



**Nfluence**  
Partners

## **Market Briefing**

### **Consumer Data Analytics: Q2 2021**

In dynamic and competitive markets, customer data is increasingly crucial for companies to drive home relevant marketing and advertising and improve customer engagement and experiences, ultimately leading to an improved bottom line. At the same time, increased awareness of customer data and privacy issues has put a spotlight on the industry, with ongoing moves to limit or eliminate key data technologies such as cookies and MAIDs amidst increasing political pressures and legislation. We review the current trends in Consumer Data Analytics, review the impact for these trends and COVID-19 on M&A activity and share our Market Map on the many companies providing solutions in the space.

# Key Themes We are Watching



## Combined Forces are Shaping Customer Data

- An increasing focus on consumer concerns around personal data and privacy has driven a convergence of outside forces to dramatically affect the future of third-party data
- With this, increased regulation, including the General Data Protection Regulation (GDPR), California Consumer Privacy Act (CCPA), and the newer California Privacy Rights act (CPRA/Proposition 24) has put growing pressure on companies using consumer data
- On top of the regulatory changes, Big Tech companies such as Google and Apple are reacting to this environment by restricting the use of third-party cookies and Mobile Ad IDs (MAIDs), which changes have started to really kick in in recent months



## Big Tech, not Legislation, is Leading the Way

- Although likely driven by recent legislation including GDPR and CCPA, Big Tech's restrictions on data collecting tools outweigh the effect of legislation itself in transforming customer data collection
- Legislation is helping to protect consumer anonymity and expand some data rights, but Big Tech's initiatives may reduce or eliminate the ability to collect certain types of data in the first place, which will likely have more impact on data companies in the long run



## Consolidation is the New Normal

- In this more challenging environment, we have seen accelerating consolidation through M&A to scale up solutions in the space
- Thus far, some of the more intriguing acquisitions in 2020 and early 2021 have included the Foursquare merger with Factual in April 2020, roughly a year after acquiring Placed from SNAP. Another is the purchase of Optimizely by Episerver, which adds to their Idio acquisition in 2019, enabling holistic creation optimization layers. More recently, Singapore and India based Near acquired UM (formerly UberMedia), significantly expanding their US footprint and, with their prior purchase of Teemo in France, creating a truly global data analytics platform.



## Investment in Third-Party Data has Slowed Save for Leaders and Consolidators

- Although first-party data companies are still finding investment dollars in the market, especially for high growth CDPs, investment in third-party data providers has declined sharply, meaning there are few new entrants in the market
- Larger consolidators have generally retained capital access, as have third-party data marketplaces where companies can more broadly search and compare competing data providers

# Shifting Sentiment from Big Tech on Cookies & MAIDs

Big Tech, Anticipating Consumer and Regulatory Concerns, has taken Pre-emptive Action

## Cookies



**Apple's** Safari Intelligent Tracking Prevention puts limitations on 3<sup>rd</sup> party cookies

- Apple announced its addition of a Privacy Report feature that was added to Safari's ITP functionality in iOS 14 and macOS Big Sur
- The Safari Privacy Report will enable users to see which sites are using trackers, how many trackers those sites have installed, and the most prevalent trackers they encounter on the web



**Google** announced it wanted to make third-party cookies "obsolete" and hopes to develop alternative standards to "sustain an ad-supported web" that may be less invasive for Chrome, the world's most popular web browser



**Mozilla Firefox** started blocking third-party cookies by default

## MAIDs



**Apple** has adjusted its Identifier for Advertisers (IDFA) into an opt-in option featuring an intimidating warning about companies tracking users across apps and websites

- With the loss of the IDFA, industry experts believe that there will be a below 20% opt-in rate, insufficient for mobile marketing purposes
- In place of the IDFA, Apple offered a privacy-safe framework for mobile marketing attribution called SKAdNetwork, enabling advertisers to know when their ads work but with aggregated and generalized data to be non-specific and anonymized



