FORRESTER®

Data Collaboration Fuels Revenue Growth

Organizations Need The Right Technology To Connect
Data Across Partners And Sources In A Privacy-Preserving Way

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Executive Summary

Sharing data and analytics is essential for innovation and creating an insights-driven culture. Leading organizations will share data with ecosystem partners to deliver the best customer experiences and drive growth.[1] To do so, organizations must break down data silos to enable data sharing and ensure privacy and security.

In February 2024, LiveRamp commissioned Forrester Consulting to evaluate how companies are using technology to combine and analyze data in order to enable a wide range of internal and external use cases — which we defined in this study as data collaboration. Forrester conducted an online survey with 510 US leaders who know how their organizations gather and use data to inform decisions. They represent organizations in the consumer packaged goods (CPG), retail, travel and hospitality, and financial services industries. We found that these leaders saw data collaboration as critical to driving revenue growth, but they said they need the right partners and technology to overcome data privacy and quality hurdles and enable them to scale their data collaboration capabilities.

Key Findings

Data collaboration boosts revenue growth. Ninety-three percent of respondents agree that improved data collaboration is critical to driving increased revenue. They expect data collaboration maturity will fuel revenue growth via improvements in customer loyalty, customer experience, data quality, data privacy and regulation compliance, and more.

Data silos and privacy concerns prevent organizations from maturing their data collaboration capabilities. Few organizations can leverage data collaboration today because there is no way for them to unify data across sources while maintaining quality and privacy.

Organizations need partners to support the widest range of data collaboration use cases with cutting-edge privacy practices. As privacy regulations are enforced and evolve, organizations seek partners with advanced privacy expertise and data connectivity solutions to enable their many data collaboration use cases.

Data Collaboration Drives Revenue Growth

Data is a crucial asset to any enterprise, and it needs to be readily available to internal teams, partners, and customers. Data can reveal powerful insights to inform decisions that drive growth. In surveying 510 respondents, we found that:

- **Organizations have varying access to first-party data and collaborate with partners to enrich that data.** First-party data helps organizations better understand customer preferences, behaviors, and needs. Respondents in this study say their organizations have access to first-party data today, but how much and what types varies by industry. Those at CPG firms say they have the least amount of access to first-party data; their peers in other industries like financial services say they have access to a lot of first-party data, but regulations limit the types of data they can collect and what they can do with it (see Figure 1). Many organizations turn to external partners to enrich their customer understanding: 59% of respondents say they collaborate with external partners who have more first-party data than they do, and 43% say they collaborate with external partners for access to different types of first-party data (see Figure 2).

> Data collaboration uses technology to combine and analyze data sets within an organization or with partners to enable a wide range of use cases.

- **Improved data collaboration is critical to revenue growth.** Ninety-three percent of respondents agree that improved data collaboration is critical to driving increased revenue at their organizations. For this study, we defined data collaboration as using technology to combine and analyze data sets within an organization or with partners to enable a wide range of use cases. With that definition in mind, nine in 10 respondents said data collaboration is important or critical to achieving their top goals. They expect expanding their data collaboration capabilities will drive

revenue growth via improvements in customer loyalty, customer experience, data quality, data privacy and regulation compliance, product innovation, and more (see Figure 3).

93%

of respondents agree that improved data collaboration is critical to driving increased revenue at their organization.
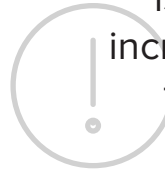
FIGURE 1

"How much first-party data does your organization have access to today?"

- ● 1 - My organization has access to **a limited amount** of first-party data
- ● 2 ● 3 ● 4
- ● 5 - My organization has access to **a lot** of first-party data
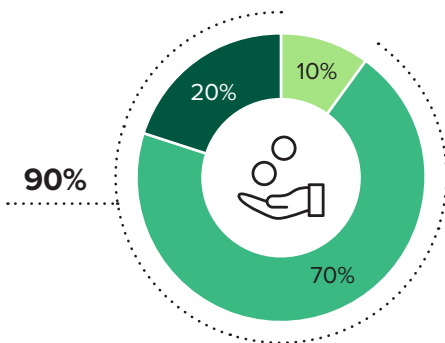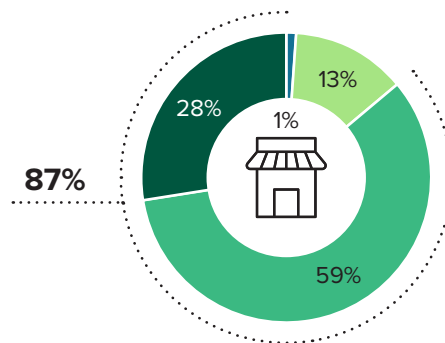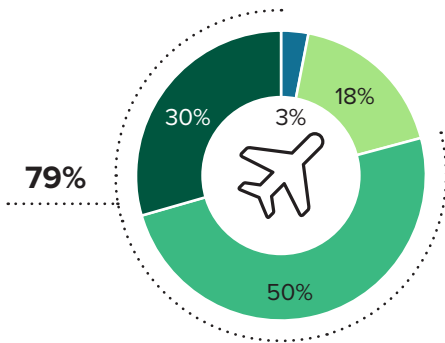
90%

