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Unlocking New Revenue Streams: How ISVs Can Leverage Data Monetization and Analytics for Growth

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Abstract

This research note explores the importance of data monetization for ISVs and the market opportunities. It discusses the essential technologies, such as AI, ML, and embedded analytics, that allow ISVs to monetize data and create new revenue channels effectively.

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Introduction

Data has become **the** competitive asset in today's digital economy, giving Independent Software Vendors (ISVs) a unique opportunity to generate new revenue streams by monetizing their data assets. This process involves turning raw data into valuable insights and services that can be sold or integrated into existing offerings and applications, enhancing market competitiveness for customers and the ISVs providing these services. As businesses increasingly rely on data-driven strategies to gain an advantage and scale, ISVs are well-positioned to capitalize on this trend, with their experience developing products by delivering new, innovative data-driven solutions.

This research note explores the significance and market opportunities of data monetization as a new and innovative offering for ISVs. It examines the essential technology requirements, how to overcome misperceptions and challenges, and how to leverage existing competencies to monetize data effectively.

Additionally, this research note highlights key market drivers and growth factors, providing practical use-case examples in industries such as healthcare, financial services, manufacturing, and retail. By harnessing data and analytics in innovative ways to drive growth and differentiation, ISVs can gain a competitive upper hand.

What is Data Monetization

Data monetization is the process of generating revenue or other value streams from available data assets and often wrapping this data in sophisticated analytics to deliver valuable insights or functionality to optimize or automate processes. Data monetization falls into two broad categories: Direct Data Monetization and Indirect Data Monetization. Direct Data Monetization involves externalizing data in return for commercial consideration and Indirect Data Monetization involves solutions focused more on internal business processes.

BARC has identified several distinct patterns of data monetization that ISVs should consider:

Direct Data Monetization Patterns

- Bartering/trading with data for non-cash commercial considerations
- Licensing data through brokers or data markets
- Data-as-a-service or analytics-as-a-service offerings
- Enhancing products or services with data or insights
- "Inverted" data monetization (referring others' products/services to your customers)
- Collateralizing data to securitize business loans

Indirect Data Monetization Patterns

- Improving process performance or effectiveness
- Reducing risk / improving compliance
- Developing new products or markets

- Digitalizing current products or services
- Building and solidifying partner relationships
- Publishing branded indices to promote data products/services

Independent Software Vendors (ISVs) have a unique opportunity to capitalize on the vast amounts of data generated by their software solutions. And more so, to integrate this data with an array of other available data sources such as social media, public/open data, harvested web content, and even data from across customers and partners.

In a market where businesses increasingly seek data-driven insights to inform strategic decisions, ISVs that can offer robust analytics capabilities and predefined or customizable data products stand out from the competition – especially if they are packaged or embedded. This differentiation increases customer loyalty and market share, as businesses prefer partners who can provide comprehensive data solutions, not just software.

Organizations in sectors such as healthcare, financial services, manufacturing, and retail have historically invested heavily in data and analytics to optimize operations, enhance customer experiences, and drive their own innovation. ISVs that can meet this demand by offering defined or tailored data solutions are well-positioned to capture a significant market share.

Key opportunities include:

