

WHITEPAPER

Data Licensing: A Guide to Leveraging Data Acquisition/Use for Better ROI

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Whether you're an end-user marketer, ad agency, eCommerce site, print services provider or marketing firm that relies on accurate yet current data to serve customers, you want to take a close look at your data strategy to ensure you're getting the maximum benefit from your investment. With the larger amounts of multichannel data that marketers need to operate competitively these days, licensing data is an option well worth exploring to see where you can add efficiency and economy to your operations.

Why License Today?

There has been an explosion in data licensing as data users realize the flexibility, access and types of data available today. In all user types and all industries, it has become much easier to access data in any environment whether it be through a direct install, API or other creative access methods. Because of this flexibility, data segments of all types are now in demand and increasingly, email has become a very desirable data segment for marketers to access. If you are a user of high volumes of data with requirements that call for deep insights, data licensing is a vehicle that demands consideration.

What It Means to License Data

In plain language, a data license is a usage agreement where the data company provides the licensee access to an agreed-upon amount of data (anywhere from the entire database to certain segments, such as all e-mail

addresses in a specified region or category) over a certain period of time, under specified uses (such as modeling, appending, mailing) for a pre-determined rate (monthly/quarterly fixed fee, CPM rate on a usage tier tied to a threshold, or a blend that flexes to accommodate a licensee's particular budget/usage scenario).

A licensee can access the data through either a full installation (via an ftp site, jump drive, etc.), API, look-up basis or combination of these.

The heart of a licensing agreement is "a deal structure that provides the client with access to the data in an operating format that best suits a client's operating infrastructure," says Jeff Berke, V12 Group's EVP, Marketing and Sales. "The deal structure is based upon the client's needs and then V12 will assemble an access program that supports that objective."

To help a licensee leverage a licensing agreement to its maximum potential for the life of the contract, the data company should provide ongoing support and consultation tailored to address the licensee's needs over time. Licensees can expect expert advice on how to seek out the data they want as well as on how to apply this information to their or their clients' marketing programs.

The data itself being a dynamic element means licensees should be prepared for the occasional changes in field layout and data sources available. At the start of a contract, explains V12 Group CTO Ray Estevez, a licensee works with its data provider to map the licensed data set(s) to its existing data environment to ensure the information is integrated accurately. This process also smooth's the way for monthly e-mail address and quarterly postal address updates. On an as-needed basis, the data provider then communicates any changes in data that necessitate a licensee to tweak it database map, such as when a new source

affects the values of any particular variable (e.g., income ranges).

Consistency and quality of data are paramount to successful licenses. Data providers must be able to demonstrate an ability to adhere to specific data hygienic processes and data structures, so the licensee also will have a consistent and quality product to use and/or offer clients throughout the life of the agreement.

When Does Licensing Make Sense?

According to Berke, a firm thinking about licensing any data set typically focuses on the following primary drivers:

- growing revenue
- introducing a new product offering
- adding a product offering that addresses digital marketing
- expanding market services
- improving margin

And some of the more operational drivers, he says, include:

- improving reliability
- improving quality and/or coverage of data
- lowering costs for data acquisition
- providing consistency

Clearly, one of the major developing goals for marketers and their data partners is improving the relevance of marketing campaigns. "In the digital world," Berke explains, "consumers are opting out or hitting the spam button, which leads to deliverability problems. To address this challenge, companies are focused on

creating more targeted acquisition and retention campaigns, and then realize that they don't house the proper data and need to seek out more targeted data in order to succeed."

So as a marketer or a company that provides data-related services to its clients, data licensing becomes attractive as your data requirements mushroom. If you need volumes of data to perform analytics, update/add e-mail addresses to customer files or do any other in-depth data work; require quick, hands-on access to data; and can leverage the resulting insight to improve sales and profit to cover your costs, then it's better to license a data file than conduct multiple one-off rental transactions, says Estevez.

"Historically, only companies with large data acquisition budgets would license and manage full file data installations," says Berke, adding that "smaller companies would be forced to execute rental transactions until they arrived at a point where they could afford a big financial commitment." But with more flexible licensing structures, especially when API access is involved, V12 Group has opened up the benefits of licensing to a wider section of the marketing world.

The Benefits of Licensing

First and foremost, says Chris Alewine, V12 Group's SVP, Strategic Services, data licensees gain flexibility. You (or your data services partner) can run your analytics at will and use the data for acquisition and retention campaigns, plus a host of internal business intelligence.

