How Data Exhaust Can Overload Digital Marketers

Article

Marketers are drowning in information. And they often scrap excess data rather than sift through and make sense of it.

In an August 2018 survey of 100 digital marketers worldwide conducted by Digital Element, more than half of respondents said they were concerned about data exhaust, which refers to the massive data trail that users accumulate as they browse the internet. About half of the

respondents declined to specify the amount of data they discard. There were 15%, however, who said they throw away at least half of their data.

"I think a lot of marketers run campaigns unaware of the amount of data that is collected throughout and either thrown away or not leveraged," said Wesley Farris, director of partnerships at Digilant.

What Percentage of Data Do Companies Worldwide Throw Away?
% of respondents, Aug 2018

0%-25%	29%
25%-50%	3%
50%-75%	9%
75%-100%	6%
Do not know	28%
Not applicable	21%

Source: Digital Element, "Digital Data Exhaust Report 2018" in partnership with Location Based Marketing Association (LBMA), Oct 24, 2018

242594   www.**e**Marketer.com

One contribution to the data increase that marketers come across is the rise of header bidding, which allows publishers to simultaneously offer ad inventory to all of their supply-side platforms (SSPs) before making calls to their ad servers. Prior to header bidding, programmatic advertisers relied on a tactic called waterfalling where ad impressions were sequentially passed from one SSP to another.

Now that header bidding allows ad requests to be processed simultaneously instead of sequentially, there has been a significant increase in the number of bids that marketers' demand-side platforms (DSPs) process for each ad impression. For example, about three years ago, the DSP The Trade Desk processed about 1 million queries per second and now it processes about 9 million queries per second.

"Search, social and other biddable media create a significant amount of data every minute of every day," James Douglas, senior vice president and head of media at Reprise Digital. "So much so that the exercise of extracting meaningful insights and key performance indicators from data purposefully disposes a ton of correlating data that could be leveraged for deeper insight and analysis."

Marketers and their DSPs have responded to this trend by using supply path optimization (SPO), which helps marketers create more direct routes to the publishers they buy inventory from. This is accomplished through utilizing algorithms that selectively bid on impressions that

the marketer has the best chance of winning in programmatic auctions. This helps DSPs reduce their infrastructure costs by lowering the burden on their servers, and it reduces the probability of bidding on duplicative inventory.

Data exhaust isn't necessarily a big problem for marketers, according to Matt Sincaglia, senior director of strategy at RedPeg Marketing. As long as marketers approach their campaigns with a clear purpose and focus on the correct metrics, they should be able to establish a reliable framework for data utilization.

"It is worth noting that there are a lot of available data sources for brands and their representatives, and they should be focused on the data that they believe can create the biggest impact, which means they'll always think they're throwing away or missing some other data sources," said Wayne Blodwell, founder and CEO of The Programmatic Advisory.