

digital element[®]

Global Location & Data Services Leader

Digital Data Exhaust Report 2018



In Partnership with:



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Overview



We live in exciting times with access to amazing technology literally available at our fingertips, all of which generates an inordinate amount of data. Many have described this data as the new oil—our new most valuable resource. But, knowing how to mine it, how to sort through it and how to glean actionable insights from it, is difficult for many businesses today. At the Location Based Marketing Association, we realize that many companies are throwing away valuable data simply because they don't know what they have or how to use it. We call this "digital exhaust," and this survey, conducted in partnership with Digital Element, aims to shed some light on this missed opportunity and to provide real insight on the availability and utilization of location data.

This research was conducted over the summer of 2018 and, most interestingly, we learned that 55 percent of marketers are already leveraging location data, but an almost equal number of more than 50 percent are aware or concerned about the data they are throwing away.

We hope that this whitepaper will encourage you to investigate and experiment with location data and to seek ways to improve your data ROI.

As we approach a projected 20-billion-plus "connected things" by 2020, location data will become more and more vital to business' success, and the methods and strategies for visualizing and analyzing that data will become equally complex. Companies are desperate for data scientists who understand how to manipulate and analyze this data effectively. Companies that can mine the data and conduct this analysis, closing the gaps, will become the leaders in location intelligence and be the biggest beneficiaries in today's digital marketplace.

We want to thank all the participants who completed the survey and who were so willing to share their thoughts with us. We invite you to connect with either Digital Element or the LBMA, whether it's to share best practices, case studies and comments, or if you want to take the next step in your location-based marketing activities.

Asif R. Khan

Founder & President

Location Based Marketing Association



Executive Summary

Data exhaust is a term used to describe data that companies toss out because it provides less or no value to their core business. However, data is becoming increasingly more important and presents additional revenue-generating opportunities. Having quality location data with wide coverage is one example of an opportunity to enhance insights into a user base for advertising, analysis, and analytics. This survey was designed to quickly explore the possibilities of amplifying businesses' data by discovering whether or not they're throwing away valuable information that could, ultimately, help generate additional revenues.

Among the key findings:

The majority of survey respondents were either "very" or "somewhat" concerned with data exhaust.

Almost 30 percent of digital marketers did not know the percentage of data their companies threw away.

With an opportunity to use an extra 25 percent of the data they currently discard, 60 percent of respondents said it would definitely result in increased revenues.

71 percent of digital marketers ranked location data as very important:

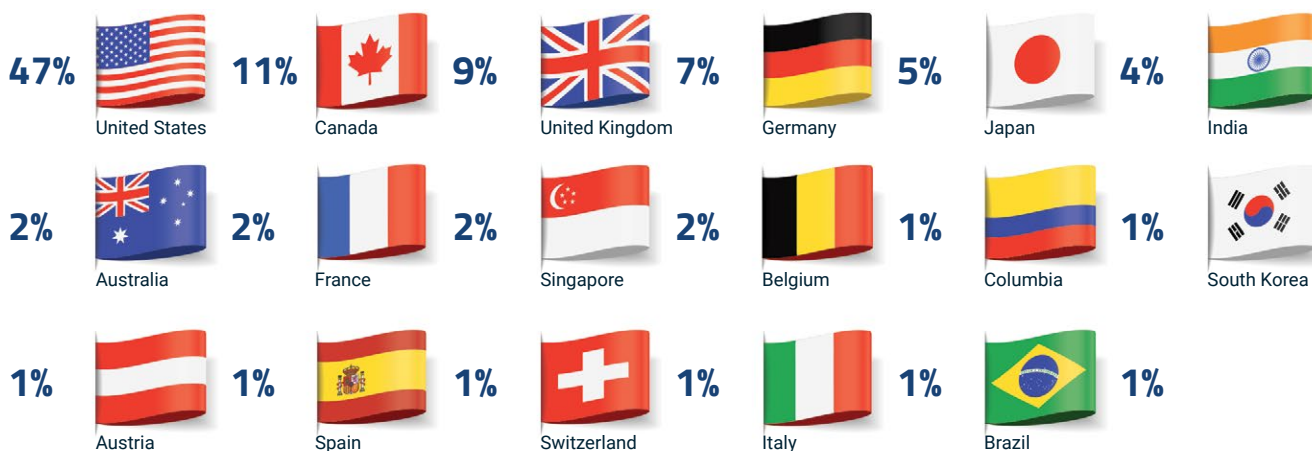
- 55 percent were currently using location-based IP data
- 32 percent planned to add it in the next 12 to 18 months

78 percent of respondents ranked accuracy as their top concern when specifically related to IP data.