Data licensing also yields time savings; you've got immediate access to the data you require rather than having to locate it, order it and coordinate its delivery with your marketing project. In particular, marketers that access data (or

vendors that offer data services to their clients) via an API strongly benefit from the ability to obtain data 24/7 in a fast yet secure environment, without having to house any data on site.

With the burgeoning amount of activity taking place online, data that can be used to marry online and offline records currently is the single greatest area of demand in business intelligence, says Berke. By linking the two data sets, data providers can help companies identify anonymous consumers by mapping their digital footprints (using information such as IP address, email address, and mobile or landline numbers) back to their comprehensive offline records that include postal addresses. And then demographic, lifestyle clusters and personality profiles can be applied to further strengthen targeting and modeling efforts for precision marketing.

Of course, there will be cost savings and/or improved ROI. When a company moves from a regular list rental format or a data append transactional format to a negotiated data license, it generally sees a "material price drop," says Berke. "When I think about some of the deals we've put in place, clients have realized a 60-percent price drop from their current data environment."

One additional benefit is the insight that often develops with exposure to more varied types of data. "Marketers and ad agencies often do not have any idea the depth of insight that's available other than what's been presented to them in the past," Alewine explains. "So they might ask us a very simple question about a field, such as family position; they might see that they've traditionally been presented with who's married, gender, age and maybe even who's head of the household ... [but when] they look at databases such as the V12 database and see that we've identified someone as a husband, wife, grandfather, grandmother, which starts getting into the structure of the new nuclear family ...

clients generally get more interested in all the various categories and could see something that will open up new marketing opportunities for them.

Having extra, affordable data via a data licensing agreement can help marketers challenge their internal or external assumptions about their customer base which will root out inefficient marketing tactics—a top goal for marketer and service provider alike.

Want More Revenue/Profit? Better Marketing?

How about both! The best thing about data licensing is that both vendors and marketers reap the rewards. The vendor provides more of a one-stop shop for its end-user marketing clients, and the marketer (whether it's doing the licensing or working with a vendor that licenses data) always gets access to the business intel it needs for precision marketing.

That said, "the companies that have the greatest upside from licensing right now are agencies and marketing consulting firms," Berke notes, "because they serve a variety of clients and often source the data for each client individually." If they were to aggregate this data acquisition approach under a licensing contract, they would become more familiar with the data so they could better understand how to use it in the solutions they develop for clients, and they could do so at either substantially lower costs to clients or higher margin for themselves.

Why V12 Group as Your Licensing Partner?

For over ten years, V12 Group has been a leader in providing high valued data for scores of clients in multiple licensing environments. Our licensing platform and infrastructure allows for a flexible plan while providing deep data set's that are stable and accurate. If you have an interest in increasing your ROI on data,

please contact V12 Group at 1.866.842.1001 or visit us online at www.v12groupinc.com.

Who Should Consider Licensing?

- Advertising/Marketing Agencies
- Analytics Firms
- Marketers
- Marketing Services Providers
- Print Service Providers
- eCommerce Sites
- Telemarketing Firms
- Risk Mitigation /Collection Firms

V12's Databases At-A-Glance

Consumer Data

- 208 million individuals
- 110 million US households
- 260+ selects based on demographic, geographic, lifestyle, interest and behavioral data
- 110 million records with residential phone numbers (pre Do Not Call scrubbing)

Business Data

- 45 million individual business contacts
- 22 million distinct companies
- 45 million postal addresses
- 38 million records with email address and matching postal address
- 36 million records with business phone numbers

- 20+ selects (firmographic and contact level demographic data) that can be used for targeting

Email Data

- 135+ million records with email address and matching zip code
- 95 million records with email address and matching postal address
- 260+ selects based on demographic, geographic, lifestyle, interest and behavioral data

Mobile Data

- 80 million triple-verified users
- 300+ fields of information
- Data consists of 18-year-olds and older

Digital Data: Audience Targeting

- 8 distinct audiences: Demographics, Lifestyles & Pursuits, Sports & Fitness, Buyers, Automotive, Finance, Entertainment, and Travel
- 196+ consumer digital segments

About V12 Group

Utilizing a highly respected data repository, V12 Group delivers relevant on-line and off-line direct marketing communications that improve campaign performance and return on marketing investment. V12 Group specializes in providing: Email Marketing and Email Creative and Design; Consumer, Business and Mobile Databases; Data Appending and Licensing; Modeling and Analytics; and Online Audience Targeting to a wide range of industries and clients.