Financial services and/or insurance

- 10%
- 20%
- 70%

87%

Retail

- 13%
- 1%
- 28%
- 59%

79%

Travel and hospitality

- 3%
- 18%
- 30%
- 50%

77%

CPG

- 3%
- 20%
- 32%
- 45%
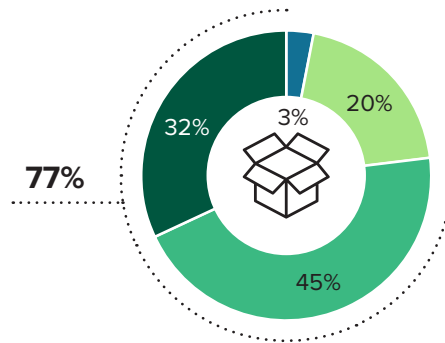
Base: 510 US leaders with knowledge of how their organization uses first-party data within their department, across the business, and between partners
Note: Percentages may not total due to rounding.
Source: A commissioned study conducted by Forrester Consulting on behalf of LiveRamp, February 2024

FIGURE 2

How Organizations Engage In Data Sharing With External Partners

59%
My organization collaborates with external partners who have more first-party data than we do

50%
My organization collaborates with external partners within walled gardens

47%
My organization collaborates with external partners who have less first-party data than we do

43%
My organization collaborates with partners who have different first-party data than we do

Base: 510 US leaders with knowledge of how their organization uses first-party data within their department, across the business, and between partners
Source: A commissioned study conducted by Forrester Consulting on behalf of LiveRamp, February 2024

FIGURE 3

Data Collaboration Is A Revenue Driver

35% It will improve customer loyalty

35% It will improve customer experience

34% It will help us expand the quality and quantity of our first-party data

32% It will help us maintain consumer data privacy protections and regulatory compliance without diminishing the value of the data

32% It will improve product innovation

31% It will help us identify and activate new strategic partnerships

31% It will enable more data monetization opportunities

30% It will help us thrive as third-party cookies are deprecated

30% It will improve our agility

22% It will improve ROAS

Base: US leaders with knowledge of how their organization uses first-party data within their department, across the business, and between partners; base sizes vary by response category
Source: A commissioned study conducted by Forrester Consulting on behalf of LiveRamp, February 2024

Data Collaboration Enables A Wide Range Of Internal And External Use Cases

The possibilities are endless for organizations that successfully unite data across sources and make insights easily available across complex organizations and with ecosystem partners. We asked respondents which internal and external use cases would be valuable to their organizations (see Figure 4). We found that:

- **All industries are focused on laying the groundwork for effective data management and governance.** Data collaboration is only possible if organizations have the processes, procedures, technologies, and architecture in place to maintain data quality, integrity, privacy, and security as more parties leverage data to support more use cases. Respondents say their organizations are focused on doing just that, although the actual use cases vary by industry. Forty-nine percent of financial services respondents say their organization needs to create well-defined identity rules customized to its needs and applied consistently across every interaction; 47% of retail respondents say their organization needs to identify the most up-to-date customer information; 50% of travel and hospitality respondents are focused on unifying fragmented data across the customer journey; and 43% of CPG respondents cite the need to minimize redundancies in customer data at the individual and household levels.

- **Cloud interoperability is a particularly high priority for financial services and retail.** Cloud interoperability is important to all industries that focus on improving external collaboration, but financial services and retail find it most challenging: 55% of financial services respondents and 46% of retail respondents say they need to improve their organization's ability to leverage the cloud across business lines — a top data collaboration use case. Interoperability is likely challenging in financial services due to greater regulatory requirements and legacy systems. Retailers are likely challenged by a complex vendor ecosystem, with vendors using different cloud platforms.

FIGURE 4

The Top Internal Data Collaboration Use Cases

FINANCIAL SERVICES AND/OR INSURANCE	RETAIL	TRAVEL AND HOSPITALITY	CPG
Improving my organization's ability to leverage the cloud across business lines	Creating well-defined identity rules customized to my organization's business needs to be applied consistently across every consumer interaction and collaborative partnership	Identifying the most up-to-date customer information	Identifying the most up-to-date customer information
55%		**53%**	**50%**
Creating well-defined identity rules customized to my organization's business needs to be applied consistently across every consumer interaction and collaborative partnership	**47%**	Unifying fragmented customer data across the customer journey	Connecting data across different brands within my organization's parent organization
	Identifying the most up-to-date customer information	**50%**	
49%	**47%**	Connecting data across different brands within my organization's parent organization	**47%**
Connecting siloed data storage and processing	Improving my organization's ability to leverage the cloud across business lines		Minimizing redundancies in customer data at the individual and household levels
48%	**46%**	**45%**	**43%**