**Google** is following suit on its Google Ad Identifier (GAID) for its Android phones after Apple's commitment to an opt-in Mobile Ad Identifier

**Big Tech continues the trend towards increased consumer privacy, making traditional methods for third party data collections increasingly challenging**

# COVID-19 and Challenges with Third-Party Data

## Current Status

- The economic impact of the COVID-19 pandemic has forced marketing budget cuts as data users, compilers, and other industry stakeholders pivot their tactics, though digital channels have sharply increased in relative priority and spending
- As the third-party data market was already facing other obstacles, COVID-19 threw yet another wrench in the industry with estimated cuts on third-party data spending of roughly 20% in 2020
  - This comes after third-party data spending growth had already shrunk from 15.7% in 2018 to 6.1% in 2019
- Between the current regulatory environment around data privacy, Big Tech moves, broader transitions to platforms that block many third party data collection methodologies, and the reduction in third-party data spend by marketers due to continuing economic challenges associate with COVID-19, 2021 may also prove to be a flat or down year for third party data spending growth

## 2H 2021 Outlook

- M&A consolidation was already strong in the three years prior to COVID-19, and will continue to accelerate as service levels rise amidst growing competition for marketing and advertising spend
- Smaller companies will need to look for partnerships as revenue growth stalls whether through innovations in leveraging first-party data or diversifying revenue streams to be less dependent on cookie and MAID related solutions

# Dynamic and Shifting Regulatory Environment Affects M&A

- The changing regulatory environment favors companies that have achieved scale and have the resources and built-in resilience to adapt to changes
- Smaller companies without the resources to adapt will likely need to find partnerships or diversify revenue streams to survive

## GDPR

- GDPR legislation is a bit over two years old at this point, but the after-effects are still very much being dealt with for companies with European customers
- AllIM found that more than 50% of non-EU businesses with European clients know very little about GDPR
- The Ponemon Institute found that 60% of tech companies weren't ready for GDPR and were unsatisfactory in their practices
- GDPR has forced companies to restructure their infrastructure and products and has played a role in multiple non-EU companies shutting down regional operations to revamp
- In the two years since, there has been an evident change in M&A interest and business expansion into the EU

