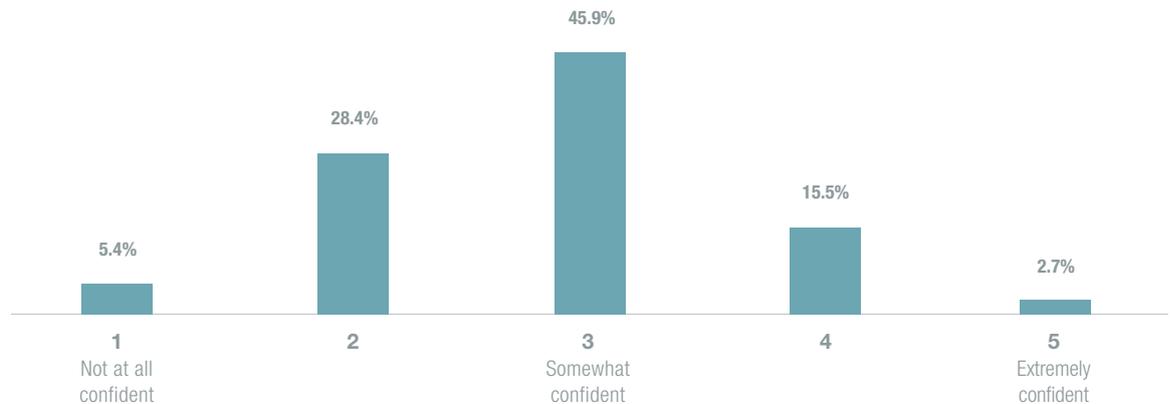
“Over the years our focus in hiring has shifted from executional marketers—people who are trained to get out campaigns across specific media—to cross-channel analytics professionals. They can execute as well, but they are also more strategic to our organization.”

“When I joined the company, everybody thought that everyone should be compensated the same. There was definitely some pushback when I suggested compensation should be more performance-based. I had to set the tone for this different culture but now each individual in the organization has their own goals. It’s pretty important so that you can hold people accountable.”

“We’re incented to work together to make the most money for the company, and it doesn’t matter where that money lands. Everybody has a target, but if the money flows through various channels, none of that affects people’s comp. It’s been a successful system. The last thing we need is people making decisions based on their personal incentives instead of what’s right for the client and for our company.”

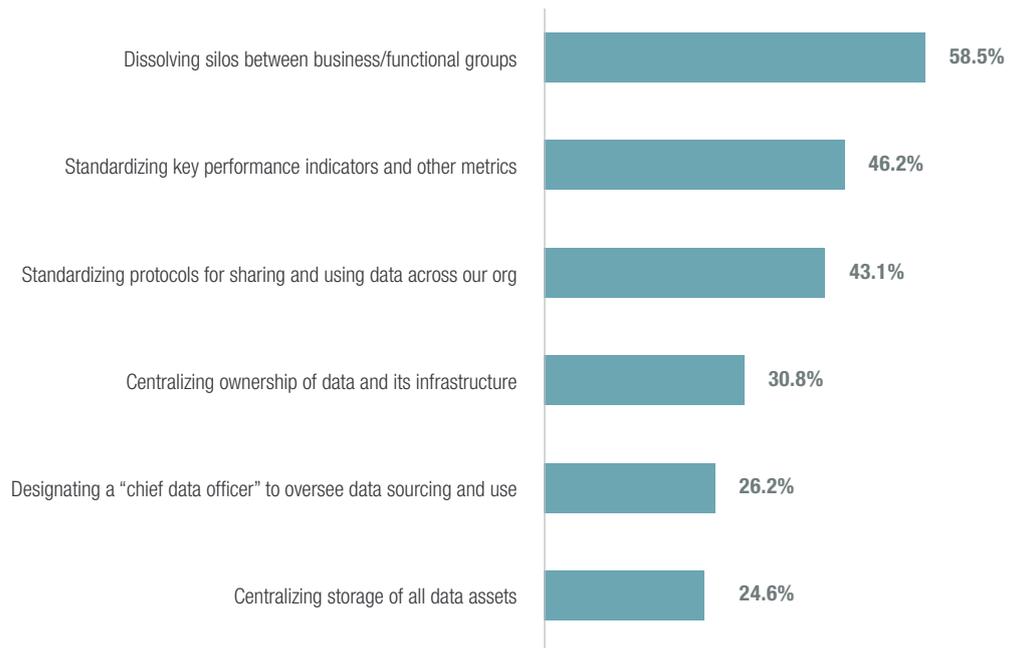
Standing in the way of business transformation: organizational silos and other internal process issues that hinder data access and sharing.

