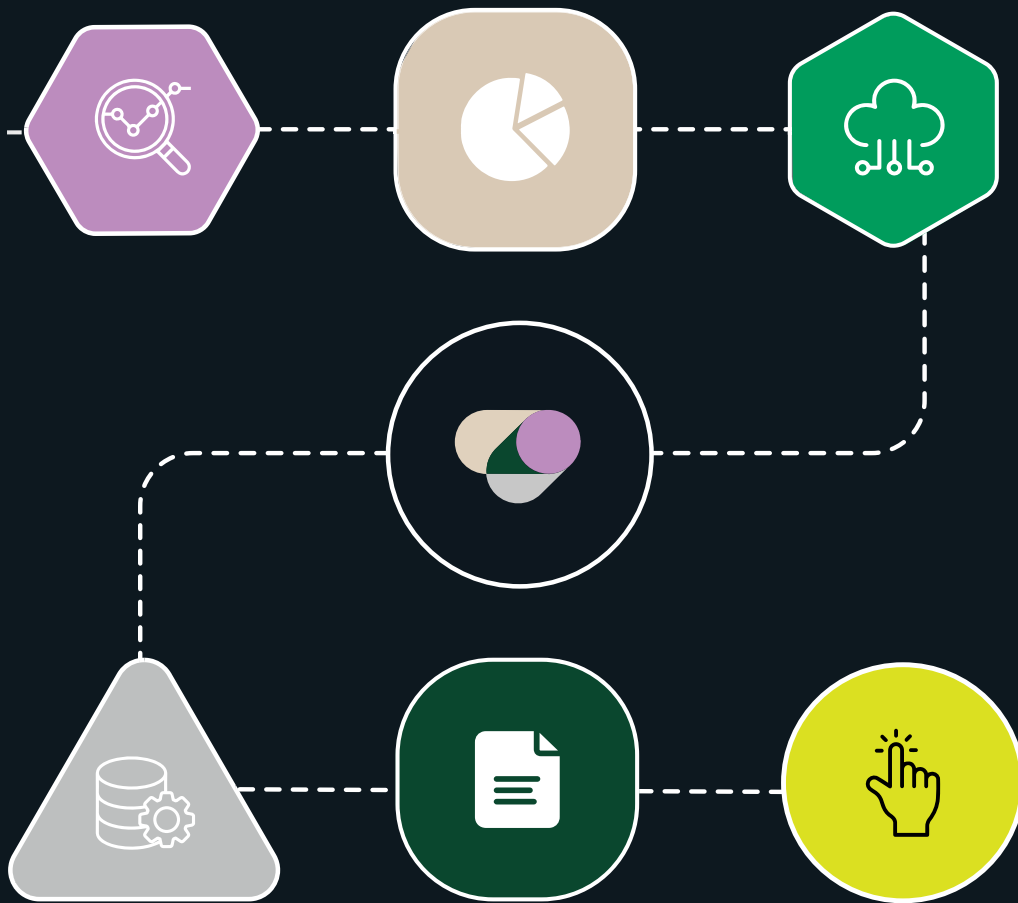
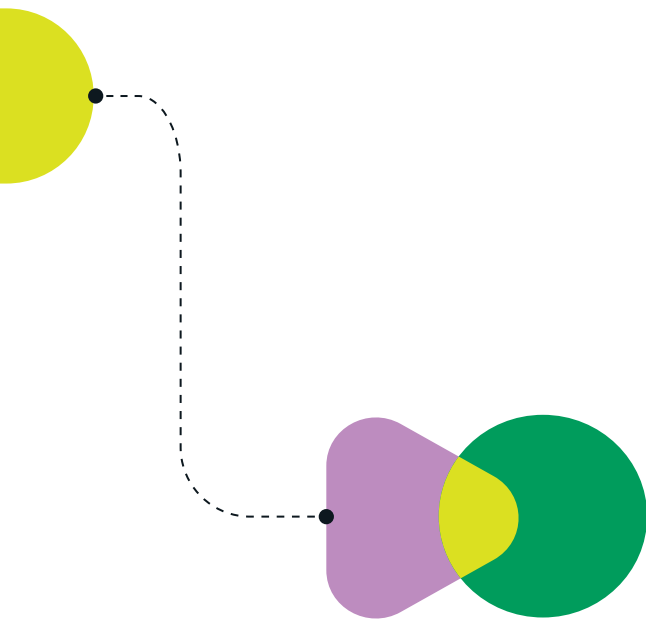


