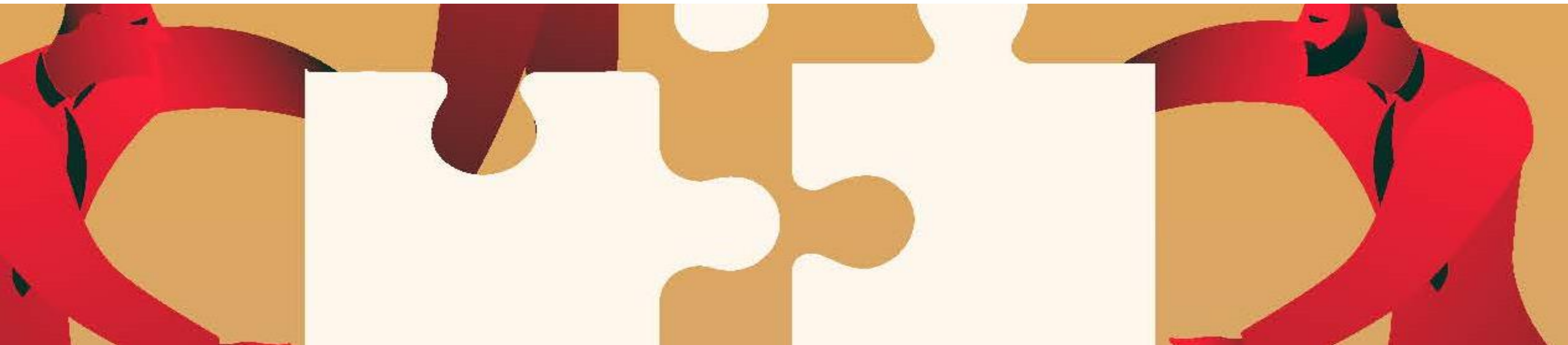




# Collaborative Data Solutions

## Data and Identity in the Era of Permission

*January 2021*



# Paper Background

The insights in this report were developed through extensive industry research, including off-the-record conversations with more than 50 senior industry experts from both the US and Europe. **These experts represented 26 companies involved in the use of data and data collaboration, ranging from technology providers, data companies and co-operatives to media owners and end user clients.** To complement the video interviews, WG ran an online survey of senior brand marketers in November 2020 across the US and UK.

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# What We Will Discuss Today



**What is Driving Data Collaboration**



**What are the Collaborative Data Solutions**



**The Outlook for Collaboration**



# What's Driving Data Collaboration

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# What is Data Collaboration About?

"The need for data collaboration between media owners has been present for at least the last 10 years. It feels like we are finally at the point where we can realise some of these use cases because of the different collaboration technologies that are coming into place." -Director of Data, TV Network

"A major trend in the industry is that there is a greater need to share data but in a way that protects everyone's proprietary assets through a trusted process." -Marketing Director, Data Solutions Provider

"The true challenge in the past was "trusting" each other, and you cannot underestimate those trust issues. Our main use case is: How can people collaborate with each other to gain more share/reach?" -Director of Data, TV Network

"The size of the challenge and the opportunity can be overwhelming to some companies, and many are not good with partnerships. If you want to be an innovative company, you must get started today, not wait." -C-level Executive, Tech Solutions Provider

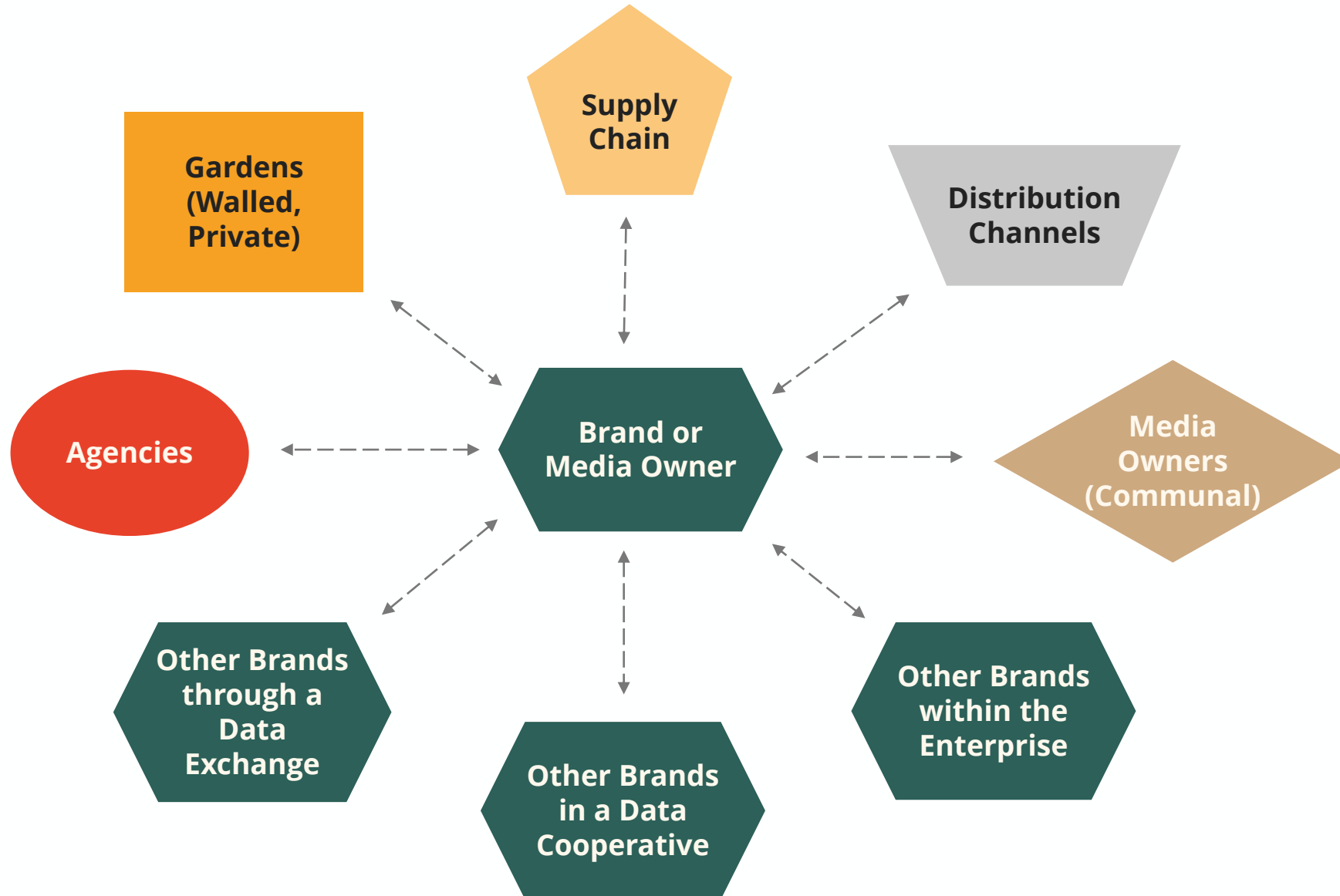
"The market is leaning into hashed PII because it is the closest thing to cookies, but people haven't seen it work. I think that in the next 12 months you should see proof points starting to evolve." -Director, Strategy, Advertising Platforms