## CCAP/CPRA

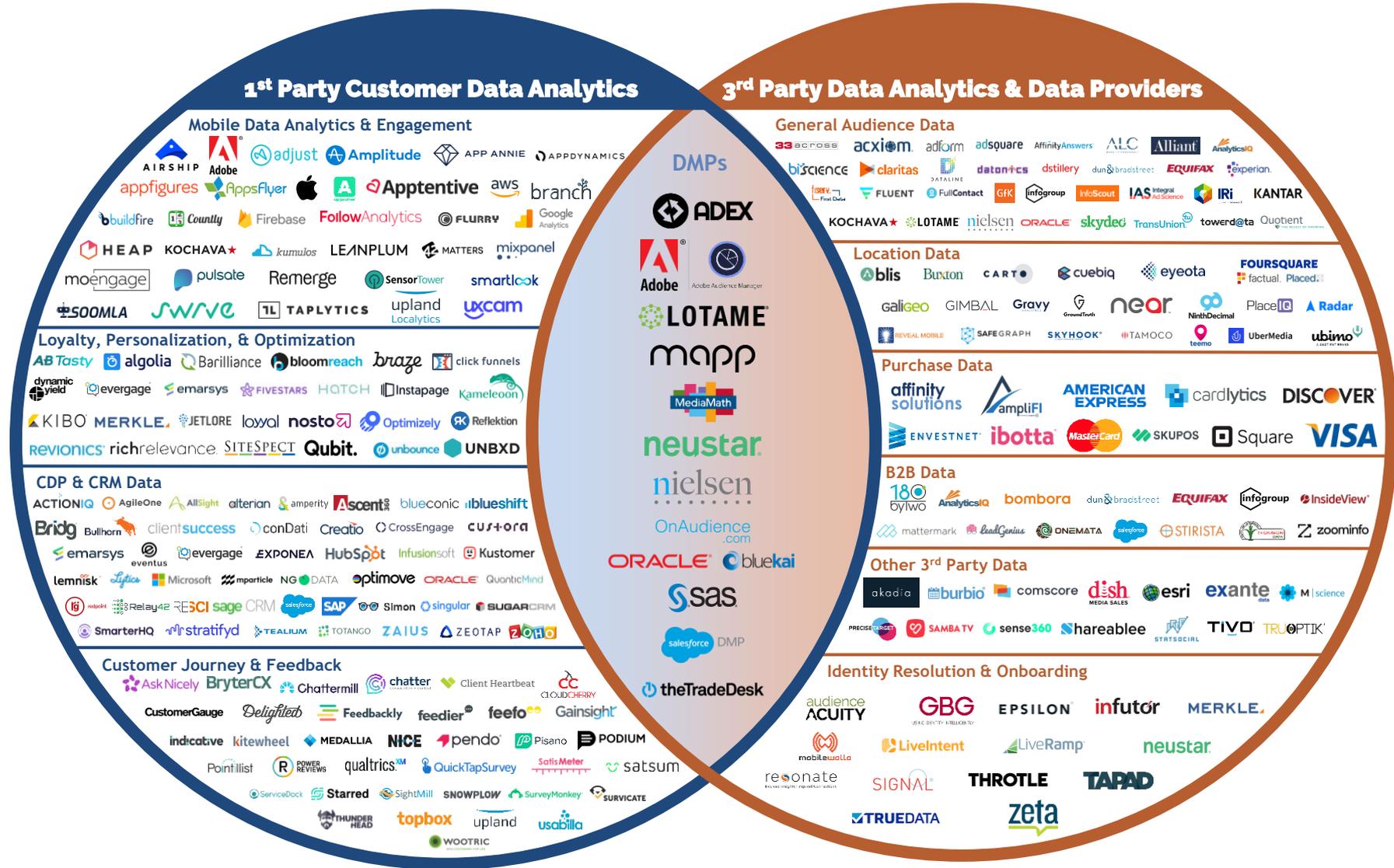
- California became the first US state to act after GDPR regulations in the EU by passing California Consumer Privacy Act ("CCPA")
- However, the CCPA regulations are less stringent than GDPR, with the CCPA attempting to be more business and charity friendly by restricting its coverage to companies that fit the following criteria only
  - Revenues of \$25 million per year
  - Handle the personal information of 50,000 or more people, devices, or households from California per year
  - Make at least half of their revenue from selling Californians' personal information
- The laws are much more geared to sellers of data rather than first-party data analyzers

## The Committee on Foreign Investment in the United States ("CFIUS")

- In 2018, the scope of CFIUS's oversight expanded with the passage of FIRRMA (the Foreign Investment Risk Review Modernization Act) with expanded jurisdiction over data privacy and critical technologies
- Due to tightening oversight, we may see some slow down in cross-border M&A involving customer data companies as the oversight board analyzes any potential issues involving non-us companies, especially from certain foreign jurisdictions, controlling US consumer data

# Customer Data Market Map Overview

Market Map on companies utilizing customer data for their primary products



# Select 1st Party Customer Data Analytics Financing Transactions 2021



Developer of a SaaS enterprise customer data platform designed to solve the flow and scale of data, analytics and marketing campaigns. The company's platform connects business' multiple data sources, such as email, CRM, clickstream and centralizes them onto one single analytics dashboard for marketers and analysts to capture, analyze and utilize marketing data to build and launch marketing campaigns without the assistance of IT, enabling clients to design, deploy and measure truly individualized customer experiences in minutes, across all channels and without writing a single line of code.