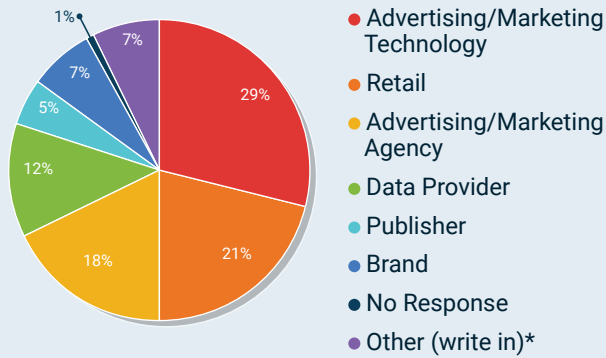
Survey Demographics

The Digital Data Exhaust Survey comprised 100 respondents from around the world, with the majority from North America (58 percent)—mostly the United States. The most prevalent industry segments represented were Advertising/Marketing Technology (29 percent), Retail (21 percent) and Advertising/Marketing Agency (18 percent). As for the company lifecycle positions reported, more than half of respondents characterized their company as in the Growth/Expansion phase, followed by Startups and Mature enterprises.

In which country is your company's headquarters located?

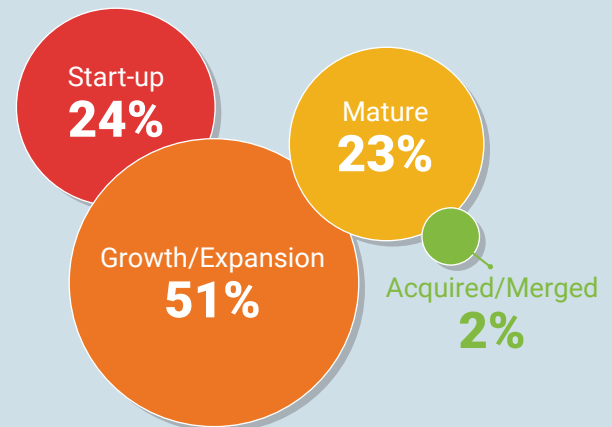


Describe your company's industry segment



* Real Estate, Fintech, Analytics, App Developer, Research Consulting and Financial

Describe your company's current lifecycle position



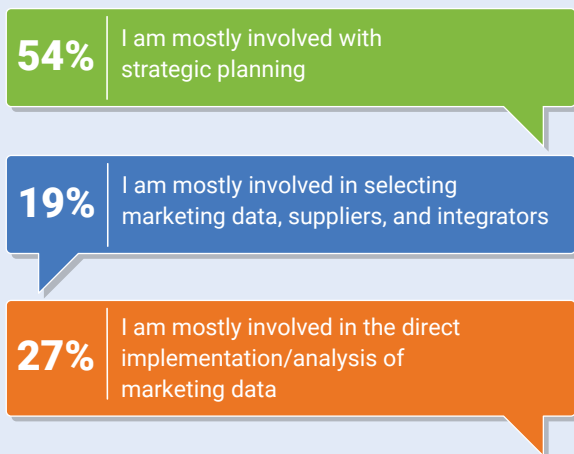
The survey respondents held titles of influence in the marketing function at their companies, with 40 percent reporting positions as Marketing Vice President/Director/Manager, 31 percent as Business Owner/Founder and 14 percent as CEO/President. When asked about their influence on the type of marketing data used at their companies, a total of 71 percent said they had major or moderate influence, and another 15 percent described themselves as key decision makers. As far as their roles in relation to interacting with marketing data, the majority (54 percent) were mostly involved with strategic planning, with half that number involved in direct implementation and analysis of marketing data.

What is your title?



* Senior Product Manager, SVP Business Intelligence, Data Entry/Email Marketing and Product Director

What role best describes your involvement with marketing data?



Survey Methodology

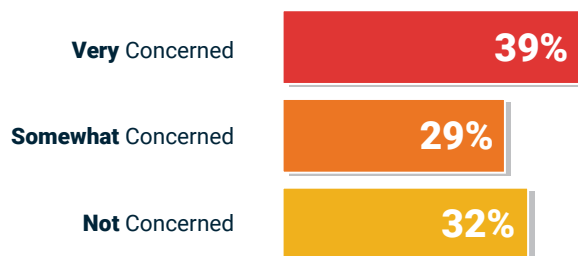
The Digital Data Exhaust Survey was designed to quickly explore the possibilities of amplifying business data by discovering whether or not businesses are throwing away valuable information that could ultimately help generate additional revenue. The survey's target audience was professionals in the field of digital marketing, and they were asked specific questions about their awareness about data exhaust as well as their knowledge about and use of IP data. The survey was primarily administered to the LBMA's global membership, online and through phone calls during July and August 2018. Responses were also elicited from digital marketing executives outside the LBMA membership, augmented through email and social media outreach.

