



MODERN DATA MONETIZATION STRATEGIES

Put your data to work in the Data Cloud to bring in revenue and new opportunities



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EXECUTIVE SUMMARY

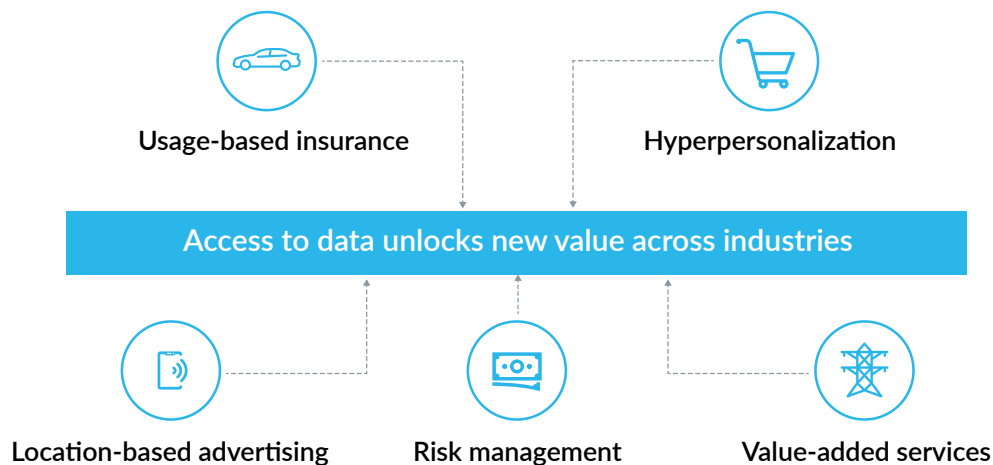
Fueled by machine learning, generative AI, digital marketing, quantitative asset trading, and a host of other data-driven applications, demand for data from an ever-expanding variety of third-party suppliers has grown exponentially. In a recent survey, Explorium found that 78% of companies increased their budget for external data in 2022.¹

This demand is a huge opportunity for organizations that can successfully harness and maximize the value of their data.

Relevant, trustworthy third-party data can provide a meaningful competitive edge for companies in nearly any market, industry, and region. It can:

- Improve customer experience
- Strengthen ties with partners and suppliers
- Increase transparency across the supply chain
- Generate new revenue streams
- Uncover market opportunities
- Improve business decision-making

Your customers and business partners are likely eager to get data from you, especially if you make it easy to do so. In this ebook, we give you a step-by-step guide to jump-starting your data monetization journey, from identifying marketable data and choosing the right distributor to building out your pricing models—and beyond.



FOUR STEPS TO START YOUR DATA MONETIZATION JOURNEY

STEP 1: SIZE UP YOUR DATA ASSETS

The first order of business is to define the inventory of potentially shareable data. Information that would disclose trade secrets, otherwise jeopardize competitiveness, or run afoul of legal protections and privacy policies obviously won't make the cut. That still leaves a wealth of possible inventory, including:

- **Operational data:** Transaction records and sensor logs
- **Commercial data:** Industry developments, sentiment, and prices
- **Marketing data:** Aggregated or de-identified customer information, preferences, web traffic
- **Behavioral data:** Data captured in digital and physical environments
- **SaaS data:** Serve the customer data that's created by your app back to your clients

Alternatively, you may have analytical information that incorporates open-source data such as social network posts or government statistics. And, last but not least, every organization has “dark data,” information that is collected as part of regular business activities but is not used or analyzed. When mined and combined with other signals, this data can provide interesting insights and be a valuable component of monetization strategies.