- \$100 million of Series C venture funding in a deal led by March Capital, with Cisco Investments, FirstMark Capital, Sequoia Capital, and Andreessen Horowitz also participating in the round
- Post-money valuation of \$260 million
- The new funds will be used to further research and development to increase the platform's enterprise capabilities
- Announced March 23, 2021



Developer of cloud-based software designed to assist companies to increase their web traffic from organic or natural search results. The company's software drives customer experience to accelerate the path to conversion, increase revenue and generate customer loyalty, enabling businesses to use big data to capture online demand across channels with relevant user experiences.

- \$150 million of development capital from Sixth Street Partners
- Post-money valuation of \$900 million
- The financing was used for the acquisition of Exponea and to help fuel the ongoing growth of its digital commerce experience platform
- Announced January 26, 2021



Developer of customer engagement platform designed to unify, inform, and activate the fullness of customer data across all channels and applications. The company's platform helps marketers to customize their messages based on customers' interests, purchase patterns, and browsing behavior, enabling digital marketers to create personalized triggered messaging based on user actions and user attributes.

- \$30 million of Series C venture funding in a deal led by Fort Ross Ventures and Avatar Growth Capital, with Rhea Fund, Nexus Venture Partners, Storm Ventures, SoftBank Ventures Asia, and Conductive Ventures also participating in the round
- Post-money valuation of \$75 million
- The funds will be used to further accelerate its global growth, strengthening its position in the CDP space
- Announced February 24, 2021



Developer of web analytics and digital marketing software designed to make data actionable, in real-time, across every customer experience touchpoint. The company's platform offers an enterprise tag management system for websites, enabling users to bring order to marketing chaos and serve as a foundational data layer provider for all marketing cloud applications industries.

- \$95.6 million of Series G venture funding in a deal led by Silver Lake Management and Georgian, with HighGear Ventures and other undisclosed investors also participating in the round
- Post-money valuation of \$1.15 billion
- The funds will be used to address the growing demand for a customer data platform (CDP) that delivers real-time, personalized, compliant, and omnichannel customer experiences to global enterprises
- Announced February 3, 2021

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Source: PitchBook

# Select 3rd Party Data Analytics & Providers Financing Transactions 2021

## bombora

Developer of a content monitoring platform designed to provide intent and demographic data for B2B sales and marketing. The company's platform aggregates, organizes and activates data for sales teams and marketers to target and engage decision-makers and stakeholders as they endeavor to make purchasing decisions, enabling businesses to connect to online business audiences across North America, EMEA and APAC.

- The company raised \$20 million of venture funding from undisclosed investors
- Announced April 12, 2021

## TRUE DATA

Developer of a mobile data insights platform built to facilitate mobile advertisement targeting. The company's platform helps target mobile consumers while delivering mobile marketers quality mobile data that boosts campaign ROI, enabling organizations to safely generate user insights and increase in terms of revenue.

- The company raised undisclosed amount of Series B1 venture funding from PROOF (Virginia)
- Deal announced February 5, 2021



## SAFE GRAPH

Developer of a machine learning-based data platform designed to democratize access to data. The company's platform onboards data from thousands of diverse sources and merges draws, classifies and verifies business name, street address, NAICS categorization, open hours and more, enabling companies to have access to an accurate record for understanding human movement.

- \$45 million of Series B venture funding in a deal led by Sapphire Ventures, with Ridge Ventures, DNX Ventures, Mark VC, Advisors.Fund, and 12 other investors also participating in the round
- Post-money valuation of \$370 million
- The funds will be used to grow faster and more quickly to achieve the goal of being a leading destination for all data about physical places
- Announced March 16, 2021