Summary of Key Findings

Recognizing Data Exhaust as Missed Revenue

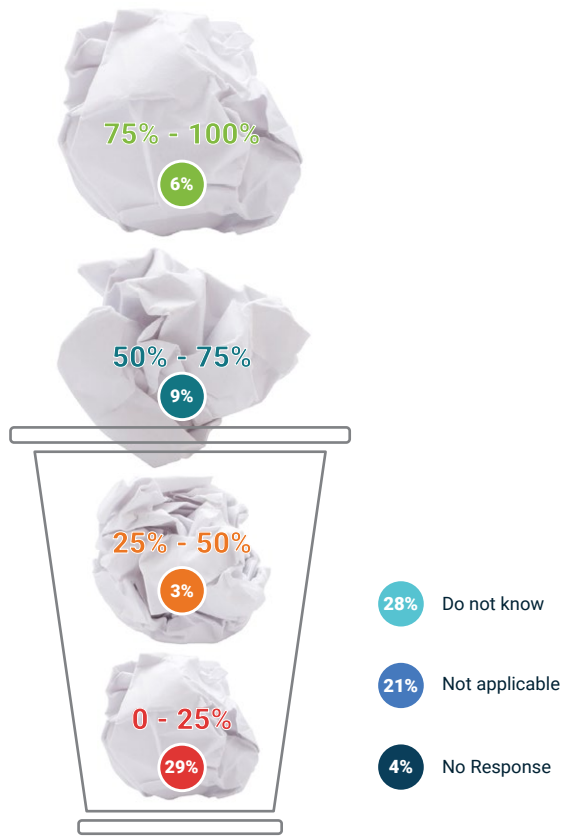
Data exhaust was a recognized issue for digital marketers in the survey. The majority of respondents were either very (39 percent) or somewhat (29 percent) concerned with data exhaust, and this was true for most all the company types surveyed.

How concerned are you with data exhaust?



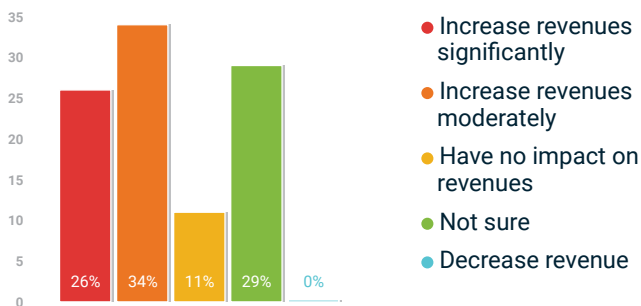
While respondents recognized data exhaust as an issue for their companies, almost one-third of them did not know the percentage of data they actually threw away. Another 18 percent indicated they were throwing away at least 25 to 50 percent of that data.

What percentage of your data do you throw away?



The digital marketing professionals certainly recognized the revenue potential related to the data their company was potentially throwing away. When asked how it would impact revenue if they used just an extra 25 percent of the data currently being tossed, 60 percent said it would result in a moderate or significant revenue boost.

If you could utilize an extra 25% of the data that you currently throw away, how would that affect your revenue (advertising or otherwise)?

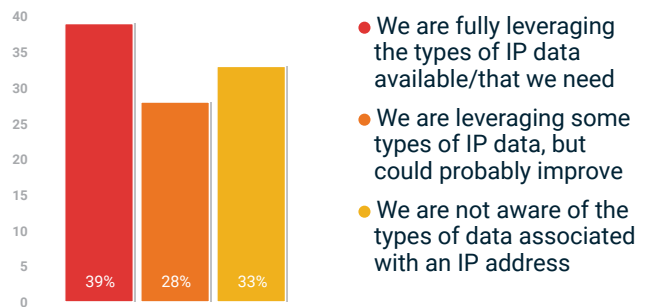


Tapping the Potential of IP Data

Technology that extracts information from an IP address has been around for nearly two decades, and that data is widely used across the globe in a variety of applications. However, it appears that companies are still not taking full advantage of the IP data they have at their fingertips.

