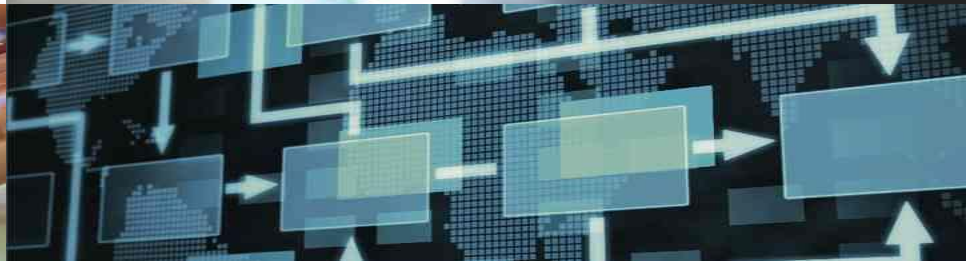


The Outlook for Data 2018: A Snapshot Into the Evolving Role of Audience Insight

*Research from the IAB Data Center of Excellence
January 2018*



The Outlook for Data 2018: Research Objectives and Methodology

What is this report?

The third annual benchmarking study exploring how digital marketing and media practitioners are using audience data, and how they intend to advance their data-centric use cases in the year ahead

What is this research intended to do?

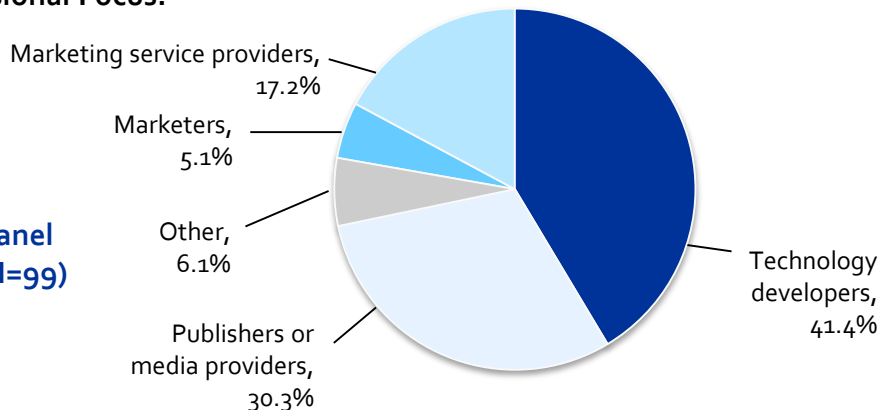
Help practitioners benchmark their own practices and provide perspective on rapidly evolving industry priorities and developments, helping stakeholders plan their future initiatives

How were these findings compiled?

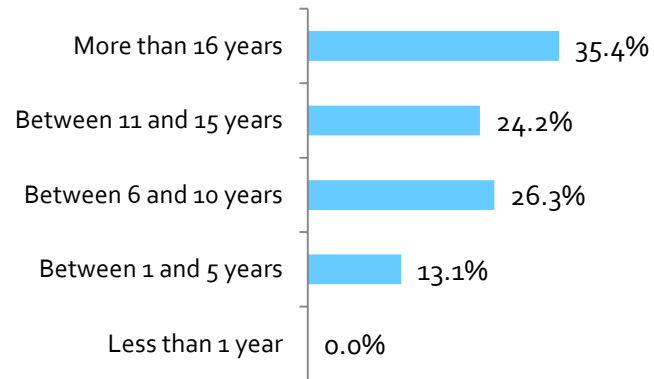
Through an online survey of IAB special-interest council members*, including some of the most senior stakeholders in the digital media and marketing community. The survey was fielded in December 2017 and January 2018

Professional Focus:

Survey Panel Profile (N=99)



Years of Experience:



*Including the IAB Data and Programmatic councils; survey respondents were not required to answer every question

Key Findings



Marketers, Publishers and Tech Developers Are Ramping Data Investments; Focusing on Cross-Channel Use Cases



- **Spending on Data and Related Solutions Continues to Rise:** Marketers, publishers and technology developers continue to grow their spending on audience data and related solutions; **60.3% of survey respondents reported that their organizations spent more on data and related services in 2017 than they did the year before, and an even larger majority (80.8%) expect to grow their investments further in 2018.** According to *State of Data 2017*—published in December 2017 by DMA, IAB’s Data Center of Excellence and Winterberry Group—U.S. organizations spent \$20.2BB on data and related activation solutions in support of their advertising, marketing and audience engagement efforts in 2017