To what extent are you **confident that your business processes and organizational structures** are geared to support the optimal use of audience data?



What changes would be most important in helping your organization derive value from its future use of data?

Select the top three



PANELISTS SAID...

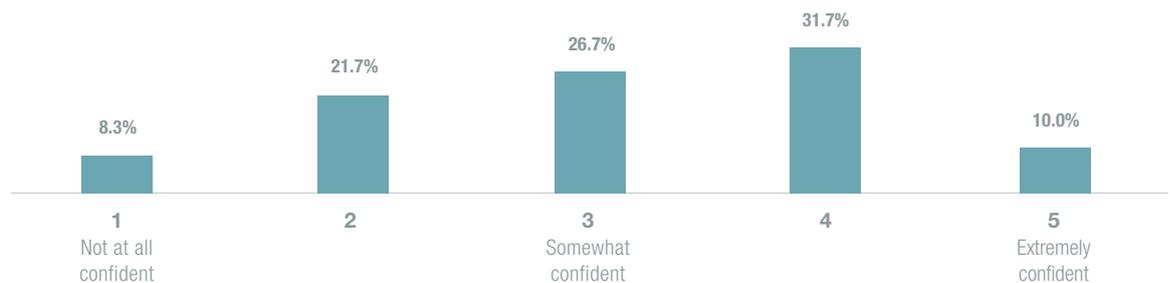
- ▶ Few panelists (2.7 percent) are “extremely confident” that their companies’ business processes and organizational structures are geared to support optimal use of available audience data; by contrast, just over a third of panelists (33.8 percent) have “little to no” confidence in the same
- ▶ Across the board, data users complain that enterprise-class organizations—whether consumer or B2B focused, native to the digital world or grounded in traditional channels—remain saddled with organizational structures and operating protocols that are not geared to manage or derive optimal value from all the audience data at their disposal
- ▶ A common process hurdle identified by a number of panelists: the lack of clear protocols that govern how data may be *shared* within an organization, and between an organization and its respective business partners. Though many enterprises maintain stringent policies to govern data collection and tactical usage, often these policies remain silent on how such information may be repurposed for complimentary objectives, often hamstringing data stakeholders in their attempts to leverage resources that already exist in their organizations
- ▶ A majority of panelists (58.5 percent) agreed that more than anything else, dissolving the silos that continue to segregate line-of-business and functional groups would represent the most important step their organizations could take to derive value from their use of audience data; these silos keep data sets isolated, limiting the actionability of this information for marketing efforts (and inhibiting seamless coordination of marketing channels, in general)
- ▶ Though data users are adopting a range of organizational techniques to help overcome the limitations of legacy infrastructure, few said that focusing exclusively on the central storage of data itself is likely to deliver immediate benefits. When asked what kinds of administrative changes were most likely to return value to their organizations, over 40 percent of panelists said “standardizing processes and protocols for using data across the organization” would merit investment. By contrast, 30.8 percent said the same of “centralizing data ownership and infrastructure management” and just 24.6 percent endorsed “centralizing data storage” alone

IN THEIR OWN WORDS

- “We are challenged by our legacy—there are certain systems in place, and it’s much harder to re-engineer approaches, processes, mindsets and infrastructure than it is to start from a blank slate.”
- “Data’s been around in different ways at our company for a while, and it typically lives elsewhere—not necessarily where it needs to be. There are lots of claims of ownership of the data, and the bigger companies tend to have already established infrastructures that don’t always accommodate new market data.”
- “A lot of our marketing channels have grown organically over time, so as things spring up, you don’t think about how they integrate with everything else. There’s a legacy phenomenon. And it makes it challenging. . . I have multiple channels to model for and my big pain point is that the metadata generated across these channels doesn’t always talk to each other. I need to be able to tie one to the other to understand that performance.”
- “In our case, subscription data is centrally stored, but advertising data is separate—and we’re engaged in an ongoing effort to put everything in one place. That’s a hard job; you have to prove that there’s revenue upside to each of the businesses in order to incent them to participate and change how they operate.”
- “We work around known gaps. For example, we have a separate enterprise data warehouse (EDW) which is homegrown. It’s separate from our customer information management system, which was built by a third party. And the two are not connected. We try to match profiles from the EDW, but we’re not perfect. We’re always off slightly. It’s just a known bug.”