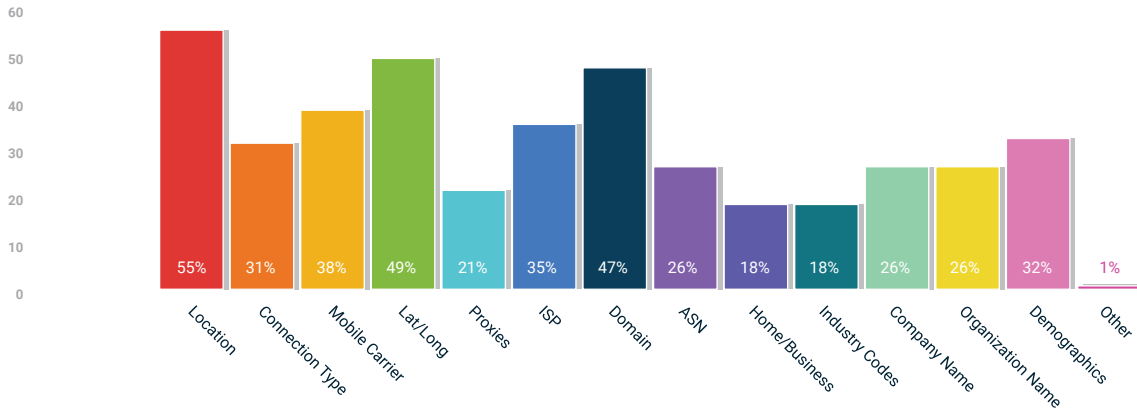
While almost 40 percent of respondents said they were fully leveraging the types of IP data that was available or that they needed, 61 percent of digital marketers left plenty of room for improvement because they were not utilizing all the different data points available to them or were not aware of the different types of data associated with an IP address.

How would you qualify your company's use of all the available data associated with an IP address?



Location data was the most common type of IP information currently used by companies in the survey (55 percent), followed by Latitude/Longitude (49 percent) and Domain Name (47 percent) data. With today's connected world expanding exponentially on a daily basis, it's important to note that only a little more than one-third of digital marketers were currently taking advantage of connection type and mobile carrier data.

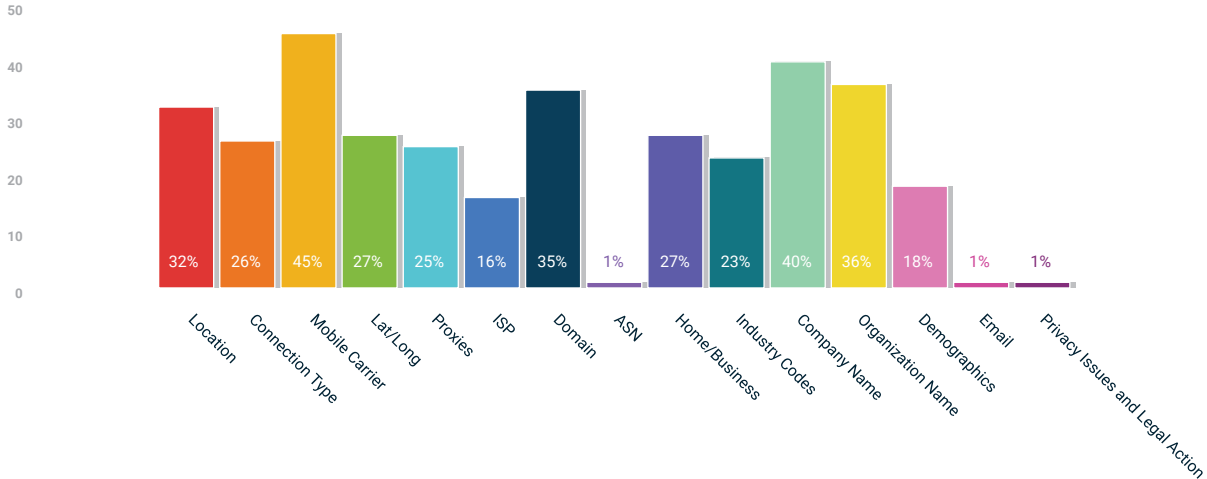
What type of IP data is your company currently using?