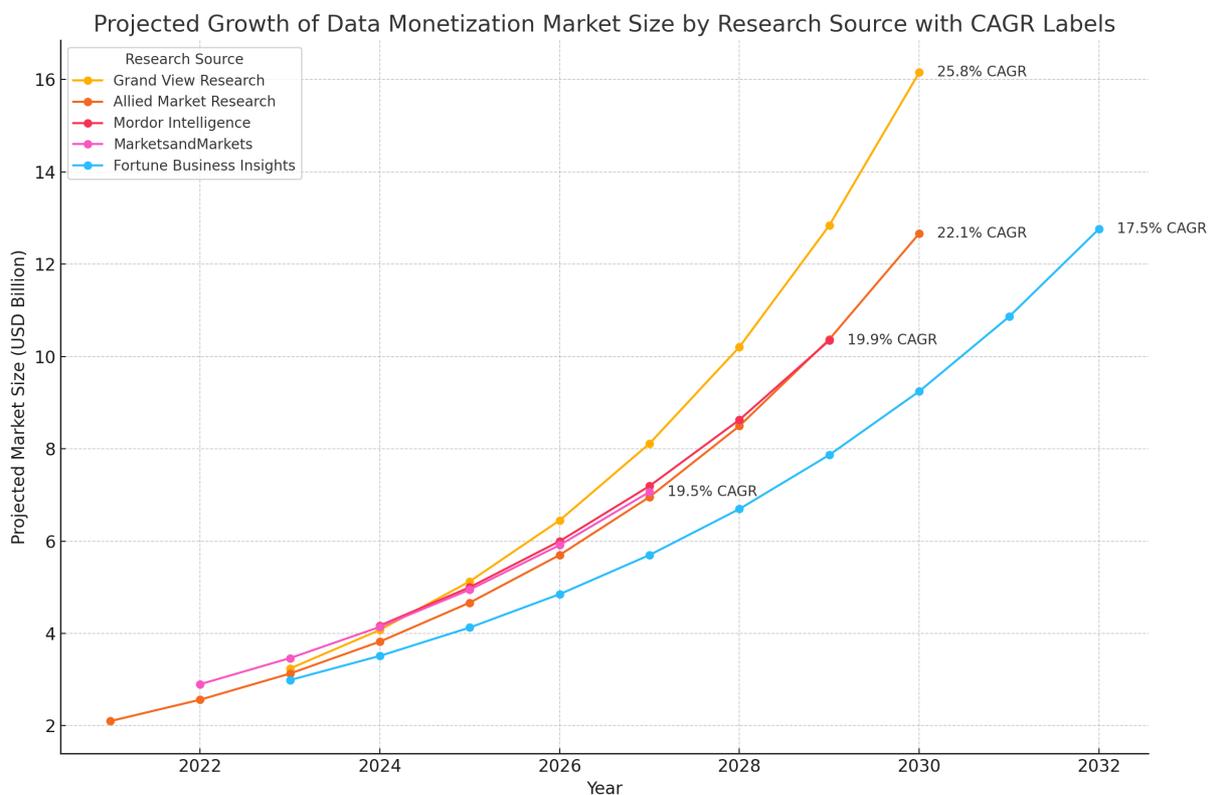
- Creating of new revenue streams beyond traditional software licenses
- Capitalizing upon the growing demand for data-driven insights
- Enabling recurring revenue models via data-as-a-service (DaaS) through optimized and enriched data
- Enhancing overall solution differentiation by making ISVs' offerings more attractive and valuable to potential customers
- Boosting customer satisfaction and strengthen customer relationships by offering personalized, actionable insights that address specific industry-related business needs
- Helping to "lock-in" customers who become reliant, not just on the technology, but also on the insights.
- Enabling customers to create and license their own data products

Market Analysis

The market opportunity for ISVs in data monetization is vast, driven by the growing reliance on data-driven strategies across all industries.

Addressable Market Sizing

Market analysis indicates significant growth, with projections defining a multi-billion-dollar opportunity in the coming years:



Technological advancements, such as AI and ML, which enable more sophisticated data analytics and data integration capabilities, fuel the growth.

Market Drivers

The adoption of data monetization strategies is driven by several key market factors.

First and foremost, the growing demand for personalized and real-time insights across various industries is prompting ISVs to develop advanced analytics solutions. With the demand for real-time insights companies require immediate access to insights to make the most valuable decisions. ISVs that can provide solutions offering real-time analytics are well-positioned to meet this demand, enabling their clients to stay ahead of market trends and consumer behavior.

Technological advancements, especially in AI and machine learning, enable more sophisticated data processing capabilities and deeper insights at lower costs, compel ISVs to offer improved data products and services in addition to, or integrated with, their core offerings. Furthermore, the reliance on cloud computing and SaaS applications lowers barriers to entry, making it easier for ISVs to implement scalable, integrated data solutions. Moreover, “back end” advances in data management, data integration, data catalogs, data marketplaces facilitate preparing data for monetization.