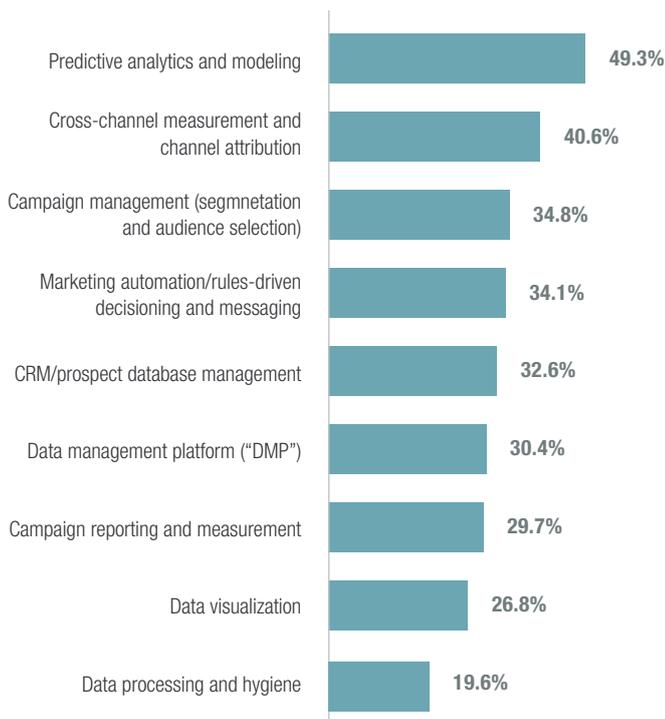
As they look to significantly ramp up their investments in technology, data and service-driven solutions over the next several years, data users are looking for their third-party partners to elevate their support for the strategic functions underlying such investments—calling for a renewed focus on business case development, technology assessment and holistic system alignment as elements of a comprehensive approach to using data.

To what extent are you **confident that your current marketing technologies are well suited** to support the optimal use of audience data?



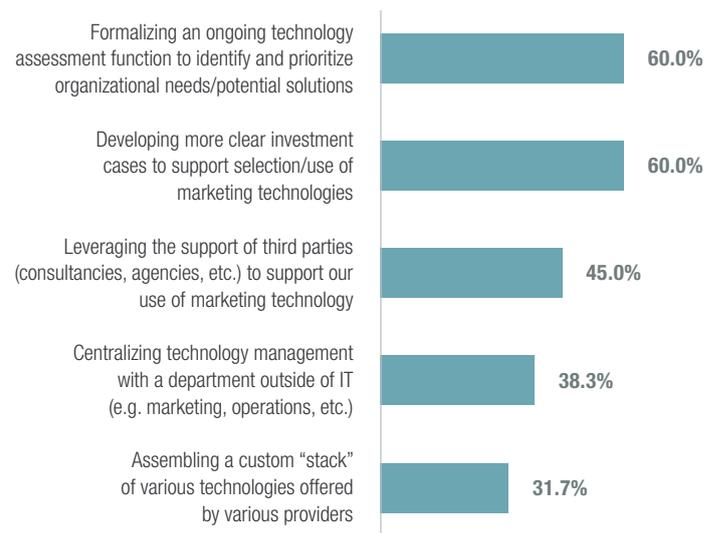
What specific technology functions or features do you think will be most important in supporting organizations’ efforts to achieve value from their future use of data?

Select the top three



In what ways could your org best leverage marketing technology to optimize the value it generates through the use of audience data?

Select the top three



PANELISTS SAID...

