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# A Guide to Data Monetization: How to Drive Revenue from Your First-Party Data



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# Why data monetization is the next best step for your business

Your company's most valuable asset today is its first-party data. As traditional [digital signals disappear](#), more companies are hungry for data that can drive sales, measurement transparency, and business impact. But often an organization's first-party data isn't enough.

About 70% of global data and analytics decision-makers are relying more on external data,<sup>1</sup> with more than half of digital marketing campaigns using third-party data to improve targeting and performance.<sup>2</sup>

Meanwhile, the majority of marketers say their company's data is its least utilized asset. Marketers not only crave, but need, your data for stronger campaigns—more than 80% of marketers that exceed revenue goals are personalizing customer experiences.<sup>3</sup>

How could your unique data drive value for your brand and partners? By monetizing your company's data, you can unlock new revenue streams for your business. According to McKinsey, companies already monetizing their data are “adding new services to existing offerings, developing new business models, and even directly selling data-based products or utilities.”<sup>4</sup>





Here's how monetization can benefit both data sellers that have rich first-party data and buyers that lack first-party data:

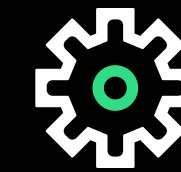
**Benefits for companies selling first-party data:**

- Build new revenue streams
- Strengthen strategic partnerships with brands
- Fuel innovative [data collaboration](#) in a privacy-minded way
- Create more value and potential for your business and its data

**Benefits for data buyers:**

- Access new customer insights while safeguarding individual privacy
- Deepen customer loyalty with more personalized experiences
- Build more mature measurement capabilities
- Improve overall marketing performance and ROI

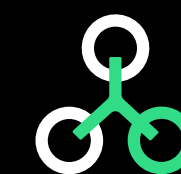
# How to get started with data monetization



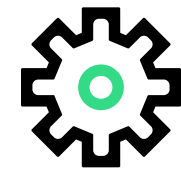
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# Build a strong data foundation

A rich, connected data strategy not only leads to innovation for your brand, but helps increase the value of your first-party data for other companies interested in your company's unique audience. For example, by collaborating with LiveRamp and Google Cloud to [rebuild its data foundation](#), Kimberly Clark transformed its audience modeling and omnichannel measurement for cost savings and high business impact.

Building a strong strategy starts with defining your data monetization vision. Explore how your company can benefit from monetizing its first-party data and why this is the next best step for your data strategy. Then, you can plan your approach based on your business goals and needs. With a clear vision, you're ready to take the next toward monetizing your data.

**Here's how you can build a bedrock data foundation for your monetization strategy.**

## **1. Perform a deep data audit**

Evaluate your team's data before building your monetization strategy. Through an audit, you'll gain a better understanding of available data attributes and how to clearly demonstrate your data's value to companies that want to invest in it. This is also the time to organize and update your data, close connectivity gaps, and create fresh audience strategies that appeal to a large client base.



We're a health business first and foremost. How does CMX support that in the ways we engage with our consumers and offer additional value again for our suppliers?

We have to remember that CMX is part of the broader enterprise, so our process needs to align with our broader enterprise as well."

Parbinder Dhariwal, VP & GM, CVS Media Exchange (CMX), CVS Health

## 2. Evaluate your team's resources

Consider the resources you'll need to execute on your data monetization strategy. Will you need to buy or build your data infrastructure and resources? Whether it's hiring top talent or outsourcing, focus on reliable options for achieving your strategic vision. Learn how Parbinder Dhariwal, VP & GM, CMX, CVS Health, [set his team up for success](#) as their data strategy evolved.

## 3. Validate company privacy policies and data ethics

Leave no room for error when validating your company's privacy policies with the latest data regulations. You must confirm your policies are clear on how and when you have permission to collect and use customer data.

## 4. Choose a privacy-focused identity partner

Identity is the foundation to your first-party data strategy—from [enterprise identity](#) across internal teams to external monetization with partners. Be sure to choose an identifier that can connect and protect consumer information, helping your team and data partners create a fuller customer view with privacy in mind.





# Find partners that create even more value for your data

Data monetization is changing how companies stand out amongst industry competition. In one McKinsey survey, 70% of respondents said that data and analytics have created shifts in the competitive landscape, with data partnerships being a significant driving force.<sup>4</sup>

“Once companies’ data-and-analytics foundations are in place, they may still find that the most innovative solutions can best be sourced externally, by partnering with others in the data ecosystem,” the report said.

After your goals and foundational strategy are set, you can start monetizing your data with partners across the ecosystem. Here are a few next steps for finding and partnering with data buyers that drive revenue for your business.

## 1. Position and price your data effectively

Curate, clean, and organize your data into a desirable package for buyers. Then, position your data with a clear value proposition and set pricing strategies based on buyers’ needs (i.e., what is included in the segment).

Ask yourself:

- What data do I have and how can it be consolidated?
- What packages make the most sense for my data customers?
- How can I grow my data strategy and my business?





We're able to utilize LiveRamp's Data Marketplace to expand our reach, and that's actually been pretty integral."

Tesäen Chavis, former DMP manager at Uber

## 2. Make your data discoverable

Start monetizing your data in a hub or marketplace, such as [LiveRamp's Data Marketplace](#), for a privacy-focused experience with innovative brands seeking more data. Tesäen Chavis, former DMP manager at Uber, said his team relied on LiveRamp's marketplace for second- and third-party data.

