

An Acxiom White Paper
Get Your Lazy Assets to Work!

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In the 1980s, a substantial cross-section of companies realized that they needed better ways to reach prospects and customers, which led to the growth of marketing databases. In the 1990s, those same companies realized that they needed to distill the information down to key pieces that could be used to improve and proactively manage those relationships, creating entire classes of software associated with sales force automation and customer relationship management.

In the 2000s, the substantial drop in storage prices helped companies realize that there wasn't much of a downside to essentially storing everything going on with respect to their enterprise, including every detail about customer interactions. And with the emergence of social networks, fan pages and blogs in the latter part of the decade, it has become apparent that many individuals are willing to share information regarding just about anything — in exchange for either value or just for entertainment.

The result: there is now more information available “out there” than ever before. IDC has estimated that an average of 45 GB exists for every human on Earth, and IBM speculates that worldwide data volumes are doubling every two years.¹ But the information, in most cases, is “lazy” information with respect to how companies ultimately use it. It's either captured, accessed or distributed in ways that make it only somewhat useful (or in extreme cases, not useful at all) for the organization that gathered it.

This information may help with the company's acquisition and retention efforts, and that's great. But can't it do more?

Wasted Potential

Many companies are starting to recognize that they're sitting on potentially powerful data assets that may be useful to others, but the catch is that they often lack the expertise to know how to activate the information in order to make it available for purposes beyond their own use. Put simply, they don't know how to put their lazy assets to work. So, what will the 2010s bring with this progression in mind?

Marketing services providers, which have helped companies get the most out of their data for their own marketing efforts, will evolve to help companies get the most out of their data for other companies' marketing efforts. In other words, the lazy information assets that, up until now, have served only one master, will be repurposed to serve multiple masters with substantial financial benefits for the owners of the data. And the marketing services providers will play a critical role.

Inactive vs. Active

First, let's take a step back and explore the types of data that are utilized today. To keep it simple, think of this data in terms of two categories: inactive and active.

At its extreme, inactive data is data that is basically not useful for any marketing purposes. There are many possible reasons the data has been labeled "not useful," but they can roughly be summed up as any information about which almost any marketer would say, "Who cares?"

For instance, if I tweet "Had a great sandwich for lunch today...yum!" that qualifies as information. But, seriously, does anyone really care? Is that information of use to anyone? Oscar Mayer, perhaps? Realistically, there is a tremendous amount of incredibly trivial information with little to no marketing value that is now "out there" among the 45 GB per person.

Inactive data could also include detailed, company-specific corporate data that has no value to any company other than the company to which it applies.

Another bucket of inactive data is marketing data for which use is limited by the purpose for which it was initially collected. That is, although such data may be highly useful to the company that collected it, the permissioning and privacy policies associated with its collection have effectively locked its use for only a specific purpose and only by the entity which collected it. And that's okay, too. It is limiting but in many cases the value of the data can be unlocked and such value utilized broadly by many companies.

So if inactive data is data that's not helpful or not useful for various reasons, what is active data? Active data is data that is helpful, is useful, and most importantly, is actionable for marketers. It has been sourced in a way that enables it to be used, and it is made up of content that is deemed valuable in one or more environments. Active data clearly runs across a spectrum from limited usefulness and usability to very high usefulness and usability. The further along the spectrum, the better.

Smart Business

Let's consider a very basic and purely hypothetical example that illustrates the movement from limited activation to maximized data activation: if an individual purchased high-end running shoes from Nike, Inc., what else logically follows? Would other companies that sell running apparel want to know about this? Or how about companies that sell portable digital media players? What if Nike was able to allow these companies to make use of the information that a pair of high-end running shoes was purchased without Nike ever revealing to the other companies any identifying information about the individual making the purchase, and without the other companies ever knowing that Nike was the specific company from whom the purchase had been made?

Nike clearly has data it can monetize, but only if it is thinking ahead with respect to how it gathers its information, how it lets consumers express choices about how and what is shared, and how it can simultaneously create value and protect its customers' interests. By considering these issues in advance, Nike increases its monetization possibilities. They maximize the "data activation" opportunities.

Seasoned Professionals

There are literally millions of cases like these where value creation is waiting to happen. And this is where real expertise can be deployed by traditional marketing services providers because of their legacy of expertise on data and its uses. These entities are experts in the realm of data origination. They know how to source data, and can provide companies with guidance regarding the best ways to gather permissions for data use, opt-ins by individuals, and continued management of consumer preferences with respect to how consumer information can be used.

Traditional marketing services providers are also experts in activation. Early in this article, we identified different types of inactive data. Since the inception of the marketing database, marketing services providers have helped companies take raw data and make it useful by combining it with other information, drawing conclusions for targeting and figuring out how to apply this knowledge across multiple channels.

Finally, marketing service providers are experts in commercialization. Taking expertise in data origination and data activation to its logical economic destination, these companies know how to commercialize information. They can apply creative sourcing, combining and repurposing of data — within the legislative, business and individual-preference boundaries — and determine the best ways to monetize the information. In many cases, they can do so by being the neutral third party, not connected to any particular data source, creating useful, clever, shared combinations of information that any single company would be unable to do.

Clocking In

When it comes to lazy assets, origination, activation and commercialization emerge as three key steps for taking latent information and transitioning it into an active revenue stream. Marketing services providers have moved beyond the traditional direct-mail-oriented marketing database into full multichannel marketing capabilities and have developed the expertise to help companies put their own lazy data assets to work for themselves and for others.

¹http://www.it-director.com/technology/data_mgmt/content.php?cid=11025

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