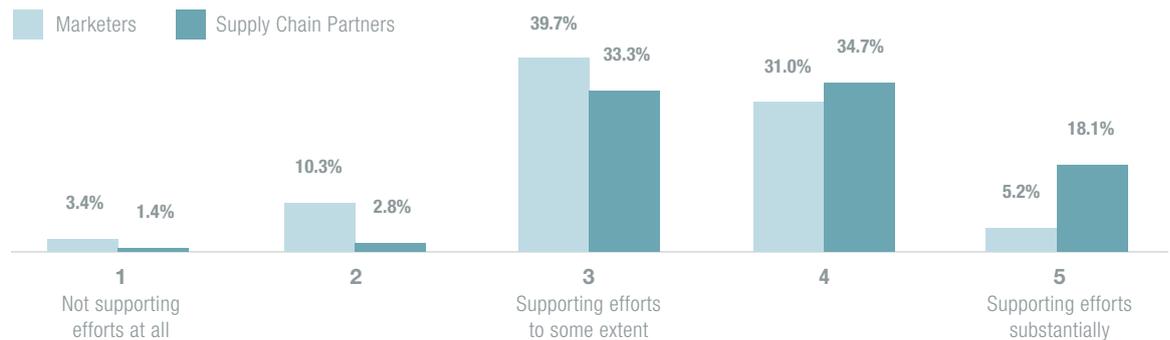
- ▶ Though evolving to full “data-centricity” is a complicated and lengthy process, panelists agreed that the marketing technology available today is generally capable of supporting most current enterprise needs and tactical use cases—so long as those needs (and the performance objectives that correspond to them) are clearly identified. Perhaps more challenging: determining which platforms are ideally suited to support both strategic and tactical objectives, and building a plan to integrate those systems in a way that satisfies both short- and long-term needs
- ▶ Just 10 percent of panelists are “extremely confident” that their current toolsets are suited to support the optimal use of audience data, though panelists have a wide range of opinions on which new or expanded features would deliver value as part of renewed technology stack
- ▶ 49.3 percent of panelists agreed that predictive analytics and audience segmentation represent the features they value most in supporting technology platforms
- ▶ Lack of consensus around technology functions and types of needed tools reflects both the strength of the available solutions—a plethora of platforms are available in market, supporting a variety of features—as well as the complicated set of challenges facing today’s practitioners as they move engage data across a wider array of applications. (Perhaps not surprisingly, panelists cited challenges with their organizational structures, data management protocols and talent gaps as more pressing issues relative to any challenges they might be addressing with respect to their data management and analytics technology)
- ▶ Relatively few marketing or media companies have clearly structured roadmaps in place to guide the use of data—and the expansion of data’s role—across their organizations. And where enterprising firms have taken steps to build such roadmaps in the context of firm-wide data strategies, many have struggled with what is typically a daunting administrative task; conflicting departmental structures, cultural obstacles and limited senior-level buy-in can all serve to undermine these sweeping initiatives, even when supported with significant time and budgetary resources
- ▶ A preponderance of panelists suggested a relatively straightforward approach may help support both tactical technology implementations and more sweeping organizational change. Specifically, data stakeholders may benefit from a more thoughtful approach to building a business case for their anticipated investments, leveraging a combination of agreed-upon performance objectives and external benchmarks to help frame potential initiatives in terms of their real costs and anticipated benefits
- ▶ 60 percent of panelists, respectively, said that improving how they “build a credible business case [for data]” and “formalize an ongoing technology assessment” are foremost among the tactics their organizations could take to generate more value from their data initiatives

IN THEIR OWN WORDS

- “In our particular case, we’re in a low-margin business in a declining market, so getting the budget to make the investments required to advance our marketing is tough. In order to get there we need to build a bulletproof investment case, explaining the business reason for how these tools will pay off.”
- “I have been laying out what we need with an architect to map our use cases in a methodical way so that we can ascertain what platforms we need to drive those objectives. Explaining the business reasoning, though, is very different than identifying the technical functions IT is looking to support in a certain tool. You have to address the business mindset first to understand how to optimize and maximize the outcomes of those tools and platforms.”

