Data marketplace guide

Data marketplaces are platforms that connect data providers with data consumers.

Traditionally, we associate the term "data marketplace" with a model of one party selling data to another. However, we're increasingly hearing customers, prospects, and analysts refer to non-commercial uses of the data marketplace model. An example of a non-commercial data marketplace is an internal data hub/exchange within an organization.

With this in mind, let's dive into the two predominant types of data marketplaces: public and private.

Public data marketplaces

Public data marketplaces are typically operated by a third-party entity that acts as an intermediary between data providers and data consumers. The marketplace platform facilitates the exchange of data between these parties. Some popular public data marketplaces are the AWS Data Exchange, Snowflake Marketplace, and Datarade.

Here are some of the defining characteristics of public data marketplaces:

Multiple data providers

Public data marketplaces aggregate data from various providers, offering a wide range of datasets covering different domains and categories. These marketplaces aim to provide a diverse selection of data options to meet the needs of a broader audience.

Standardized terms and pricing

Public data marketplaces often establish standardized terms and pricing models to ensure consistency and fairness across different data providers. This approach simplifies the data acquisition process for data consumers and promotes transparency in pricing.

Open access

Public data marketplaces prioritize accessibility and openness. The data offered on these platforms is generally available to a wide range of data consumers who are interested in purchasing or accessing the datasets. Anyone who meets the marketplace's requirements can become a data consumer.

Data governance

Public data marketplaces usually have established policies and guidelines for data governance, privacy, and security. They may enforce compliance with regulations and require data providers to adhere to certain data quality standards to maintain the marketplace's reputation.

Benefits of public data marketplaces

Public data marketplaces have some inbuilt advantages:

Exposure and reach

By participating in a public data marketplace, data providers can benefit from increased exposure and reach a broader audience of potential data consumers. This can help data providers monetize their data assets and reach customers they might not have otherwise connected with.

Shortened route to market

Public data marketplaces offer data providers a way to quickly bring a data product to a large potential user base.

Low startup costs

Public marketplaces generally require low levels of commitment from data providers, thus providing a low-cost route to market for serving generally lower-value customer segments.

Lead generation

The exposure of having your products listed on a public data marketplace can be a clever way to bring customers to your core channel. Thus, public marketplaces can be thought of as being at the top of the marketing funnel.

Therefore, public data marketplaces can be a good fit for data products with a broader appeal. And given the exposure to a potentially wide set of customers, they can offer good exposure to new customers that can then be nurtured into the core channel.

75% OF MAJOR DATA PROVIDERS HAVE DATA PRODUCTS AVAILABLE IN AT LEAST ONE PUBLIC DATA MARKETPLACE
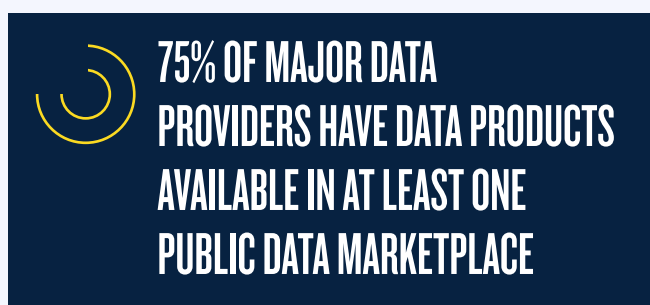
Risks and limitations of public data marketplaces

Since public data marketplaces are an ancillary channel for the major data providers, they are best suited for commodity data products and customer segments. Public data marketplaces thus come with some drawbacks.

- No control over the customer relationship, experience, or brand. The marketplace operator, not the data vendor, owns the relationship.
- Data products tend to be more standardized, with little opportunity for customization or collaboration to create higher value data products.
- Loss of margin due to competitive pressure and commercial model. Third party marketplaces operate on a revenue sharing model, taking up to 25% of each data sale (percentage varies based on volume). This could be a deal-breaker unless your data products are priced with a high margin.

A limited subset of customers will use this marketplace. This inherently limits the total addressable market (TAM), an effect which cannot be fully overcome by simultaneously servicing multiple marketplaces. Doing so also requires the mass movement or copying of data onto third party systems, with the knock-on effect of figuring out how to update these data products in a scalable way.