- **Practitioners are Prioritizing Cross-Device Use Cases for 2018:** More than any other individual use case, data users anticipate that they will prioritize richer **cross-channel marketing engagement in 2018**—particularly addressing the improved measurement and attribution of these efforts. Just over half of panelists (52.3%) said they expect to focus on improving their **cross-device audience recognition capabilities**, supporting their ability to serve more relevant content to their customers and prospects across all touchpoints

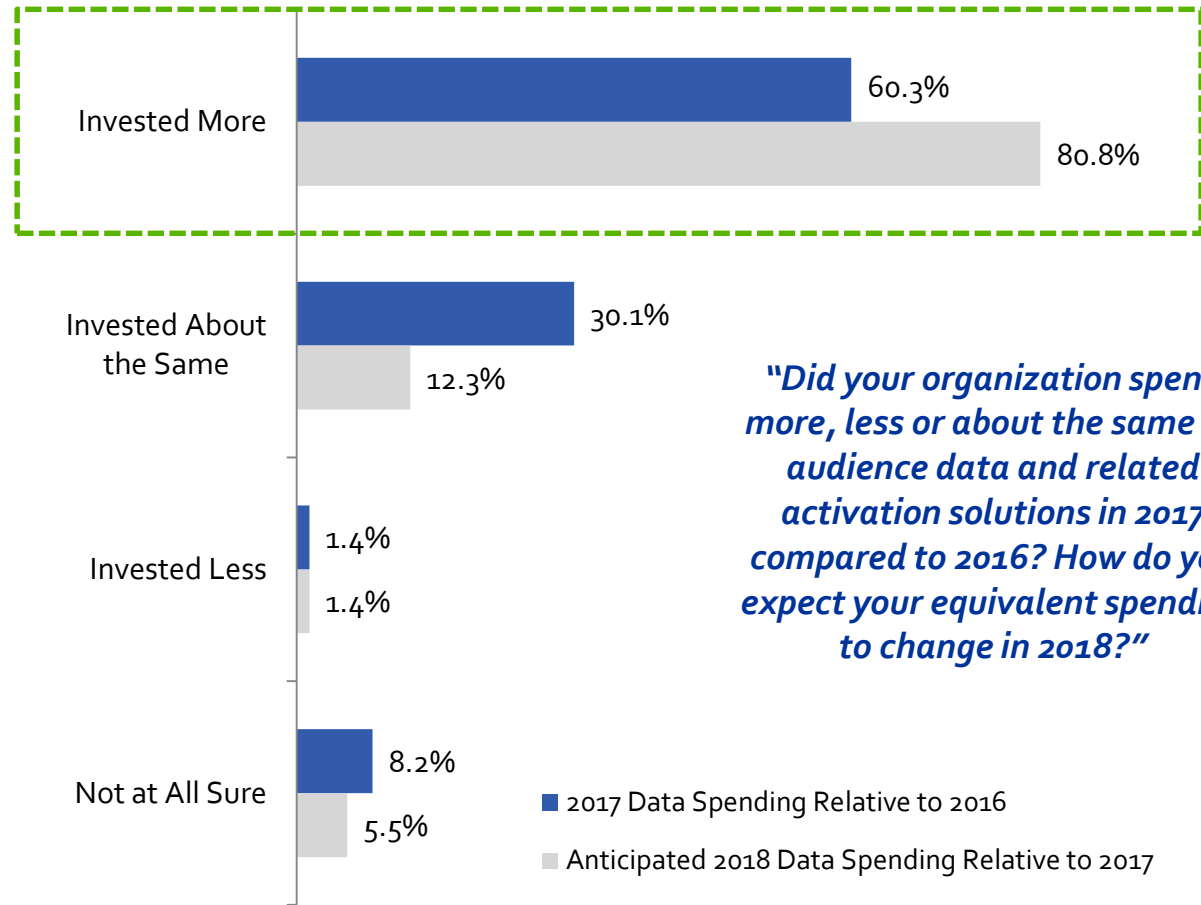


- **Technology... Help or Hindrance?** Though roughly one-third (32.4%) of panelists said technology will play a fundamental role in *driving* their data initiatives in 2018—and many cited **artificial intelligence (AI) and blockchain technology as foremost among the innovations likely to capture a greater share of their time and attention this year**—even more (50%) highlighted **“insufficient supporting technology” as a fundamental obstacle** impeding their ability to derive value from their data initiatives, underscoring the complexity inherent in sourcing, onboarding and managing tools to support an increasingly diverse array of use cases