"...there needs to be collaboration, that it cannot just be about the walled gardens." -Chief Product Officer, Data Exchange

"Companies that have started to realise the value of their 1st party data as a response to the walled gardens are the ones we are seeing moving first in the market." -Managing Director, Platform Strategy, Technology Solutions Provider

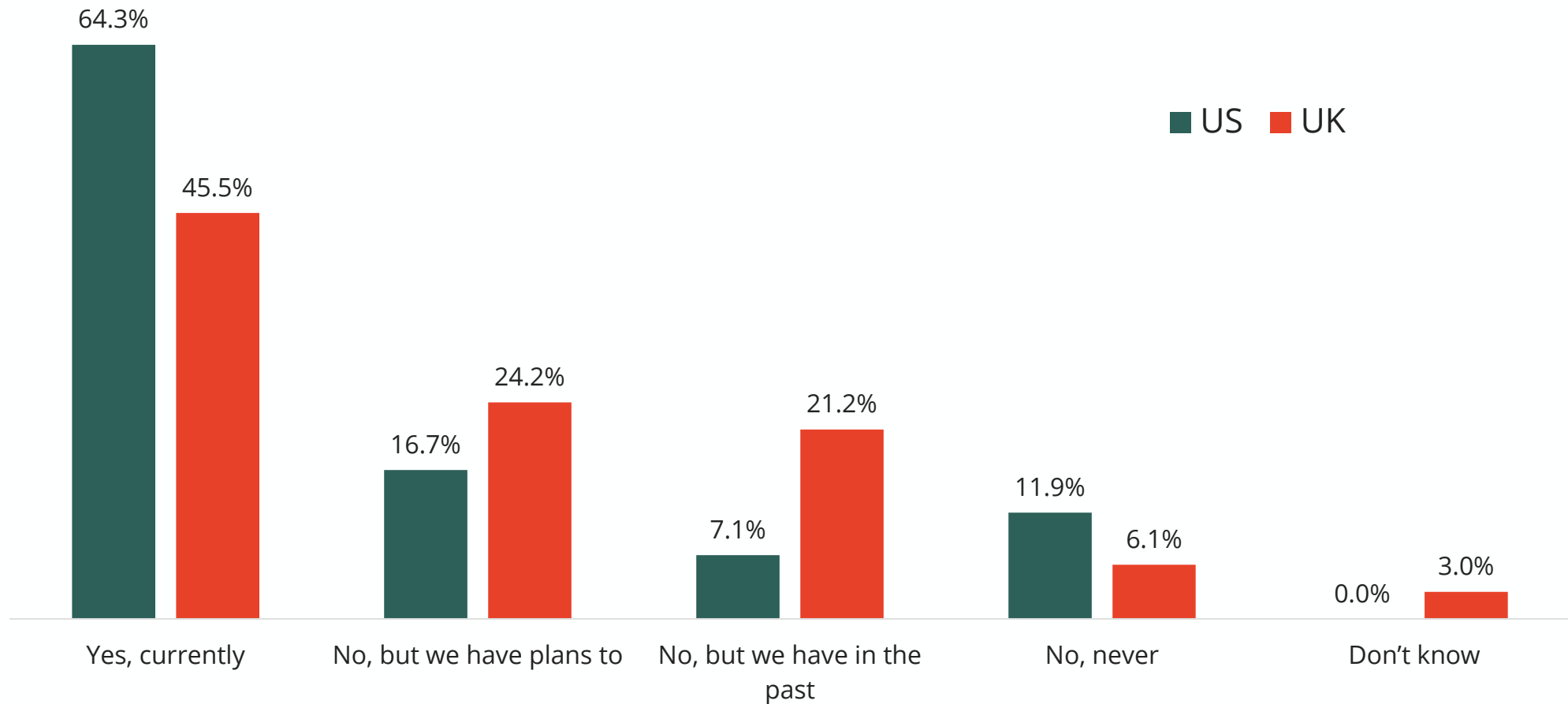
"I think it is going to be two to three years until the issues around collaboration are figured out. Overall, I think there needs to be a more agile way of marketing and understanding what truly defines success." -Director, Data, Data Provider