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Source: PitchBook

# Select M&A Transactions 2021

Date	Target	Description	Acquirer	Enterprise Value (\$M)
5/19/21	 digiCenter	Provides identity and cross-device graph database SaaS and related real-time analytics and marketing services.	<b>KOCHAVA</b> ★	--
5/12/21	 Iteratively	Provide mobile marketing and location-based customer analytics SaaS for business.	 Amplitude	--
5/4/21	 InsideView®	Provides AI-based marketing and sales intelligence SaaS for B2B companies.	<b>DEMANDBASE</b>	--
4/28/21	 UberMedia	Provides AI-enabled CRM analytics and marketing automation SaaS for business.	<b>near</b> ™	--
4/13/21	<b>Bridg</b> ™	Provides AI-enabled CRM analytics and marketing automation SaaS for business.	 cardlytics	\$350.0+
3/30/21	<b>holl</b>	Provides AI-based unified customer data management SaaS for businesses globally.	 MessageBird	--
3/24/21	 fis tuk	Provides customer analytics and related marketing automation and retargeting SaaS for businesses globally.	 Yum!	--
3/22/21	<b>ZAIUS</b>	Provides AI-based customer relationship management (CRM) SaaS and related mobile application for businesses globally.	 Optimizely	--
3/22/21	 Fyber	Provides a mobile application advertising SaaS to enable mobile apps to run video and in-app ads and track user analytics on mobile devices.	 digital turbine®	\$522.5
3/04/21	<b>DECIBEL</b>	Provides B2B and B2C web and customer analytics software and SaaS for businesses.	<b>Medallia</b>	\$160.0

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Source: 451 Group; Pitchbook

## Select M&A Transactions 2021 (Cont.)

Date	Target	Description	Acquirer	Enterprise Value (\$M)
3/3/21	 <b>BOXEVER</b>	Provides marketing automation and customer analytics SaaS to enterprises.	 <b>sitecore</b>	--
3/2/21	 <b>BlueVenn</b>	Provides search engine advertising and predictive advertising management SaaS that uses machine learning.	 <b>upland</b>	\$54.3
3/1/21	 <b>DO\$H</b>	Provides transaction-based advertising enablement and customer analytics software for businesses in the US.	 <b>cardlytics</b>	\$275.0
2/24/21	 <b>QuanticMind</b>	Provides AI-enabled customer analytics, marketing automation and email marketing SaaS for businesses.	 <b>centre</b>	\$30.0
1/26/21	 <b>Morphl</b>	Provides AI-enabled customer analytics, product and service prediction, and related marketing automation SaaS for e-commerce businesses.	 <b>algolia</b>	--
1/26/21	 <b>EXPONEA</b>	Provides AI-based customer analytics SaaS for businesses.	 <b>bloomreach</b>	\$80.0
1/20/21	 <b>richrelevance</b>	Provides AI-enabled customer personalization SaaS for businesses.	 <b>MANTHAN</b>	--
1/20/21	 <b>secondstreet</b>	Provides marketing automation SaaS in the form of customizable sweepstakes, contests, brackets and quizzes.	 <b>upland</b>	\$30.4
1/14/21	 <b>V12 group</b>	Provides marketing automation, customer analytics, email and traditional marketing, and online display advertising SaaS for businesses.	 <b>Porch Group</b>	\$22.0
1/6/21	 <b>WOOTRIC</b> WIN CUSTOMERS FOR LIFE	Provides AI-enabled customer personalization SaaS for businesses.	 <b>InMoment</b>	--

Source: 451 Group; Pitchbook

# Select M&A Transactions 2020

Date	Target	Description	Acquirer	Enterprise Value (\$M)
11/11/20	 thalamus	Operator of a research database firm serving the online advertising industry.	KOCHAVA★	--
10/12/20	 segment	Developer of a customer data platform intended to collect and manage analytics data.	 twilio	\$3,200.0
09/14/20	 sense360	Provides consumer behavioral intelligence and benchmarking SaaS to restaurants, retailers, and brands.	 MEDALLIA	\$44.0
09/09/20	 NinthDecimal	Provides permission-based consumer location and transaction data analytics and marketing SaaS.	 inmarket	--
09/03/20	 Optimizely	Provides A/B and multivariate testing, personalization and management.	 epi	--
08/17/20	 SIGNAL	Provides real-time website consumer data collection SaaS for branded advertisers and web publishers.	 TransUnion <sup>tu</sup>	--
08/13/20	 INSTADIUM POWERED BY GIMBAL	Provides live sports marketing services.	GIMBAL	--
07/22/20	 SIGNAL HQ	Provides account-based sales and marketing enablement software for businesses.	 bombora	--
07/16/20	 ACUITY DATA	Provides in/store data analytics for retailers.	 LiveRamp	--
05/04/20	 SensorTower	Provides mobile application marketing intelligence and performance metrics SaaS.	RIVERWOOD  CAPITAL	--

