snowflake®

HOW ADVERTISING, MEDIA, AND ENTERTAINMENT COMPANIES CAN LEVERAGE THIRD-PARTY DATA TO ENHANCE ANALYTICS

Enrich your data and unlock new insights faster with live, governed access to external data in Snowflake's Media Data Cloud

CHAMPION GUIDES

EBOOK

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EXECUTIVE SUMMARY

Third-party data, which is data that comes from sources external to an organization (for example, from public sources or data vendors) enables agencies, media companies, game publishers, and advertising technology (AdTech) companies to resolve customer identities, enrich profiles, improve campaign performance, and optimize user experiences. External data empowers teams to make better data-driven decisions, especially when it's integrated with first-party data. However, traditional methods for sourcing third-party data can be inefficient and unsecure. Traditional data marketplaces may not scale, and legacy technologies for transferring data (FTP, APIs) can require extensive engineering work before the data can be used. This situation results in delays, stale data, and poor data analysis.

In this ebook, you will learn how to:

- **Access live third-party data without any ETL, making the data immediately available for analysis or to merge with your own data**
- **Easily discover third-party data sets, such as product intelligence data or granular audience insights, that best fit your business needs**
- **Use enrichment services to improve the quality of first-party data by securely sharing slices of your data with providers**

ACCESSING THIRD-PARTY DATA IN A PRIVACY-SAFE WAY IS MORE IMPORTANT THAN EVER

In the world of advertising, media, and entertainment, content drives the subscriber and advertising revenue engine, but data has become even more important in powering data-driven decisions. Behavioral data, demographic data, clickstream data, telemetry data, purchase data, and attribution data are all important sources of insight. This has been accelerated by the shift to digital, since the scale of what can now be tracked and measured is significantly greater than what was possible when TV was mainly delivered via set-top boxes and game cartridges were purchased in-store.

Most importantly, data serves the purpose of powering advanced analytics to obtain actionable, 360-degree views of customers. By understanding real-time customer needs, preferences, and intent, organizations can improve ad effectiveness, boost customer lifetime value, and reduce churn.

Third-party data has long been essential for segmentation, targeting, and measurement, but privacy measures implemented by technology giants (for example, Apple requiring users to opt in for their activity to be tracked across apps[1] and the coming deprecation of third-party cookies on Chrome in 2023[2]) are destabilizing the media and marketing ecosystem. Use of third-party customer data is also under increasing scrutiny from regulators; Colorado is the third U.S. state after California and Virginia to enact comprehensive privacy regulation.[3] In response, the industry has adapted to new ways of accessing consented data, creating unified IDs, and leveraging data securely and in a privacy-safe way. Gartner predicts that, by 2022, more than a third of large organizations (35%) will be either sellers or buyers of data via formal online data marketplaces, which is an increase from 25% in 2020.[4]

Generated by individuals, businesses, and sensors, third-party data originates from a variety of sources and exists in a wide range of categories, including but not limited to:

- **Online behavior (searches, social media, app usage, web traffic, geolocations)**
- **Media/advertising (consumption, measurement, viewership)**
- **Consumers (demographics, psychographics, transactions, consumer sentiment)**
- **Businesses (advertising, pricing, ratings and reviews, store locations)**
- **Events (satellite and weather, event detection)**
- **Aggregated data (IoT, web-crawled, B2B, open data)**

By combining these third-party data sets with their own data, agencies, media companies, and game publishers can build a 360-degree view of their customers to acquire and retain subscribers, improve personalization, refine attribution models, differentiate advertising offerings, and much more.

THREE WAYS TO UNLOCK THE HIDDEN VALUE IN YOUR DATA

To extract the most value from external data, organizations need to integrate it with first-party data and analytics. To illustrate this idea, here are three examples of how third-party data can improve the accuracy of ad targeting, reach more prospective customers, and optimize user experience in near real time when it's combined with first-party data sets.

FACILITATE MORE-POWERFUL SEGMENTATION AND TARGETING

With the help of third-party data, organizations can slice and dice their audience with greater precision, creating dynamic segments that leverage propensity to buy and intent signals instead of relying on static segments. For industries such as financial services, automotive, or home care, where people move in and out of the market, having access to third-party data about which consumers are in-market at any given moment also greatly reduces wasted ad impressions, making spend more efficient.

Organizations can also use third-party data to improve their understanding of existing customers and, ultimately, their strategy for future campaigns. For example, a marketer or agency might have only basic demographic information in their own measurement dashboard, such as the age range and gender of people who purchased a product or service. By enriching their first-party attribution data with data from an identity provider such as Acxiom or LiveRamp, they can gain valuable insights about their customers' household size, and much more, which they can use to optimize the creative and targeting in future campaigns.

