WHY "BIG DATA" IS SO BIG

August 2012

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AC-0943-12

OUR WORLD IS CHANGING

A DATA EXPLOSION!

10x
increase every
5 years

Volume, Velocity & Variety:
Availability, accessibility and cheap
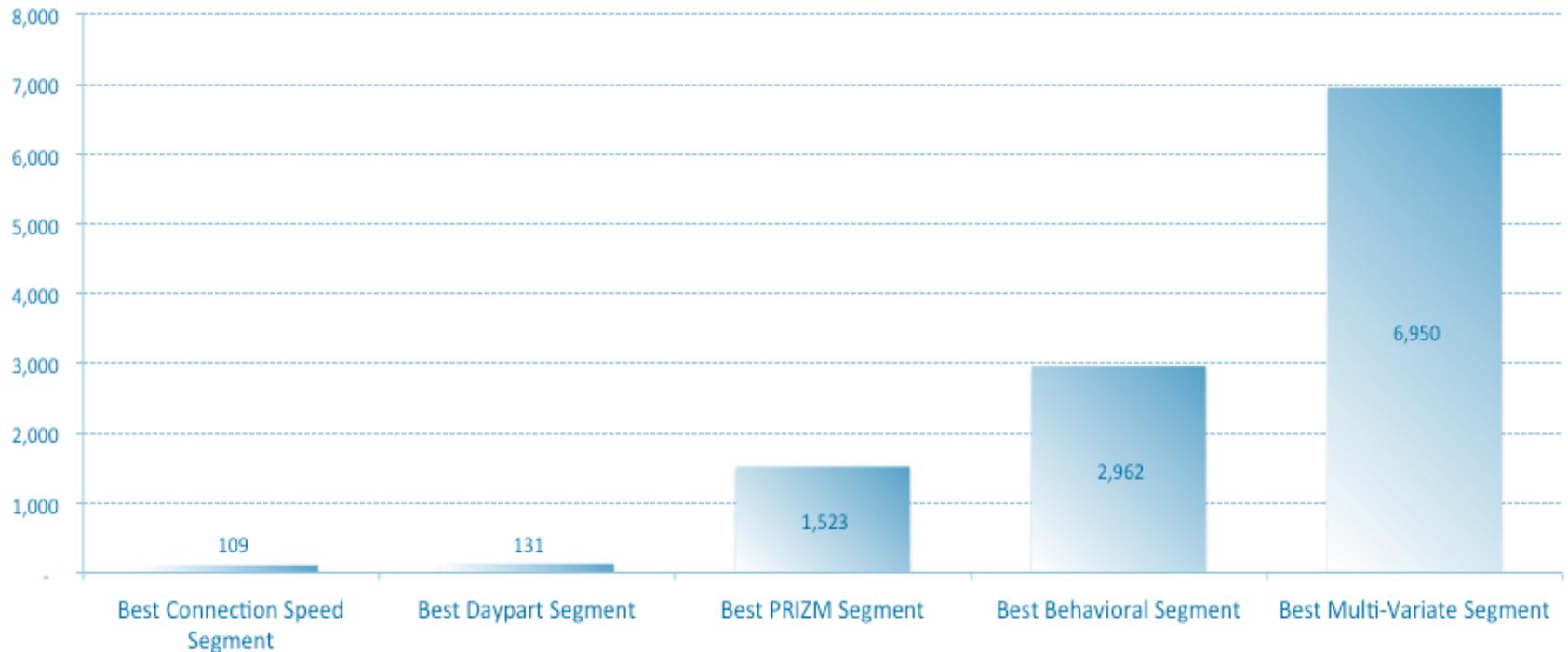storage of external data

" By 2015, organizations that build a modern information
management system will outperform their peers
financially by 20%. "

– Gartner

DATA DRIVES BETTER DECISIONS

Lift (%) in conversion rate relative to untargeted media on the same placements

Conversion Performance By Data Element
(Indexed to Untargeted Media on the Same Placements)

	Value
Best Connection Speed Segment	109
Best Daypart Segment	131
Best PRIZM Segment	1,523
Best Behavioral Segment	2,962
Best Multi-Variate Segment	6,950

Customer Segmentation Schemes Utilized In Online Display Advertising

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OUR BELIEF: WE'RE ENTERING THE DATA AGE
MIRRORS RECENT BUSINESS REVOLUTIONS
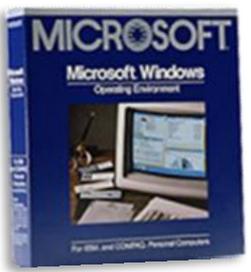
Transforms the Office