Data Spending



Most Practitioners Grew their Data Investments in 2017; Even More (80%) Expect Their Spending to Increase Further this Year



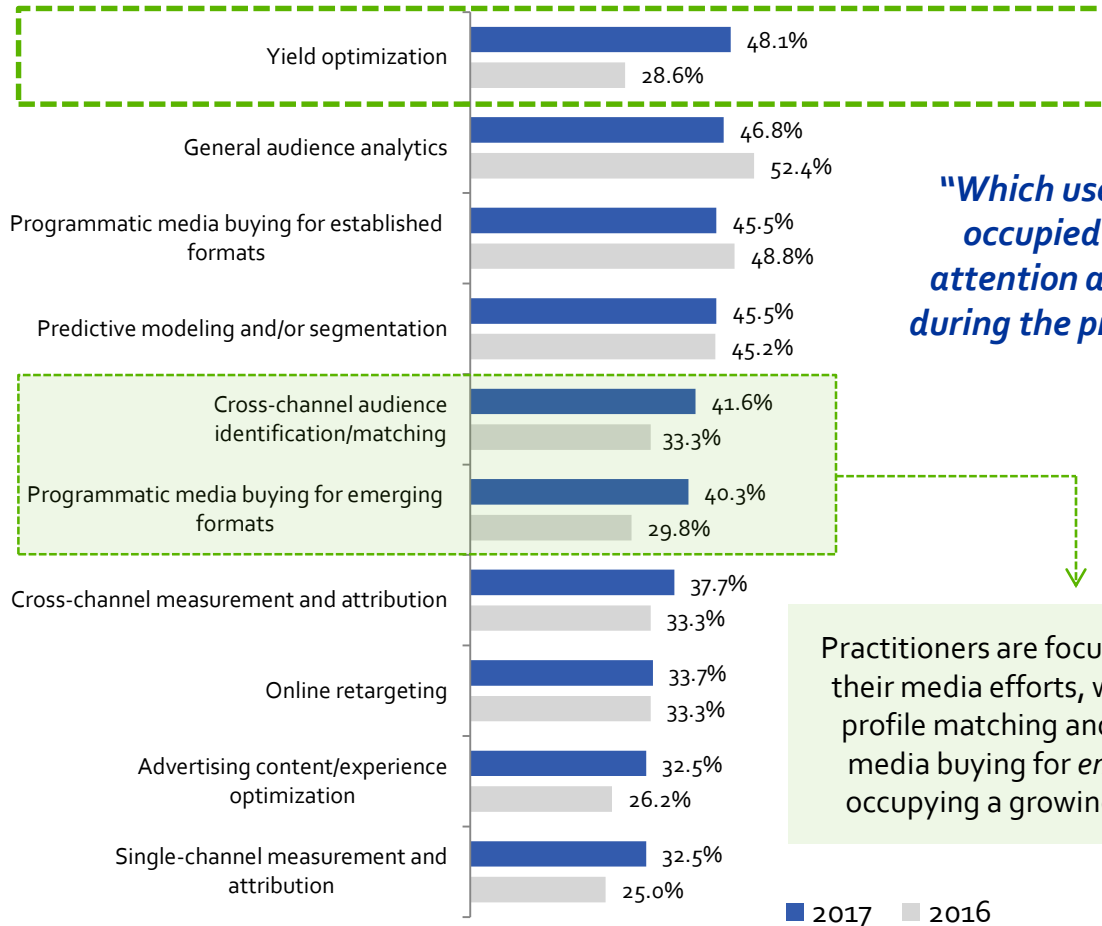
"Did your organization spend more, less or about the same on audience data and related activation solutions in 2017 compared to 2016? How do you expect your equivalent spending to change in 2018?"

■ 2017 Data Spending Relative to 2016
■ Anticipated 2018 Data Spending Relative to 2017

Note: Data activation solutions include: data management/processing, analytics, DMP solutions, onboarding, matching, etc.



Media Ecosystem Growing Focus on Yield Optimization in an Effort to Drive Maximum Value from Data-Driven Ad Inventory



"Which use cases most occupied your time, attention and resources during the previous year?"