INCREASE REACH

By augmenting their first-party data sets with third-party data, organizations can grow their database overall, adding new high-value prospects to campaigns. Consider the example of a company marketing a household cleaning brand, which wanted to find customers online during the pandemic when in-store sales had dropped. By leveraging third-party purchase data from retail locations, the company built new audience segments composed of people who had bought its product before the pandemic but not since, and it targeted them with online offers.

The practice of using third-party data to scale audiences is especially important for categories where the scale of first-party data collection is limited. Consider a TV manufacturer that sells products through big-box retailers or a soda brand that's sold in grocery stores; in both cases, it's the merchant that owns the direct consumer relationship, and relatively few people are visiting the brands' websites and providing their information directly. By running first-party data through a lookalike model, marketers and agencies can identify the attributes of top brand loyalists and reach more people like them by activating a third-party audience segment.

OPTIMIZE USER EXPERIENCE

Gaming companies are under immense pressure to drive engagement and retention by improving player experience. This is especially true as they increase their focus on ad-supported mobile games that are free to download and play, since players are more likely to quit as soon as they start feeling bored.

To increase the "stickiness" of their games, publishers are investing in live operations (LiveOps) that optimize player experience in near real time. In practice, this can mean increasing the number of levels players are allowed to play before encountering interstitial ads or other ad content—if it's suspected there's a high likelihood players will disengage. To enable the sophisticated funnel analysis that makes real-time optimization possible, publishers can leverage third-party product intelligence and analytics sources such as Mixpanel and Amplitude on top of their first-party data (for example, data from marketing or customer support departments).

Game publishers can also leverage third-party audience segments to optimize player experience and ad targeting. On top of the basic demographic information they already likely have, such as age and gender, they can layer on insights such as whether players are interested in sports or the outdoors. From there, they can potentially tailor the gameplay more specifically to individuals' interests—and also serve them with personalized ads they're more likely to engage with.

SOURCING THIRD-PARTY DATA CAN BE CHALLENGING

While the reasons to source third-party data are sound, the practice of doing so is inefficient. Two major obstacles stand in the way for many advertising, media, and entertainment organizations:

- **Traditional methods of accessing external data can require extensive time and monetary resources.**
- **Legacy file sharing methodologies can be error-prone and not secure.**

Getting data from traditional data marketplaces can be overwhelming. How do you choose from the multitude of data marketplaces? How do you get started? How do you determine which vendors are reliable, what data will be most useful, and what value each data set really holds?

These questions point to the cost, time, and effort required to find and select the best-suited third-party data. It comes down to a problem of scalability. There's no efficient process for contacting each vendor, evaluating its data, and acquiring the data.

Organizations spend enormous amounts of money staffing teams to perform this time-consuming task. Some organizations let their data scientists muddle through the data acquisition process, but this takes expensive resources away from the task they were hired to do: building data models. Other organizations use data aggregators and brokers to facilitate data marketplace transactions. This solution has advantages but doesn't address the challenges presented by reliance on traditional file sharing methodologies.

Vendors continue to employ FTP, APIs, and other file downloading techniques to transfer data, which often requires them to copy files and perform intensive engineering work to extract, transform, and load (ETL) data. Even APIs are a burden, as developers need to maintain and troubleshoot multiple APIs from different data vendors. In addition, every API has different security and authentication methods, which puts the burden on an organization's security teams and poses potential risks. Plus, APIs are inefficient for receiving large volumes of data.

But the biggest challenge with these data sharing methods is that they result in stale data copies that are nearly impossible to securely govern. Manual transfer efforts are prone to human error, and organizations face potential security and compliance issues. Worst of all, they can be left with questionable data that results in poor analytics.

Taken together, these challenges raise this question: How can you use external data at scale without wasting time, money, and resources and without compromising security and compliance?

SNOWFLAKE'S MEDIA DATA CLOUD SOLVES TRADITIONAL DATA SHARING ISSUES

If organizations could minimize time spent on building and managing ad hoc methods of data sharing, they could allocate more resources to extracting valuable insights from that data. But the numerous barriers presented by traditional data marketplaces and legacy data sharing practices need to be eliminated so organizations are empowered to discover and evaluate data sources with ease and combine external data with internal data for rapid analysis.