Base: 510 US leaders with knowledge of how their organization uses first-party data within their department, across the business, and between partners
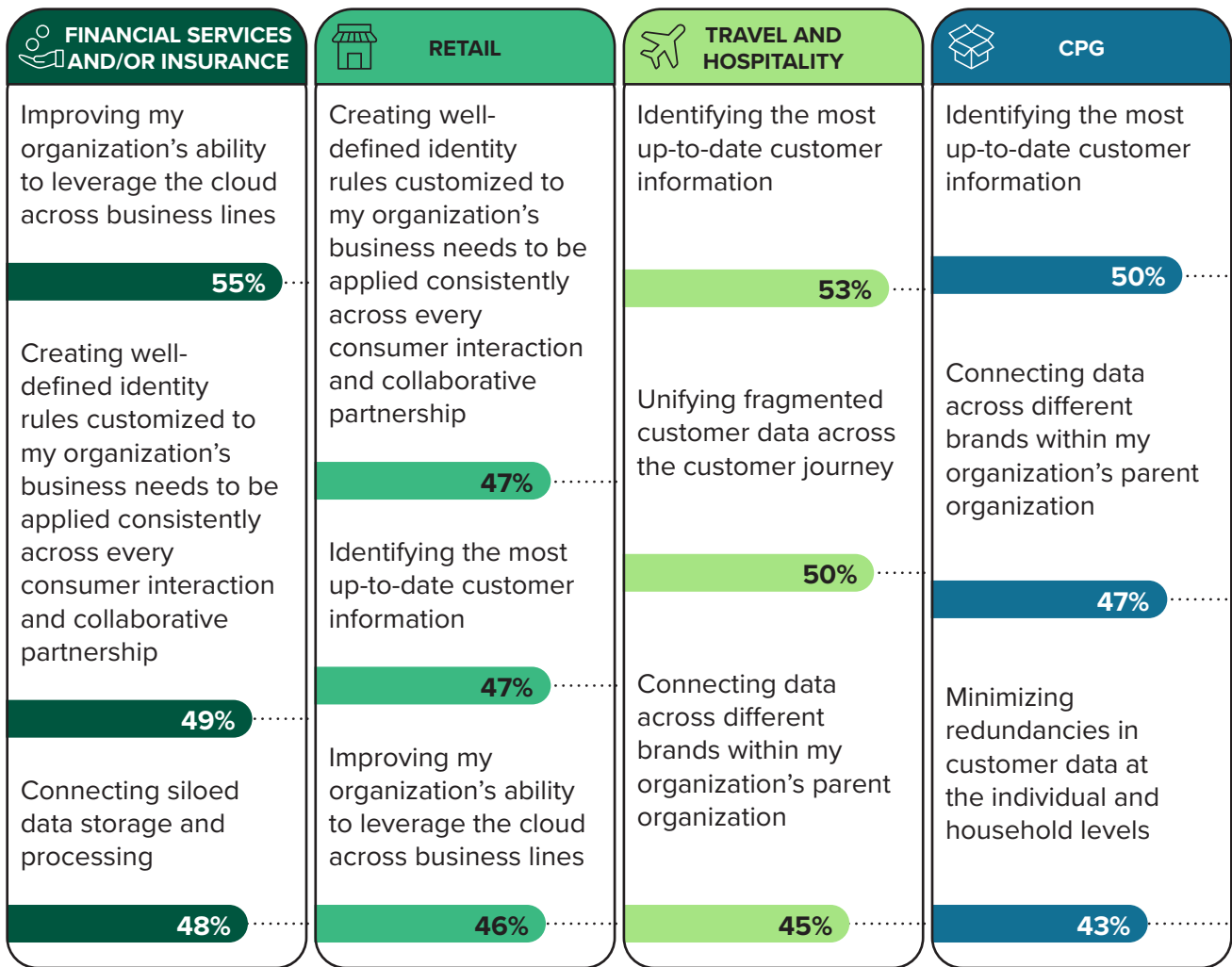Source: A commissioned study conducted by Forrester Consulting on behalf of LiveRamp, February 2024

- **Increasing value for advertisers is a top retail use case.** Retail respondents see data collaboration as a win-win: 53% would like to provide advertisers with more transparency into performance data, such as exposure logs or walled garden insights. And 52% see the value of using data collaboration to build high-value media networks that leverage data and unique owned-and-operated properties (see Figure 5).

FIGURE 5

The Top External Data Collaboration Use Cases

FINANCIAL SERVICES AND/OR INSURANCE

Establishing or growing partnerships with larger companies to obtain more data my organization has about customers and prospects
58%

Delivering personalized, privacy-forward experiences to customers across channels
54%

Enriching my organization's first-party data with third-party attributes, such as demographic data and behavioral insights, to increase understanding of current customers and prospects
54%

Providing advertisers with more transparency into performance data, such as exposure logs or walled garden insights
50%

Forging partnerships with technology companies that can meet security requirements and global privacy regulations
46%

RETAIL

Providing advertisers with more transparency into performance data, such as exposure logs or walled garden insights
53%

Building high-value media networks that leverage data and unique owned-and-operated properties
52%

Forging partnerships with technology companies that can meet security requirements and global privacy regulations
51%

