The Outlook for Data 2019:
A Snapshot Into the Evolving Role of Audience Insight

Research from the IAB Data Center of Excellence | February 2019

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The Outlook for Data 2019: Research Objectives and Methodology

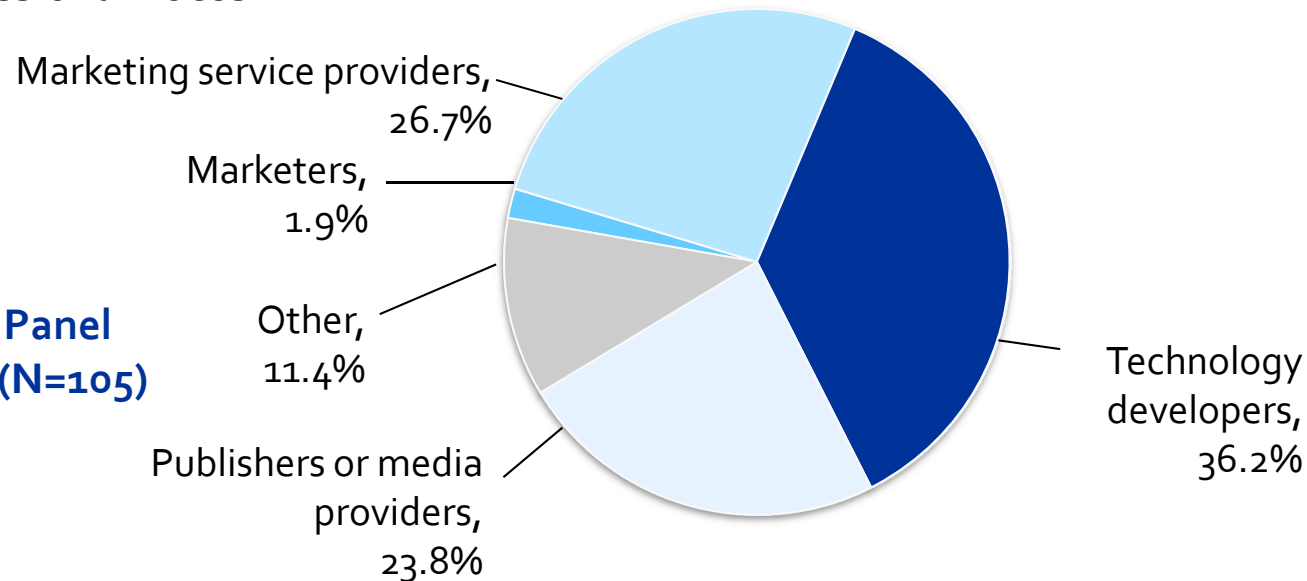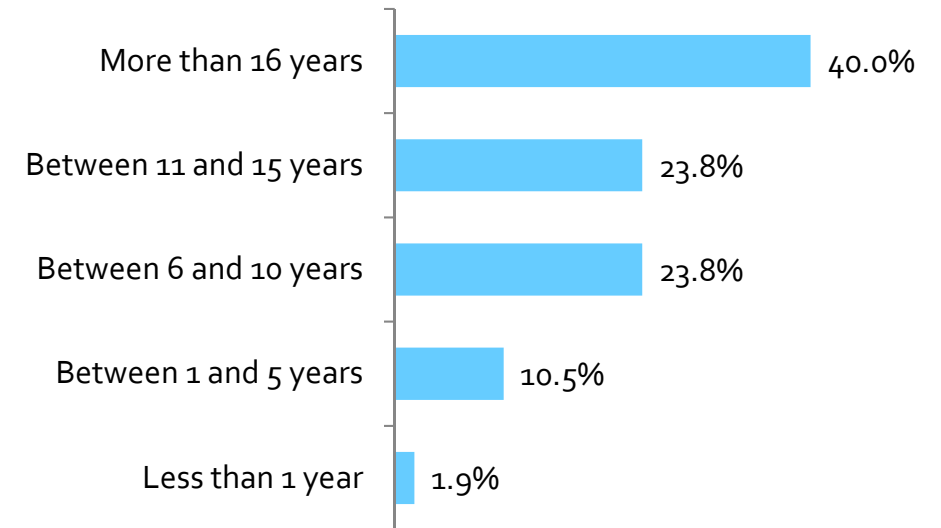|	
What is this report?	The fourth annual benchmarking **study exploring how digital marketing and media practitioners are using audience data**, and how they intend to advance their data-centric use cases in the year ahead
What is this research intended to do?	Help practitioners **benchmark their own 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 committee members***, including some of the most senior stakeholders in the digital media and marketing community. The survey was fielded in January 2019