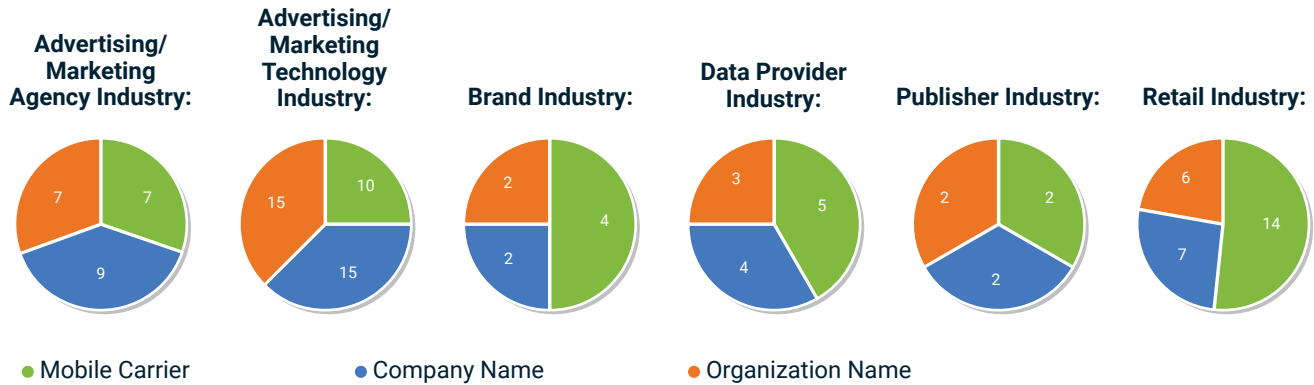
While many of the surveyed digital marketers hadn't yet tapped into the full data potential that an IP address affords, many seemed to recognize the value this information could bring to their companies in the next 12 to 18 months.

Mobile Carrier data, currently used by 38 percent of those surveyed, was tops on the wish list for the future at 45 percent, and particularly for retailers, where 67 percent were looking to access it. The next-most desired information was Company Name at 40 percent, which was currently in use by just 26 percent and a type of data desired by half of Advertising/Marketing Technology and Agency organizations in the survey. Organization Name was a close third overall at 36 percent, and especially for Ad/Marketing Technology respondents at 52 percent.

What type of IP data would you like to add/plan to add in the next 12-18 months?



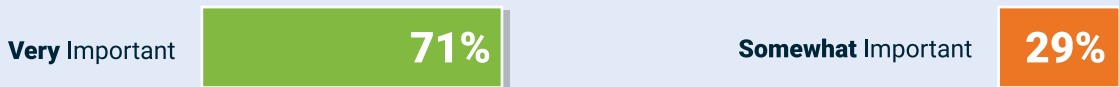
What type of IP data would you like to add/plan to add in the next 12-18 months (by industry)?



Capturing the Intel on Location and GPS

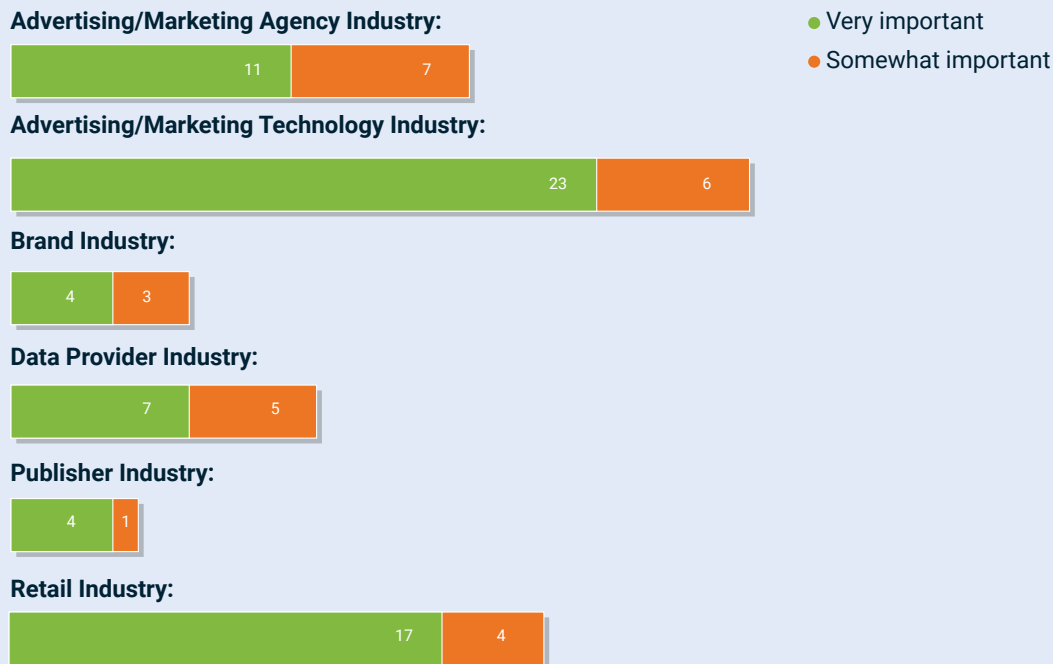
When questioned about the value of location data—the most common type of IP data used—to their organizations’ and clients’ marketing efforts, 71 percent of respondents found it very important. This was particularly true for Ad/Marketing Technology, Retail and Publisher companies in the survey, where the percentages hovered around 80.

