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Data Monetization: 7 Lessons Learned

Big Data Analytics by Rob Rich, Managing Director, Insights Research, TM Forum

Rob Rich - Managing Director, Insights Research, TM Forum

Rob has more than 15 years' experience in market research and consulting, including two years as an independent consultant, 11 years as Executive Vice President of Communications, Networking Research & Consulting for the Yankee Group, and two years as Director of Communications Equipment and Services at Dataquest.

Although service providers increasingly grasp the opportunity presented by external data monetization, progress has been somewhat slow. Certainly concerns over privacy regulation and data management have inhibited progress, but the opportunity for incremental revenue is a massive and almost untapped.

In our new report, *Monetizing customers' data: Maximizing the potential through privacy and partnerships*, a number of lessons stand out, some of them more traditional, others relatively new, based on the characteristics of digital markets and recent learnings.

- **Gain top management's support –** importantly, the external monetization strategy must reflect the corporate strategy; for example, compliance with privacy policies should be reflected in corporate policy. Top management should be setting or at least supporting these policies. In addition, it must approve the business case, allocate appropriate resources, ensure cross-functional coordination and sometimes remove the key obstacles that inevitably pop up during the course of implementation.

- **Understand customers' needs –** to develop a valid business case, service providers must understand the needs of their advertising partners, and seek to provide rich and relevant data (compliant with applicable regulatory regimes). Service providers can leverage partners to better understand market requirements as well.

- **Partner management is critical to success –** In a digital ecosystem, partners are essentially an extension of the service provider and for the partnership to work, both partners will need to treat each other in some respects like customers. For example, in digital advertising, partners

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► may already have deep market knowledge, relationships with advertisers and established delivery infrastructure. This can help accelerate market entry.

• **Think big, start small –** service providers do not necessarily need a perfect data solution to be effective in the market. By understanding the market, service providers can start by supplying a relatively small, but meaningful, stream of data and expand the depth and breadth over time. Partners with deep market understanding can help service providers to prioritize data sets.

• **Privacy is crucial –** implementing a robust set of privacy measures is critical to success of any data management effort and is not limited to avoidance of regulatory penalties. Privacy is a fundamental component of customer trust, and without trust it is nearly impossible to engender loyalty. Compliance with privacy regulation may be viewed as complex, cumbersome and expensive, but it is a necessity regardless of your monetization strategy.

• **Manage customers' data as a corporate asset –** because that's what it is! A strong data management program is important for myriad reasons, not just for monetization and to comply with privacy regulation: Being able to provide rich, relevant, accurate data in a highly scalable fashion can lead to a substantial competitive advantage and increased revenue. Data monetization might not be the prime driver of data management efforts, but it should contribute to the justification for such programs and their priorities for improvements.

• **Take advantage of best practices and frameworks –** given the breadth and complexity of the opportunity, any help with best practices, data management and domain frameworks will be useful. For example, TM Forum has created a number of useful assets for service providers and suppliers alike, most notably guidebooks on external data monetization and big data analytics, and the popular Information Framework (SID) – all part of the Frameworx suite of standards-based tools and best practices. In addition, TM Forum's Big Data Analytics Collaboration Program is specifically addressing an increasing number of relevant monetization issues.

See more at: http://inform.tmforum.org/strategic-programs-2/customer-centricity/2016/02/data-monetization-7-lessons-learned/#sthash.2WcqF4lC.dpuf

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