# Why is Collaboration Increasingly More Important?



# And Collaboration Is Not Some Future Trend – But Is Happening Now

## Does your organisation collaborate?



WG Collaborative Data Solutions Survey Nov. 2020, n=75

# The Underlying Drivers of Collaboration



## Privacy

- Regulation uncertainty
- Browser implications

## Market

- Shifting consumer attention
- Walled gardens
- Rise of retailer-driven marketplaces
- Video advertising adoption
- Scaled audiences



# The Underlying Drivers of Collaboration?



## Customer

- First-party relationships
- Customer-centric marketing

## Organisation

- Unified decisioning and orchestration
- Supply chain alignment
- Brand value
- Regulatory risk mitigation

# In a Collaborative Market - How Is Data is Shared?



## Data Cooperatives

Offline data collaboration  
between thousands of B2C  
and B2B brands

# In a Collaborative Market How Data is Shared?

## Exchanges & Marketplaces

Peer-to-peer data sharing  
and 3<sup>rd</sup> Party licensing



# And the Methods of Data Collaborative Solutions Are Expanding



## Technical Data Environments

3<sup>rd</sup> party technology solutions for peer-to-peer storage, analysis, linkage and exchange



# How Permission and Use Define the Approach to Collaboration

# What is First, Second and Third-Party Data?

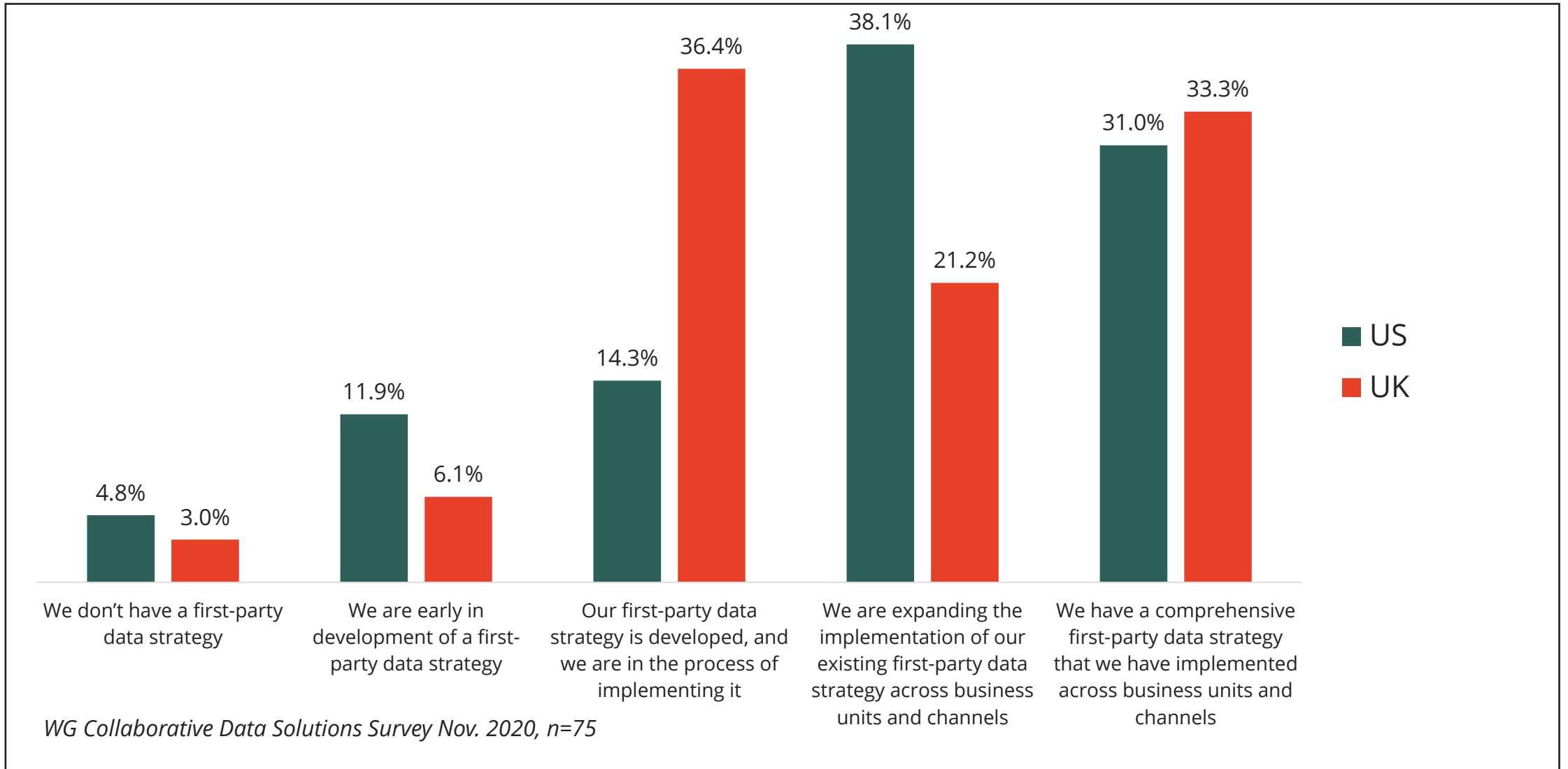


**First-party data** is data that a brand or media owner has collected with permission from the consumer

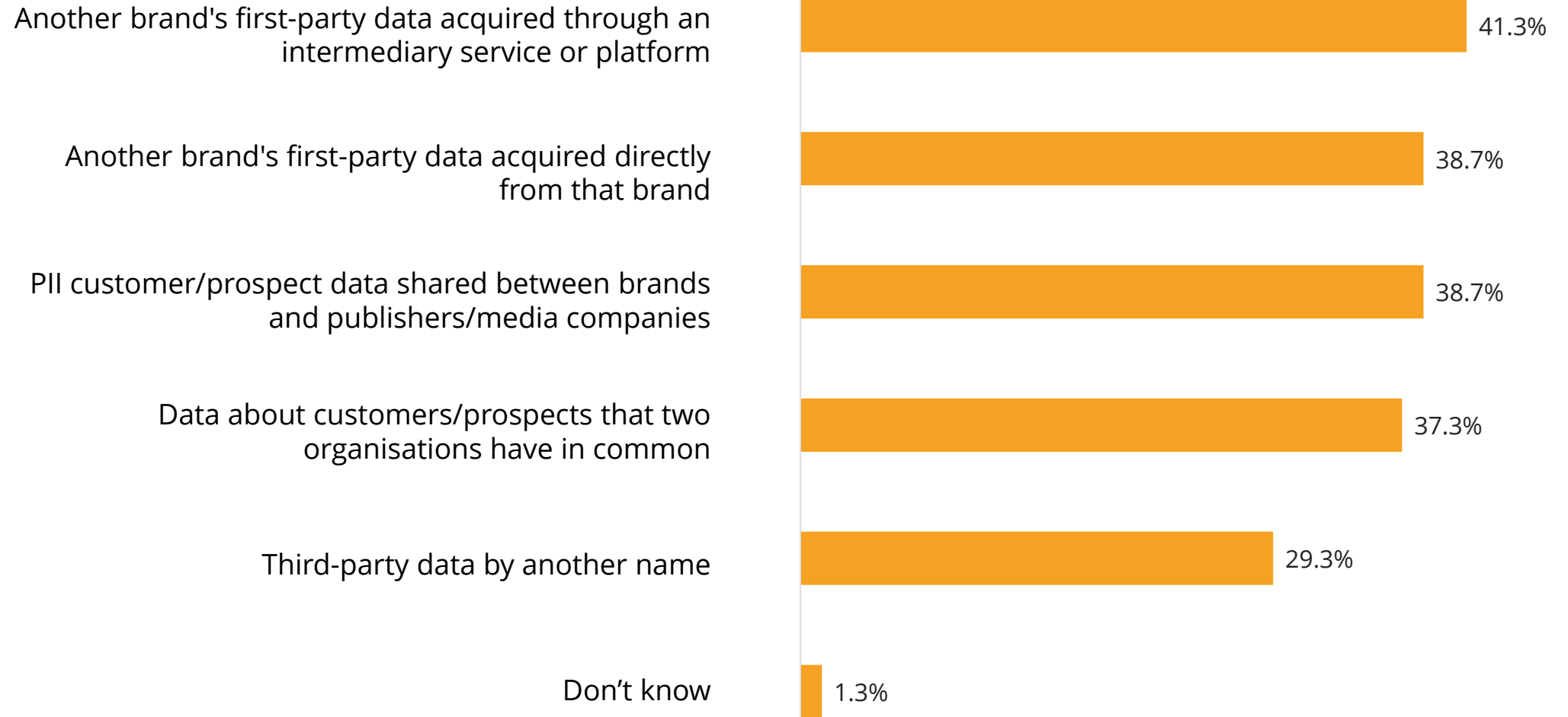


**Third-party data** is information or data collected by an entity that does not have a direct relationship with the end user or data subject

# How Advanced Would You Estimate Your First-Party Data Strategy to be?



# What Does Second-Party Mean to You?



WG Collaborative Data Solutions Survey Nov. 2020, n=75



# Defining Second Party Data



**Second-party data** is data that is shared in a dedicated environment but with a clearly defined set of permissions and rights.

And it changes “state” to 3<sup>rd</sup> Party when it is *commercialized*

# Second Party is About Permission, Provenance and Governance



**Permission:** Established between consumers and participants



**Provenance:** Understanding what permissions were granted



**Governance:** Managing compliance and assessing rights



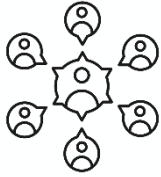


# **Data Collaboration Solutions: A Deeper View**

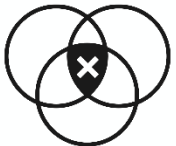
# Data Cooperatives



Long established collaboration solutions with hundreds of thousands of contributors