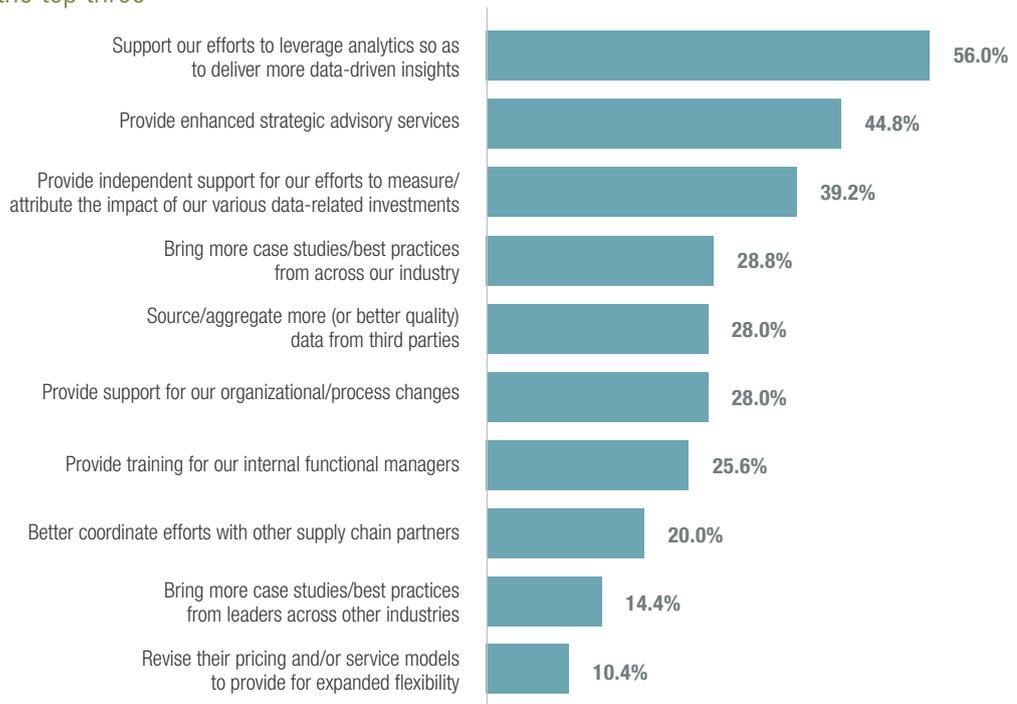
Going forward, data users are also likely to look to their supply chain partners to play a more active role in supporting their day-to-day data-centric marketing and media objectives—in particular, by helping leverage analytics to deliver strategic and campaign-level insights.

Marketers: How well are your supply chain partners currently supporting your organization’s efforts to derive value from its use of data? **Suppliers:** To what extent do you and your clients’ other suppliers provide the support that enables your clients to derive value from their use of data?



In what ways do you think partners could be most supportive of their client organizations’ efforts to achieve value from the use of data?

Select the top three



PANELISTS SAID...

- ▶ Very few panelists (just 5.2 percent) said their supply chain partners currently offer “substantial support” in their efforts to derive value from the use of data though nearly half (44.8 percent) said they would benefit from a deeper relationship with their agencies, data providers, technology vendors and other supply-chain partners—with an eye, in particular, in the role those parties may play in supporting strategic development and other roles that may go beyond their traditional tactical role(s)
- ▶ By and large, panelists said they look to their third-party suppliers—variously including agencies, marketing service providers, data providers and technology developers—to support gaps in expertise and provide executional bandwidth. Increasingly, though, more data users are turning to their supply chains as a source of inspiration with respect to the innovation of their own data-centered use cases and supporting business processes; external partners are often seen as offering unique cross-vertical insights that are particularly important in light of the rapid pace of change that characterizes the data ecosystem. Enterprises that thus engage and manage these partnerships as a *strategic* priority—rather than an exercise in cost-driven vendor management—may stand to enjoy lasting competitive advantage and an effective “first mover” advantage

IN THEIR OWN WORDS

- “We lean heavily on partners to help us. A part of the value-add of using an agency is that it sees what’s happening in the landscape. It’s easier to trial test the water, get into those new spaces using that model.”
- “I don’t consider us database experts or technology experts; the level of sophistication in the company is lacking. So for that, we outsource as much as we can to try to get best-in-breed technology and database services support, and then keep our core competencies inside, which is our marketing know-how and our understanding of our customer and how to talk to them.”
- “The space is moving so rapidly on the tech side, it doesn’t make sense for us to have expertise in-house; I would rather outsource the technology and have the contract speak to the technology stack so the vendor can manage the upgrades and things like that.”
- “On the whole we’re pretty well connected to our partners; we have a quarterly business review where all the vendors participate, brainstorm and act as a unified team. They’re moving towards a more strategic collaboration. I’ve shown them that I’m not pitting them against each other. It has become a much more strategic relationship, where they can acknowledge mistakes and suggest solutions for greater business impact.”

IN CONCLUSION In many respects, the basic premise of this white paper—that “data-centricity” represents an ideal likely to occupy the time and resources of enterprise marketers and media companies over the coming years—suffers from a fatal flaw.

Sure, audience data is growing to play a profound role in the way that organizations look to orchestrate their advertising, marketing and other customer-facing interactions. And yes, for many organizations, achieving even a *fraction* of the potential value offered by data will require a substantial reinvention of the way they do business. But the truth, of course, is far more nuanced.