Regulatory changes and data privacy concerns also influence this landscape as companies pursue compliant data-related strategies that foster customer trust and adherence to legal standards. Collectively, these factors create an environment where ISVs can increasingly leverage data monetization to drive innovation, competitiveness, and revenue growth. As governments and industry regulators worldwide implement stricter data protection laws, businesses must navigate these regulations while still capitalizing on data opportunities. This creates a demand for secure, compliant data monetization strategies that ISVs can offer even as companies strive to innovate.

Finally, ISVs often possess unique, untapped data assets that can be of significant interest and value, both internally and externally. A primary driver of data monetization is the exponential growth of data volumes. With the rise of the Internet of Things (IoT), edge-computing, social media, sensors, media and other unstructured content, and digital transactions, the daily amount of generated data has reached unprecedented levels of volume, variety and velocity. This vast influx of data provides a rich resource for software vendors to analyze and extract valuable insights.

Market Opportunities

Given the assemblage of available ISV data, a vast array of direct and indirect data monetization opportunities exist, including, but certainly not limited to the following:

Data Category	Direct Monetization	Indirect Monetization
User Behavior and Engagement Data	ISVs can offer insights on user engagement, feature adoption, and usage patterns to organizations to improve user experience or optimize marketing strategies.	Analyzing this data can inform internal product development, improve customer satisfaction, and drive retention, increasing revenue.
Operational and Performance Data	Aggregated operational data like uptime statistics, performance benchmarks, and system utilization metrics can be valuable for businesses needing benchmarks.	ISVs can improve their operational efficiency and offer performance guarantees that enhance their competitive positioning by analyzing this data internally.
Market and Competitive Intelligence Data	ISVs can aggregate and anonymize customer data across industries to create market intelligence reports, sellable to investors, analysts, or businesses.	ISVs can use this intelligence to refine their strategies and offerings, positioning themselves effectively in the market.

Customer Demographics and Psychographics	Data on customer demographics, preferences, and profiles can be valuable for targeted marketing and personalization services.	Understanding customer segments better helps ISVs enhance their marketing strategies and product development to align more closely with customer needs.
Transactional and Financial Data	Aggregated transactional data, like purchasing trends and sales volumes, can be sold for trend analysis and market forecasting.	ISVs can use this data for internal financial planning and predictive analytics to identify potential new revenue streams.
Support and Service Interaction Data	ISVs can provide insights on customer issues, resolution times, and satisfaction benchmarks for customer support optimization in similar industries.	This data helps ISVs improve their customer service by identifying recurring issues and implementing proactive support strategies, enhancing retention.
Product Lifecycle and Maintenance Data	ISVs with data on software lifecycle stages can offer insights to similar companies or analysts studying software longevity and costs.	This data helps ISVs optimize maintenance schedules, prioritize updates, and extend the useful life of their software products.
Data on Emerging Technologies and Industry Trends	Data on adoption rates of emerging technologies can be sold to organizations, analysts, or developers interested in technology adoption cycles.	ISVs can use trend data to inform product roadmaps, align with future market demands, and identify opportunities for partnerships or feature expansion.
Location and Usage Context Data	Anonymized location or usage context data from ISVs' applications can provide insights for industries like retail, logistics, or transportation.	ISVs can enhance or personalize the user experience based on contextual data, making software more appealing and relevant, which can drive loyalty.
AI Model and Training Data	Training datasets used for building and refining AI models, along with the models themselves, can be monetized as standalone data products.	Improved AI models increase the value of ISVs' software products, making them more competitive and appealing.

Technology Strategy

To monetize data successfully, Independent Software Vendors (ISVs) must use advanced technologies that enable efficient data processing and insightful analytics. **Artificial Intelligence (AI)** and **Machine Learning (ML)** are crucial for automating data management and analysis, identifying patterns, and generating predictive insights that add value to data offerings. These technologies enable ISVs to transform raw data into actionable intelligence, providing customers with sophisticated solutions that drive decision-making. **Embedded analytics** is another essential component, enabling ISVs to integrate analytics capabilities directly into their applications, enhancing user experience by offering real-

time insights within the software environment. Additionally, **Advanced Data Integration** techniques are necessary to ensure seamless data flow across various systems and platforms. This involves using data integration tools and platforms that can handle diverse data sources, ensuring data accuracy, consistency, and accessibility. By incorporating these technologies, ISVs can create strong data monetization strategies that meet the complex needs of modern businesses, offering scalable and flexible solutions that adapt to changing market demands.