Professional Focus:

Survey Panel Profile (N=105)

- Marketing service providers, 26.7%
- Marketers, 1.9%
- Other, 11.4%
- Publishers or media providers, 23.8%
- Technology developers, 36.2%

Years of Experience:

- More than 16 years — 40.0%
- Between 11 and 15 years — 23.8%
- Between 6 and 10 years — 23.8%
- Between 1 and 5 years — 10.5%
- Less than 1 year — 1.9%

*Survey respondents were not required to answer every question

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"Cross-Channel" Use Cases Top List of 2019 Priorities for Users of Audience Data, Reflecting Growing Focus on Delivery of Seamless Marketing Experiences

- **Cross-Channel Efforts at the Forefront:** From a range of potential use cases, data users reported that they are going to **prioritize "cross-channel" initiatives above all others in 2019**, maintaining a focus on the harmonization of audience experiences across media that the panel also voiced in both 2017 and 2018. In particular, this will include **cross-channel campaign measurement/attribution** (identified as a top priority by 57.3% of panelists) and **cross-channel audience identification/matching** (chosen by 52.4% of panelists)

- **External, Internal Factors Plague Data Users:** Brands today face myriad obstacles in their efforts to harness and derive actionable insights from audience data. Foremost among them, panelists said: the **looming threat of heightened government data regulation** (which was identified as a challenge by 52.8% of panelists—far and away more than any other issue). Beyond that "external" threat, panelists said most of their concerns relate to how their organizations are *internally* structured to use data; these include **siloed organizational structures/data** (cited by 34.7% of panelists), **difficulty in proving ROI** (33.3%) and **lack of internal experience** (29.2%)

- **Can't Stop, Won't Stop… Data Spending Keeps Rising:** The **majority of survey respondents (69.2%) said their organizations increased spending on data and related services in 2018 (relative to 2017), while over three-fourths (78.2%) anticipate investing even more** in the coming year. This tracks with recent research from IAB's Data Center of Excellence and Winterberry Group that found that U.S. spending on data and data activation solutions grew by 17.5% from 2017 to 2018*

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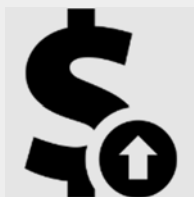
Data Spending

Majority of Users Increased Spending on Data and Related Solutions in 2018; Still More Anticipate Growth This Year

Invested More/Planning to Invest More
- 78.2%
- 69.2%

Invested About the Same/Planning to Invest About the Same
- 15.4%
- 23.1%

Invested Less/Planning to Invest Less
- 2.6%
- 3.9%

Not at All Sure
- 3.9%
- 3.9%
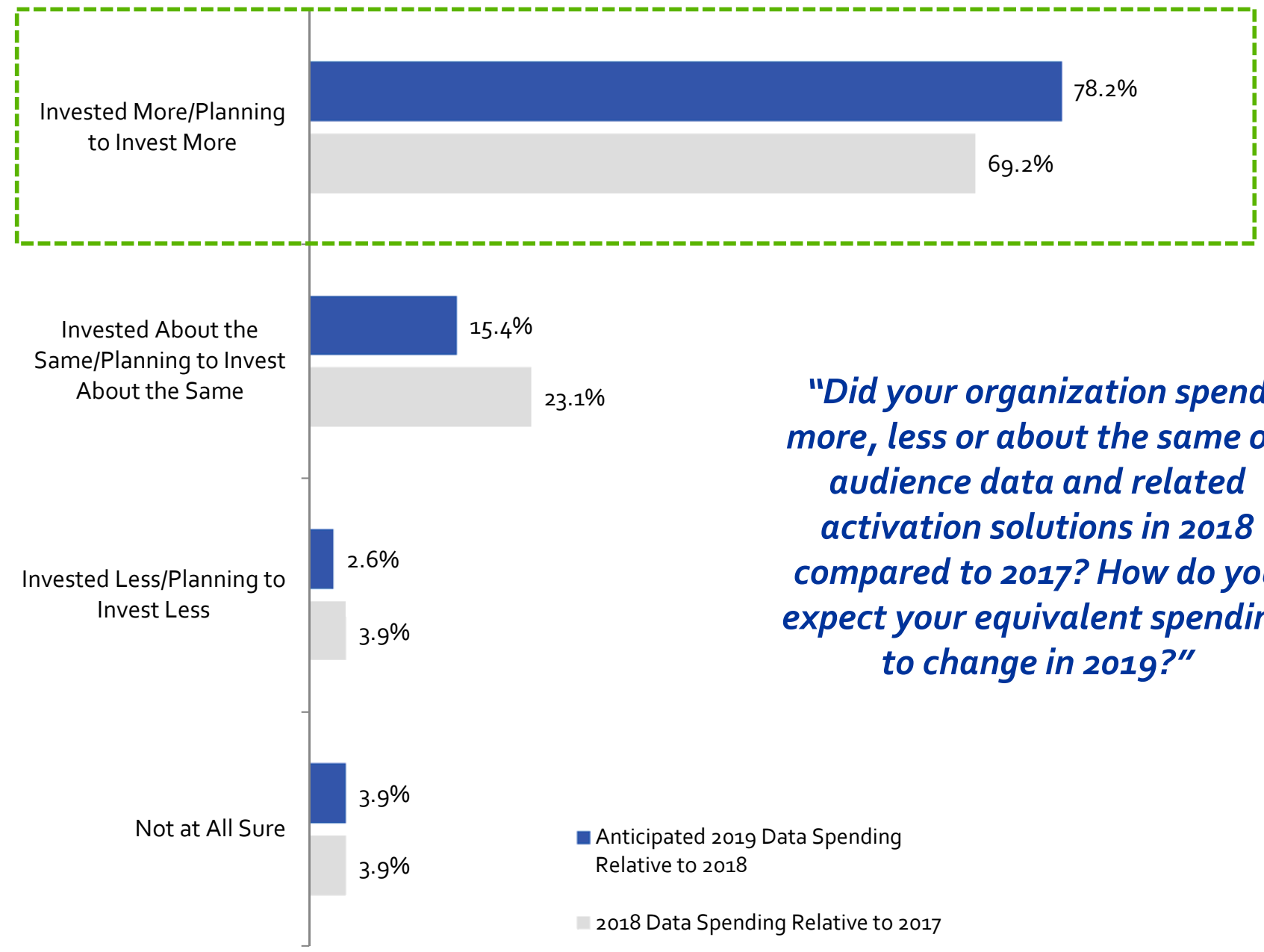
"Did your organization spend more, less or about the same on audience data and related activation solutions in 2018 compared to 2017? How do you expect your equivalent spending to change in 2019?"

