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Accuracy quest

The data brokerage business has only grown hotter as analytics capabilities have experienced exponential growth. That's unlikely to change for the near future. But as those who purchase and use this data grow more familiar with it, they're applying more scrutiny to the product they're being sold. Maybe that's because the possibilities for what happens at the next level of data accuracy are so tantalizing.

Today, data scientists and other informed buyers of data are generally aware of a fundamental paradox at work in big data: It is directionally accurate but often individually inaccurate. A company may know quite a bit about buyers, which is valuable, but it may not actually have as much accurate information about particular buyers as you might expect. Which in turn means that the data is simultaneously inaccurate and valuable. Let's call it "semi-accurate"—the inaccuracies are not totally random, in many cases.

If data brokers could improve the quality of the data they're providing, they would have the potential to increase the value to marketers by order of magnitude. Progress is being made, but it's frustratingly slow. The ability to gather and leverage detailed and accurate information about current and potential customers could allow marketers to better tailor specific advertisements and offers to consumers, target customers for optimized offers, and reduce offers to disinterested customers. That's why we anticipate increased pressure on data brokers to improve the accuracy of their data over the next year.

#AnalyticsTrends2015

The So What:

Micromarketing and microsegmentation at the consumer level can provide a big competitive advantage for companies looking to break away. Today, many marketers continue to settle for "better than nothing" improvements to their current targeting approaches or, perhaps even worse, a so-called "spray and pray" approach to mass marketing. Data inaccuracy is one of the most significant obstacles, and in a world where companies increasingly rely on external sources for their marketing data, the pressure is on for data brokers to deliver the goods.

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