Perform best with high frequency, transactional, participants



Many contributors engage with multiple cooperatives to increase reach

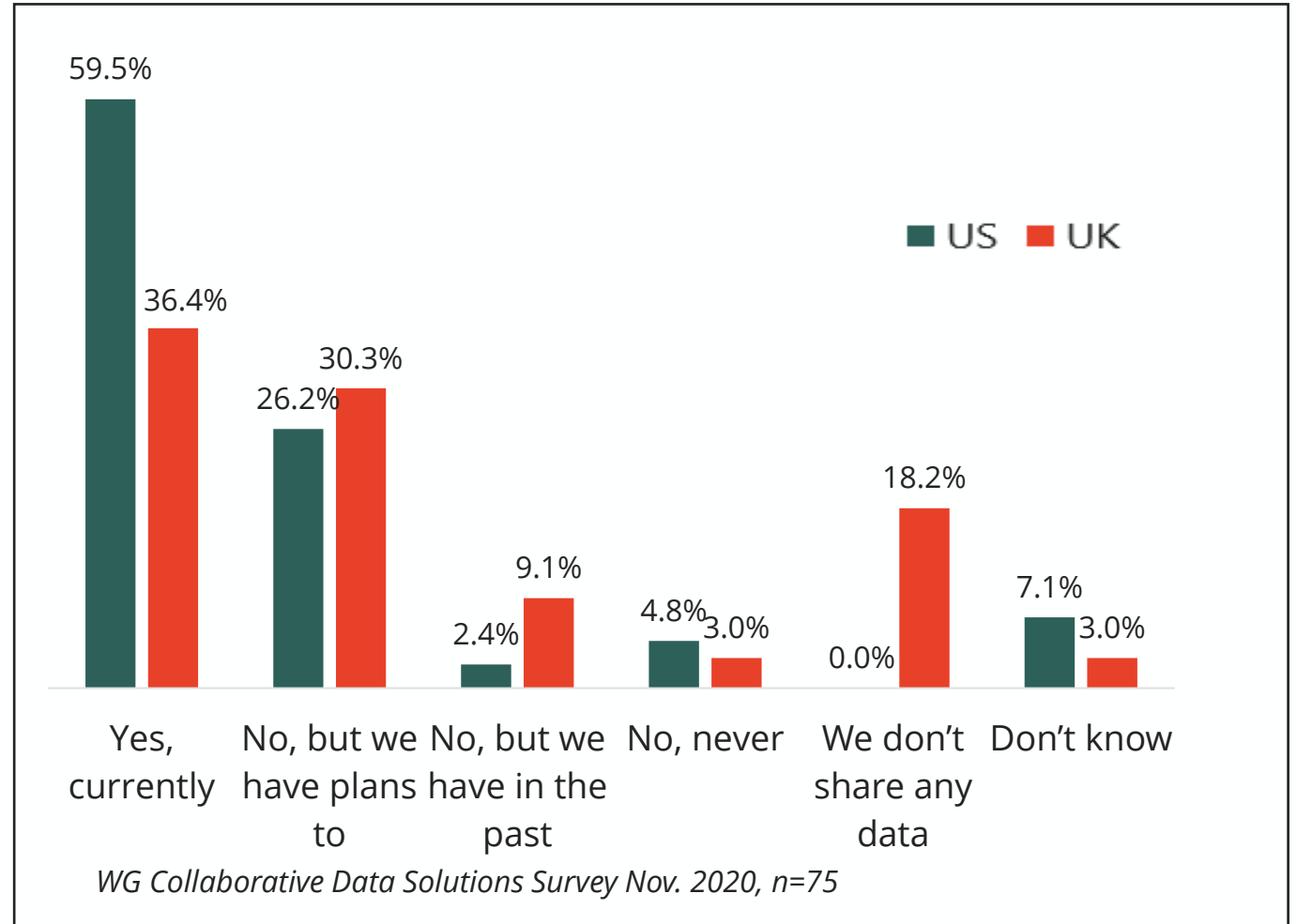


Data is extracted via models and attributes, not directly from the member coop data set



# Has Your Organisation Considered Leveraging a Cooperative Data Solution (Data Co-op) to Increase its Ability to Prospect or Expand Your Audience Reach?

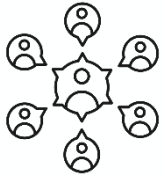
- Primarily offline use cases
- Increasing adoption for digital media targeting and identity
- Pricing model CPM based
- Reduces risk related to ingestion of first-party data into host platform



# Data Exchanges and Marketplaces



Established with the onset of the digital display ecosystem ~2012



Initially based on digital intent as providers brought data from online signals across media, retail and other vertical web sites



Added hundreds of 3<sup>rd</sup> party providers who brought data from offline and modeled data sets