■ Anticipated 2019 Data Spending Relative to 2018

■ 2018 Data Spending Relative to 2017

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

[4]

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2018

"General Audience Analytics" Was Top Among 2018 Use Cases; Cross-Channel Applications Gained Steam as Brands Work to Execute Seamless Personalization
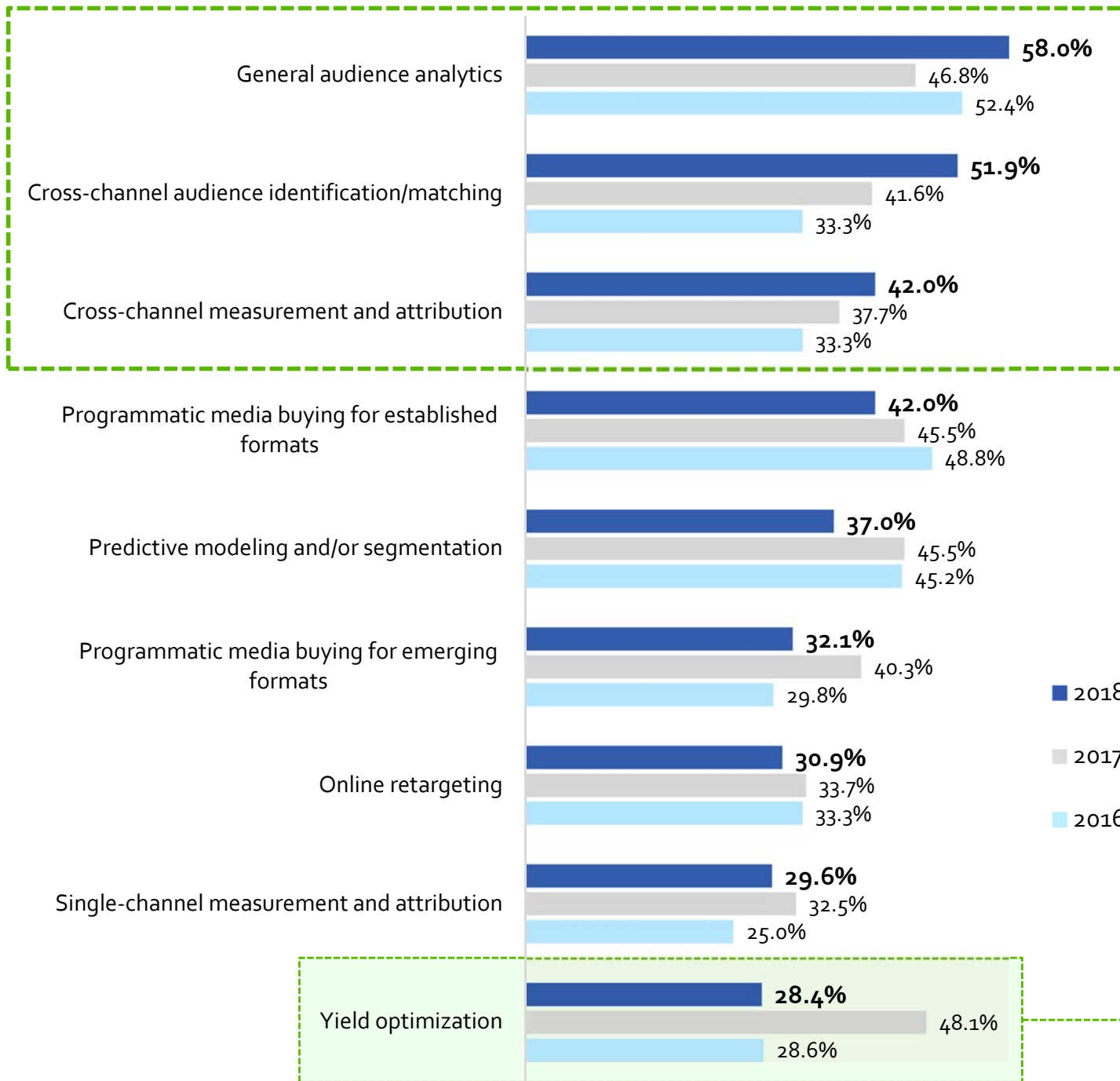
"Which use cases most occupied your time, attention and resources during the previous year?"