"We're able to utilize LiveRamp's Data Marketplace to expand our reach, and that's actually been pretty integral," he said.

## 3. Start small. Innovate. Grow.

Test and optimize your data packages to see which segments are in high demand and provide your company's value to buying audiences. Kaitie Coghlan, SVP, Data Product & Partnerships at NBCUniversal, said she thinks of data as [concentric circles](#).

"We take the first circle of first-party data and then layer on third-party data for contextual data, and curate the audience that you want," she said.

As you discover which segments add this full-color customer context for data clients, you'll be able to drive more revenue for your flywheel.

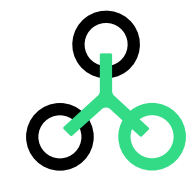


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Kaitie Coghlan, SVP, Data Product & Partnerships  
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#### **4. Explore new and diverse monetization options in the marketplace**

After launching your data monetization strategy and experimenting with various tactics, you can begin to explore more sales options in the marketplace. With invested buyers that vary across industry and data needs, your monetization portfolio will have greater revenue diversity and potential, and your company will be able to secure more use cases for measurement, analytics, and data collaboration.



## Discover new opportunities for your media network and its partners

Building a data monetization strategy is just the beginning of what your company's rich first-party data can do for business transformation and growth. With a solid foundation and innovative partners, your strategy can expand to higher impact revenue opportunities, such as developing a media network or fueling your network's flywheel. For example, Sam's Club has combined the power of its [first-party data and closed-loop measurement](#) to deliver more value to CPG partners.



[CPGs] are our customers for the ads business. Our job is to make sure that we're delivering results for them, driving incremental sales, and really focused on business outcomes to make sure that we're helping to grow their business."

Austin Leonard, Head of Sales at Sam's Club Member Access Platform





They're looking to us to make sure that the segments they're targeting and the ways that they're being put in front of those users are the right ones. And then we're informing their future marketing strategies."

Christine Maguire, GM/VP, Global Media Business at Tripadvisor

**Here are opportunities to explore beyond basic data monetization to fuel more revenue for your business and your data partners.**

### **1. Unlock more revenue with owned and operated offerings**

Continue to expand owned and operated properties to capitalize on high-margin revenue opportunities. Companies and advertisers are looking for data from companies that are rich in first-party data and can provide access to:

- Enhanced audience targeting
- More variety in audience segments
- Data accuracy and quality control

### **2. Improve precision for off-site targeting**

Add more value to your data monetization strategy by providing audience extensions, custom audiences, look-a-like models, suppression, and A/B testing. This will help clients achieve stronger campaign targeting results and create a better customer experience. Christine Maguire, GM/VP, Global Media Business at Tripadvisor, said [the company's massive audience](#) has created a trove of data that partnering companies are using for lead generation.

"They're looking to us to make sure that the segments they're targeting and the ways that they're being put in front of those users are the right ones. And then we're informing their future marketing strategies," she said.



The data integrity that we have in understanding the consumer journey from beginning to end is about understanding what the consumer desires at an aggregated level so we can build and model audiences that are favorable to our suppliers.”

Jonathan Lustig, Head of Revenue for Walgreens Advertising Group

### 3. Provide clients closed-loop report offerings and capabilities

Implement closed-loop reporting into your client offerings for transparent campaign performance and to uncover opportunities for improvement. By providing clients with comprehensive campaign reports, you can showcase your data’s value with tangible metrics and evidence for long-term investment from data partners. Jonathan Lustig, Head of Revenue for Walgreens Advertising Group, said [closed-loop measurement is everything](#) for clients, which are Walgreens’ CPG suppliers.

“The data integrity that we have in understanding the consumer journey from beginning to end is about understanding what the consumer desires at an aggregated level, so we can build and model audiences that are favorable to our suppliers,” he said.

### 4. Start building an in-house infrastructure

Gradually move towards implementing third-party partners that can support an in-house sales, measurement, and execution strategy. Continue to prioritize new platform integrations and relationships to increase data accessibility across partnerships and the digital ecosystem.

# Build even more data value for your media network



Creating more value and revenue from your data shouldn't stop at monetization. If you've followed this path and built a strong data strategy, you're ready to explore more media network opportunities.

**Here are a few ways media networks are helping companies create brand and business value:**

- Establishing new, high-margin revenue streams that drive enterprise profit and fuel online and in-store traffic
- Unlocking customer trends and preferences that drive product innovation and deepen relationships with suppliers
- Uncovering unique consumer insights that drive personalized audience targeting and increase brand loyalty

Since Dollar General [started its media network](#), DGMN, the rural retailer has visibility into more than 90 million unique customer profiles and generates more than 2 billion transactions a year. Chad Fox, SVP and CMO at Dollar General, knew starting a media network would unlock immense value through collaboration with strategic brand partners.

“They have a view; we have a view. Let's put those together for extended reach you're not getting in your first-party data,” Fox said.



Imagine—what business opportunities could your first-party data unlock? Explore the next phase in your data journey. Download the [5 Step Guide to Building a Winning Retail Media Network](#). 



#### Endnotes

- 1 Forrester, With Data Sharing, [The Whole Is Greater Than The Sum Of Its Parts](#), 2020.
- 2 Marketing Dive, [Third-party data remains key even as cookieless world approaches](#), 2023.
- 3 Invesp, [The Importance of Data Driven Marketing – Statistics and Trends](#).
- 4 McKinsey, [Fueling growth through data monetization](#), 2017.

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