How important is location data to you/your clients’ marketing efforts?



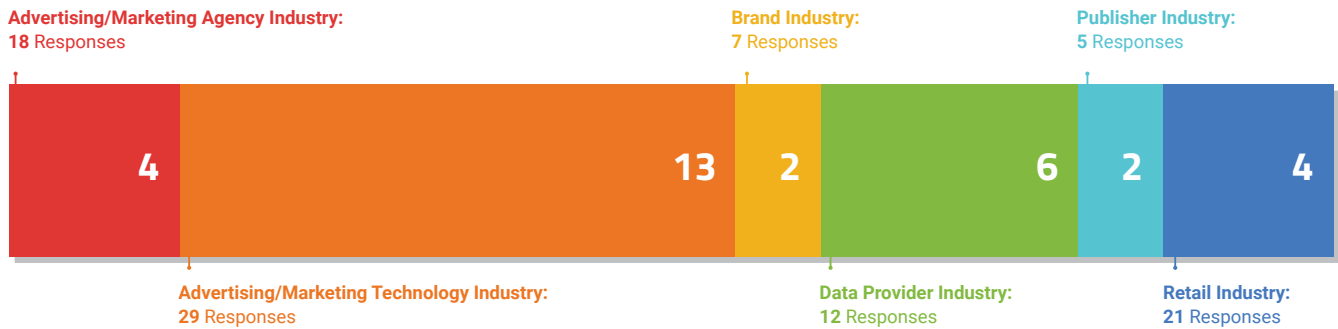
How important is location data by industry?

For those companies not already using IP location data, many planned to add it in the next 12 to 18 months. Ad/Marketing



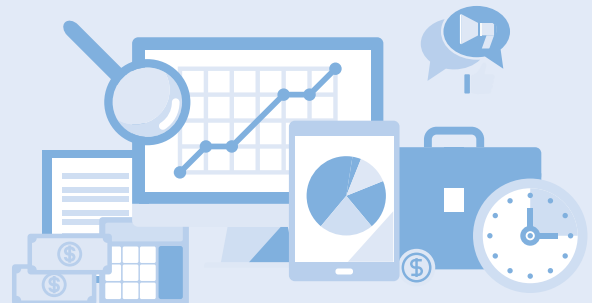
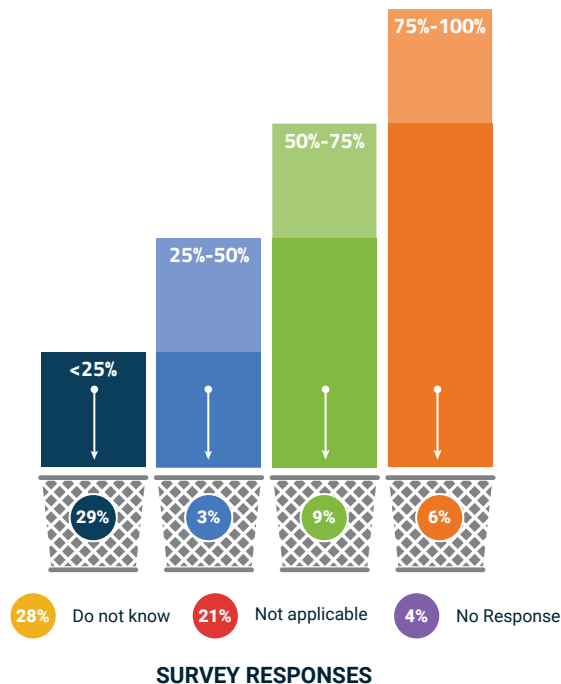
Technology (45 percent), Data Provider (50 percent) and Publisher (40 percent) organizations showed the most interest.

Will you add/plan to add location data in the next 12-18 months?



Latitude/Longitude, the second most prevalently used IP data type, was still an area that 27 percent of respondents would like to explore in the future, especially Retail organizations (38 percent). With 29 percent of those surveyed saying that they threw data away because there wasn't a latitude/longitude (GPS-derived) data response, there appears to be more of a comfort level among digital marketers in terms of utilizing lat-long-specific information (versus other data points).

What percentage of your data do you throw away because there is not a latitude and longitude (GPS-derived) data response?

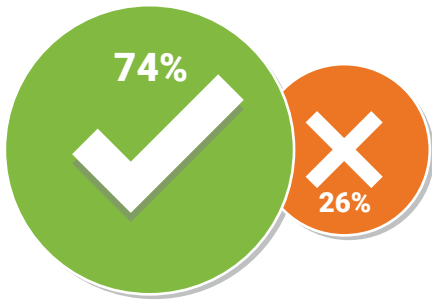


Room for Improvement When It Comes to Location Data

Not a single respondent said location data was unimportant to their marketing efforts.