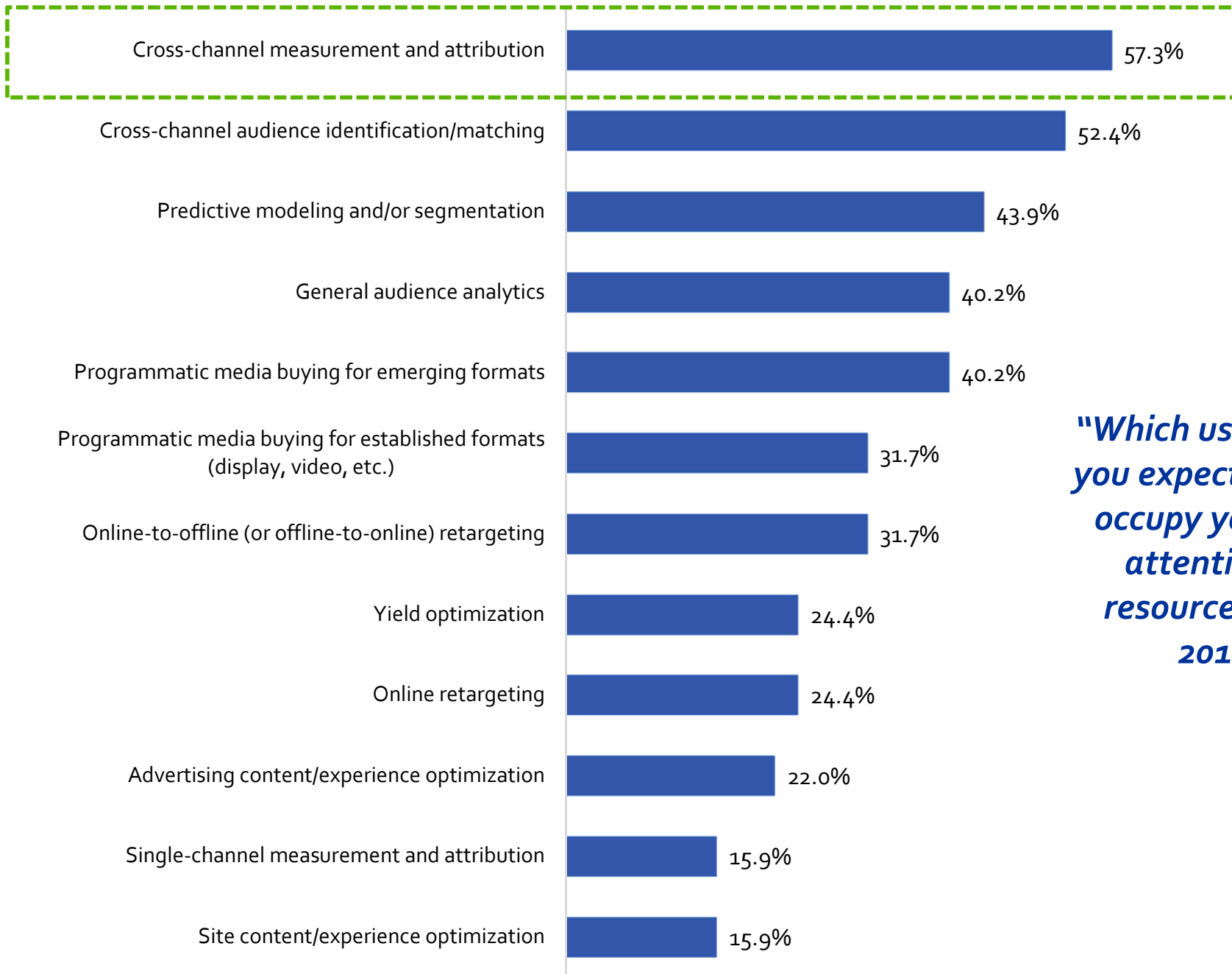| Use Case	2018	2017	2016
General audience analytics	58.0%	46.8%	52.4%
Cross-channel audience identification/matching	51.9%	41.6%	33.3%
Cross-channel measurement and attribution	42.0%	37.7%	33.3%
Programmatic media buying for established formats	42.0%	45.5%	48.8%
Predictive modeling and/or segmentation	37.0%	45.5%	45.2%
Programmatic media buying for emerging formats	32.1%	40.3%	29.8%
Online retargeting	30.9%	33.7%	33.3%
Single-channel measurement and attribution	29.6%	32.5%	25.0%
Yield optimization	28.4%	48.1%	28.6%

