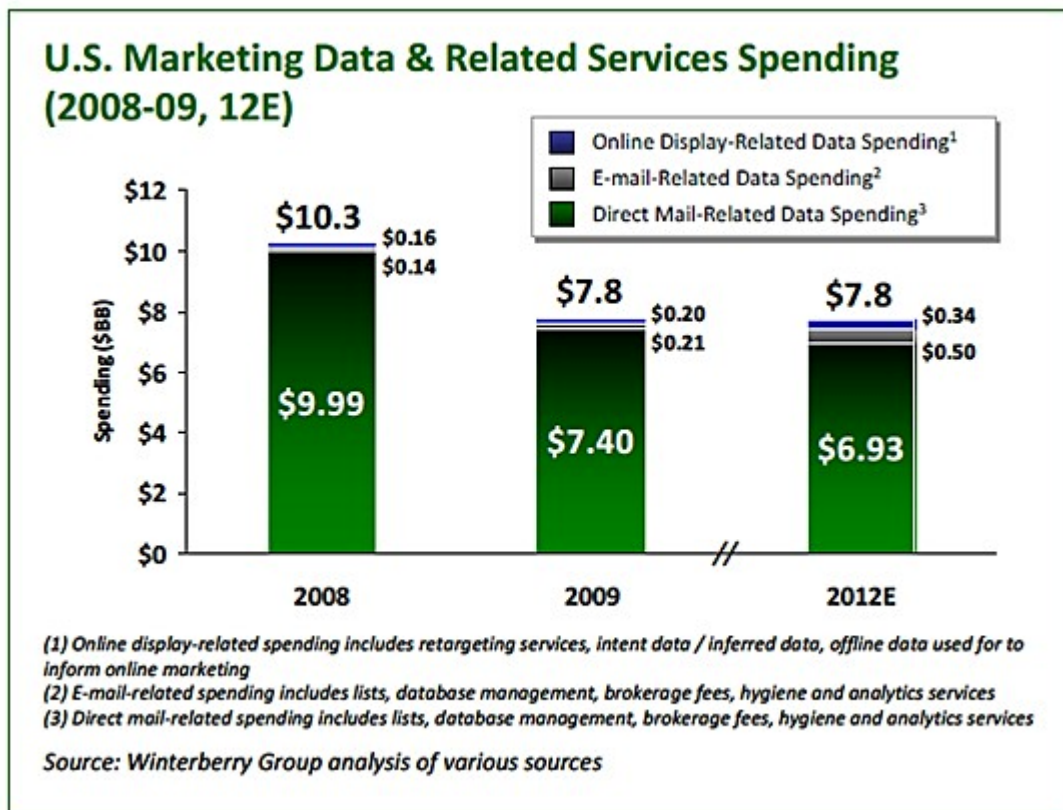


Marketers to Double Spending on Digital Data by 2012

Published on September 15, 2010

US marketers are expected to more than double their investments in online-derived data sources by 2012, allocating a projected \$840 million to information about digital audiences, transactions, and clickstream behaviors, according to a study by the Winterberry Group.

In 2009, US companies invested roughly \$7.8 billion in marketing data and associated services (including hosting, hygiene, analytics, and other functions). Of that, about \$410 million—just 5.3%—was derived from purely online sources.



In 2012, marketers will continue to dedicate a projected \$7.8 billion to marketing data and associated services, but the proportion of those budgets focused on digital sources and applications will more than double, accounting for 10.8% of the mix—roughly \$840 million.

That growth in digital data will offset declines in offline data spending: By 2012, marketers are expected to reduce their investments in direct mail-related data and services, to \$6.93 billion, down 6.4% from the \$7.40 billion spent in 2009.

"Over the next few years, it's clear that a substantial sum—perhaps as much as \$1.5 billion—will be chasing new marketing and data models onto the Internet, pushing the boundaries of what's now possible with respect to targeting and optimization," said Bruce Biegel, managing director at Winterberry Group.

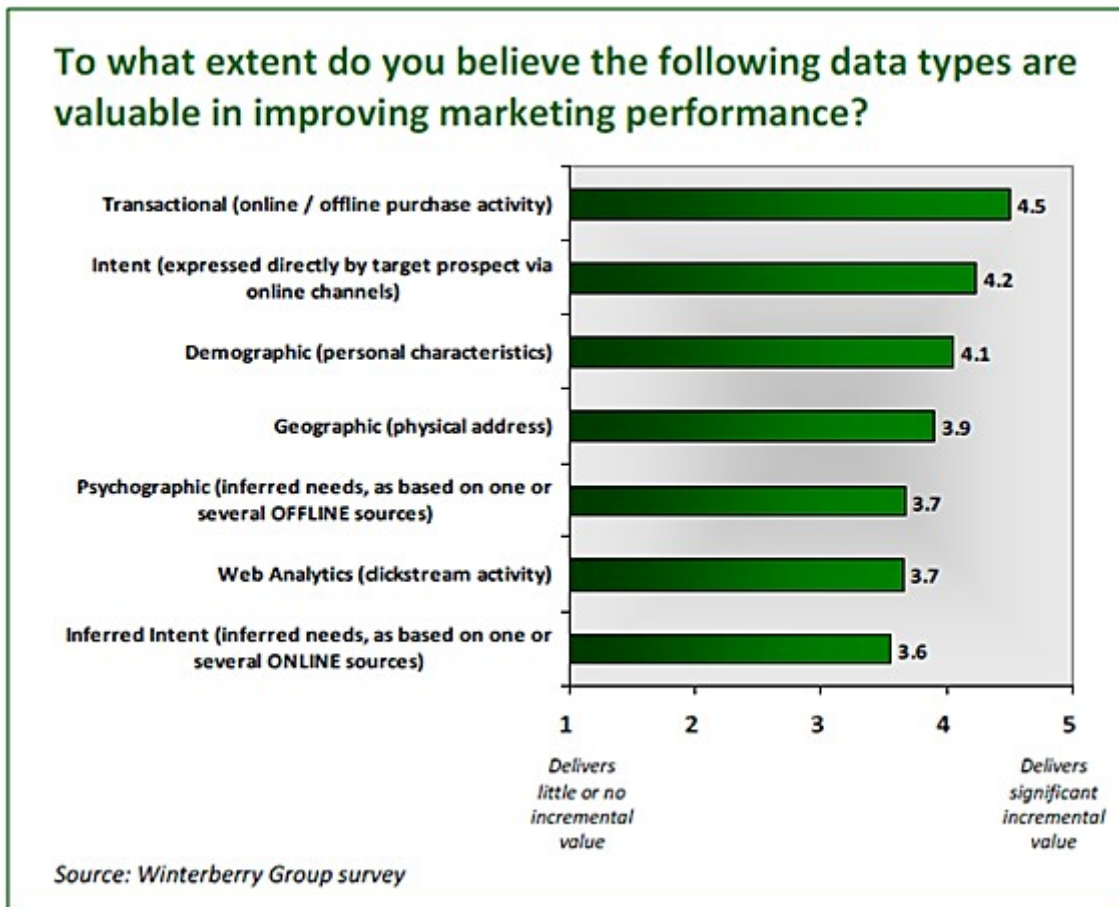
"This has the potential to make online acquisition and engagement channels significantly more effective and accelerate the shift of even more advertiser spending from traditional to online channels."

