WHY “BIG DATA” IS SO BIG

August 2012
OUR WORLD IS CHANGING
By 2015, organizations that build a modern information management system will outperform their peers financially by 20%. – Gartner
DATA DRIVES BETTER DECISIONS

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

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

Customer Segmentation Schemes Utilized In Online Display Advertising

Source: Big Box retailer online campaign data, previously published by Scott Howe (MediaPost, 2006)
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

Data Operating System Powers Everything

Massive Data Sets
- Consumer Data
- Purchased Data
- Business Proprietary Data
- Partner Data

SaaS
- Data OS
  - Measurement
  - Distribution
  - Management
  - Analytics & Segmentation
  - Aggregation & Compilation
  - Security
  - Privacy
  - Compliance

Proprietary Insights

Users
- External
  - Agencies
  - Publishers
  - Ad Networks
  - Software
  - Social
  - Search
  - Etc.
- Internal
  - Finance
  - Sales
  - Product
  - Marketing
  - Etc.

Permissions
THE FUTURE: WHAT IT MEANS FOR YOU

Imperative #1
Secure the “best” data.

Imperative #2
Decisions drive analysis.

Imperative #3
Make it actionable.

Imperative #4
Collect permissions, not just data.

Massive Data Sets

Data Operating System Powers Everything

Permissions

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Purchased Data

Partner Data

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Collector data

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Permissions
UNDERSTANDING THE ROLE YOU CAN PLAY IN THE FAMILY EXPERIENCE

Introducing the Howe Family*
Buying Decision Journey

* As represented by attractive, smiling models.
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.
IN-STORE EXPERIENCE

Stacy’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”.

ACXIOM
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.

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

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

Tracy’s sends same store catalog every month.

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

Stacy’s

Tracy’s
A TALE OF TWO MARKETERS

Stacy’s

1 Day

Campaign Cycle Time

14 Days

More Efficient

Channel Utilization

Reallocated

15%

0%

Shopping Basket Size

$97.50

$75

15

12

25% Increase

Average Number of Store Visits

Share of Wallet

20% Increase

20% Decrease

Happy Family

20%+ Lifetime Value

Frustrated Family

20% Increase

Share of Wallet
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
## BUT WAIT, THERE’S MORE...

<table>
<thead>
<tr>
<th>Situation</th>
<th>Acxiom Solution</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Merging loyalty programs</td>
<td>Data integration, enhancement and segmentation</td>
<td>90m accts merged</td>
</tr>
<tr>
<td>Hearst embraces the digital age</td>
<td>Consolidated and improved 160m online and offline customer records</td>
<td>25 percent increase in response rates</td>
</tr>
<tr>
<td>Finding new customers across multiple channels</td>
<td>Populated propensity models with proprietary data for robust predictive models</td>
<td>25 percent higher email open rate</td>
</tr>
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**DRIVING ROI**
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