A convincing majority of digital marketers (75 percent) were aware that there is IP-address data associated with mobile devices, accurately providing location intelligence down to a block level—and at times an exact latitude/longitude is possible in public places and venues.

Are you aware that there is IP-address data available associated with mobile devices that can accurately provide location intelligence down to a block level and even exact lat/long at times?

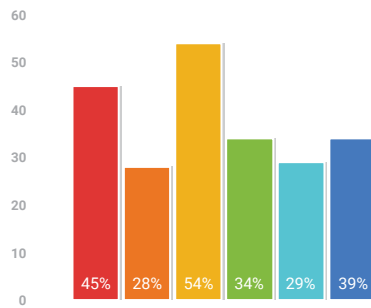


Navigating the Risks and Rewards of IP Data

The digital marketers in this survey recognized the potential benefits for their companies and clients alike in terms of leveraging more data from IP addresses. Enhanced analytics, the most commonly chosen answer overall (54

percent), was seen as huge advantage, especially by Ad/Marketing Agencies (67 percent). Creating better targeting for advertising and promotions (45 percent) and improving the consumer’s online experience (39 percent) were also considered top benefits by all company types.

In what areas would leveraging more data associated with an IP address positively impact your company/clients?



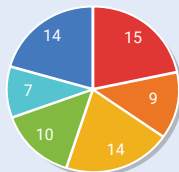
- Creating better targeting for advertising/promotions
- Monetizing online transactions
- Enhancing analytics
- Building stronger brand loyalty
- Aiding reputation management
- Improving the consumer online experience

In what areas would leveraging more data associated with an IP address positively impact your company/clients (by industry)?

Advertising/Marketing Agency Industry:



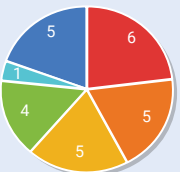
Advertising/Marketing Technology Industry:



Brand Industry:



Data Provider Industry:



Publisher Industry:



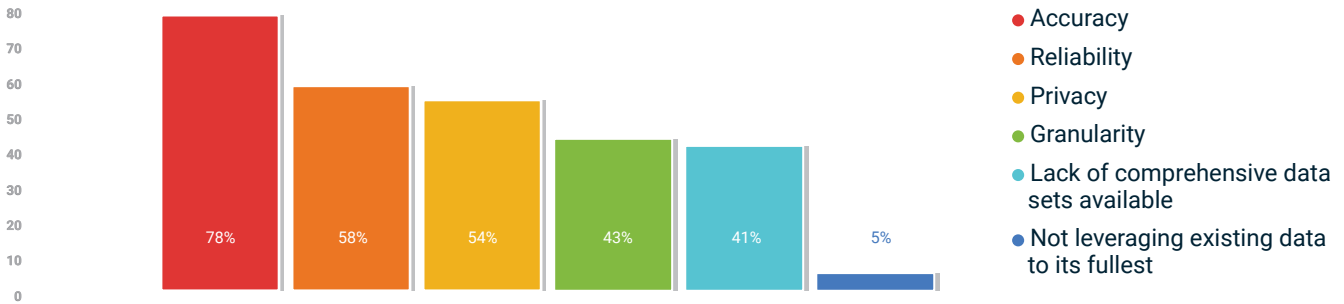
Retail Industry:



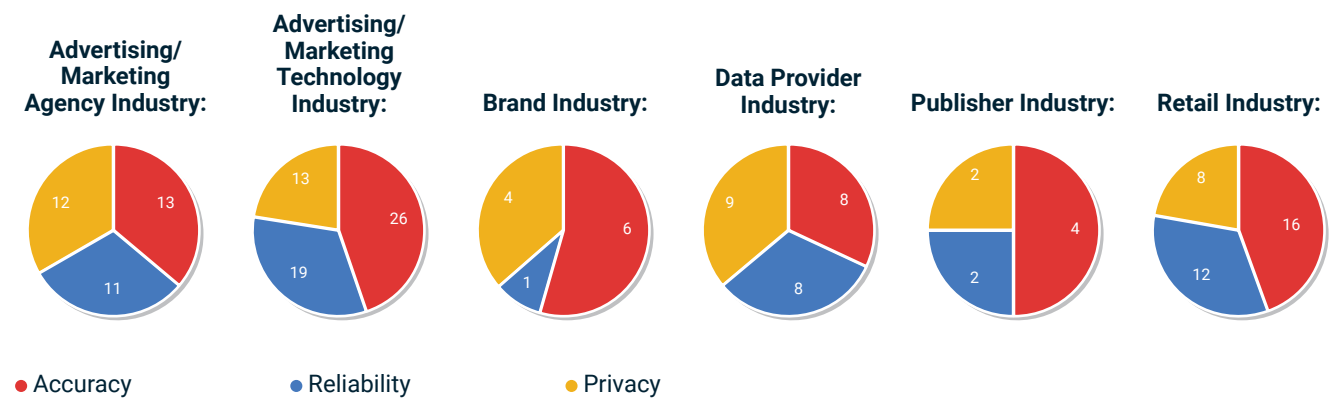
- Creating better targeting for advertising/promotions
- Monetizing online transactions
- Enhancing analytics
- Building stronger brand loyalty
- Aiding reputation management
- Improving the consumer online experience

