Audience Data: Where Marketers Are Investing Their Spending

US companies will invest more than $20 billion this year on outside data, solutions

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Marketers continue to face a challenge when it comes to managing data. Taking a seemingly inexhaustible supply of information, separating out signal from noise and then distilling that into actionable insight is enough to overwhelm pretty much anyone.

But data from Winterberry Group, the Interactive Advertising Bureau (IAB) and the Data & Marketing Association (DMA) showed that US companies are not shying away from the task.

In 2017, the trio projected, US companies will spend $10.05 billion on third-party data intended to provide insight into audiences, and a further $10.13 billion on data activation efforts designed to put those insights into practice.

Out of all types of audience data, the most money—$3.53 billion—will go toward audience data related to omnichannel. That category includes personally identifiable information like name, address and email, along with more general data such as interests and behavior. This type of data, in theory, would allow companies to target audiences across a range of traditional and digital media channels.

US Third-Party Audience Data Spending, by Type, 2017
billions

Omnichannel	$3.53
Transactional*	$3.00
Digital behavior	$2.08
Specialty**	$0.89
Identity***	$0.56

Note: *purchase history associated with audience members/segments;
**customer behavior on new and emerging channels and specialty
functions, e.g., addressable TV, internet of things (IoT), wearables;
***reconciliation of customer and prospect profiles built across disparate
touchpoints
Source: Winterberry Group, "The State of Data 2017" in partnership with
Data & Marketing Association (DMA) and Interactive Advertising Bureau
(IAB) and sponsored by Criteo, Deluxe, Equifax, Epsilon and LinkedIn, Dec 4,
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Transactional audience data will draw the second largest pool of funds, at about $3.0 billion. This type of data is related to purchase history by audience groupings that is intended to aid with market segment targeting.

Another big draw for US companies is digital data, which Winterberry Group, IAB and DMA estimated will haul in a little more than $2 billion. That category includes information like IP addresses and device IDs that provide insight into how users behave on digital devices and channels.

While companies are certainly taking steps to integrate third-party data into their business strategies, there appears to be a limit on just how much they want to rely on outside data.

A recent study from Digiday and Factual found that among US publishers who use third-party data, about six in 10 only use one data providing partner, while just 14% use three or more. The study noted that one reason publishers might be hesitant to use a multiplicity of third-party data providers was perhaps an obvious one—cost.

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