Artificial Intelligence and Machine Learning

Artificial Intelligence (AI) and Machine Learning (ML) play a crucial role in data monetization by providing ISVs with tools to turn raw data into valuable insights. These technologies automate data processing, enabling quick analysis of large datasets to identify patterns and trends that would be hard to detect manually. This ability not only improves the speed and accuracy of insights but also allows businesses to make informed decisions rapidly, at the speed of their business.

Generative AI (GenAI) enhances the value of data insights by making them more accessible to enterprise users. GenAI can create narratives and visualizations that turn complex data into understandable formats, improving comprehension and decision-making at various organizational levels. This democratization of data insights allows non-technical stakeholders to engage with and effectively leverage data-driven insights, fostering a more inclusive data culture within organizations.

AI significantly impacts business intelligence (BI) and data management by offering deeper insights into operations. AI-driven BI tools analyze historical and real-time data to predict trends, identify opportunities, and optimize processes. This proactive approach allows organizations to anticipate changes and adapt strategies, ensuring they remain agile and responsive in a dynamic market.

Machine learning improves data management by allowing more advanced integration and analysis techniques. ML algorithms can handle unstructured data, like text and images, together with structured data, offering a complete view of the business environment. This comprehensive approach to data management helps organizations gain deeper insights and make better decisions, ultimately fostering innovation and growth.

Embedded Analytics

Embedded analytics is a transformative approach that integrates analytical capabilities directly into software applications. It enables users to access and interact with data insights within their everyday workflows. This seamless integration is crucial for data-driven decision-making because it eliminates the need for users to switch between different platforms when analyzing data, enhancing productivity and efficiency.

The main advantage of embedded analytics is its ability to provide actionable insights directly within the application context. This relevance helps users understand and act on data without specialized analytical skills. For instance, in a customer relationship management (CRM) system, embedded analytics gives sales teams instant access to customer data trends and forecasts, allowing them to tailor their strategies to meet customer needs effectively.

Embedded analytics enhances user engagement by making data insights more accessible and intuitive. Presenting data in visually appealing formats, such as dashboards and interactive reports, encourages users to explore and utilize available information. This increased engagement can lead to better decision-making and improved business outcomes, equipping users with the tools they need to understand complex data quickly.

Advanced Data Integration and Access

Data integration and access are fundamental components of effective data monetization strategies. For ISVs, seamlessly leveraging diverse sources is crucial to unlocking the full potential of data assets and creating high-value data products. This involves structured data from traditional databases and unstructured and real-time data, which are increasingly important in providing comprehensive insights. Integrating these varied data types allows ISVs to offer richer, more nuanced analytics that can drive significant business value.

Real-time data access is a critical aspect of data monetization. In today's fast-paced business environment, the ability to analyze data as it is generated allows organizations to respond swiftly to emerging trends and opportunities. Real-time analytics are particularly valuable in industries like finance and retail, where timely insights can create competitive advantages. ISVs that provide solutions for real-time data processing and analysis are well-positioned to meet the increasing demand for immediate insights.

The integration of unstructured data – like social media posts, emails, and multimedia content – presents unique challenges but also significant opportunities. These data types often hold valuable information that can improve understanding of customer behavior and market dynamics. By using advanced data integration techniques and tools, ISVs can extract meaningful insights from unstructured data, providing clients with a more comprehensive view of their business environment. ISVs should also establish processes to ensure data accuracy, consistency, and completeness.

Technology Impact

By utilizing all these technologies, ISVs can adopt a variety of direct and indirect data monetization strategies. A top choice is Data-as-a-service (DaaS) offerings, enabling customers to utilize ISV produced data products to enrich their analytics and leverage value beyond core services and applications. This is especially true in complex environments where data resides in a hybrid landscape across solutions such as Databricks, Snowflake, AWS, Azure and Google Cloud and on-premises. Deriving value from these disparate platforms is a significant pain point for ISV clients. Combining advanced integrations with analytics across them is powerful and represents a significant opportunity for ISVs to deliver value by assisting their customers to leverage their own investments.