Delivering personalized, privacy-forward experiences to customers across channels
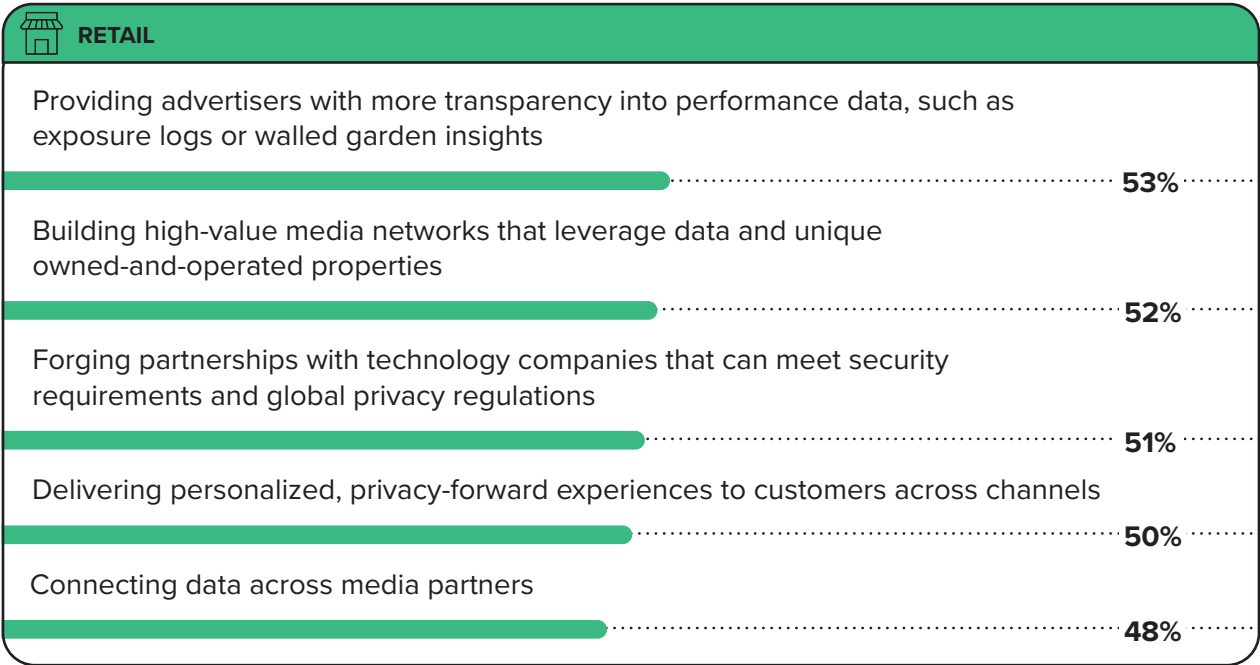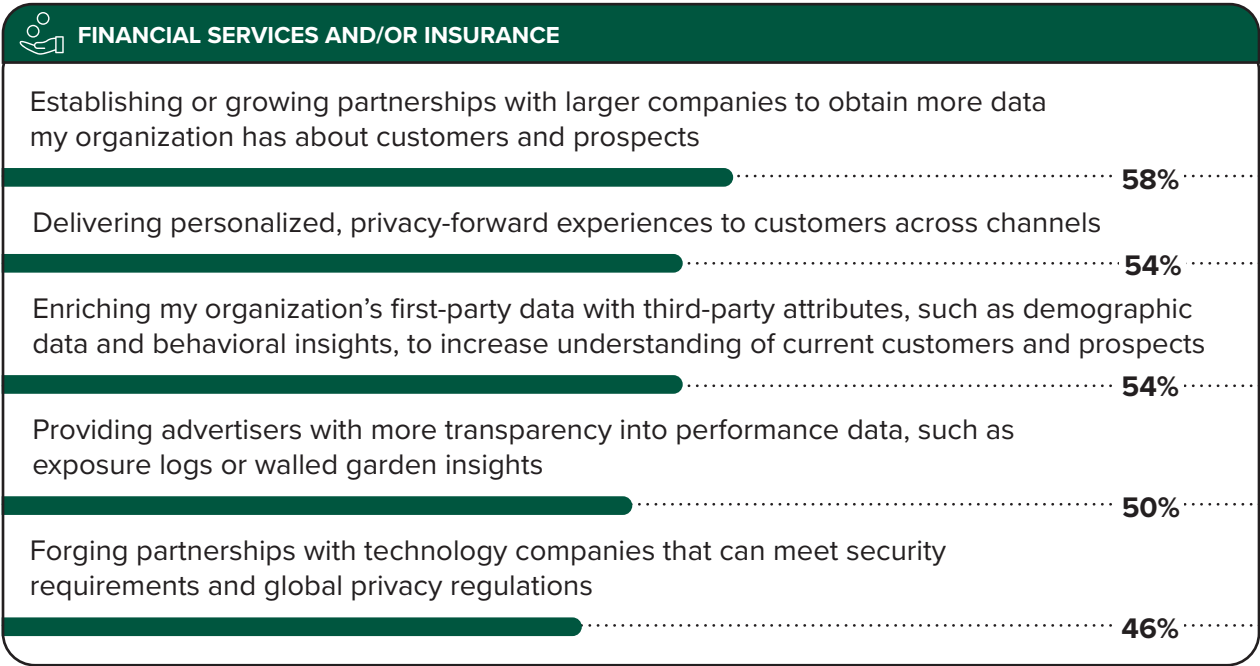**50%**

Connecting data across media partners
48%

Base: 510 US leaders with knowledge of how their organization uses first-party data within their department, across the business, and between partners
Source: A commissioned study conducted by Forrester Consulting on behalf of LiveRamp, February 2024

FIGURE 5 (CONT.)

The Top External Data Collaboration Use Cases

✈ TRAVEL AND HOSPITALITY

Enriching my organization's first-party data with third-party attributes, such as demographic data and behavioral insights, to increase understanding of current customers and prospects
58%

Building high-value media networks that leverage data and unique owned-and-operated properties
55%

Delivering personalized, privacy-forward experiences to customers across channels
55%

Establishing or growing partnerships with larger companies to obtain more data my organization has about customers and prospects
51%

Forging partnerships with technology companies that can meet security requirements and global privacy regulations
50%

▱ CPG

Delivering personalized, privacy-forward experiences to customers across channels
56%

Enriching my organization's first-party data with third-party attributes, such as demographic data and behavioral insights, to increase understanding of current customers and prospects
52%

Establishing or growing partnerships with larger companies to obtain more data my organization has about customers and prospects
51%

Providing advertisers more transparency into performance data, such as exposure logs or walled garden insights
49%

Deepening and unifying measurement across media partners
44%

Base: 510 US leaders with knowledge of how their organization uses first-party data within their department, across the business, and between partners
Source: A commissioned study conducted by Forrester Consulting on behalf of LiveRamp, February 2024

- **Leveraging external data to improve customer understanding is particularly important in CPG and financial services.** CPG organizations tend to have access to less first-party data than other industries, in part because they often sell through retailers and online marketplaces. The financial services industry is especially sensitive to privacy and trust concerns, and it faces stricter regulation on how it collects and uses first-party data. External data is therefore important to both industries in enriching their customer understanding: 58% of financial services respondents and 51% of CPG respondents say their organization wants to establish or grow partnerships with larger companies to expand access to the data their organization has about customers and prospects. And 54% of financial services respondents and 52% of CPG respondents want to enrich their first-party data with third-party attributes, such as demographic data and behavioral insights, to increase customer and prospect understanding.

