

Data, the hidden treasure in publishing

By [Richard Mullins](#)

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Most publishers are struggling to monetise their online operations in a world in which advertising revenues are under pressure and audiences remain reluctant to pay for content.

Their biggest hope of making money lies in unlocking the value of the reams of data they collect about their audience. This data is the most valuable commodity they are sitting on, yet it can be as hard to access as veins of gold buried deep below the surface of the Earth. Over the years, publishers have built their online operations in a fragmented and ad hoc manner, adding in new technologies, tools and channels as they have needed to.

They have rolled out content management, ad serving, email, mobile and social media platforms as necessary, each of them created in silos. The result is that they have a patchwork of system; islands of scattered data that they have yet to consolidate.

Pure guesswork

Publishers are sitting with fragments of information that they are unable to put together to get a complete view of their audience. They can only guess, for example, how effective their social media strategy is in driving traffic and engagement.

They cannot make the link between the user who clicked through from an email newsletter or search query to a review of a new LCD screen and then viewed an ad for a TV from an online electronics store a few days later. Most publishers struggle to extrapolate information about their users' interests and behaviour from the silo-ed pools of data they have at their disposal.

This data is potentially the most valuable commodity publishers have and is set to grow ever more valuable. If they can allow advertisers to target users by behaviour, then they can start to charge premiums that will drive better ROI for themselves and their advertisers, as they will be able to offer access to even better qualified sales leads.

Re-target the customer

The publisher can help an advertiser to remarket and re-target that customer who has, for example, searched for LCD TVs online, read reviews and clicked on an ad, and is clearly in the market for a new television.

This is the granular level of data that advertisers will pay a premium for. The more detailed and precise the data,

the more advertisers will pay to leverage off it. They will know that they are getting less wastage and more conversions from their ad spend.

The big strategic and technical challenge for publishers for the next couple of years is to find ways to stitch their systems together. Once they do that, they'll have a better understanding of what drives deep audience engagement. The alternative is to lose control of this valuable commodity to third-party intermediaries, many of whom are already collecting data and trading with online marketers. Unless they respond soon, publishers could find themselves squeezed out of the market.

Rethink business models

Getting it right will not be easy. In addition to the technical challenges, publishers will need to rethink business models that fence sales and editorial off from each other, since each has data in its systems that could be invaluable to the other.

Privacy concerns also loom large. Publishers will need to look at best practices and the law to balance the rights of the consumer with the imperative to monetise their audiences.

Yet the opportunity for publishers to package all their information and resell it to digital marketers is one they cannot afford to ignore any longer. It is the greatest value they have to sell their advertisers and they need to start thinking of how they are going to deliver the value and monetise the gold they are sitting on.

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