Business Strategy

To embark on a successful data monetization journey, ISVs need a well-rounded business strategy that extends beyond technology and encompasses critical business, operational, and organizational elements. This strategic approach ensures that data monetization efforts are both profitable and sustainable, allowing ISVs to create substantial value for customers while aligning with best practices.

Value Proposition

A crucial starting point for ISVs is developing a clear and compelling value proposition. The process begins with identifying the most valuable data assets that can address specific customer needs, such as competitive intelligence, operational insights, or customer analytics. From there, ISVs must define and segment their target customers, understanding how their data assets can uniquely solve specific

problems or generate new opportunities for each group. This clarity enables the ISV to build compelling use cases for data products and services that resonate with each audience, solidifying their offering's value in the eyes of prospective customers.

Economics

Financial and investment planning play a fundamental role in data monetization strategies. ISVs should conduct thorough ROI analyses to understand the potential return on investment for data products, modeling revenue projections based on anticipated demand and chosen pricing structures. Investments in technology infrastructure, storage, and processing tools should be prioritized to support data product development.

The next critical component involves selecting an appropriate pricing and revenue model. ISVs should explore various models, such as subscription-based pricing, pay-per-use structures, or data-as-a-service (DaaS), with each model influencing revenue consistency and customer adoption rates. Offering tiered pricing or bundling options can further attract a wider customer base by allowing businesses to choose between basic and premium data packages. In some cases, ISVs may find a freemium approach effective, where limited data access is provided at no cost to drive interest, potentially leading to paid upgrades as customers realize the data's value.

Legal and Compliance

A comprehensive business strategy also requires legal and compliance readiness, especially given the sensitive nature of data monetization. To avoid legal risks and safeguard customer trust, ISVs should implement a robust data governance framework, ensuring compliance with privacy laws like GDPR and CCPA. Additionally, anonymization techniques and strict security protocols are essential to protect customer data and comply with regulations. Transparent data use policies that explain how customer data will be used, sold, or shared, help further establish trust and minimize reputational risks.

Organizational Alignment and Partner Alignment

To support these initiatives, ISVs must also invest in organizational alignment and talent. Establishing dedicated teams focused on data product development, governance, and customer support can streamline efforts. In addition, augmenting or leveraging their skilled workforce with expertise in data science, analytics, and AI will be essential to deliver high-quality insights and enhance data product development. Internal collaboration among departments such as marketing, sales, IT, and legal is equally important to ensure that all parts of the organization contribute to and support the data monetization strategy.

ISVs should also develop a strong partner and ecosystem strategy. Strategic partnerships with complementary analytics providers, 3rd-party data providers, cloud platforms, or industry-specific marketplaces can broaden the reach and enhance the value of their data offerings. Identifying effective distribution channels, such as cloud providers or industry-specific marketplaces, is essential to maximize visibility among potential customers. To facilitate data sharing with third-party providers, ISVs can implement secure data exchange mechanisms, enabling them to enrich their data products and create joint offerings with other companies.

Go To Market and Customer Strategy

An effective go-to-market strategy is vital to reaching and converting customers. Targeted marketing and messaging tailored to specific customer segments and use cases help clarify the benefits of data offerings. Sales enablement and training for the sales team are also necessary so they can effectively communicate the unique value of data products. Additionally, customer success and support are critical, as data products may require integration support or specialized skills for full customer adoption. By providing ongoing customer support, ISVs can ensure that their customers maximize the value they receive, leading to higher retention and satisfaction.

Just as with any product or service, a successful data monetization strategy requires a performance measurement framework. ISVs should establish metrics and KPIs to assess the impact of data monetization efforts. Important metrics include customer acquisition rates, retention, revenue growth, and customer satisfaction. By setting milestones and growth targets, such as initial revenue goals or market share increases, ISVs can track progress and adjust strategies as needed. Regularly monitoring data utilization also helps identify how customers are using the data, allowing ISVs to refine or expand offerings in response to customer needs and trends.

Customer Experience and Success

A strong customer experience and success framework helps ensure long-term success. ISVs can simplify the onboarding process and provide training resources or consultations to empower customers to derive full value from data offerings. Regular customer feedback can inform improvements, allowing ISVs to enhance the relevance and usability of their data products. Additionally, offering APIs, documentation, and tools for data integration enables customers to embed data products seamlessly into their workflows, making it easier for them to achieve meaningful outcomes.