Defines Internet Search

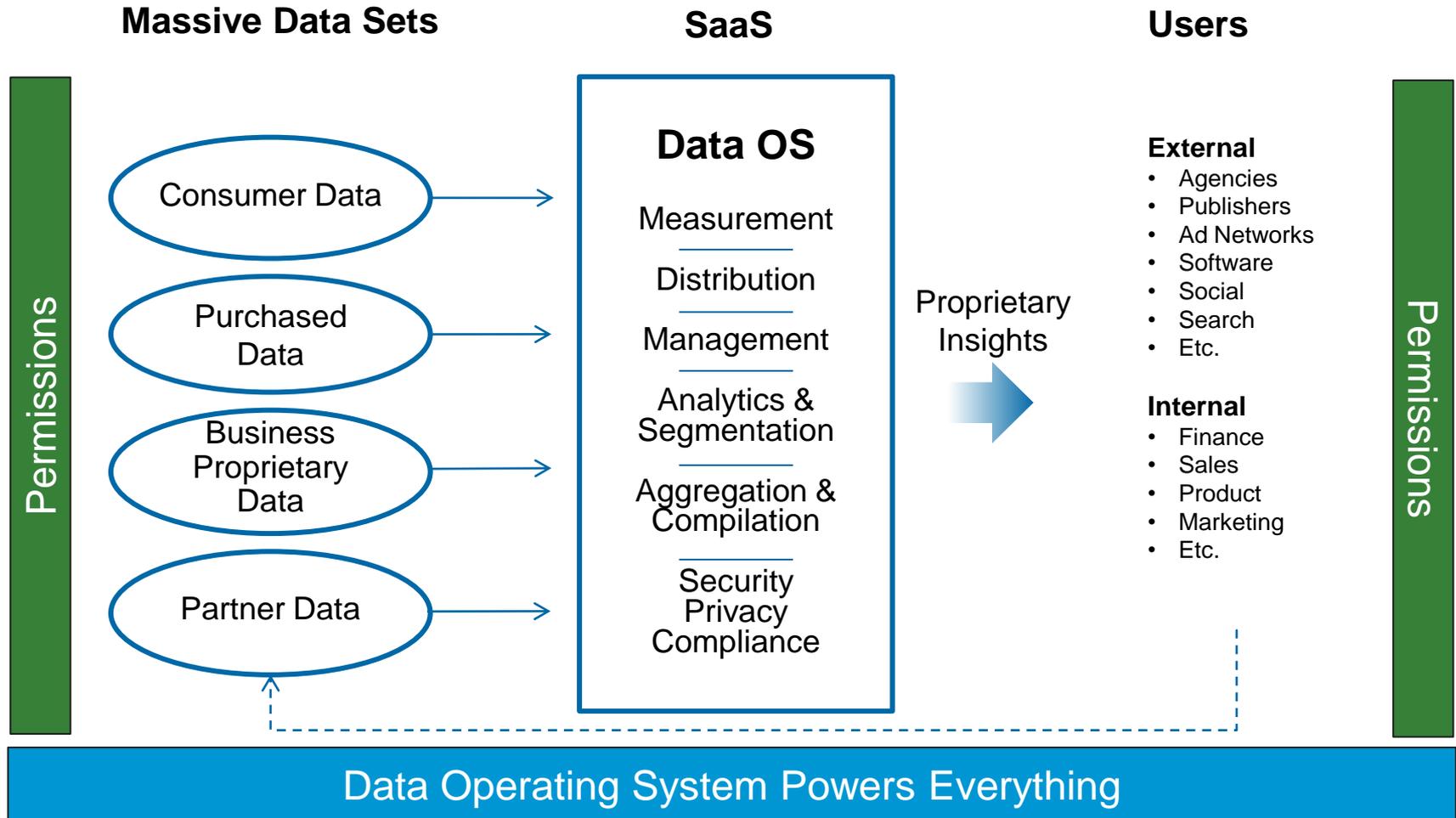