Practitioners are focused on advancing their media efforts, with cross-device profile matching and programmatic media buying for *emerging formats* occupying a growing share of focus

■ 2017 ■ 2016

Note: Multiple responses allowed; not all answer options are shown



Solving for Cross-Channel Measurement and Attribution is Top Priority



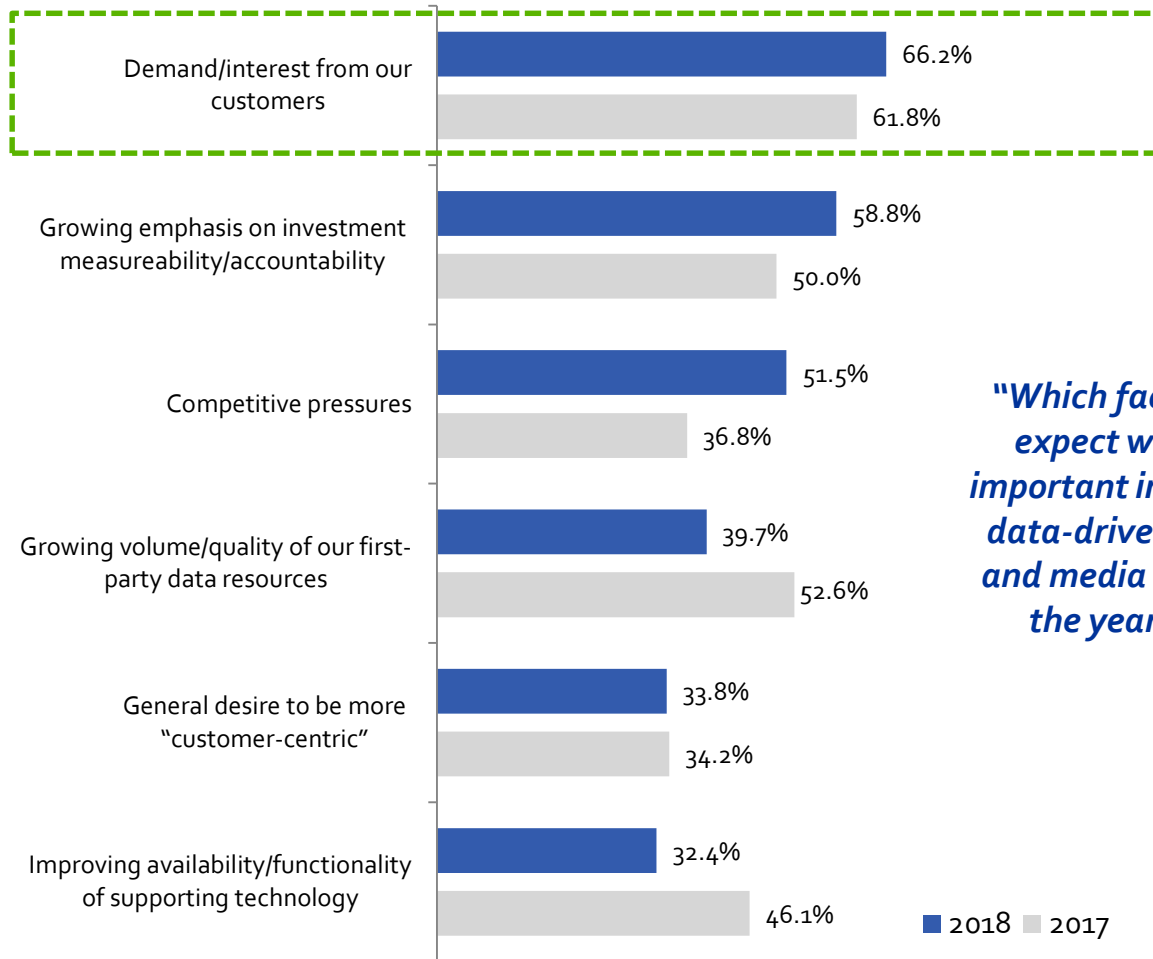
"Which use cases do you expect will most occupy your time, attention and resources during 2018?"

Note: Multiple responses allowed; not all answer options are shown

Drivers of Data-Related Efforts



Intense Focus on Improving Customer Experience Remains Most Significant Impetus for Data Initiatives



"Which factors do you expect will be most important in driving your data-driven marketing and media initiatives in the year ahead?"