With these components integrated into their business strategy, ISVs can position themselves for a successful entry into data monetization, creating value for both them and their customers while ensuring sustainability and growth.

Misconceptions and Roadblocks

Finally, overcoming the misperceptions surrounding data monetization involves first addressing the misconception that data has limited value beyond its original collection purpose. Many organizations still fail to recognize the broader revenue potential of their data, often because of limited understanding of the various forms that data monetization can take. Data can be leveraged not just by selling it outright but through creating insights, benchmarks, or analytics services that other companies or partners can use to gain a competitive edge. Data should be viewed as an asset with transformative business potential, a shift in mindset supported by research indicating that data, when properly utilized, can significantly enhance customer experience, optimize operations, and create new revenue streams.

A key roadblock in data monetization is the gap in data literacy across many organizations, where employees may not have the skills or knowledge to fully leverage data for monetization. A solid foundation in data literacy allows employees at all levels to understand, analyze, and communicate data-driven insights effectively. Without this, data is underutilized, and potential value remains untapped. Encouraging widespread data literacy fosters a culture where data can be better understood as a strategic asset, paving the way for creative and effective monetization strategies. Developing programs that enhance data fluency across departments can help overcome these barriers and facilitate a culture where data's full potential can be realized.

Vertical Growth Opportunities

The data monetization space provides ISVs with numerous growth opportunities, especially in emerging markets where digital transformation is speeding up. These areas are experiencing fast technological adoption, creating an ideal environment for data-driven solutions. ISVs can leverage this trend by developing localized data services that meet the specific needs of these markets, such as mobile-first solutions or analytics tailored to regional business practices.

Emerging use cases for data monetization are also expanding the horizons for ISVs. Industries like agriculture, which are traditionally less data-centric, are beginning to harness data analytics to optimize crop yields and resource management. Similarly, the energy sector is leveraging data to enhance grid efficiency and integrate renewable sources. By identifying and developing solutions for these new use cases, ISVs can tap into previously untapped markets and drive innovation across diverse sectors.

Key growth opportunities for ISVs in data monetization include:

- **Manufacturing:** Optimizing operations and improving productivity, especially saving on production and logistics costs, along with complex product sales and configurations.
- **Healthcare:** Developing predictive analytics for personalized medicine and improving operational efficiencies.
- **Retail:** Offering insights into consumer behavior for targeted marketing and effective inventory management.
- **Financial Services:** Enhancing fraud detection and risk management through advanced data analytics.

Use Case Examples

Data monetization is transforming industries by unlocking new value from data assets. In healthcare, predictive analytics enhance patient care by anticipating health trends and personalizing treatment plans, which improve outcomes and reduce costs. Financial services leverage data to enhance fraud detection and risk management, using real-time analytics to identify suspicious activities and mitigate potential threats. In manufacturing, data-driven insights optimize production processes and supply chain management, leading to increased efficiency and reduced waste. These examples illustrate how data monetization enables industries to innovate, enhance operational efficiencies, and deliver greater value to customers, showcasing the transformative power of data in driving business success.

Healthcare Use Case

In the healthcare industry, data monetization is crucial for enhancing patient care and operational efficiency. One notable use case involves integrating predictive analytics to improve patient outcomes. By analyzing vast amounts of patient data, including historical health records, lifestyle information, and

genetic data, healthcare providers can predict potential health risks and intervene proactively. This approach not only helps prevent diseases but also personalizes treatment plans to suit individual patients' needs, thereby improving the overall quality of care.

A leading hospital network has implemented a data-driven platform that aggregates patient data from various sources, including electronic health records (EHRs), wearable devices, and patient surveys. This platform utilizes machine learning algorithms to identify patterns and predict potential health issues before they become critical. For example, the system can alert healthcare providers about patients at risk of developing chronic conditions such as diabetes or heart disease, allowing for timely intervention and management.