Despite this positive take on using more IP data to help their companies and clients, many respondents remain wary about its Accuracy (78 percent) and Reliability (58 percent). Ad/Marketing Technology organizations were the most concerned about these two top issues, while the third most commonly flagged concern—Privacy (54 percent)—generated more angst for Data Providers and Ad/Marketing Agencies.

What are your top concerns when it comes to IP data?



What are your top concerns when it comes to IP data (by industry)?



Future Impacts on Data and Digital Marketing

According to the professionals in this survey, the most impactful trend in digital marketing at this time is the European General Data Protection Data Regulations (GDPR), noted by 39 percent of respondents. This opinion held fairly steady between respondents in the United States (36 percent) and the rest of the world (40 percent), and received a stronger response from Retail, Data Provider and Publisher companies.

The second-most impactful trend cited by respondents was Data Breaches (26 percent), which, interestingly, were given less emphasis by respondents in the United States (21 percent) than those in other global regions (31 percent). However, the third-most overall-cited trend of stronger regulations regarding privacy and sharing data (21 percent) was fairly steady between the two areas.

Conclusion

From the response in this survey, it's apparent that digital marketers recognize data exhaust as a real problem that, if solved, can provide significant benefits to company and client revenues alike. In addition, it demonstrates just how much companies value IP data, much of which is still largely untapped. More specifically, the value of location data is only getting stronger, and there are opportunities for marketers to take advantage of this data and use it in ways that allows them to contextually interface with consumers in a non-invasive, socially responsible and respectful way.

Furthermore, growth in interest and use of other IP data points shows that digital marketers value information beyond geographic location. The desire to use more Proxy data at 25 percent shows how marketers are looking to ensure that they're meaningfully engaging with "human" audiences—thereby reducing wasted impressions, eliminating ad fraud, and enforcing geographic rights management and compliance. Additionally, there was considerably more interest in business-related data, such as Industry Codes, Company and Organization Name, which indicates that B2B marketers, too, are looking for more relevant engagements in a digital marketplace that has proven to be difficult to penetrate effectively.

Accuracy and reliability of IP data continues to be a concern for digital marketers, as it should be. Many companies claim to provide IP data. However, there are vast differences between providers in the technologies they employ and service models they deliver. When selecting an IP data partner, digital marketers should do their own due diligence and test for accuracy rates.

There is a vast amount of useable, reliable and accurate data available to digital marketers that can be easily acquired without invading consumers' privacy. This wealth of information will allow companies to confidently produce the necessary one-to-one digital marketing experience that more closely resembles the real world.



Location is the Key

This wealth of information will allow companies to confidently produce the necessary one-to-one digital marketing experience that more closely resembles the real world.

About Digital Element

Since 1999, Digital Element has been providing global geolocation data and services that bring anytime, anywhere relevance and context to online initiatives—from desktops to mobile devices. The company's patented technology has been certified and accredited to deliver real-time access to accurate and reliable location intelligence without invading Internet users' privacy. For nearly two decades, many of the world's largest websites, brands, security companies, ad networks, social media platforms and publishers have trusted Digital Element's technology to target advertising, localize content, enhance analytics, and manage content rights as well as detect and prevent fraud.

Visit www.digitalelement.com for more information on how to bring the power of location to the online world. Follow us on LinkedIn and Twitter @DigitalElement then like us on Facebook. Headquartered in Atlanta and London, Digital Element is a division of Digital Envoy, Inc.

About The LBMA

The Location Based Marketing Association is an international group dedicated to fostering research, education and collaborative innovation at the intersection of people, places and media. Our goal is to educate, share best practices, establish guidelines for growth and to promote the services of member companies to brands and other content-related providers.

Members of the LBMA include retailers, agencies, advertisers, media buyers, software and services providers, and wireless companies. Simply put, we want to help those engaging location-based services be as successful as possible.