- **All roads lead to improved personalization.** Nine in 10 organizations do some level of personalization today. Delivering personalized, privacy-forward experiences to customers across channels is a top five external data collaboration use case for respondents in all the industries we surveyed. Personalization requires organizations to better connect data across the business and customer journey while using external data to enrich customer understanding.

While organizations see tremendous value in improving their ability
to combine and analyze data sets, they struggle to overcome privacy
limitations and connect this data today. We found that:

- **Few organizations can make their data collaboration dreams a
reality on their own.** We see a significant gap between the value that
organizations desire and their ability to enable these use cases with their
current resources. For example, delivering personalized, privacy-forward
experiences across channels is a top use case for 54% of respondents,
but only 12% say they can do this with existing resources. Achieving
privacy-forward, personalized experiences requires the most up-to-date
customer information; this is a top use case for 48% of respondents, but
only 18% say they can do this today (see Figures 6 and 7).

> Many organizations struggle to accurately connect
> data sources across partners while ensuring
> privacy protections; they lack the right partners and
> technology to do this today.

- **Connecting data while protecting privacy is a top challenge.** Many
organizations lack the right partners and technology to accurately
connect data sources across partners while ensuring privacy protections.
This is a top concern for respondents in retail and travel and hospitality.
And 44% of travel and hospitality respondents also say that data privacy
regulations limit their organization's data collaboration capabilities.

- **Breaking down data silos is another top blocker.** Financial services
and CPG respondents are most interested in leveraging data from
external sources to enrich customer understanding. They report that
their organizations struggle to unify consumer data across multiple

sources in order to leverage it for new use cases across various parts of their organizations. Financial services and retail respondents also report that their first-party data is siloed across business units (see Figure 8). Organizations must break down data silos to enable data collaboration.

FIGURE 6

The Gap Between The Desire And The Ability To Enable Internal Data Collaboration Use Cases
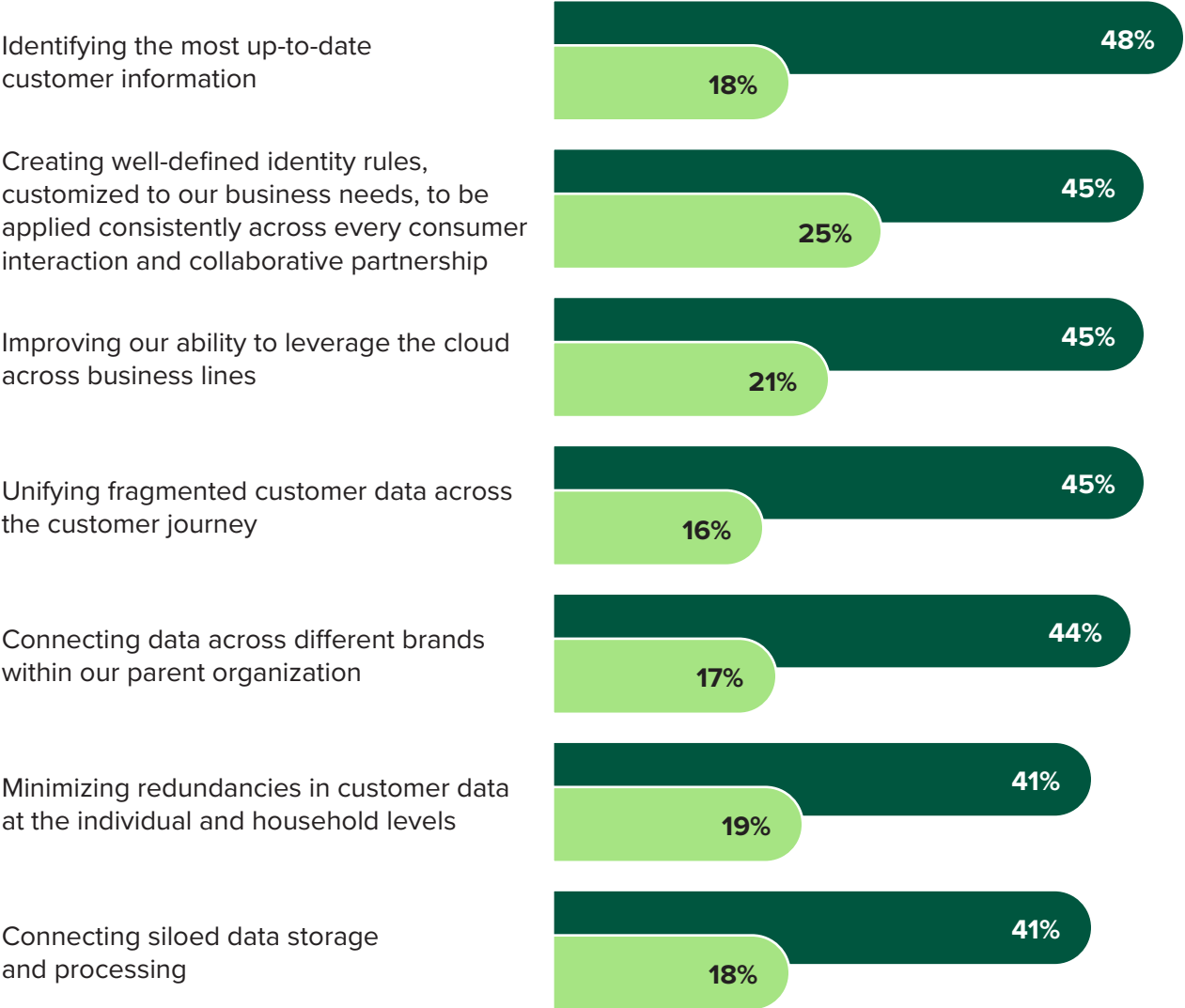
- ● Important
- ● Able to do today/plans to do