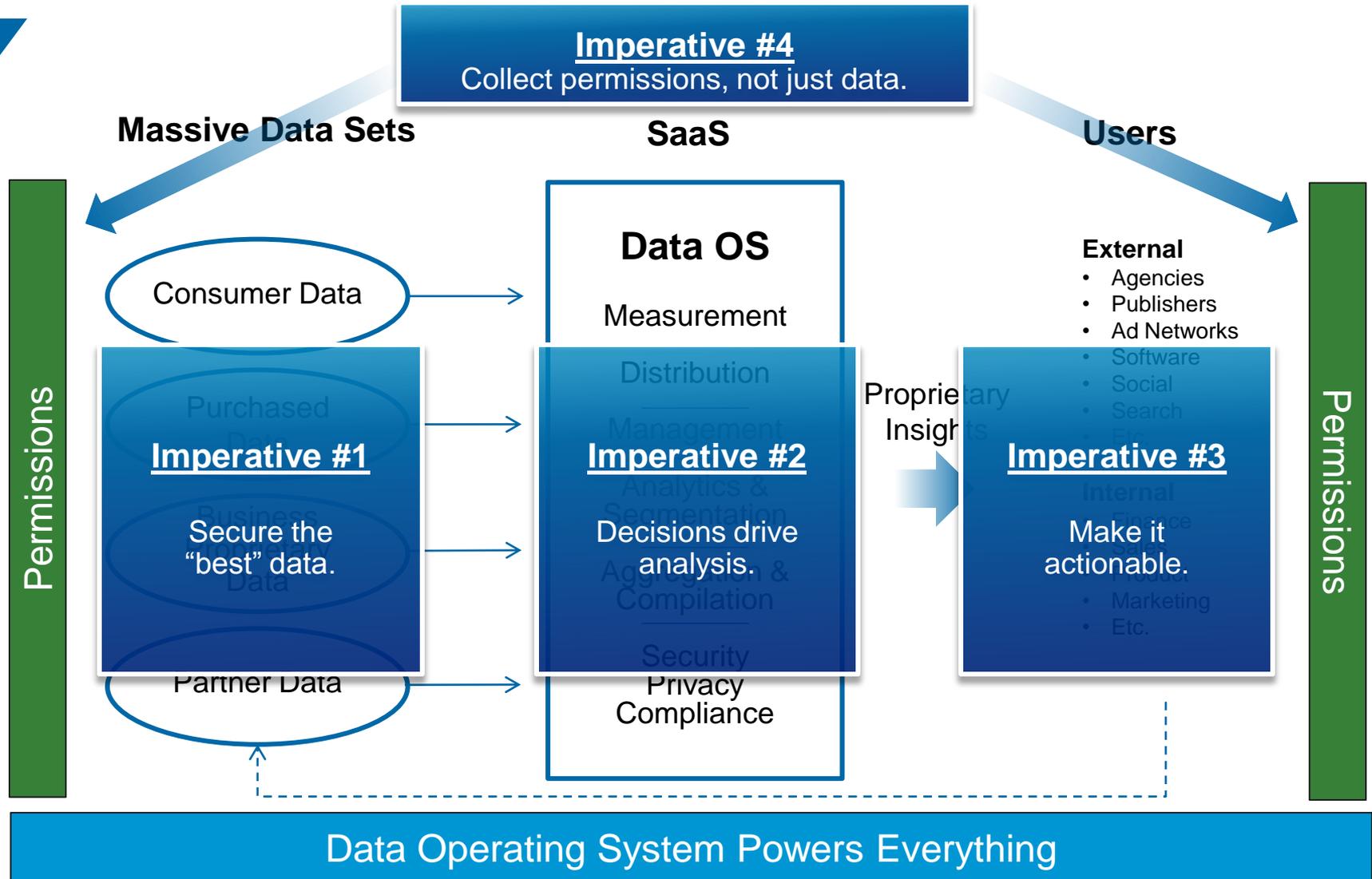**Revolutionizes Music**