The benefits of this data monetization strategy are manifold. Patients receive more personalized and timely care, which improves their health outcomes and satisfaction. Healthcare providers benefit from reduced hospital readmissions and more efficient resource use, leading to cost savings and improved operational efficiency. Additionally, the insights gained from data analysis can inform public health strategies and policymaking, contributing to better health outcomes at a population level.

This approach to data monetization generates new revenue streams for healthcare providers. By providing data-driven insights and analytics services to other healthcare organizations, insurance companies, and pharmaceutical firms, providers can capitalize on their data assets and support broader healthcare advancements. This improves the financial sustainability of healthcare institutions and encourages collaboration and innovation across the industry.

Financial Services Use Case

In the financial services sector, data monetization is transforming how institutions manage risk, enhance customer experiences, and create value. A prominent example involves using data analytics to improve credit risk assessment. By analyzing vast datasets, including transaction histories, credit scores, and behavioral patterns, financial institutions can develop more accurate risk profiles for their customers. This not only helps minimize defaults but also allows for the offering of personalized credit products tailored to individual risk levels, thereby enhancing customer satisfaction and loyalty.

Integrating artificial intelligence (AI) into these processes amplifies the benefits. AI algorithms process and analyze data in real time, enabling financial institutions to swiftly detect fraudulent activities. This proactive approach to fraud detection protects the institution's assets and enhances customer trust by ensuring secure transactions. Additionally, AI-driven insights help institutions identify emerging market trends and customer needs, allowing them to innovate and remain competitive.

Machine learning (ML) plays a critical role in personalizing customer interactions. By leveraging ML algorithms, financial institutions can analyze customer data to provide tailored financial advice and product recommendations. For example, banks can use ML to suggest investment opportunities based on a customer's financial goals and risk tolerance. This personalized approach improves the customer experience and increases the likelihood of cross-selling and upselling, thus driving revenue growth.

Embedded analytics is an essential technology that improves business processes in financial services. By integrating analytics into customer-facing platforms, financial institutions offer clients real-time insights into their financial health and performance. This transparency empowers customers to make informed financial decisions, fostering control and engagement. Moreover, it allows institutions to streamline operations by automating routine tasks, reducing costs, and enhancing service delivery.

Manufacturing Use Case

In the manufacturing industry, data monetization offers ISVs the opportunity to create significant value by optimizing operations and improving productivity. By leveraging data from sources like machinery sensors, supply chain logistics, and production workflows, ISVs can provide manufacturers with valuable insights that boost efficiency and cut costs. For example, ISVs can create predictive maintenance solutions that analyze machine performance data to foresee failures and schedule necessary maintenance, reducing downtime and prolonging equipment lifespan.

Artificial intelligence (AI) plays a crucial role in enabling these capabilities by processing large amounts of data to identify patterns and anomalies. ISVs can integrate AI-driven analytics into manufacturing systems to provide real-time monitoring and alert systems. This enables manufacturers to proactively address potential issues, ensuring continuous production and maintaining high-quality standards. Additionally, AI can enhance production schedules by analyzing demand forecasts and resource availability, thereby improving efficiency and reducing waste.

Machine learning (ML) further enhances the value for (ISVs) in manufacturing by enabling advanced quality control and process optimization. By analyzing historical production data and identifying factors that influence product quality, ML algorithms recommend adjustments to manufacturing processes. This results in improved product consistency and reduced defect rates, ultimately enhancing customer satisfaction and lowering costs associated with rework and returns.

Embedded analytics is a crucial technology that ISVs can leverage to empower manufacturing clients. By integrating analytics directly into manufacturing execution systems, ISVs provide operators and managers with real-time access to key performance metrics and operational insights. This integration supports data-driven decision-making on the shop floor, enabling quick responses to changing conditions and enhancing overall operational agility.

Retail Use Case

In the retail industry, data monetization provides ISVs with a valuable opportunity to deliver enhanced value through advanced analytics and personalized customer experiences. By leveraging data collected from various touchpoints, such as in-store transactions, online shopping behaviors, and customer feedback, ISVs can give retailers actionable insights that drive sales and improve customer satisfaction. For instance, ISVs can create analytics platforms that help retailers understand purchasing patterns, optimize inventory management, and tailor marketing strategies to individual customer preferences.