■ 2018   ■ 2017   ■ 2016

While media companies significantly intensified their focus on **yield optimization** in 2017, their interest in the use case diminished somewhat the following year (returning to a level comparable to those previously reported)

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

[5]

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Use Cases '19

2019

Cross-Channel Measurement and Attribution Remains Highest Priority for Third Year in a Row

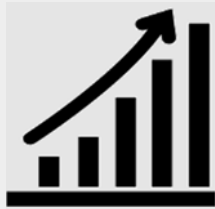| Use Case	Percentage
Cross-channel measurement and attribution	57.3%
Cross-channel audience identification/matching	52.4%
Predictive modeling and/or segmentation	43.9%
General audience analytics	40.2%
Programmatic media buying for emerging formats	40.2%
Programmatic media buying for established formats (display, video, etc.)	31.7%
Online-to-offline (or offline-to-online) retargeting	31.7%
Yield optimization	24.4%
Online retargeting	24.4%
Advertising content/experience optimization	22.0%
Single-channel measurement and attribution	15.9%
Site content/experience optimization	15.9%

"Which use cases do you expect will most occupy your time, attention and resources during 2019?"

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

[6]

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Drivers of Data-Related Efforts

Practitioners Continue to be Influenced by Customer Needs—Much More than Any Other Factor

Demand/interest from our customers
- 69.4%
- 66.2%
- 61.8%

Growing emphasis on investment measureability/accountability
- 47.2%
- 58.8%
- 50.0%

General desire to be more "customer-centric"
- 38.9%
- 33.8%
- 34.2%

Competitive pressures
- 37.5%
- 51.5%
- 36.8%

Improving availability/functionality of supporting technology
- 36.1%
- 32.4%
- 46.1%