Identifying the most up-to-date customer information
- 48%
- 18%

Creating well-defined identity rules, customized to our business needs, to be applied consistently across every consumer interaction and collaborative partnership
- 45%
- 25%

Improving our ability to leverage the cloud across business lines
- 45%
- 21%

Unifying fragmented customer data across the customer journey
- 45%
- 16%

Connecting data across different brands within our parent organization
- 44%
- 17%

Minimizing redundancies in customer data at the individual and household levels
- 41%
- 19%

Connecting siloed data storage and processing
- 41%
- 18%

Base: 510 US leaders with knowledge of how their organization uses first-party data within their department, across the business, and between partners
Source: A commissioned study conducted by Forrester Consulting on behalf of LiveRamp, February 2024

FIGURE 7

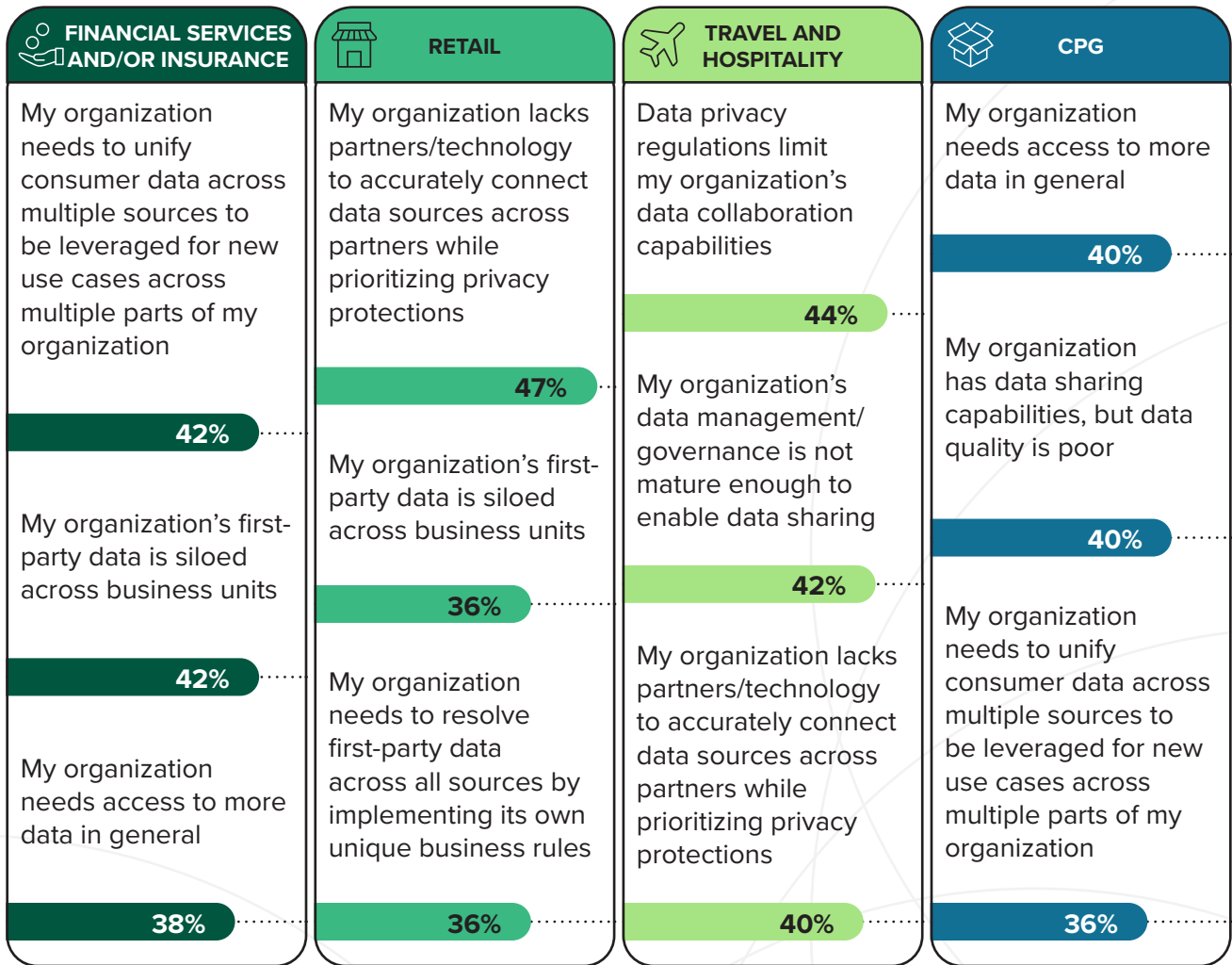## The Gap Between The Desire And The Ability To Enable External Data Collaboration Use Cases

● Important
● Able to do today/plans to do

Delivering personalized, privacy-forward experiences to customers across channels
54%
12%

Enriching our first-party data with third-party attributes, such as demographic data and behavioral insights, to increase understanding of current customers and prospects
52%
11%

Establishing or growing partnerships with larger companies to obtain more data our organization has about customers and prospects
51%
26%

Providing advertisers with more transparency into performance data, such as exposure logs or walled garden insights
49%
9%

Forging partnerships with technology companies that can meet security requirements and global privacy regulations
47%
20%

Building high-value media networks that leverage data and unique owned-and-operated properties
47%
11%

Deepening and unifying measurement across media partners
45%
22%

Forging partnerships with technology companies that can maximize the value of our data
43%
23%

Using privacy-forward identifiers in advertising to enable data sharing and targeting across platforms while preserving user privacy
43%
21%

Removing barriers to interoperability between partners and their preferred platforms
43%
8%