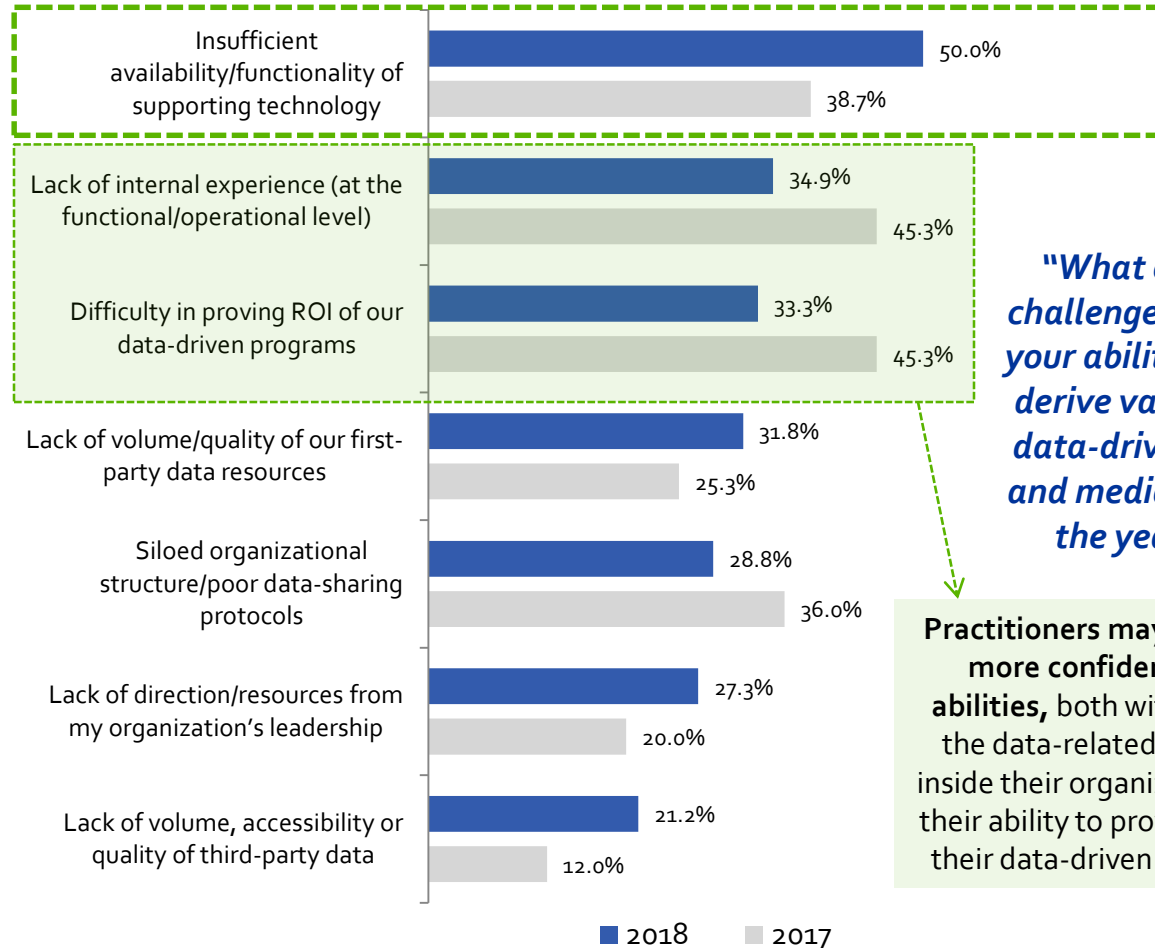
Note: Multiple responses allowed; not all answer options are shown

[7]

Challenges to Data Usage



Proliferation of Data-Oriented Technology May Be Introducing Too Many Immature Solutions to Market; Users Say Functionality is a Challenge



"What obstacles or challenges may impede your ability to deploy or derive value from your data-driven marketing and media initiatives in the year ahead?"