WHITE PAPER

Should I Buy or Build a Data Marketplace? How to Choose What Works for You





Many organizations are looking to advance the maturity and sophistication of their data by implementing a data marketplace. Deciding to move forward with a marketplace strategy can be driven by a variety of factors, including:

- New or expanded revenue generation from data licensing
- De-siloing data to improve access
- Unburden Data, Analytics, and IT teams from manually fulfilling data orders
- Drive data-driven decision-making across the entire organization
- Support data-driven innovation

Building vs. Buying a Data Marketplace

	Build	Revelate	Benefit
Implementation	12-36 months to reach production 5-12 FTEs required	2-4 weeks to implement Focus on connecting data sources, creating data products defining customer experience	Reduce - Significantly - cost and time to market
Platform Capabilities	Must Design, Build, Test, and Deploy all features Access to talent is the barrier to scaling	20M+ invested in product development 10 year of development 48 unique capabilities	Scalable platform with deep capabilities
Maintenance & Expansion	1-2 FTEs for ongoing technical maintenance Additional 1-10 FTEs to continue new feature development	Continuous development of new features & enhancements Maintenance included with multi-tenant SaaS platform	Focus on your core business not scaling your data marketplace
Investment	1M-2M to reach production 200K-400K annual maintenance 100K-800K new feature development 1.6M 3 year TOC	No upfront cost Transparent annual platform fee Pricing scales with usage 750K 3 year TOC	Fractional cost of building a data marketplace

Companies in the right position to implement a data marketplace share several traits: they want to free up their data and teams, create business value, and stop guessing on business decisions based on intuitive “hunches” or outdated information. Organizations that can meet market demands and respond to market conditions the fastest using insights from their data have the greatest chance at profitability.

Sometimes organizations consider a data marketplace because of internal frustrations, including having challenges accessing important and siloed data, needing a way to turn data into information, and a current inability to support data-driven initiatives. Many companies want to move from intuition-driven to data-driven decision-making but aren't sure where to begin. Revenue generation can also be a factor for organizations considering implementing a data marketplace.

Whether you're coming from a position of opportunity or frustration, you are likely to benefit from a data marketplace if you know you have data that could be valuable to your organization's future. You may reap the rewards from something as simple as bundling commodity data—or on a grander scale, you might be ready to commercialize terabytes of data you've been collecting and storing for years.