Base: 510 US leaders with knowledge of how their organization uses first-party data within their department, across the business, and between partners
Source: A commissioned study conducted by Forrester Consulting on behalf of LiveRamp, February 2024

FIGURE 8

The Top Data Sharing Challenges

FINANCIAL SERVICES AND/OR INSURANCE	RETAIL	TRAVEL AND HOSPITALITY	CPG
My organization needs to unify consumer data across multiple sources to be leveraged for new use cases across multiple parts of my organization **42%**	My organization lacks partners/technology to accurately connect data sources across partners while prioritizing privacy protections **47%**	Data privacy regulations limit my organization's data collaboration capabilities **44%**	My organization needs access to more data in general **40%**
My organization's first-party data is siloed across business units **42%**	My organization's first-party data is siloed across business units **36%**	My organization's data management/ governance is not mature enough to enable data sharing **42%**	My organization has data sharing capabilities, but data quality is poor **40%**
My organization needs access to more data in general **38%**	My organization needs to resolve first-party data across all sources by implementing its own unique business rules **36%**	My organization lacks partners/technology to accurately connect data sources across partners while prioritizing privacy protections **40%**	My organization needs to unify consumer data across multiple sources to be leveraged for new use cases across multiple parts of my organization **36%**

Base: 510 US leaders with knowledge of how their organization uses first-party data within their department, across the business, and between partners
Source: A commissioned study conducted by Forrester Consulting on behalf of LiveRamp, February 2024

Ninety-three percent of respondents agree that the right partner/technology is critical to improving their data collaboration capabilities. To overcome their top data collaboration challenges:

- **Respondents seek partners with advanced privacy technology and expertise.** Ninety-three percent agree that data collaboration will be most successful if their organization can maintain privacy protections and/or regulatory compliance without diminishing the value of the data. When asked about the top partner requirements, 81% say robust capabilities to connect data without relying on deprecated signals like third-party cookies; 77% point to dedicated experts in data ethics and consumer privacy; and 77% want advanced privacy-enhancing technologies and the ability to stay at the forefront of global privacy regulation (see Figure 9).

- **Partners must be able to support a wide range of use cases.** Data collaboration presents an immense opportunity to drive enterprise innovation and value. To close the gap between what they want to achieve versus what they're able to do today, 81% of respondents say it is important or critical to seek partners that can support the widest range of internal and external data collaboration use cases.
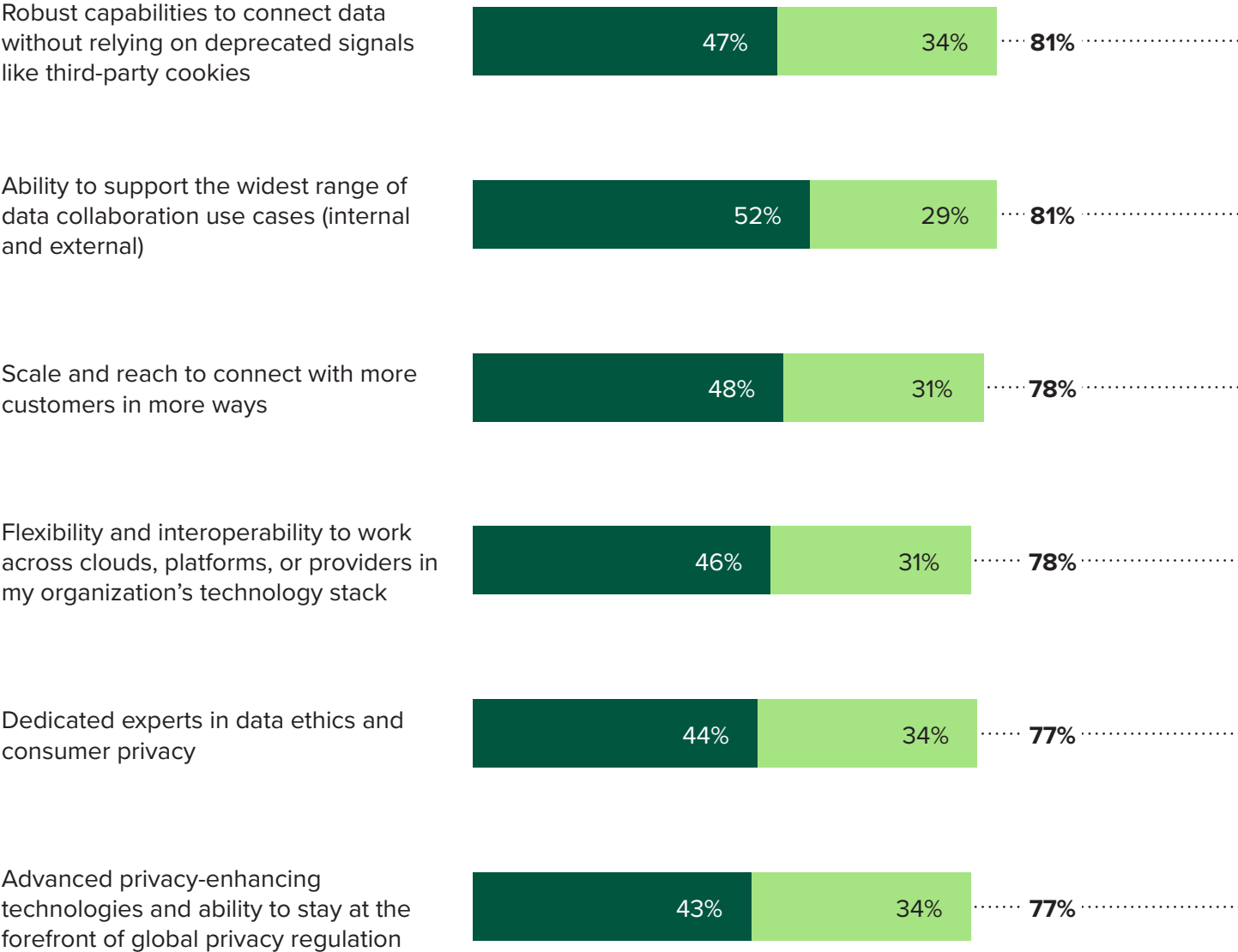
81%

say it's important or critical to seek partners that can support the widest range of internal and external data collaboration use cases.