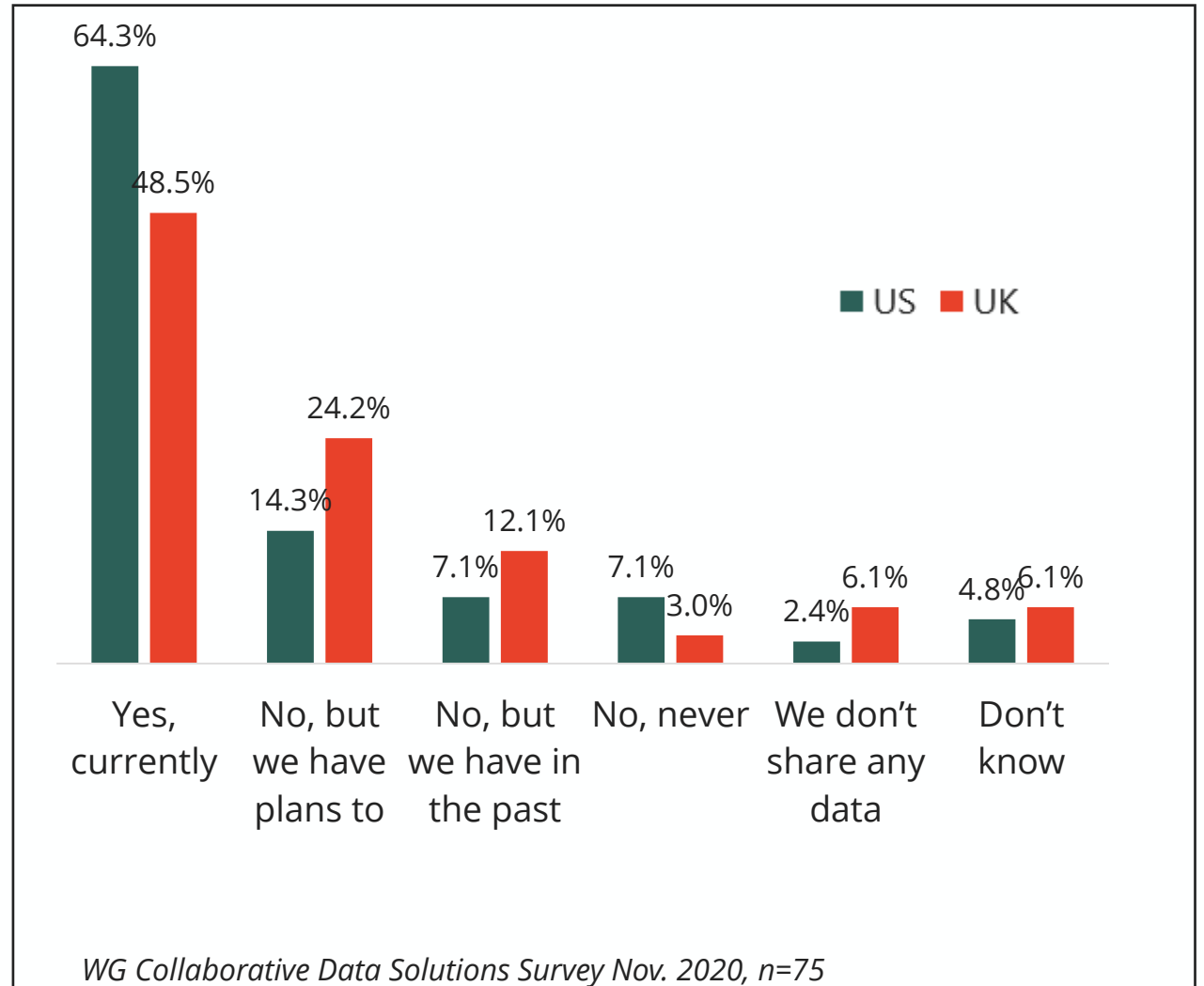


Continued to evolve with both private custom audiences as well as standardized data sets