Since every organization’s data assets and related use cases are unique, “data-centricity,” by its very nature, suggests that every organization will apply the benefits of information and insight in fundamentally different ways. And so applying “once-size-fits-all” prescriptions to their strategic growth is an exercise likely to provoke more questions than definitive solutions. Rather than attempting to fit a unique journey to a generic roadmap, each organization must begin its work recognizing that the evolution to “data-centric maturity” is a journey that has no definitive destination—and is likely to be structured differently for all who attempt it.

Nevertheless, experience and feedback suggest that there are milestones on that pathway which are common among these journeys and are becoming clearer every day. For many enterprises—and even for many small and medium-sized organizations who aim to leverage information in similar ways—those aspirational steps require focus on four essential operating pillars common to the practice of marketing and media: *people* (as reflected in a focus on staff development, training and compensation), *processes* (organizational structures, resource sharing and collaboration), *platforms* (marketing technologies and other toolsets used to manage audience data) and *partners* (third-party providers of strategic or executional support). In thinking about structuring each to best support data use, our research suggests that the path to data-centricity may best be facilitated through the following steps:

- ▶ **ASSESS...** the information and technology assets that support a wider deployment of data across your enterprise. But also focus on the organizational structures and sharing protocols that govern how those assets are used. Are they geared to support collaboration and growth? Or were they developed to support use cases, products and/or applications that are no longer relevant?
- ▶ **IDENTIFY...** a series of strategic data use cases (and subsidiary/tactical use cases, as appropriate) that align with your organization’s overarching business objectives. And if you don’t fully know what those objectives are (or have trouble prioritizing them), engage senior stakeholders in a broader dialogue over the potential power of information.

- ▶ **ARCHITECT...** a modular infrastructure to support the long-term growth of your data assets (and the applications to which they're deployed), leveraging a combination of technologies, supplier inputs and data sourced from both proprietary and external sources. To the greatest extent possible, consider how to “future-proof” that system through a design that allows for tools to be easily swapped as new solutions emerge and business cases evolve.
- ▶ **ENGAGE...** a wide array of partners—agencies, marketing services providers, data providers, third-party technology developers, business partners and others—in your data enterprise as key forces for development and growth, recognizing that continuous improvement will require innovation born from a multitude of sources. Few companies will have the talent or bandwidth to do it all on their own.
- ▶ **And finally, CONTINUALLY REINVENT...** your infrastructure, partnerships and use-case hierarchy as business needs (and market conditions) demand. Continue investing in talent that has both the skills to succeed and the professional pathways that support that growth—within *your* organization.

WINTERBERRY GROUP

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Our services include:

CORPORATE STRATEGY: The *Opportunity Mapping* strategic development process is geared to support agencies, marketing service providers, technology developers and other firms in their efforts to prioritize addressable pathways to growth and sort through complicated “buy-versus-build” decisions—as informed by a synthesis of market insights and intensive internal analysis.

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DMA advances the data-driven marketing industry and serves its members through four principal pillars of leadership: advocating for marketers' ability to responsibly gather and refine detailed data; innovating to bring solutions forward for marketers' most vexing challenges; educating today's marketers to grow and lead marketing organizations in the ever-increasing omnichannel world; and connecting industry participants to stay current, learn best practices and gain access to emerging solutions through &THEN – the largest global event for data-driven marketing – and DMA's portfolio of other live events.

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iab DATA

The **IAB Data Center of Excellence** was founded in January 2016 with the mission to define boundaries, reduce friction and increase value along the data chain, for consumers, marketers and the ecosystem that supports them. Its board of directors include:



The **Interactive Advertising Bureau (IAB)** empowers the media and marketing industries to thrive in the digital economy. It is comprised of more than 650 leading media and technology companies that are responsible for selling, delivering, and optimizing digital advertising or marketing campaigns. Together, they account for 86 percent of online advertising in the United States. Working with its member companies, the IAB develops technical standards and best practices and fields critical research on interactive advertising, while also educating brands, agencies, and the wider business community on the importance of digital marketing. The organization is committed to professional development and elevating the knowledge, skills, expertise, and diversity of the workforce across the industry. Through the work of its public policy office in Washington, D.C., the IAB advocates for its members and promotes the value of the interactive advertising industry to legislators and policymakers. Founded in 1996, the IAB is headquartered in New York City and has a West Coast office in San Francisco.

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