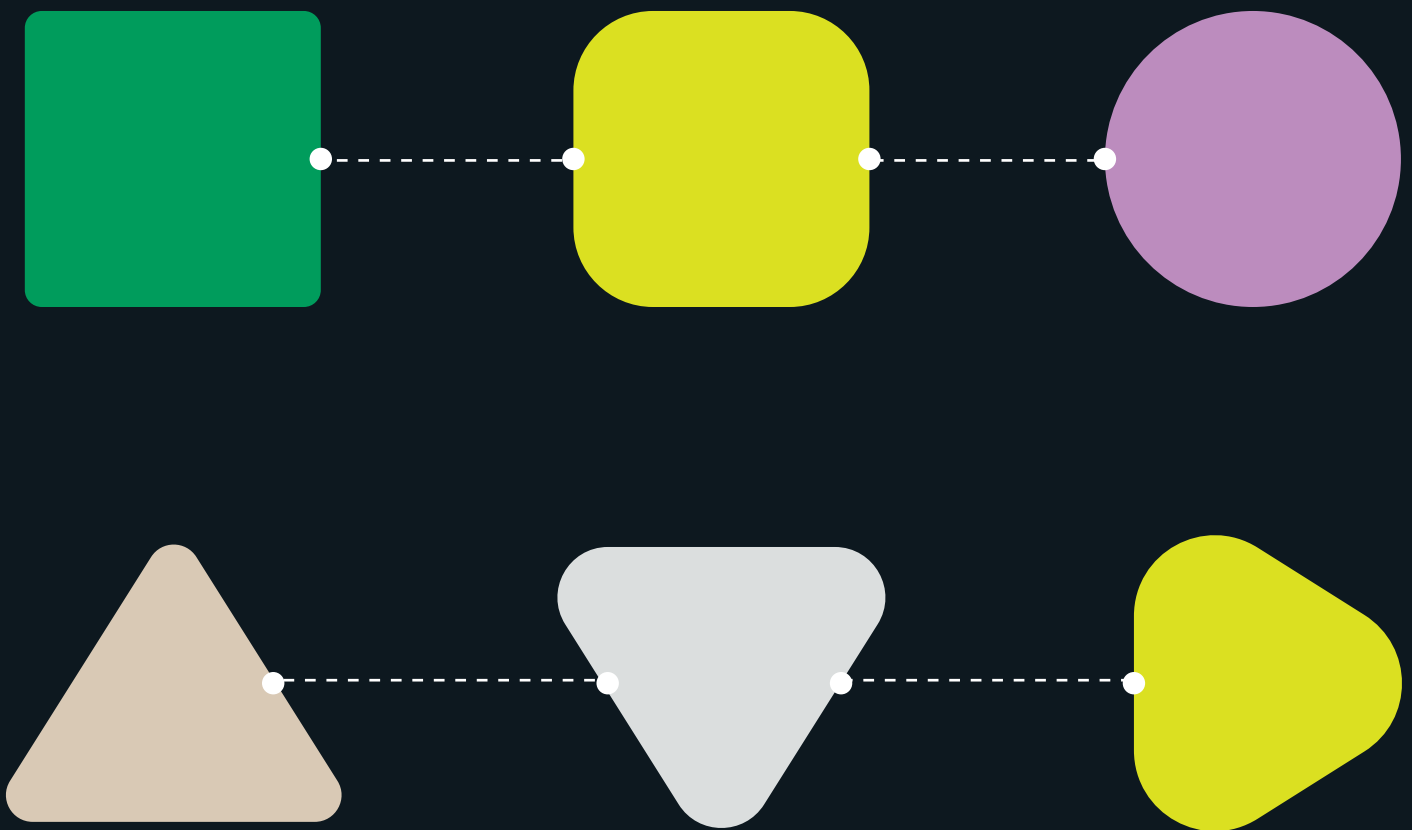
Based on the current market for data, it's likely you're sitting on a gold mine. You may be able to create a net new data business or greatly expand an existing one. But first, you'll likely need to investigate the current state of your data to determine whether it's ready for broader consumption.

Wherever your organization may be in terms of readiness and data maturity, if you see any of the opportunities or frustrations listed above, there's a good chance you may be ready to buy (or build) a marketplace platform.



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When to Buy and When to Build a Marketplace Platform



When to Buy and When to Build a Marketplace Platform

Deciding whether to buy or build a data marketplace will depend on your organization's specific needs and can come down to many factors. We don't recommend building a platform unless you're already very mature in using data across your organization. And even if you are running a large, data-savvy organization, making your marketplace may still not be the best decision.

As we've seen, marketplaces aren't just platforms for data transactions—they're massively more than that. Data marketplaces are a readily-available solution that leads organizations to data maturity and sophistication, automation, unburdening of technical teams, acceleration of business, faster time to market, revenue generation, and more. Depending on the complexity of your data and your desired marketplace features, solutions are available across the board—both for companies looking at simple commercialization and companies looking at building entire line of business driven by data.

Building, as opposed to buying a data marketplace, has its advantages for data providers, including:

Customization

Building a platform allows for complete customization from the ground up, including platform-specific needs and requirements.