Data Becomes Mainstream

SIGNIFICANT OPPORTUNITY

THE FUTURE: DATA WILL FUEL BETTER DECISIONS

Massive Data Sets

SaaS

Users

Permissions

- Consumer Data
- Purchased Data
- Business Proprietary Data
- Partner Data

Data OS

Measurement

Distribution

Management

Analytics & Segmentation

Aggregation & Compilation

Security Privacy Compliance

Proprietary Insights

External
- Agencies
- Publishers
- Ad Networks
- Software
- Social
- Search
- Etc.

Internal
- Finance
- Sales
- Product
- Marketing
- Etc.

Permissions

Data Operating System Powers Everything

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THE FUTURE: WHAT IT MEANS FOR YOU

Imperative #4
Collect permissions, not just data.

Massive Data Sets

SaaS

Users

Permissions

Consumer Data

Purchased Data

Imperative #1

Secure the "best" data.

Business Data

Partner Data

Data OS

Measurement

Distribution

Management

Imperative #2

Analytics & Segmentation

Decisions drive analysis.

Aggregation & Compilation

Security

Privacy Compliance

Proprietary Insights

External
- Agencies
- Publishers
- Ad Networks
- Software
- Social
- Search
- Etc.

Internal
- Finance

Imperative #3

Make it actionable.

- Marketing
- Etc.

Permissions

Data Operating System Powers Everything

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UNDERSTANDING THE ROLE YOU CAN PLAY IN THE FAMILY EXPERIENCE

Introducing the Howe Family*
Buying Decision Journey

* As represented by attractive, smiling models.

BUILDING AWARENESS

STACY'S

Tracy's

Stephanie sees Stacy's ad via addressable TV.

"Mom, I want to go to Stacy's."

Beth gets a text message on clothing sale for this weekend only.

Hitting two members of the family that are customized to that segment.

Tracy's misses opportunity while using standard brand awareness tactics.
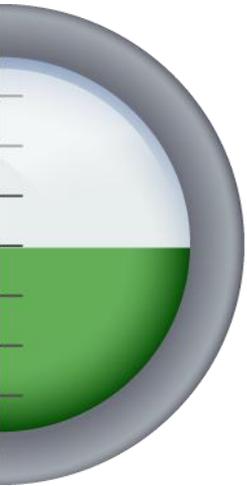
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IN-STORE EXPERIENCE

STACY'S

Tracy's

Historical purchase matched with credit card generates coupon and QR code.

Coupon furthers the interaction with customer by taking them to an interactive Stacy's website.

Tracy's misses opportunity again while focused on "after the fact reporting".

AFTER PURCHASE FOLLOW-UP

An email is sent to Beth's inbox, the Stacy's card holder, with a link for relevant offers.

Intrigued by the special offer Beth clicks to receive three calculated products they may be interested in.

Tracy's sends same store catalog every month.

Stacy's learns by using purchase history and data that they have a young daughter in the family, an offer is sent to share Amy's birthday experience with them.

Tracy's sends gross email blast for 20% off boys clothing.

A TALE OF TWO MARKETERS

STACY'S		Tracy's
1 Day	Campaign Cycle Time	**14 Days**
Reallocated 15%	More Efficient Channel Utilization	**Reallocated 0%**
$97.50	Shopping Basket Size	**$75**
15	Average Number of Store Visits	**12**
25% Increase	Share of Wallet	**20% Decrease**

Happy Family   **20%+** Increase Lifetime Value   **Frustrated Family**

BUT THAT'S SCIENCE FICTION, RIGHT?

- Stacy's has an online and offline 360˚ view of the customer
  - Matched more than 70% of all historical purchase activity to individuals
  - Converted 30% of previously anonymous online behavior to specific customers

- Stacy's executes trigger based (25%) and segmented marketing strategies

- Stacy's reallocated marketing spend by 15%

- Stacy's increased shopping basket size by 30% using data and analytics

- Stacy's applies social analytics as part of an overall integrated campaign

STACY'S

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BUT WAIT, THERE'S MORE...

Situation	Acxiom Solution	Results
Merging loyalty programs	Data integration, enhancement and segmentation	90m accts merged 4 percent member growth; significant revenue increase
Hearst embraces the digital age	Consolidated and improved 160m online and offline customer records	25 percent increase in response rates 200 percent ROI over 3 years
Finding new customers across multiple channels	Populated propensity models with proprietary data for robust predictive models	25 percent higher email open rate 6-fold improvement in purchasing rates

DRIVING ROI

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4 THINGS YOU MUST DO TODAY

1 **Collect the "Best" Data**

- ✓ Take on "Big Data"
- ✓ Collect data that drives or determines a decision
- ✓ Utilize a multidimensional view of consumer behavior, interests and value
- ✓ Integrate personalization across all marketing
- ✓ Place value on proprietary data

2 **Let Decisions Drive Analysis**

- ✓ Define the ideal customer experience and work backwards
- ✓ Differentiate your brand using segmentation across all channels
- ✓ Tie analytics to business strategy

3 **Make It Actionable**

- ✓ Test and LEARN
- ✓ Generate quick test results with 1 or 2 digital-driven, trigger style campaigns
- ✓ Share results across all relevant groups (mktg, adv, agency, media groups)
- ✓ Activate your partners

4 **Collect Permissions, Not Just Data**

- ✓ Create multiple interaction points to understand and collect consumer preferences
- ✓ Craft a more customized (and better) consumer experience by sharing more data
- ✓ Invite appropriate partners to improve experience

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Q&A

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