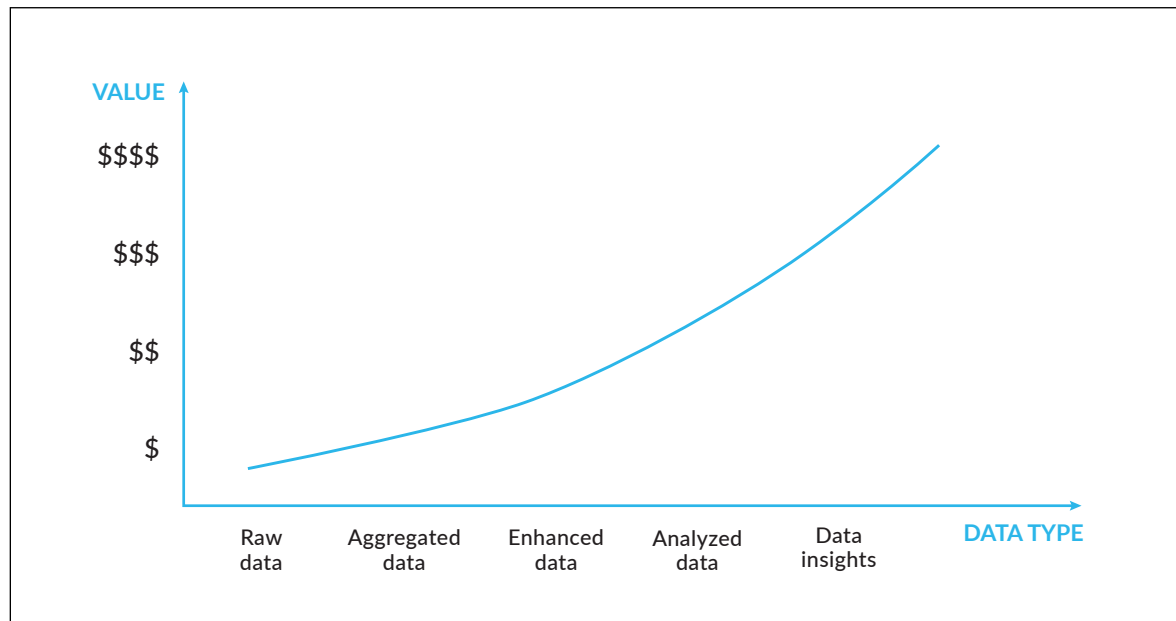
TIP: Consider adding a layer of analytics or enriching your data with additional data sets.

As you identify the types of data you own, you will have to decide whether giving access to the raw data is of value to customers or if the data needs to be combined or enhanced with additional data sets. For example, a retailer's store-level data is valuable to suppliers as is, but they might be willing to pay a premium if that data were enriched or scored with weather and demographics data sets.

Depending on the types of customers you have, adding a layer of analytics to the data—that is, creating specific dashboards and reports—might be exactly what they need to make better decisions, especially if they lack the expertise or resources to perform the data analysis themselves.



Figure 1: Adding insights to a data set increases its value.



As shown by the value curve in Figure 1, the more insights and enrichments you add to the data, either by incorporating more data sets into the original source or through the creation of prebuilt analyses, the higher its potential value.

STEP 2: CHOOSE A PRICING STRATEGY

Different methodologies exist for pricing your data, each with its own benefits. Two of the most common ways of looking at how to price your data products are cost pricing and value pricing.

Cost pricing

Cost pricing involves understanding your costs for data collection, storage, preparation, transformation, and sharing so you can add a percentage margin as you price your data above your costs.

You should consider the following:

- **Cost of data sourcing:** The time and effort taken to select and extract data sets
- **Cost of data packaging:** The time and effort related to preparing the data for consumption and any related augmentation or enrichment done to the data
- **Cost of data sharing:** The time, effort, and other costs associated with copying, storing, and transferring data to the consumer

COMMON TYPES OF DATA OFFERINGS

The type of data offering may determine how to charge for it and how much to charge. Here are five of the most common types of data or data services you can monetize:

Raw data

Data in its original form that has not been processed, analyzed, or transformed

Packaged data product

Ready-to-consume data requiring little or no analysis/transformation

Data analysis or insights

Dashboards, metrics, and indices

Data enhancement

A service that augments customer data with additional insights

Data trade or exchange

Using your data to pay for data access

What if your goal is not to maximize data revenue, but rather to use the offering as a customer acquisition tool? In that case, you might price your data at or below cost as a loss leader, or even give some of it away for free. The size of the discount might then depend on the value of the new business sought and the expected conversion rate of prospects into clients.

Value pricing

Value pricing involves looking at your data from a customer's perspective and identifying the value it will bring. With this pricing strategy, consider the following:

- **Uniqueness:** Is this data unique in any way or form?
- **Access restrictions:** Is the data difficult for customers to access? Are there specific barriers (physical or otherwise) preventing customers from obtaining the data themselves in some other way?
- **Technology and expertise:** Is aggregating or using this data technically difficult? Does it require specific expertise not found in many companies?
- **Market alternatives:** Are there other companies already providing similar data sets? Where would customers have to go in order to acquire similar data sets and at what cost?
- **Analysis and insights:** Is the analysis of the data time-consuming and costly? Are customers already paying (either in consulting fees or in additional internal resources) to analyze this type of data?
- **Business value:** Most importantly, will this data help companies improve their business operations, performance, or customer satisfaction? Could it help them develop better products or services?