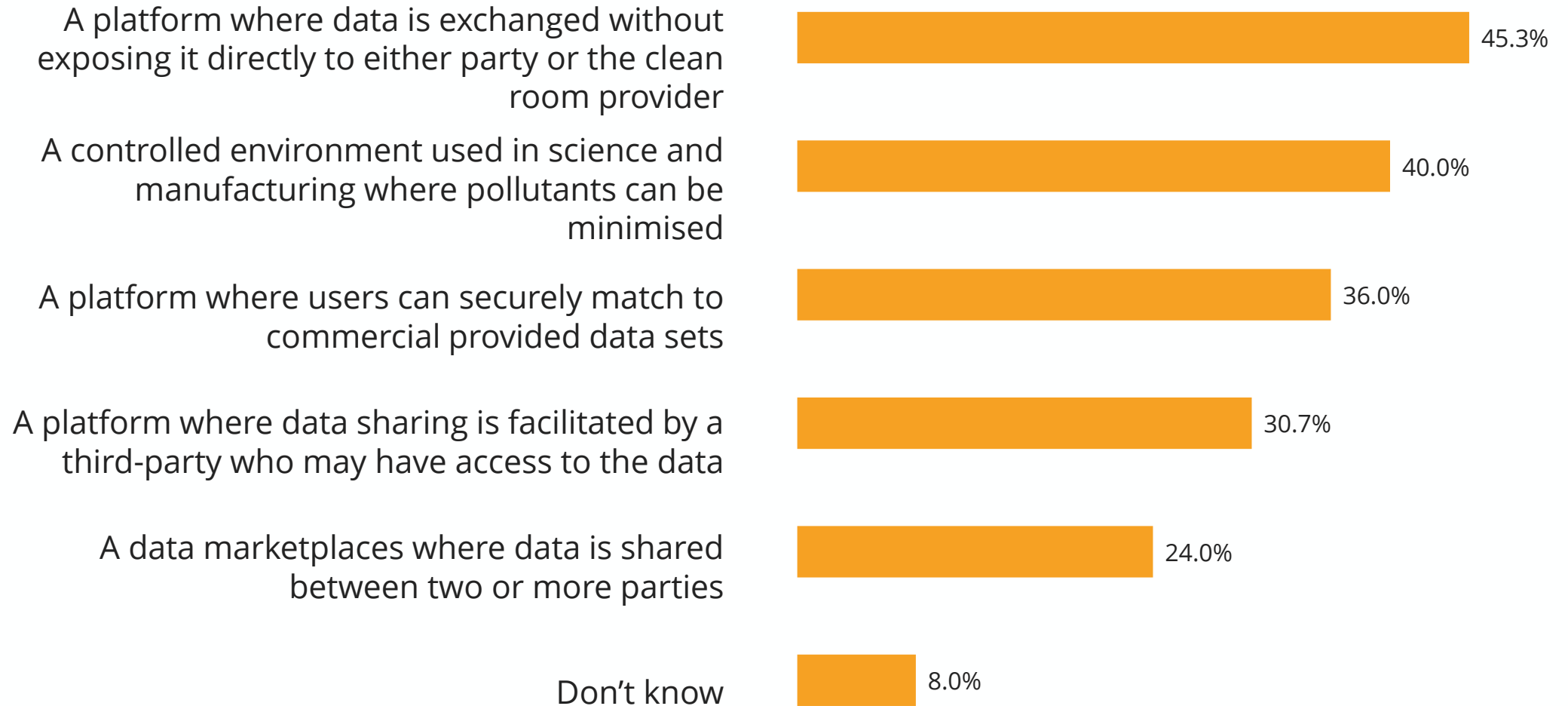


# Has Your Organization Considered Leveraging a Data Exchanges to Increase the Ability to Prospect or Expand Your Audience Reach

- Exchanges and marketplaces now based on cloud technology solutions
- Does not require host visibility of data
- Extensive taxonomies with meta data
- Exchange provides the mechanism for linking, sharing or licensing the data
- Data and use cases not limited to marketing



# Technical Data Environments - What Does a “Clean Room” Mean to You?



WG Collaborative Data Solutions Survey Nov. 2020, n=75



# Collaborative Technology Environments Allow the Sharing, Matching and Analysis of Data Between Partners

Range of approaches from transfer and matching simple hashed email data and matching of fully pseudonymized data sets

Key differences between solutions that require PII to be transferred and those where the data remains host environment

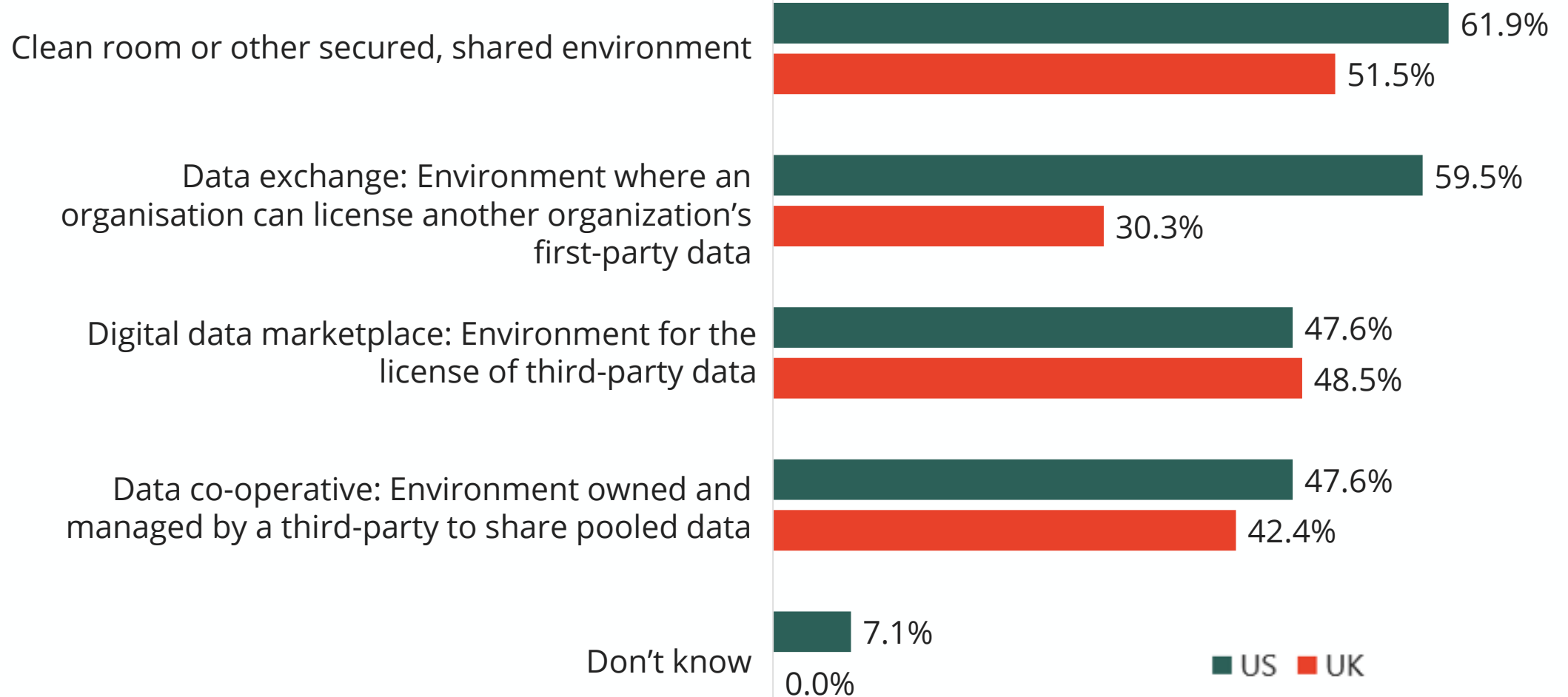
Matching and extracting may also be performed within a sharing environment

Extracts can have a varying level of obfuscation

Solutions have grown in popularity in GDPR territories and within media where the media owners exert greater control