**Growing volume/quality of our first-party data resources**
- 36.1%
- 39.7%
- 52.6%
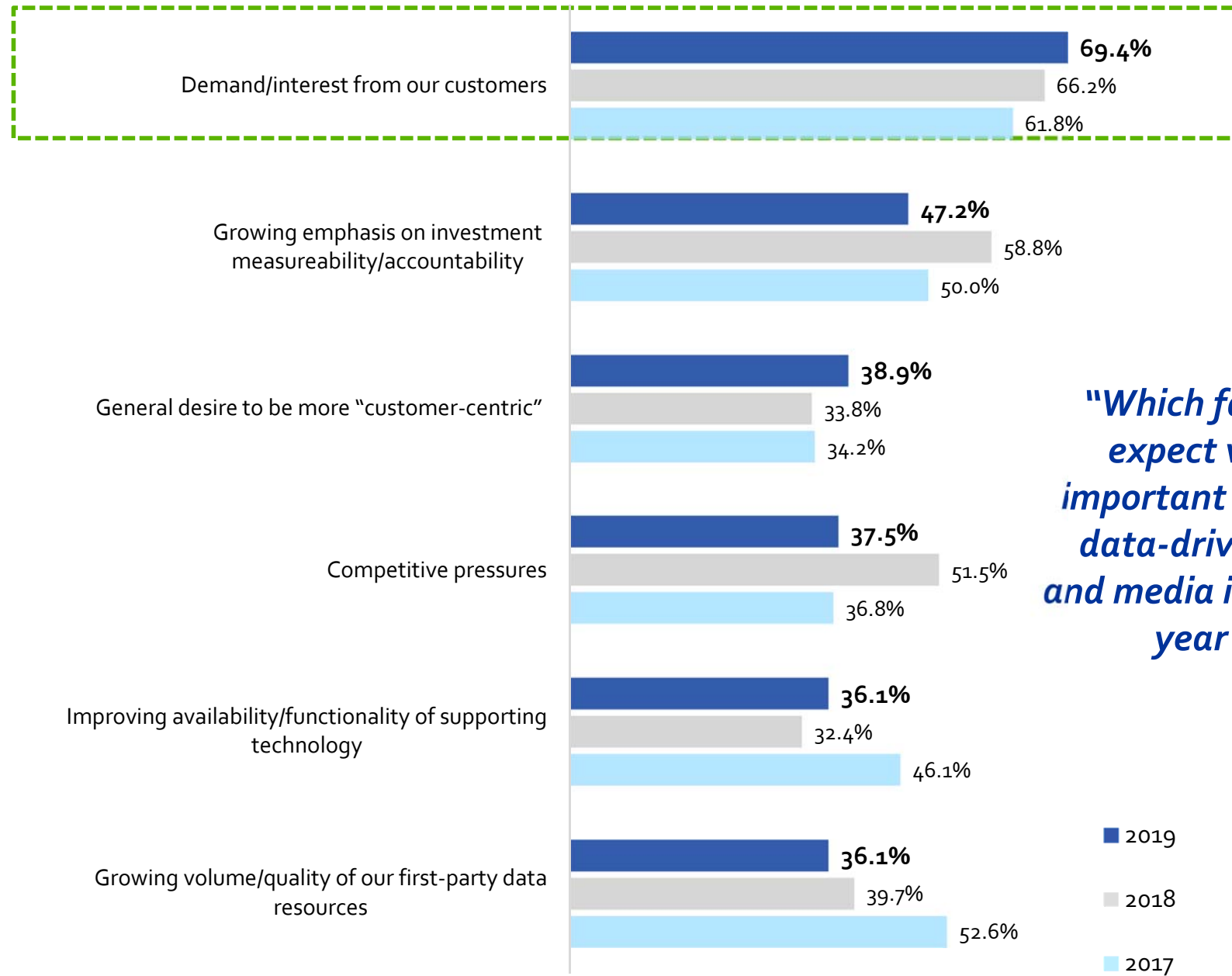
"Which factors do you expect will be most important in driving your data-driven marketing and media initiatives in the year ahead?"