Plot these elements on a quadrant like the one shown in Figure 2 to help guide internal discussions around pricing. On the y-axis, plot the accessibility of the data, that is, how easy or difficult it would be for customers to obtain it. On the x-axis, plot the range of the data offering, from raw data to rich analytics on top of the data. Replace the labels on either axis with elements that make sense for your company and industry.

You can then determine pricing tiers based on the visualization you've created. Be sure to consider both cost and value; ideally, you'd like to produce a lower-cost data set with immense potential value to a buyer.

Figure 2: Visualizing your data can help you determine its value.



Packaging

The final element in the pricing analysis is what we call *packaging*. Determining costs and value is helpful in establishing different pricing tiers, or packages. The traditional “good, better, best” framework also applies to your data products, with the following elements to consider:

- **Timeliness:** How fresh is the data? Should there be options for acquiring new versus historical data sets? What about updates or corrections to previously delivered data?
- **Update frequency:** How often would you need to update the data? Would customers be willing to pay for more frequent updates?
- **Scope:** How broad is the data product and is there potential to offer segmentation or various “cuts” of a set of data by separately packaging and pricing different intersections of tables, rows, and columns? Some customers may be willing to pay a premium for larger data sets while others might be interested only in narrower data sets.
- **Distribution breadth:** Will you offer data products to anyone who wants to buy them, or only for certain types of buyers or use cases? Will you limit the number of parties that can buy each sleeve of data, to increase scarcity and therefore positively affect price?
- **Additional services:** Would adding access to analytics, prebuilt dashboards, or preconfigured schema and chart metadata for the most commonly used visualization tools make the data more attractive?

A tiered pricing plan can help attract new users by offering data access-only plans at lower costs, while ensuring that your existing customers get the data and services they need at a cost that best fits their needs and budget.

TIP: Consider a freemium structure featuring limited teaser access for new leads, a charge for standard access, and premium fees for additional service features. Let freemium data be broad in terms of coverage scope (all geographies, for example), but limit the number of data columns, or raise the level of aggregation to leave freemium users “wanting more.”

You’ll also need to decide whether to sell data by the set or by subscription, perhaps monthly or annually, or if you want to charge based on usage.

When you plot the different attributes of your data and the elements that comprise value for customers, you can create a matrix like the one in Figure 3 to help identify the different packages you can offer.



Figure 3: Sample pricing and packaging matrix

Package	Data Richness/ Data Attributes	Data Access	Data Scope	Update Frequency	Amount of History Provided
Elite	Data with insights	Continuous	Global	Monthly	5 years
Premium	Analyzed data	Continuous	Global	Monthly	3 years
Plus	Enhanced data	Continuous	Regional	Monthly	3 years
Standard	Aggregated data	By request	Regional	Quarterly	2 years
Basic	Raw data	By request	Local	Annually	1 year
Free	Sample data	One time	Regional	None	None

STEP 3: SELECT A DISTRIBUTION CHANNEL

Data sellers now have a large and often bewildering array of choices for distributing data to data buyers, each with its advantages and drawbacks.

Traditional methods include:

- **Doing a direct data transfer (for example via SFTP or Amazon S3)**
- **Using a third-party data broker**
- **Using a data marketplace**

A **direct data transfer** to clients cuts out intermediaries and gives you more control over the final product. However, you do all the work, often with standards such as FTP and APIs, which have multiple disadvantages when it comes to storage and ETL costs, security vulnerabilities, service costs, and the potential for latency that can affect customer experience (see “The Pitfalls of Using APIs for Data Sharing—And How to Avoid Them”).

A **data broker** can help market your data and will sometimes also control pricing. But you’ll miss out on forging direct relationships with the ultimate users of your data, and you may not have the ability to choose who sees the data, or get a sense of how they are using it. Moreover, if you need to update the data on a regular basis, every engagement with a less sophisticated data broker may be like the first, requiring all the data transformation and loading you did the first time.

Traditional data marketplaces also promise to help with client acquisition and pricing plans. But they offer limited opportunities for promotion and incomplete control over the presentation, in addition to the usual file transfer and update hassles. API-based data marketplaces require both the buyer and seller to code to a bespoke API, and then maintain, troubleshoot, and update that code over time.