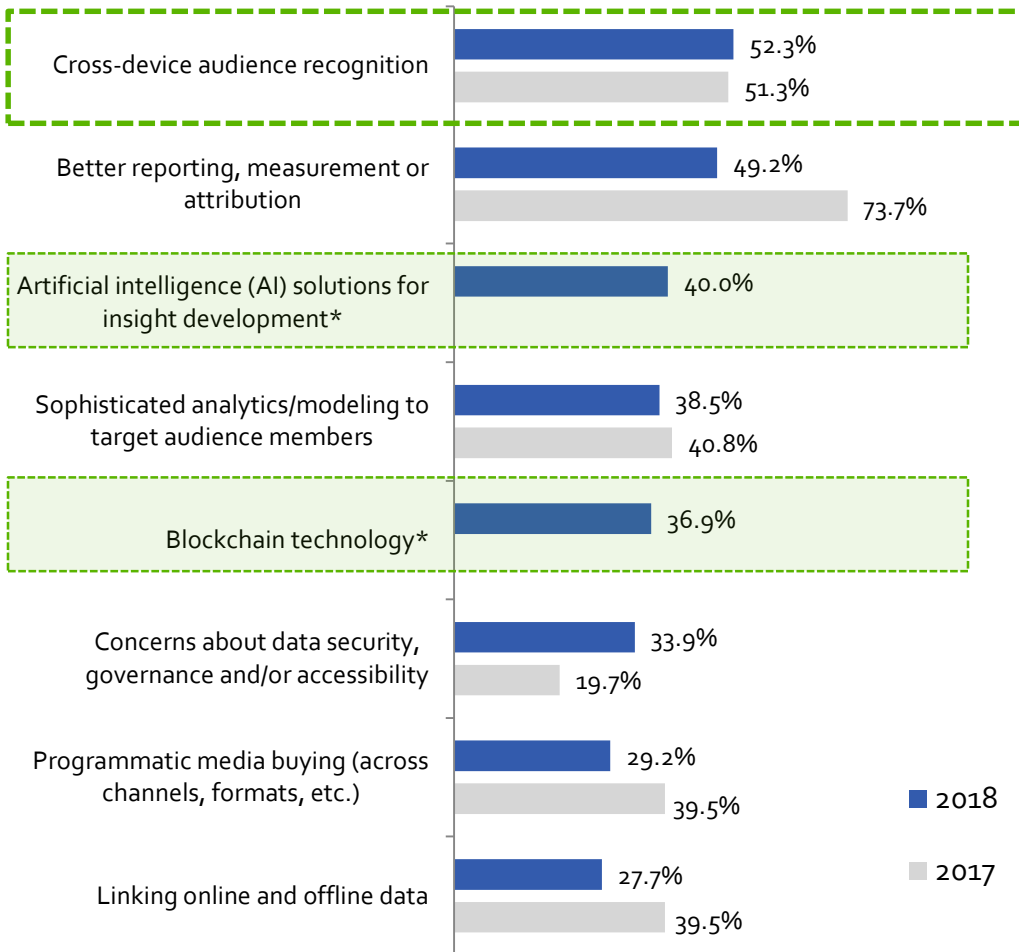
Practitioners may be growing more confident in their abilities, both with respect to the data-related skills found inside their organizations and in their ability to prove value from their data-driven investments

Note: Multiple responses allowed; not all answer options are shown

[8]



Cross-Device Recognition and Improved Measurement Remain Key Focus Areas; AI and Blockchain Also Factoring Into Priorities



“What general topics or industry developments do you anticipate will command your attention the most in the year ahead?”

Note: Multiple responses allowed; not all answer options are shown; *indicates the option was first asked about in 2018

About IAB's Data Center of Excellence



The Interactive Advertising Bureau's Data Center of Excellence is an independently funded and staffed unit within IAB. Founded to enhance existing IAB resources and to drive the "data agenda" for the digital media, marketing, and advertising industry, **the Data Center's mission is to define boundaries, reduce friction, and increase value along the data chain, for consumers, marketers, and the ecosystem that supports them.**

IAB Data is focused on:

- Gathering industry thought leaders to set and drive the "data agenda"
- Funding industry **research** to provide benchmarks and actionable insights on data management across platforms including mobile, programmatic, and the internet of things
- Developing industry **best practices, guidelines, and standards** for privacy, data security, and consumer data protection
- Creating **educational materials** including certification, infographics, videos, webinars, and seminars to demystify data for marketers and advertisers
- Hosting data focused **events** that feature industry luminaries to discuss data related topics

For more information, please visit iab.com

IAB Data Center of Excellence Board Member Companies Include



About Winterberry Group



Winterberry Group is a unique management consultancy that supports the growth of advertising, marketing, media, information and technology organizations—helping clients create custom strategies, capitalize on emerging opportunities and grow their value. Our services include:

CORPORATE STRATEGY

- Business assessment
- Strategic development
- M&A target identification and qualification

DATA-DRIVEN MARKETING TRANSFORMATION

- Data activation strategy
- Marketing process and platform architecture, design and RFP management
- Marketing org. process engineering

M&A TRANSACTION SUPPORT

- Market landscaping
- Target company assessment/customer due diligence
- Strategic roadmapping

MARKET INTELLIGENCE

- Custom research
- Thought leadership

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