Snowflake's Media Data Cloud represents the modern answer for data. With its multi-cluster shared data architecture, Snowflake's platform centralizes all data in a single, secure location in the Data Cloud: the network that connects Snowflake customers, partners, data providers, and data service providers across public cloud providers and regions. The result: Traditional data sharing barriers are removed and data silos are eliminated. Organizations immediately benefit from access to secure and governed data, which can be shared within and between organizations. For business teams, this means the ability to resolve identity, enrich customer profiles, conduct attribution analysis, and more from where the data already lives, without costly extraction, storage, and integration processes and without the risks of potentially exposing PII.

That's because Snowflake is built using Snowgrid—a unique technology that spans globally, connecting regions and clouds together, and enables secure and governed data sharing.

With Snowgrid, you can share and access live, ready-to-query data across clouds and across regions, without any ETL or APIs. Anyone granted access to a data set simply references the data in a controlled and secure manner, without gaining physical custody of the data. This means that data access is revocable, enabling you to better comply with industry regulations such as the General Data Protection Regulation (GDPR). And because any changes made to the data are done to a single version, data remains up to date for all data consumers who have access, without any latency or contention due to concurrent users.

With first-, second-, and third-party data unified in the Data Cloud, shared data can be combined instantly with existing data for faster analysis. Data is available in ready-to-query format without replication, transformation, or processing. Data analysis delays become a problem of the past.

And, with its cloud-agnostic architecture, Snowflake enables organizations to have seamless and immediate access to all shared data, regardless of cloud infrastructure, geographic location, or cloud provider (AWS, Azure, or Google Cloud Platform). Snowflake Secure Data Sharing even lets organizations share data with companies that don't yet have a Snowflake account, which makes it a global and inclusive feature.

SNOWFLAKE DATA MARKETPLACE: POWERED BY SNOWGRID

Snowflake's Snowgrid is the technology foundation for a new and modern data marketplace.

Data consumers can now access live, ready-to-query third-party data and data services in Snowflake Data Marketplace. Rather than waste time hunting for vendors and downloading stale data, consumers can use Snowflake to easily evaluate and access live external data in a secure and compliant manner that is practically frictionless, virtual, and instantaneous.

With the burden of data transformation removed, integrating external data with your existing data becomes fast and seamless. Data analysis can begin right away.

And you can improve your own data quality with enrichment services without having to go through the traditional steps of data copying and transformation, which are time-consuming and can pose security and compliance challenges. Instead, through Snowflake Data Marketplace you can share slices of your data with the data provider for enrichment and augmentation, and the enriched data is then securely shared back directly into your Snowflake account.

Whether you use external data to augment data sets for improved business analytics or to help train AI and machine learning (ML) models for data science, the benefits of Snowflake Data Marketplace are clear.

- **Ease of discovery:** Benefit from a single place to access a wide variety of data sets that can be queried, joined with internal data, used in data modeling, or added to BI tools—all with speed and ease.
- **Live, up-to-date data:** Never worry about stale data again. Without any manual intervention or scheduling required, all updates made by the third-party data provider are immediately reflected in your data sets.
- **Reduced costs:** Eliminate unnecessary data analytics expenses around data loading, transformation, and API integration and management. Because there's no data movement (only data access), you also don't pay storage costs for third-party data.
- **Personalization:** Request personalized, secure data feeds that are customized to your specific data needs.
- **Enriched internal data:** Use enrichment services to improve the data quality of your own data by securely sharing slices of your data with providers.
- **Global access:** Receive fast access to third-party data hosted on any major cloud provider.

BECOME AN EMPOWERED DATA CONSUMER TODAY

With Snowflake Data Marketplace, the ability to securely access and quickly combine data from third-party sources makes ad targeting more powerful, increases reach, and optimizes user experience.

Discover for yourself the difference Snowflake Data Marketplace makes. Go to **snowflake.com/data-marketplace** to sign up for a free trial. You can discover demographic data providers, purchase data from data providers, identity providers, product intelligence providers, and more, and you can start querying data immediately.

There's only one question remaining: Are you ready to extract more value from your first-party data?

ABOUT SNOWFLAKE

Snowflake delivers the Data Cloud—a global network where thousands of organizations mobilize data with near-unlimited scale, concurrency, and performance. Inside the Data Cloud, organizations unite their siloed data, easily discover and securely share governed data, and execute diverse analytic workloads. Wherever data or users live, Snowflake delivers a single and seamless experience across multiple public clouds. Snowflake's platform is the engine that powers and provides access to the Data Cloud, creating a solution for data warehousing, data lakes, data engineering, data science, data application development, and data sharing. Join Snowflake customers, partners, and data providers already taking their businesses to new frontiers in the Data Cloud. **snowflake.com**

CITATIONS

[1] bit.ly/361OFrL

[2] bit.ly/2Trdj26

[3] bit.ly/3kIT8Z2

[4] gtnr.it/3rr5KVJ