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Source: 451 Group; Pitchbook

## Select M&A Transactions 2020 (Cont.)

Date	Target	Description	Acquirer	Enterprise Value (\$M)
04/07/20	 <b>FRECKLE</b>	Provides location-based advertising SaaS for businesses.	PlaceIQ	--
04/06/20	 <b>factual.</b>	Provides location-based consumer data aggregation, campaign measurement, and analytics.	<b>FOURSQUARE</b>	--
03/31/20	 <b>beintoo</b>	Provides mobile advertising SaaS and services for brands and publishers globally.	 <b>MEDIASET</b>	--
03/10/20	 <b>clearbrain</b>	Provides AI-based predictive analytics SaaS to analyze customer behavior and related conversion rates.	 <b>Amplitude</b>	--
02/26/20	 <b>Maritz CX</b>	Provides customer, employee, and patient experience management and analytics SaaS for businesses.	inmoment	--
02/07/20	 <b>Localytics</b>	Provides customer analytics SaaS for that analyzes mobile application data and is used in marketing personalization.	 <b>upland</b>	\$68.0
02/03/20	 <b>evergage</b>	Provides machine learning-based customer personalization SaaS.	 <b>salesforce</b>	\$100.0 <sup>(1)</sup>
01/23/20	 <b>VERVE</b>	Provides location-based mobile advertising, mobile marketing content publishing and advertising analytics.	 <b>Media and Games Invest plc</b>	--
01/10/20	 <b>precima</b>	Provides AI-enabled customer analytics and related transaction log management SaaS for the retail sector.	 <b>nielsen</b>	--
01/09/20	 <b>orb Intelligence</b>	Provides an online firmographic dataset for B2B sales, digital marketing and analytics teams globally.	 <b>dun &amp; bradstreet</b>	--

Source: 451 Group; Pitchbook

(1) Estimated value according to 451 Group

# Nfluence Team and Select Recent & Relevant Transactions



**Gary Moon**  
Managing Partner

gary@nfluencepartners.com



**Brewer Stone**  
Partner

brewer@nfluencepartners.com



**John Batdorf**  
Partner

john@nfluencepartners.com



**John Sternfield**  
Managing Director

jsternfield@nfluencepartners.com

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**PROJECT BEHAVIOR**

CAPITAL RAISE ADVISOR

Advertising Service Platform

**PROJECT NOVA**

DUAL TRACK ADVISOR

Native Advertising Platform

**near**

HAS ACQUIRED

**UberMedia**

Financial Advisor to the Buyer

QuanticMind

HAS BEEN ACQUIRED BY

**centro**

Financial Advisor to the Seller

**richrelevance**

HAS MERGED WITH

**MANTHAN**

TO FORM

**ALGONOMY**

Financial Advisor to the Seller

**near**

HAS ACQUIRED

**teemo**

Financial Advisor to the Buyer

**RADIUS**

HAS BEEN ACQUIRED BY

**Kabbage**

Financial Advisor to the Seller

**affinity solutions**

RECEIVED AN INVESTMENT FROM

**STRUCTURAL CAPITAL**

Financial Advisor to the Company

**CLOUDCHERRY**

HAS BEEN ACQUIRED BY

**CISCO**

Financial Advisor to the Seller