FIGURE 9

Data Collaboration Partner/Technology Requirements

● Important ● Critical

Robust capabilities to connect data without relying on deprecated signals like third-party cookies
47% | **34%** ·········· **81%** ····················

Ability to support the widest range of data collaboration use cases (internal and external)
52% | **29%** ·········· **81%** ····················

Scale and reach to connect with more customers in more ways
48% | **31%** ·········· **78%** ····················

Flexibility and interoperability to work across clouds, platforms, or providers in my organization's technology stack
46% | **31%** ·········· **78%** ····················

Dedicated experts in data ethics and consumer privacy
44% | **34%** ·········· **77%** ····················

Advanced privacy-enhancing technologies and ability to stay at the forefront of global privacy regulation
43% | **34%** ·········· **77%** ····················

Base: 510 US leaders with knowledge of how their organization uses first-party data within their department, across the business, and between partners
Note: Total percentages may not equal separate values due to rounding.
Source: A commissioned study conducted by Forrester Consulting on behalf of LiveRamp, February 2024

Key Recommendations

As businesses strive to leverage data-driven insights and personalize customer experiences, the importance of data collaboration can't be overstated, particularly in the face of internal hurdles like data silos across business units and external disruptions, such as the deprecation of traditional data signals like third-party cookies. Through data collaboration, companies can not only unlock a wide range of internal and external use cases — from improving customer loyalty and data quality to driving product innovation and new revenue opportunities — but also remove or bypass persistent roadblocks, including siloed data and obsolete data connectivity methods.

Forrester's in-depth survey of 510 US data and insights leaders in CPG, retail, travel and hospitality, and financial services yielded several important recommendations:

Prioritize privacy and regulatory compliance.

In today's data-driven landscape, protecting privacy and ensuring regulatory compliance is paramount: 93% of respondents agree that data collaboration will be most successful if their organization can maintain privacy protections and regulatory compliance without diminishing the value of the data. Seek out partners with data ethics expertise, a deep understanding of global privacy regulations, and robust capabilities in data clean rooms and other privacy-enhancing technologies. By prioritizing privacy and compliance from the outset, businesses can collaborate with confidence and ensure that they leverage data responsibly and ethically.

Embrace advanced data connectivity solutions.

Four in five respondents cite the need for robust capabilities to connect data without relying on deprecated signals like third-party cookies. As traditional methods of data connectivity become obsolete, companies must adopt cutting-edge solutions that enable secure and accurate data connections across partners.

Foster ecosystem-based partnerships.

Data collaboration thrives in an ecosystem-based approach where companies can leverage the strengths and expertise of diverse partners. Seek out strategic partnerships with organizations that can complement your data assets, provide access to different types of first-party data, and offer specialized capabilities in areas like security, compliance, and advanced analytics.

Break silos; build governance.

Siloed data sources and fragmented customer data can significantly hinder effective data collaboration. Implement robust data governance frameworks and invest in technologies that enable data unification across business units, brands, and customer touchpoints. By breaking down data silos and ensuring data consistency, companies can unlock the full potential of their first-party data and drive more informed decision-making.

Adopt scalable and flexible solutions.

As data collaboration capabilities expand and use cases evolve, businesses must prioritize scalability and flexibility in their technology stack. Leverage cloud-based solutions that can seamlessly adapt to changing business needs and enable cross-functional collaboration across business lines. By future-proofing their data collaboration infrastructure, companies can remain agile and responsive in a rapidly changing digital landscape.

Appendix A: Methodology

In this study, Forrester conducted an online survey of 510 US leaders who know how their organizations gather and use data to inform decisions within their own departments, across the organization, and with external partners. Survey participants represent organizations in the consumer packaged goods (CPG), retail, travel and hospitality, and financial services industries. Respondents were offered a small incentive as a thank-you for time spent on the survey. The survey was conducted in a double-blind fashion. The study began and was completed in February 2024.

Appendix B: Demographics

REGION	
United States	**100%**

RESPONDENT LEVEL	
Vice president	**25%**
Director	**56%**
Manager	**19%**

DEPARTMENT	
Customer experience	**26%**
IT	**22%**
Marketing/advertising	**21%**
Operations	**20%**
Data and analytics	**10%**

ANNUAL REVENUE	
$500M to $999M	**25%**
$1B to $2.9B	**47%**
$3B to $4.9B	**20%**
$5B or more	**9%**

INDUSTRY	
CPG	**26%**
Retail	**25%**
Travel and hospitality	**25%**
Financial services and/or insurance	**25%**

Note: Percentages may not total 100 due to rounding.

Appendix C: Supplemental Material

RELATED FORRESTER RESEARCH

Invisible Experience Competency: Data Sharing Ecosystem, Forrester Research, Inc., December 28, 2023

Data Governance Is The Foundation Of Insights-Driven Business, Forrester Research, Inc., February 5, 2024

Trusted Data Sharing: A Modern Framework For Empowering Individuals And Organizations, Forrester Research, Inc., September 6, 2022

The Future Of Data Management, Forrester Research, Inc., February 9, 2022

Appendix D: Endnotes

[1] Invisible Experience Competency: Data Sharing Ecosystem, Forrester Research, Inc., December 28, 2023