- ■ 2019
- ■ 2018
- ■ 2017

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

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Challenges to Data Usage

Concerns Over Potential New Data Regulation (and Impact of Recently Enacted and/or Passed Regulation) Are Top-of-Mind
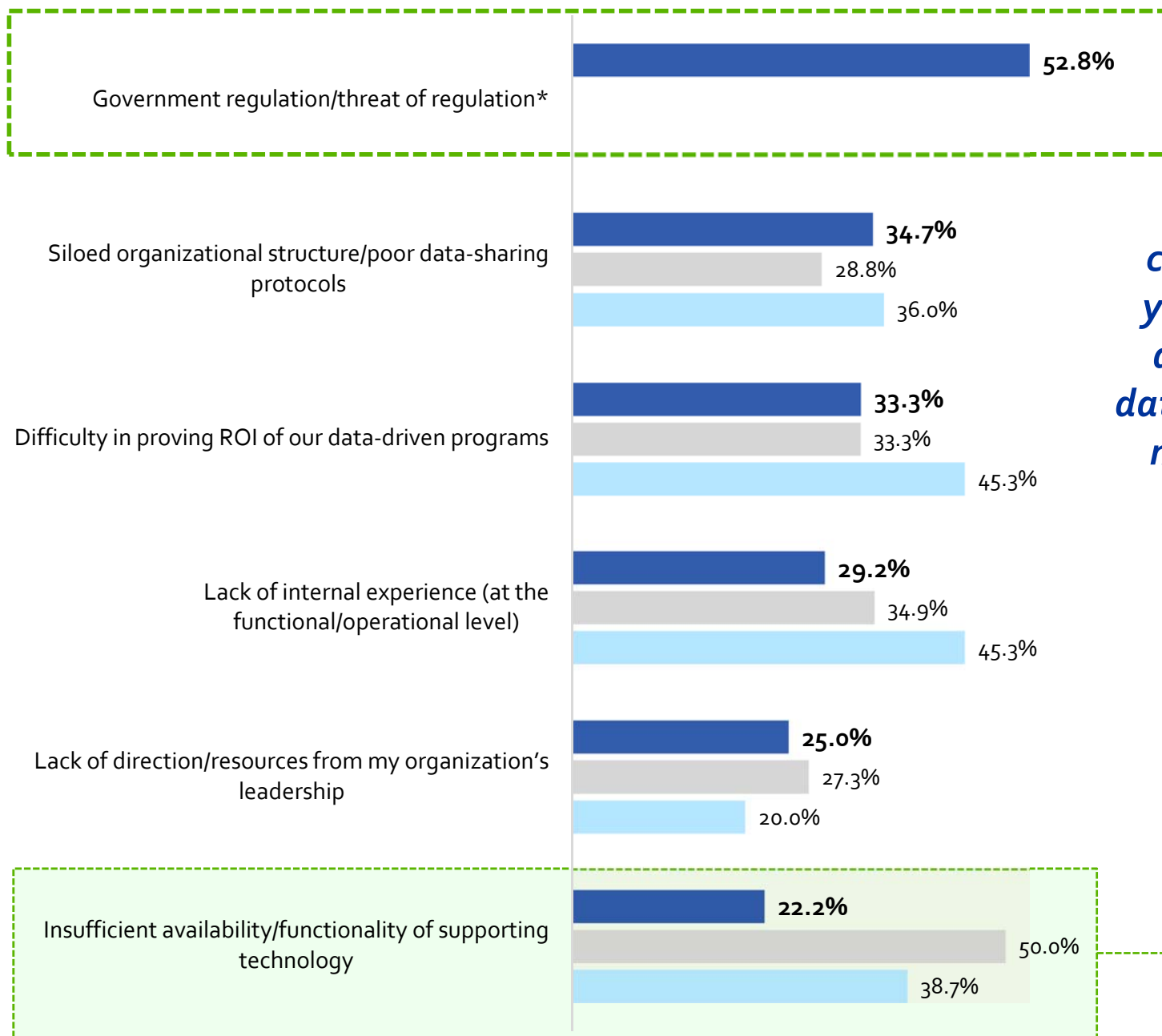
"What obstacles or challenges may impede your ability to deploy or derive value from your data-driven marketing and media initiatives in the year ahead?"

Data users are expressing a greater degree of confidence in the third-party tools they use to collect and manage audience insights; by contrast, **internal issues specific to their organizations**—regarding data access and supporting talent/ resources—continue to represent key concerns

Challenge	2019	2018	2017
Government regulation/threat of regulation*	52.8%		
Siloed organizational structure/poor data-sharing protocols	34.7%	28.8%	36.0%
Difficulty in proving ROI of our data-driven programs	33.3%	33.3%	45.3%
Lack of internal experience (at the functional/operational level)	29.2%	34.9%	45.3%
Lack of direction/resources from my organization's leadership	25.0%	27.3%	20.0%
Insufficient availability/functionality of supporting technology	22.2%	50.0%	38.7%