Below, other findings from The Changing Mission of Marketing Data, based on projections from the Winterberry Group and a survey of 179 marketing professionals.

Shifting Focus of Data Investments

Advances in technology and an explosion of information availability have given rise to a new set of data-driven digital applications (including website optimization, lead generation, and real-time media buying) that meet a broader array of business requirements.

Marketers agree that new-generation data can help deliver improved marketing performance. Among marketers surveyed, transactional (purchase) data is ranked highest in delivering significant incremental value, receiving a 4.5 mark (out of 5.0), followed by data that describes intent (4.2) and demographics (4.1).

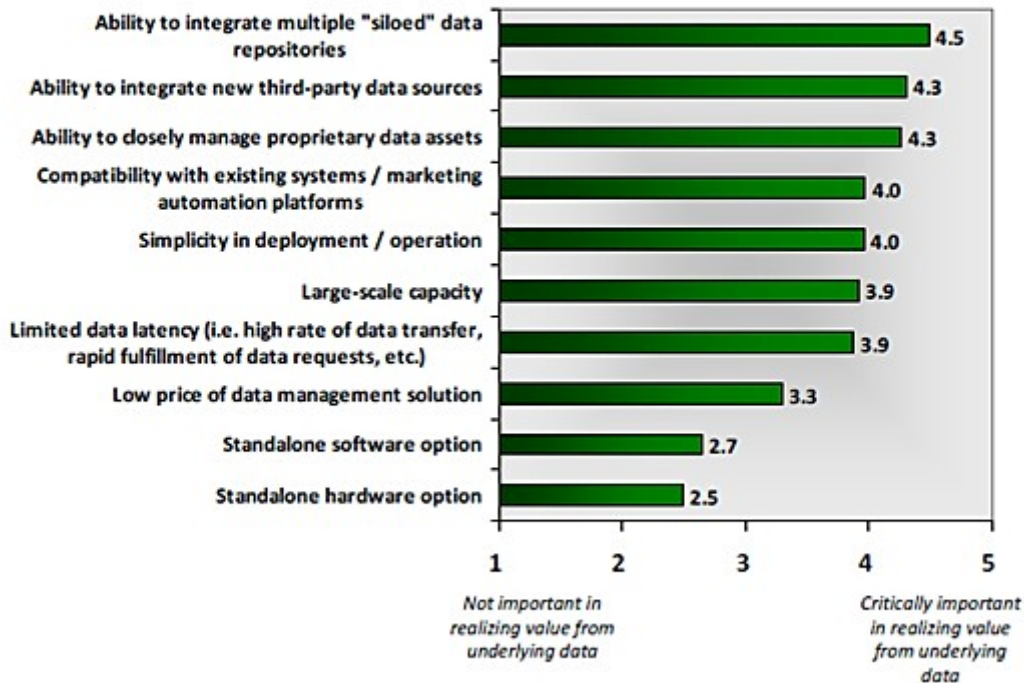


Challenges of Using "Integrated" Data

The new generation of data relies on inputs from multiple sources—both on- and offline. But aggregating and making efficient use of that data remains a challenge, one primarily rooted in technology and infrastructure.

Among surveyed marketing professionals, overcoming such tech-based hurdles is crucial to releasing value from underlying data. The ability to integrate multiple "siloes" data repositories is viewed as a critically important priority in deriving value from data, receiving a 4.5 mark. Integrating third-party data sources (4.3) and managing proprietary data assets (4.3) are also important priorities.

To what extent do you believe that each of the following are important technical priorities for maximizing the potential value of a marketing data infrastructure?



Source: Winterberry Group survey

About the data: Findings are from the report *The Changing Mission of Marketing Data*, jointly sponsored by [Axiom](#) and [Netezza](#), based on the results of in-person, phone, and online surveys of more than 175 marketers, agency executives, data compilers, technology developers, and other marketing industry thought leaders. Forecast data are derived from [Winterberry Group's](#) quantitative and qualitative research, as well as various independent industry studies published in 2009 and 2010.