The value of data

Businesses are increasingly assigning value to their data assets. Revenue generated through data and analytics–based business models is becoming a key indicator of digital success.

Gartner predicts: "By 2022, 90% of corporate strategies will explicitly mention information as a critical enterprise asset and analytics as an essential competency."

What is data monetization?

Gartner's IT Glossary definition:

"Data Monetization refers to **using data for quantifiable economic benefit**. This can include indirect methods such as: measurable business performance improvements, beneficial terms or conditions from business partners, information bartering, productizing information (i.e., new information-based offerings), 'informationalizing' products (i.e., including information as a value-add component of an existing offering), or selling data outright (via a data broker or independently)."

Source: *"Data Monetization"* (*Gartner IT Glossary*)

The following slides contain survey data from the Business Application Resource Center (BARC) study, *Data Monetization – Use Cases, Implementation and Added Value.*

Get the full report here.

Who is monetizing their data?

Data monetization is still in relatively early adoption phases.

Larger companies in retail, services, finance, and banking are leading the way, while IT and the public sector have fewer data products in market.

- **17% of organizations have monetized data as part of their business**

  → 25% of companies with 10,000+ employees
  → 23% of companies with 1,000–9,999 employees

- **12% are preparing or piloting a data monetization initiative**

- **27% have immediate or long-term plans to monetize data**

- **20% have no current plans, but say future monetization is conceivable**

What are common use cases?

The vast amounts of data that companies collect are often valuable to others.

Enriching this data or sharing the results of analysis may offer important insights that influence changes in products or services, business processes or models.

Often it can inform organizations of potential risks or new opportunities.

Results of analysis are commonly used for:

- Customer profiling
- Personalization
- Improvements in sales & marketing
- Fraud detection
- Credit scoring
- Clinical trial management
- Predictive maintenance

Benchmarking data is commonly used for:

- Monetizing anonymized, segmented customer data
- KPIs (customer behavior or performance)
- Analysis of creditworthiness
- Use of telematics data
- Company strategy development
- Purchase-to-order or order-to-cash analysis

Use cases can introduce new business models

Data monetization often presents new opportunities to differentiate existing products and services.

And sometimes, new services can be the basis of entirely new business models.

- Product customization
- Improve user interfaces
- Gamification of products to improve engagement
- Chatbots to improve customer experience
- Customer scoring to guide marketing activities
- Forecasting for energy management

The benefits of monetizing data

New revenue sources — 69%

Development of new services — 66%

Improved customer loyalty — 63%

Internal provision of analysis — 59%

Better insight into customers — 56%

The biggest barriers to monetizing data

Data quality — 56%

Data security — 37%

Integration into existing systems — 37%

Lack of sponsors or management support — 34%

"GDPR has made companies cautious with regard to **data security**, so for many the risk of using data for internal and external monetization seems to outweigh the potential benefits. A clearer understanding of what is possible and feasible under these new regulations needs to be developed."

— BARC study: *Data Monetization – Use Cases, Implementation and Added Value*

Should you monetize?

You may be leaving a data monetization opportunity on the table.

If you're exploring the idea of monetizing your data, don't overlook these considerations.

- Is your data **relevant for your audience**, **statistically significant** in its volume, and **proprietary or unique** to your organization?

- Can you **prepare and present** your data to effectively communicate its accuracy, completeness, and context, so that your buyers will know to **trust** it?

- Can you offer your data in a way that is **safe and secure**, with minimal risks for hacking or additional outside parties accessing it?

- Are you able to satisfy **regulatory compliance and data privacy** concerns, including the permission to collect, anonymize, and distribute the data without serious limitations?

- Is your organization prepared—including **talent and resourcing**, **technology**, **go-to-market strategy**, etc.—to support new data monetization initiatives?

How can a modern analytics platform help?

Get your data ready for monetization:

- Cleaning, preparation, and enriching the data with additional sources
- Anonymizing customer or personal information
- Aggregating or separating data for appropriate audiences

Speed up production and time to market:

- Leveraging best-in-class analytics instead of building from scratch
- Native integrations to data sources, authentication technologies, and more
- Flexible deployment and seamless data access options, including custom portals and applications

Provide additional value to end users:

- Intuitive, modern, and self-service user experience
- Interactivity and collaboration features beyond static reporting

Case Study

Airlines Reporting Corporation embeds Tableau to unlock BI value and increase revenue

- Embedded Tableau dashboards into six BI products, part of a multi-million dollar revenue stream

- Reduced prototyping and report build time by months

- Enhanced customer engagement with Tableau-driven data products

- Processed over $94.7 billion of transaction data from 235 airlines and more than 12,000 travel agency locations in 2018
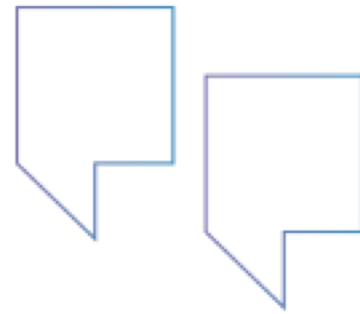
Tableau provided ARC's customers the deep insights, advanced analytics, detailed performance intelligence and competitive benchmarking needed to enhance industry partnerships and operational success. Being able to easily track patterns and trends in sales and analytics embedded into their daily processes delivered a unique solution for our customers.

— Shital Sabne, Manager, Product Design & Data Solutions, Airlines Reporting Corporation

Read the full story here.
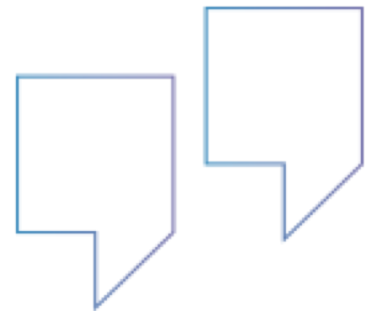
Why choose Tableau for embedded analytics?

Tableau is an industry leader 100% focused on modern data and analytics. Tableau offers an embedding analytics platform that allows you to focus on building your product—saving you time, resources, and money.

Create differentiated and premium offerings that drive additional revenue from existing and new products.

Deliver interactive, visual analytics that empower the success of your customers and ultimately drives product adoption.

Learn more at tableau.com/embedded-analytics

Additional Resources

BARC study: *Data Monetization – Use Cases, Implementation and Added Value*

Data monetization webinar series

7 criteria to consider when embedding BI

Turn data into products – from data scientist to data business owner

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