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Private data marketplaces

Private data marketplaces are environments owned and operated by the data provider. Users of the marketplace can cover a variety of roles, including data product managers, data scientists, data analysts, business decision makers, and many others. These users can work for the data provider, or in an external organization such as a partner or customer.

Let's take a look at some characteristics of private data marketplaces.

Data provider ownership

Private data marketplaces are owned and operated by the data provider themselves. The data provider retains control over the marketplace, including the data access permissions and the parties that are granted access to their data.

Selective access

Private data marketplaces allow data providers to control who has access to their data. They can choose specific parties, such as trusted partners, customers, or researchers, and grant them access based on their own criteria and requirements.

Focused and exclusive

Private data marketplaces often cater to specific industries, niches, or targeted audiences. The data offerings on these marketplaces are tailored to meet the specific needs and interests of a select group of data consumers.

Customized terms and pricing

Private data marketplaces offer flexibility in terms of pricing models and agreements. Data providers can negotiate terms directly with potential data consumers and tailor pricing structures based on the value they perceive in their data.

Data security and confidentiality

Private data marketplaces prioritize data security and confidentiality. Data providers have more control over the security measures implemented within the marketplace, ensuring that sensitive or proprietary data remains protected and accessible only to authorized parties.

Collaboration capabilities

Private data marketplaces can foster closer relationships and collaborations between data providers and their chosen data consumers. By controlling access, data providers can focus on building partnerships with organizations that can add value to their data through joint projects or customized analytics. Features like secure, cloud-hosted sandboxes allow users to work collaboratively with industry-standard tools to customize data products.

It's worth noting that these distinctions are not mutually exclusive, and that organizations often combine the two models in order to reap the benefits of each. The choice between a public or private marketplace depends on the specific objectives, preferences, and requirements of the data providers and consumers involved.

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Benefits of private data marketplaces

The nature of private data marketplaces generates a number of advantages for data providers and consumers:

Complete control over the customer/user experience

Complete control over the customer/user experience: Private data marketplaces allow data providers to have full control over the customer or user experience. They can customize and brand the marketplace according to their own specifications, creating a unique and tailored environment. This level of customization enhances the overall user experience, making it more engaging and intuitive for customers. By delivering a seamless and personalized experience, private data marketplaces can attract and retain customers more effectively than public data marketplaces.

Observe and deepen customer relationships

Private data marketplaces provide data providers with an opportunity to closely observe and deepen their relationships with customers. Since the marketplace is controlled and managed by the data provider, they have direct access to customer interactions, preferences, and behaviors. This enables them to gather valuable insights and feedback, which can be used to improve their products and services. By understanding customers better, data providers can build stronger relationships, tailor offerings to specific needs, and provide personalized support, ultimately increasing customer satisfaction and loyalty.

Accelerate sales cycles and cross-sell opportunities

Private data marketplaces can accelerate sales cycles and boost cross-selling opportunities. By having a centralized platform for data transactions, data providers can streamline the sales process, making it more efficient and faster. The marketplace serves as a one-stop-shop for customers, simplifying their procurement process and reducing the time and effort required to access and purchase data. Additionally, private data marketplaces can facilitate cross-selling by offering complementary or related data products within the same platform, encouraging customers to explore and purchase additional offerings.

Build higher-value, differentiated data products

Private data marketplaces empower data providers to create and offer higher-value, differentiated data products. They have the flexibility to curate, package, and present their data in unique ways, catering to specific customer needs and preferences. This ability to customize data products allows data providers to stand out in the market and offer solutions that are tailored to specific industries, use cases, or niches. By delivering data products with unique value propositions, data providers can attract more customers, command premium pricing, and establish a competitive advantage.

Secure collaboration to accelerate outcomes

Private data marketplaces enable secure collaboration among trusted parties, accelerating outcomes and fostering innovation. Data providers can establish partnerships and collaborations within the marketplace, allowing them to share data and insights with select individuals or organizations. This collaboration can lead to the development of new solutions, insights, or research outcomes that would be difficult to achieve without a centralized platform. By providing a secure and controlled environment for collaboration, private data marketplaces facilitate knowledge sharing and cooperation, leading to faster and more impactful outcomes.