Ownership

Building a marketplace and gaining complete ownership and control of your data uses the pre-existing on-premise infrastructure with total flexibility in configuration.

Higher margins

Assuming the building costs are recouped, a data provider with a marketplace doesn't have to share revenue with another vendor and will have more control over pricing, licensing, and distribution. will have more control over pricing, licensing, and distribution.

Long-term cost savings

There may be higher costs upfront when you're building a platform, but also long-term savings and more control over charges (whereas a vendor can increase subscription costs).

However, buying or licensing an existing data marketplace also has its advantages over building one:

Cost

Cloud- and self-hosted platforms are far less costly to run and maintain because the provider will have little-to-no development costs.

Speed to market

Getting data products to the market on an existing platform will take much less time when the platform is already taken care of.

Speed to delivery

A pre-built platform will likely come with various data product delivery mechanisms that don't need to concern the data provider.

Existing user base

Selling products on an existing platform means customers are easy to find, rather than taking the time to build your customer base.

Access to expertise

Platform developers with a purchased marketplace can provide knowledge and experience in creating and operating a data marketplace, including risks or challenges of productization and commercialization.

Known quantity

The platform vendor will likely have a proven track record of operating successful data marketplaces and can offer testimonials or case studies proving their capability and robustness.

Compliance

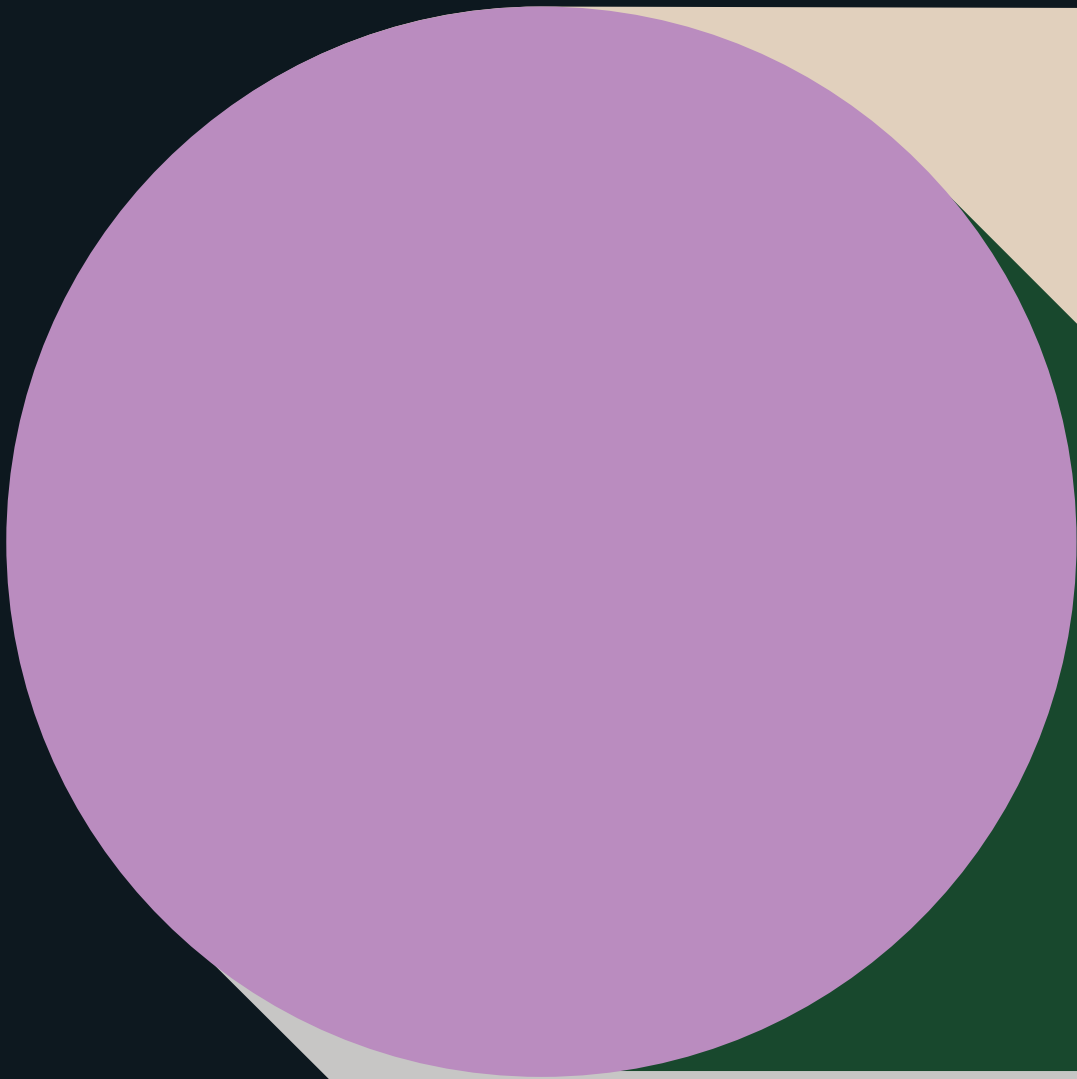
Existing data marketplaces are more likely to have dealt with and solved problems related to licensing, compliance, and governance.