Traditional distribution channels move data from point A to point B, often with a couple of stops in between. This means they all have a common problem: when data travels, it becomes vulnerable to corruption, loss, theft, latency, and obsolescence. Figure 4 shows a better way to securely share data.

Snowflake’s **Collaboration technology** enables organizations to share data directly with their customers, suppliers, and business partners, without actually moving it. The data remains fully encrypted and stays put in the data seller’s Snowflake account; there are no duplicate data sets held by the buyer to chase down if regulations or relationships change, and data access is fully revocable at any time. The data is updated in near real time, not just whenever the IT schedules a refresh job. The data seller retains real-time, fine-grained control and determines who has access rights and can change or revoke them at any time.

THE PITFALLS OF USING APIS FOR DATA SHARING—AND HOW TO AVOID THEM

If you are just starting out in your data monetization journey, you might be tempted to develop APIs as a way of sharing data. Although APIs are a great way to connect different systems and automate processes, they have a series of additional challenges when they are used for data exchange, including:

- Requiring in-house expertise to develop and maintain them
- Requiring recurring effort and costs to develop and maintain them
- Limiting the volume of accessible data
- Requiring data consumers to learn how to use the API
- Limiting the types of questions the data buyer can ask against the data
- Causing performance and quality issues that are difficult to resolve

Snowflake Marketplace offers a more sustainable approach to providing data access to a broad audience. As a data seller, you can offer your data product under your own guidelines and update schedule—as a free offering or a commercial offering with your preferred pricing model. Anyone can find, try, and buy data products and services on Snowflake Marketplace with minimum effort and maximum efficiency.



Figure 4: With Snowflake Marketplace, organizations can grant access to their data without actually moving it to the data buyer.

STEP 4: JOIN SNOWFLAKE MARKETPLACE

By leveraging Snowflake Secure Data Sharing capabilities, Snowflake Marketplace allows data sellers to easily publish a variety of data products, which then become immediately available for use or purchase by Snowflake users. This has multiple benefits for both data sellers and data buyers.

Snowflake Marketplace Benefits for Data Sellers

- Shortens sales cycles by providing immediate, revocable access to data and by leveraging built-in monetization and standardized terms
- Improves the customer experience with access to live, ready-to-use data that doesn't require customers to draw on their engineering resources
- Minimizes operational burden by eliminating the need to maintain pipelines and multiple copies of data, and reduces resource contention
- Reaches new markets and generates upsell opportunities
- Gets detailed usage insights and ensures your customers are drawing value from your data

Snowflake Marketplace Benefits for Data Buyers

- Find, try, and buy third-party data, data services, and applications easily
- Reduce integration costs, delays, and risks by eliminating the need for traditional ETL, API, and FTP processes
- Securely access live, up-to-date, and ready-to-use data and applications from third-party providers
- Skip lengthy evaluations and realize value more quickly with self-service trials
- Join internal data with data from Snowflake Marketplace to surface in analytics tools and to tune machine learning algorithms

In the following examples, you'll see how organizations are leveraging Snowflake Marketplace and get a look at their respective monetization strategies.

Case Study: IPinfo grows customer base with Snowflake Marketplace listings

IPinfo.io is an IP address data provider that offers contextual data around IP addresses, including geolocation and VPN detection data.

Snowflake Marketplace stood out to IPinfo as a way to get new business and for new customers—including Snowflake customers—to discover the company's products. IPinfo started by adding some simple data sets and sample listings; over time, they've expanded their data offerings to 13 data products covering a variety of IP address and related data sets.

Snowflake Marketplace allows IPinfo to differentiate their offering by providing access to data that's optimized, performant, and easy to use within Snowflake.

"Once someone wants to get access to a sample or decides to become a customer, we can immediately share that [data product] with them," says Ben Downing, CEO of IPinfo.io. "We handle the updates and refreshes, and so there's a lot less legwork the customer needs to do to have impact with the data."

WATCH NOW

[IPinfo Monetizes Data in the Snowflake Marketplace](#)

Case Study: Monetizing Weather Data

Weather data is a vital asset for business intelligence across industries. Weather strategies help companies forecast sales, mitigate risk, adjust transportation routes, and confidently make decisions.

Weather Source provides a continuum of past, present, and forecast weather data from the year 2000 to present, with a forecast of up to 15 days. Each of Weather Source's hyperlocal solutions can be tailored to the points of interest most relevant to a customer's business.