A key technology for data monetization in retail is artificial intelligence (AI), which processes large datasets to identify trends and predict future behaviors. By integrating AI-powered analytics into their solutions, ISVs can help retailers anticipate customer needs and personalize shopping experiences. For example, an AI-driven recommendation engine can suggest products based on a customer's previous purchases and browsing history, increasing the likelihood of conversion and boosting sales.

Machine learning (ML) enhances the value delivered by ISVs in retail by enabling dynamic pricing strategies and demand forecasting. By analyzing historical sales data and external factors – such as market trends and seasonal changes – ML algorithms can predict fluctuations in demand and optimize pricing in real time. This allows retailers to maximize revenue while maintaining competitive prices, ultimately leading to improved profitability and customer satisfaction.

Embedded analytics is a crucial component that ISVs can use to empower retail clients. By embedding analytics directly into retail management systems, ISVs provide store managers and staff with real-time access to key performance indicators and customer insights. This integration promotes data-driven decision-making on the sales floor, allowing staff to offer personalized assistance and recommendations to customers, enhancing the overall shopping experience.

Guiding Principles

- **Differentiate your ISV Business:** Data Monetization is a largely untapped capability among ISVs, therefore a way to differentiate themselves.
- **Enable New Sources of Value:** Data monetization is about much more than just selling data. It is about driving new value streams for you and your customers.
- **Heed Technology Drivers:** The emergence and convergence of new technologies such as embedded analytics, AI/ML, and data integration enable and even compel data monetization as a core competency.
- **Leverage Your Keys to Success:** Becoming proficient at data monetization requires ISVs to leverage and perhaps expand their own business capabilities.
- **Feed the Industry Appetite:** Certain vertical markets like healthcare, financial services, manufacturing and retail and are incredibly hungry for high value, innovative data products.

About BARC

BARC is one of Europe's leading analyst firms for business software, focusing on the areas of artificial intelligence (AI), business intelligence (BI), corporate performance management (CPM), data & analytics and environmental, social & governance (ESG). The company was founded in 1999 as a spin-off of the chair of Business Administration and Information Systems at the University of Würzburg, Germany. Today, BARC combines empirical and theoretical research, technical expertise and practical experience, and a constant exchange with all market participants to provide market-leading research publications, events and consulting.

Research

BARC studies are based on internal market research, software tests and analyst comments, giving you the security to make the right decisions. Our independent research brings market developments into clear focus, puts software and vendors through their paces and gives users a place to express their opinions.

Events

Decision-makers and IT industry leaders come together at BARC events. BARC seminars in small groups, online webinars and conferences with more than 1,000 participants annually all offer inspiration and interactivity. Through exchange with peers and an overview of current trends and market developments, you will receive new impetus to drive your business forward.

Consulting

In confidential expert workshops, coaching and in-house consultations, we transform the needs of your company into future-proof decisions. We provide you with successful, holistic concepts that enable you to use the right information correctly. Our project support covers all stages of the successful use of software.

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About Qlik

Qlik stands at the forefront of data integration and analytics, propelling businesses into a new era of informed decision-making and strategic agility. With a heritage rooted in innovation, Qlik has grown to serve over 40,000 customers worldwide, transcending industries and geographies. Our comprehensive portfolio, underpinned by advanced AI and machine learning technologies, emphasizes not just the acquisition of data, but its transformation into actionable insights, driving significant business outcomes.

Our technology is distinguished by its robust data integration and governance capabilities, ensuring data is not only accessible but trustworthy, relevant, and timely. This foundation enables our intuitive analytics platform to uncover hidden patterns, providing businesses with the clarity and foresight needed to navigate complex challenges and capitalize on emerging opportunities.

Qlik's approach is decidedly customer-centric, prioritizing flexibility and platform agnosticism to avoid vendor lock-in, thereby empowering businesses to adapt and evolve their AI strategies with changing market dynamics. This ethos extends to our commitment to education and empowerment, equipping our clients with the tools and insights necessary for a data-driven transformation.

In an era where data is the most valuable asset, Qlik aims to turn complex data landscapes into a strategic advantage, making businesses more competitive and resilient. Our commitment to innovation, customer success, and ethical data use positions Qlik as a strategic partner in the journey toward AI-enabled transformation.



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