*Note: Multiple responses allowed; not all answer options are shown; *indicates the option was first asked in 2019*
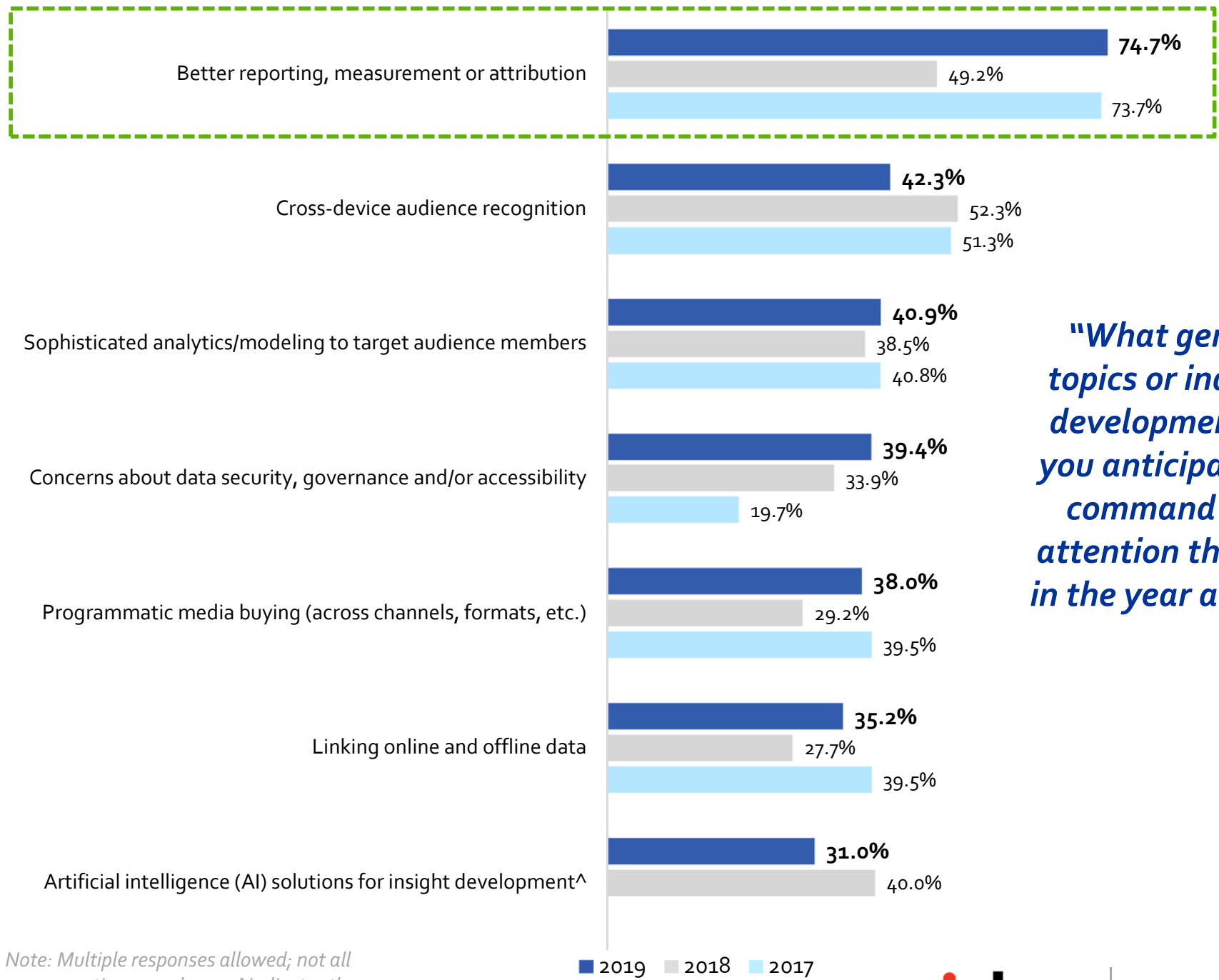
■ 2019 ■ 2018 ■ 2017

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Hot Topics

Once Again, Attribution Overwhelmingly Exceeds All Other Areas of Focus for 2019 Attention

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

Better reporting, measurement or attribution
- 2019: **74.7%**
- 2018: 49.2%
- 2017: 73.7%

Cross-device audience recognition
- 2019: **42.3%**
- 2018: 52.3%
- 2017: 51.3%

Sophisticated analytics/modeling to target audience members
- 2019: **40.9%**
- 2018: 38.5%
- 2017: 40.8%

Concerns about data security, governance and/or accessibility
- 2019: **39.4%**
- 2018: 33.9%
- 2017: 19.7%

Programmatic media buying (across channels, formats, etc.)
- 2019: **38.0%**
- 2018: 29.2%
- 2017: 39.5%

Linking online and offline data
- 2019: **35.2%**
- 2018: 27.7%
- 2017: 39.5%

Artificial intelligence (AI) solutions for insight development^
- 2019: **31.0%**
- 2018: 40.0%

Legend: ■ 2019 ■ 2018 ■ 2017

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

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About IAB's Data Center of Excellence

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The **IAB 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. IAB Data's mission is to define boundaries, reduce friction and increase value along the data chain—for consumers, marketers and the ecosystem that supports them.

- Gathering industry thought leaders to sell the **data agenda**
- Funding industry **research** to provide benchmarks and actionable insights on data management across platforms
- Developing relevant **standards, service, and best practices**
- Creating **educational** materials including certification, videos, and webinars
- Hosting data focused **events** that feature industry luminaries
- Leading self-governance initiatives and privacy's ethics best practice

For more information, please visit iab.com

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ownerIQ	Pinterest	SRAX	theTradeDesk
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Strategic Partner: Accenture Interactive

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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 planning and roadmap development
- Buyside M&A target identification and qualification

DATA-DRIVEN MARKETING TRANSFORMATION
- Data and digital business planning and impact assessment
- Data activation strategy
- Marketing process and platform architecture, design and RFP management
- Marketing organization process engineering

M&A TRANSACTION SUPPORT
- Target company assessment/ commercial due diligence
- Customer outreach/needs assessment
- Market landscaping
- Post-transaction strategic roadmapping
- Integration planning and support

MARKET INTELLIGENCE
- Custom research
- Thought leadership

For more information, please visit www.winterberrygroup.com