Integrations

An existing platform with many customers will likely provide connectors and integrations with the most popular data platforms and tools.

Deciding to build a marketplace is choosing to manage your marketplace, yourself, as a product. Even internal marketplaces at large organizations require customer support, issue tracking, bug fixes, security and vulnerability management, access control, cost tracking and chargebacks, access control, data pipeline management, feature design and development, infrastructure scaling, and so much more.

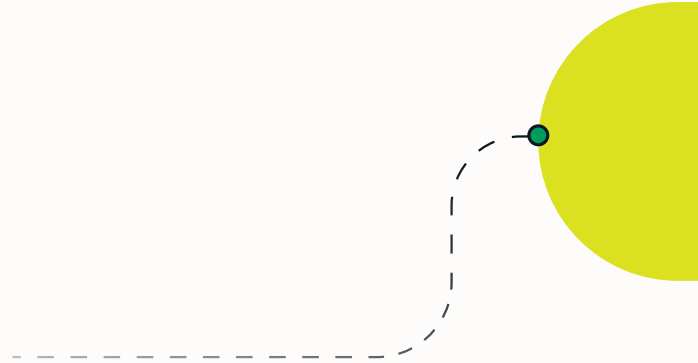
Takeaways



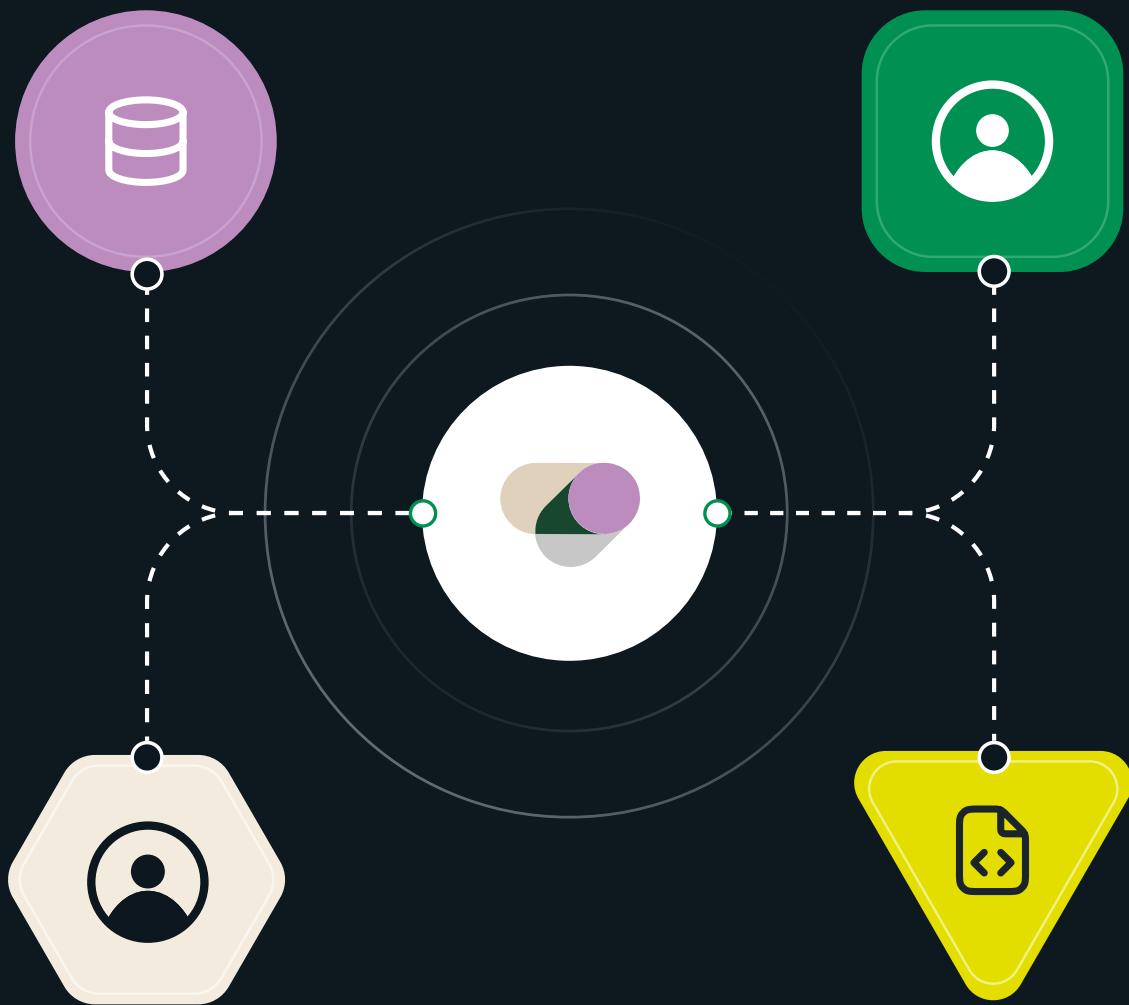
Takeaways

We've seen some successes and significant challenges for data providers who chose to build their marketplace. It can take months to spin up something useful. For data providers looking to get to market quickly, make data-driven decisions now, and accelerate their businesses, building a marketplace platform may present far more challenges than it's worth. If data providers have a fair amount of infrastructure and it's more of a matter of integration, then it may make sense to build one.

- A **data marketplace** is a type of data exchange where data products are made available for consumption.
- The **three primary personas** involved in a data marketplace are the data provider, marketplace provider, and Data consumer.
- Using a data marketplace has four critical outcomes: revenue growth, reduced risk, reduced costs, and accelerated time to value.
- There are **significant benefits** to using a data marketplace, including revenue generation, expanding data sales, decreasing time to decision, improving reporting, supporting data science, operational improvements with automation, and building ecosystems with data.
- The **core features** of a data marketplace are productization, discovery, access, licensing, integrations, and distribution.
- The **critical steps to building a data product** are manufacturing, packaging, fulfillment, distribution, and commercialization.
- **Data consumers** care that data products are safe, available, searchable, consumable, and licensable.
- There are **four types of data marketplaces**: internal, external, hybrid, and multilayered.
- Choosing a data marketplace usually comes down to making a **buy vs. build** decision by weighing the following: *customization, competitive advantage, ownership, profit margin, and long-term cost savings against cost, speed to market, speed to delivery, existing user base, access to expertise, known quantity, compliance, and integrations.*



About Revelate



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Revelate's data marketplace platform provides a suite of capabilities for data sharing and data commercialization for our customers to fully realize the value of their data. We reduce the burden for data teams to distribute data, the way the consumer needs it, in and outside of their organization. Revelate integrates into the fabric of any data ecosystem to prepare, package, and distribute data from anywhere to anyone.