Weather Source joined Snowflake Marketplace to expand its reach to potential customers, and to streamline the delivery of their data assets. With Snowflake, Weather Source is able to reduce costs and effort for publishing its data sets because it no longer is required to transform, load, or reconstruct data for each customer. On Snowflake Marketplace, new data is immediately available to all data buyers, providing real-time data access across the entire ecosystem. This simplified operation offers customers a better experience and better access to Weather Source data that's always up-to-date and ready to use.



[Explore Weather Source data products on Snowflake Marketplace.](#)

Case Study: Giving Customers Over 60% Faster Time to Data Access

SafeGraph is a global geospatial data company that focuses on making data about the physical world accessible to all. SafeGraph's Places data set includes a wide breadth of information about worldwide places such as points of interest, building footprints, spatial hierarchy metadata, spending patterns, and more. Organizations use SafeGraph data sets to build products, visualizations, and analyses for use cases such as mapping, site selection, and campaign planning.

Snowflake users can procure SafeGraph's live, ready-to-query data sets on Snowflake Marketplace. By selling their data products via Snowflake Marketplace, SafeGraph ensures their customers get access to live, automatically updated data products fast—no matter their cloud or region. Sales teams see shortened sales cycles, increased pipeline growth, and expansion to new markets. Additionally, internal teams get deeper insights into how to best support customers and engineering teams save time spent on data distribution and fulfillment, all of which contribute to better customer experiences.

"We've standardized our evaluations on Snowflake Marketplace because we have found that it accelerates time to value for our customers by at least 60% and leads to shortened sales cycles for SafeGraph. A win-win for our customers and us," explains Niki Kazahaya, Solution Engineer at SafeGraph.

READ NOW

[Learn why SafeGraph chose Snowflake Marketplace to provide customers with direct, near-instant access to their data.](#)

THREE TIPS FOR DEVELOPING A SUCCESSFUL DATA MONETIZATION STRATEGY

When joining a marketplace as a data seller, and particularly when joining Snowflake Marketplace, keep the following in mind:

1. OPEN NEW BUSINESS OPPORTUNITIES WITH FREEMIUM DATA SETS

What data might be useful and valuable to companies that you could offer for free, while still retaining additional columns or capabilities for your premium offerings? Which data points may be needed? How much time might a prospect spend evaluating a data offering before they purchase full access? An aggregated data set could serve as a benchmark for companies looking for baselines or comparable data from the industry.

Additionally, different segments of your data products could provide companies with value without needing to give everyone full access to the entire data set. All of this provides you with greater visibility into customer usage and more exposure to potential new customers for your data products.

2. LEVERAGE EXISTING CUSTOMERS

If you are just starting to consider data monetization, select a group of customers to test your different data packages and pricing. They can help you better understand the value of your data and price considerations. When joining Snowflake Marketplace, invite your entire customer base to get access via the Data Cloud. This typically has a snowball effect: As more customers get access to data products via Snowflake Marketplace, even more new customers will want to join the party.

3. INCORPORATE YOUR DATA OFFERINGS INTO YOUR SALES PITCH

Your sales team can use the new data offerings you create as part of your regular sales play or to upsell to existing customers. This can illustrate the value your organization provides to customers and how access to this data product will improve their business, while making your relationships with your customers more efficient, transparent, and trusted.



CONCLUSION

In today's highly competitive business environment, data monetization is a powerful tool in every company's arsenal. In this ebook, we provided a high-level overview of some of the strategies you can leverage to create and monetize your own data, data services, and applications. At Snowflake, we are happy to help you navigate the monetization waters and explore how the Data Cloud and Snowflake Marketplace can help your business grow.

To get started, visit snowflake.com/marketplace and speak with a Snowflake contact, or join the [Snowflake Partner Network](#).



ABOUT SNOWFLAKE

Snowflake enables every organization to mobilize their data with Snowflake's Data Cloud. Customers use the Data Cloud to unite siloed data, discover and securely share data, power data applications, and execute diverse AI/ML and analytic workloads. Wherever data or users live, Snowflake delivers a single data experience that spans multiple clouds and geographies. Thousands of customers across many industries, including 590 of the 2022 Forbes Global 2000 (G2K) as of April 30, 2023, use Snowflake Data Cloud to power their businesses.

Learn more at [snowflake.com](https://www.snowflake.com)



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CITATIONS

¹ <https://www.explorium.ai/wp-content/uploads/2022/03/2022-State-of-External-Data.pdf>