Multi-cloud by design to maximize the TAM

Private data marketplaces are designed to be compatible with multiple cloud providers, maximizing the Total Addressable Market (TAM). This means that data providers can leverage different cloud platforms to host and distribute their data, reaching a broader range of customers. By adopting a multi-cloud approach, data providers can avoid vendor lock-in, increase scalability, and cater to customers who have specific cloud preferences or requirements. This flexibility in cloud deployment enhances market reach and ensures that data providers can tap into a larger customer base.

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Choosing a private data marketplace model

There are several possible private data marketplace models, and the best kind for your business will depend on many factors. To keep things simple, here are two real-life examples of private data marketplaces. The first is a more straightforward data commerce play — i.e. selling data products to external parties. The second is an internal data exchange which facilitates secure data sharing across business units of a large conglomerate.

Moody's DataHub

MOODY'S
ANALYTICS

Moody's Analytics is a leading global data provider of financial and risk data and services with revenues over $2.8 billion. In 2021, they launched Moody's DataHub, a private data marketplace built on the Harbr platform.

DataHub has brought a host of benefits to Moody's Analytics:

- Reduced time spent in the sales cycle
- Offered full-volume trials with no loss of data ownership
- Enabled customers to create customized data products to meet their specific needs
- Increased cross-selling opportunity by enabling visibility to a broader product range
- Reduced internal silos by creating a centralized data hub that enables their teams and partners to view and collaborate on data products
- Improved the customer experience by providing a wider range of data delivery methods

For more information about Moody's DataHub, check out their website and case study.

Parlay by ADI

Aboitiz Data Innovation

Aboitiz Data Innovation (ADI) is the data science arm of Aboitiz Group, a conglomerate with revenues over $3.9 billion. In May 2022, ADI launched Parlay, a data exchange platform built on Harbr.

Parlay allows users across the Aboitiz Group of companies to securely share, access, and collaborate on data science initiatives. Here are a few of the benefits Parlay provides:

- Secure exchange and collaboration across organizational and jurisdictional boundaries
- Interoperability with the major cloud providers and data science technologies
- Rapidly and safely evaluate data products for specific use cases with industry-leading tools
- Bring in their own or third-party data to join, augment, or compare it with a data product
- Create models and automate execution to create customized data products that remain up to date

For more information about Parlay, check out the case study.

Visit DataHub →   **Read case study** →

Read case study →

> " What positioned Harbr as the right partner is that collaboration is at the heart of the platform. The best way to reach our objectives is for data product managers and end users to work together. Harbr makes this possible thanks to secure data exchange and granular access rights."

Dr. David R. Hardoon
Chief Executive Officer,
Aboitiz Data Innovation

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Launch your own private data marketplace

To get a head start on your own private data marketplace, the best data providers in the world choose the Harbr platform. Our white label private data marketplace platform can be deployed in a variety of cloud environments and has a highly flexible and secure architecture, allowing you to run various business models on your Harbr platform.

Building on Harbr will save you years of development time and puts you on track to prove ROI in months, rather than years.

Chat to an expert today to get started. Your private data marketplace can be launched in as little as a few weeks.

Talk to us →

Harbr in numbers

2.4K
DATA PRODUCTS

Harbr platforms have more data products than any public marketplace, with over 23k data product subscriptions.

300+
ORGANIZATIONS

Thousands of users access high value data products through Harbr platforms.

1.7K
COLLABORATION ENVIRONMENTS

Harbr brings data producers and consumers together in secure, cloud-based collaboration environments.

57%
DATA PRODUCTS CUSTOMIZED

Every use case is different. That's why data consumers love customizing data products. Harbr is built for this.

$ MILLIONS
IN EXTRA REVENUE

Harbr platforms deliver extra revenue streams alongside existing channels.

Learn more at harbrdata.com or contact hello@harbrdata.com to discuss your business needs.

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