

How to Monetise Your Data

7 simple solutions





Executive Summary

Data is increasingly considered to be the greatest business asset and there is more and more attention paid to an organisation's data management strategy. Organisations can achieve useable, valuable data by having excellent approaches to data acquisition, storage, governance, analysis and security. However the next step is for the organisation to use that data to create new revenue streams – to monetise the information.

Here we look at seven specific strategies that you can apply within your organisation to monetise your data.

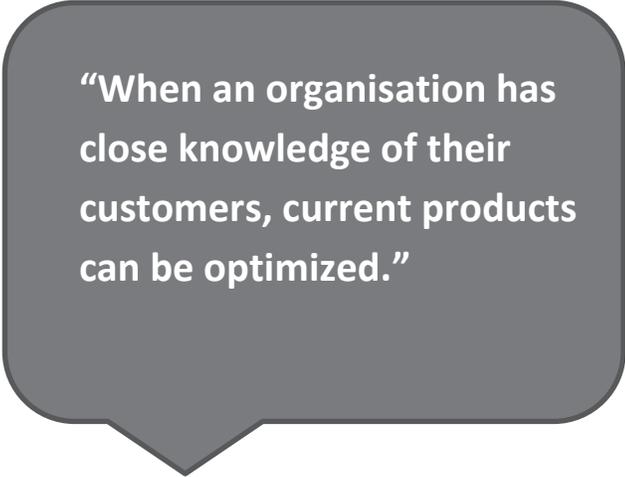
Create Value Added Services

Innovation and new product design can be high risk areas of business; areas in which the organisation must be prepared to fail frequently. However, well analysed, well applied data can provide accurate insight to customer trends and tastes, and customer buying patterns and decisions, therefore reducing the rate of failure.

By reducing the risk of launching new products or services, the organisation can afford to launch more frequently, to test in wider areas and, all the while, build even more detailed insights and analyses on the best approach for future development of products and services.

Improve Design & Product Development

The information that can be gained from the layers of data available to the organisation can lead to a single view of the customer and an intimate understanding of their preferences. With better data insights there is less risk involved in launching new products and services, and there is also less risk involved in making design enhancements and changes to existing products. When an organisation has close knowledge of their customers, current products can be optimised for the customers' benefit leading to higher value and more loyal customers.



“When an organisation has close knowledge of their customers, current products can be optimized.”

Build Targeted Marketing and Product Recommendations

Organisations and consumers are familiar with the power of targeted marketing and product recommendations. The two new skill sets in this area are in super-segmentation, and “time’n’place” specific targeting. By segmenting customers into even smaller, even more specific groups the message the customer receives is even more personalised, leading to better response rates. In addition to the content of the message, the layering of data can drive real-time, location-precise offers and messages to consumers. With this new, über-focused messaging, organisations can expect even higher return on their marketing and advertising spend.

Reduce Customer Churn

It is much more cost effective to keep your customers than to replace them with new customers, which is why churn is of particular focus for many organisations, especially FMCG & retail, telecoms and retail banking & financial services. Through strategic application of data the organisation can achieve 360 degree insights to customers, more closely identifying their needs and decision making criteria in order to serve them better and ensure they remain loyal and high value. By using data to make internal process improvements the organisation can also make improvements to overall service, one of the biggest factors in reducing churn.

Identify Trends

The combination of Big Data and the organisation's data can lead to detailed information about trends and cause & effect patterns. With a more detailed and accurate understanding of customers' purchase patterns the business can achieve better cost control through tighter management of supply and more effective customer service & communications. Furthermore, when the business crunches into the data it can provide invaluable guidance on product development and targeted messaging, both of which impact top line revenue.

Improve Internal Processes

Process excellence is of increasing interest and focus within many organisations. The results can lead to an overall more effective and efficient organisation, with dramatically reduced costs and greater flexibility within the business to capitalise on new market opportunities. The many different approaches to process excellence can be successfully fuelled by powerful, accurate, well applied data. And sophisticated process improvements lead to customer retention, to stronger innovation and to a driving competitive edge throughout the business.



Sell Analytics and Knowledge

Some say that data is only as good as the questions that are asked of it; that data must be made to work. By mashing data sets and asking the right questions the organisation can produce analysis and insights that tell a story and provide a narrative beyond raw statistics and figures.

Interesting and useful analysis drives revenue; it is a package that appeals to third parties and partners, and appeals significantly more than stand alone data.

Selling data or analyses is a new, unique revenue stream but there are compromises attached to this practice, specifically the issues of data privacy and security, the question of data and customer integrity, and the risk of devaluing the data. The immediate revenue can be appealing, but the long term consequences and opportunities also need to be taken into account.



Conclusion

Perhaps all of these approaches will suit your business, or perhaps only one of them will seem appropriate. It is important to take into account your business model, organisation structure, and, of course, the actual data that you have available, in order to identify the monetisation strategy that will work best for you.

With an assertive monetisation strategy that demonstrates the revenue data that will drive into the business, you will be able to gain more strategic level support and tactical level buy-in for new data projects and resource allocation. These are the first steps to achieving a data centric culture with a focus on data governance, data quality and data as a service.