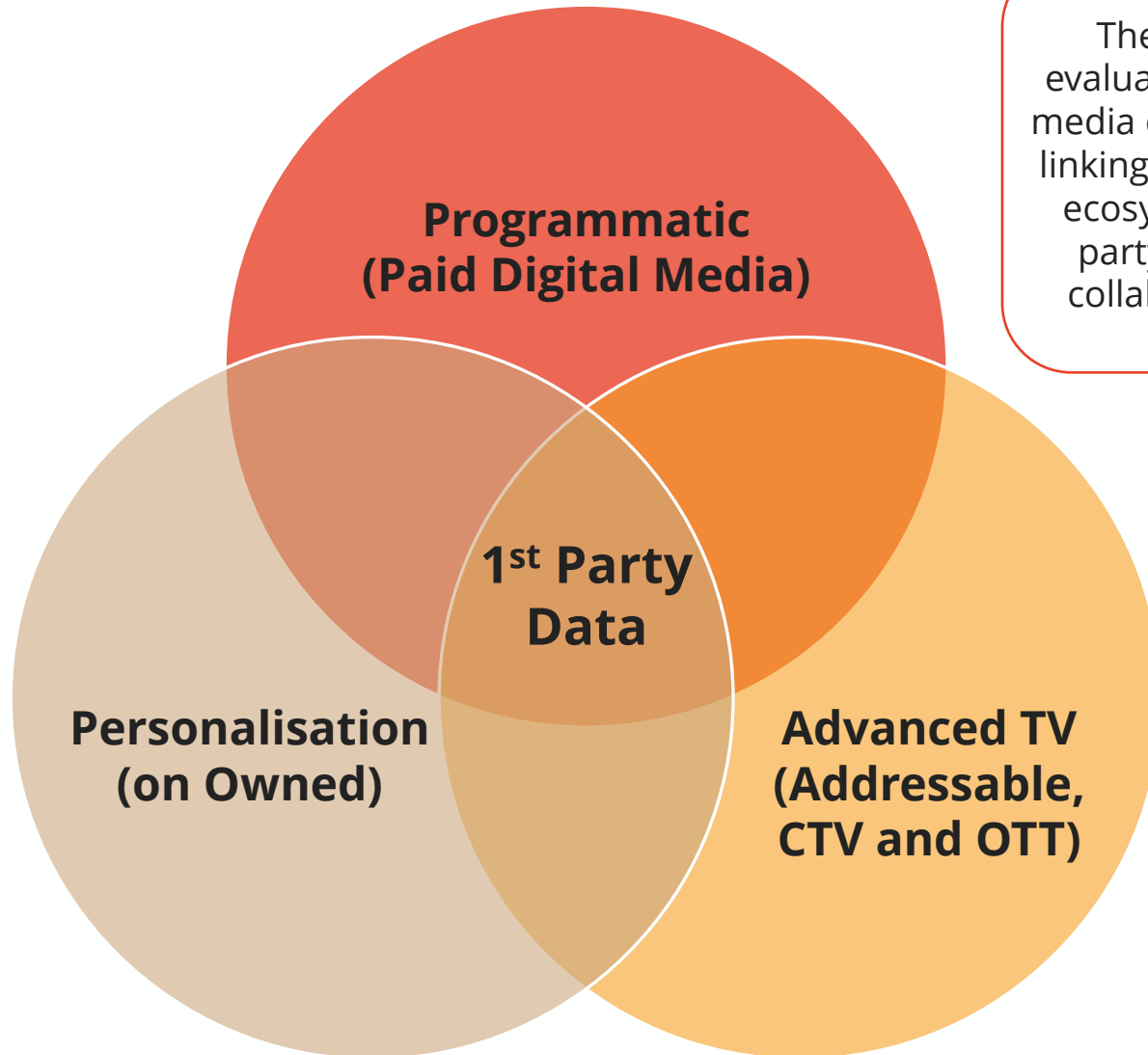


# Which Of the Following Collaboration Solutions Has Your Organisation Utilized or Participated in to Support Advertising and Marketing Efforts?



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# What the Market Agrees on - First-Party Data is at the Heart of Collaboration Solutions



The planning, activation and evaluation of programmatic digital media continues to be driven by the linking of first party data within the ecosystem. As the chase for first party continues privacy secure collaboration continues to grow

Very few brands have all the data they need to fully optimize customer experience. Collaboration will drive enhancements in this sector, but the data needs to be actionable within the CMS

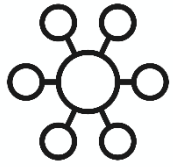
The strong current and future growth of TV and digital video and the adoption of new models is driving many collaboration paths within CTV/OTT in both the US and UK



# The Outlook for Collaboration

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# Six Adoption Trends to Watch



**Multi-level Permissioning** - consumer-to-brand, brand-to-brand, and brand-to-media owner – will define market adoption.



**Multi-party Partnering** – partnering by and between brands, media owners, technology providers and service providers.



**Multiple Solutions in Parallel** - both brands and media owners will implement multiple solutions in parallel.



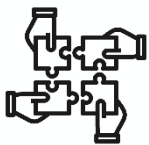
# Six Trends to Watch



**Solution Applications Will Live Across Clouds** – Solutions will exist in a state that is cloud neutral and API driven.



**Organisational Adaptation** – flexibility needs to allow for course correction and adoption of emerging solutions.



**Steady Rate of Adoption** – The gap between the data “haves” and “have-less” will be bridged through partnering and a more extensive use of modeling.





**Thank you.**

**Bruce Biegel, Senior Managing Partner**

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