

Supporting Investment Decisions with Alternative Data

October 2022



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Your Speakers



Bart Borkosky
Chief Research Officer
OvationMR

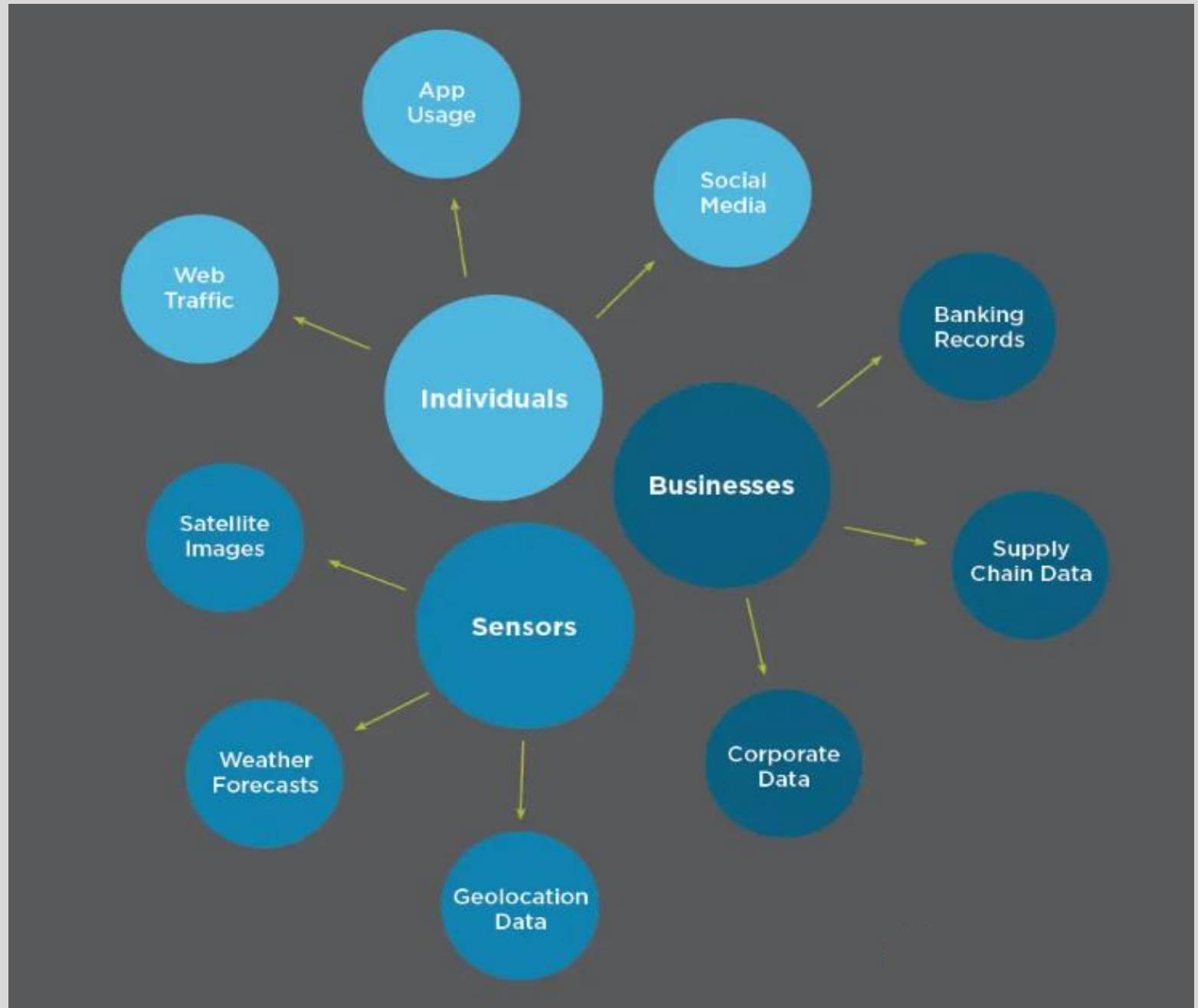


Kevin Iredell
Chief Marketing Officer
Lowenstein Sandler



What is alternative data?

Alternative Data Sources



Alternative Data Usage

1990's

Alternative data usage began

2000's

Digitization of data

High speed data transmission and expansion of data storage capabilities

Development of analysis tools

Who Uses Alternative Data?



HEDGE FUNDS



PRIVATE EQUITY



VENTURE
CAPITAL

Alternative
Data Usage

Retailers

Technology Companies

Market Researchers

Banks

Financial Advisors

Media Companies

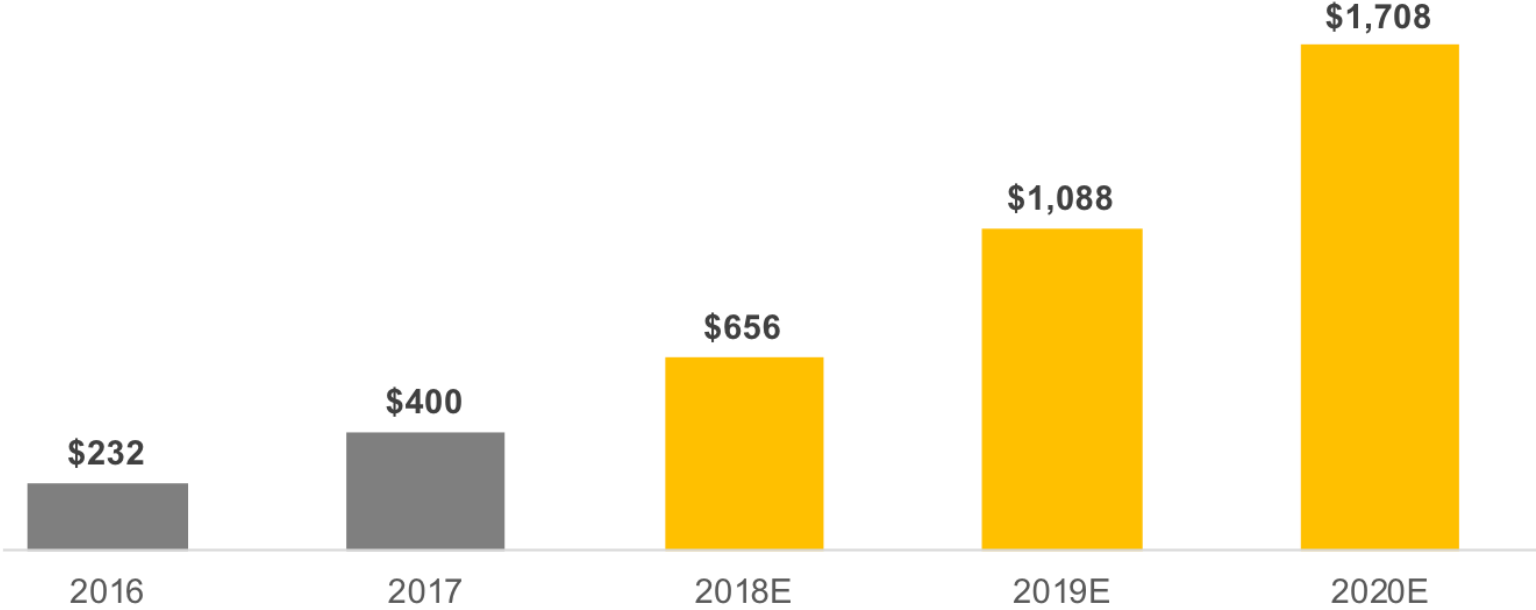
Advertising Agencies

Real Estate Developers

Insurance Companies

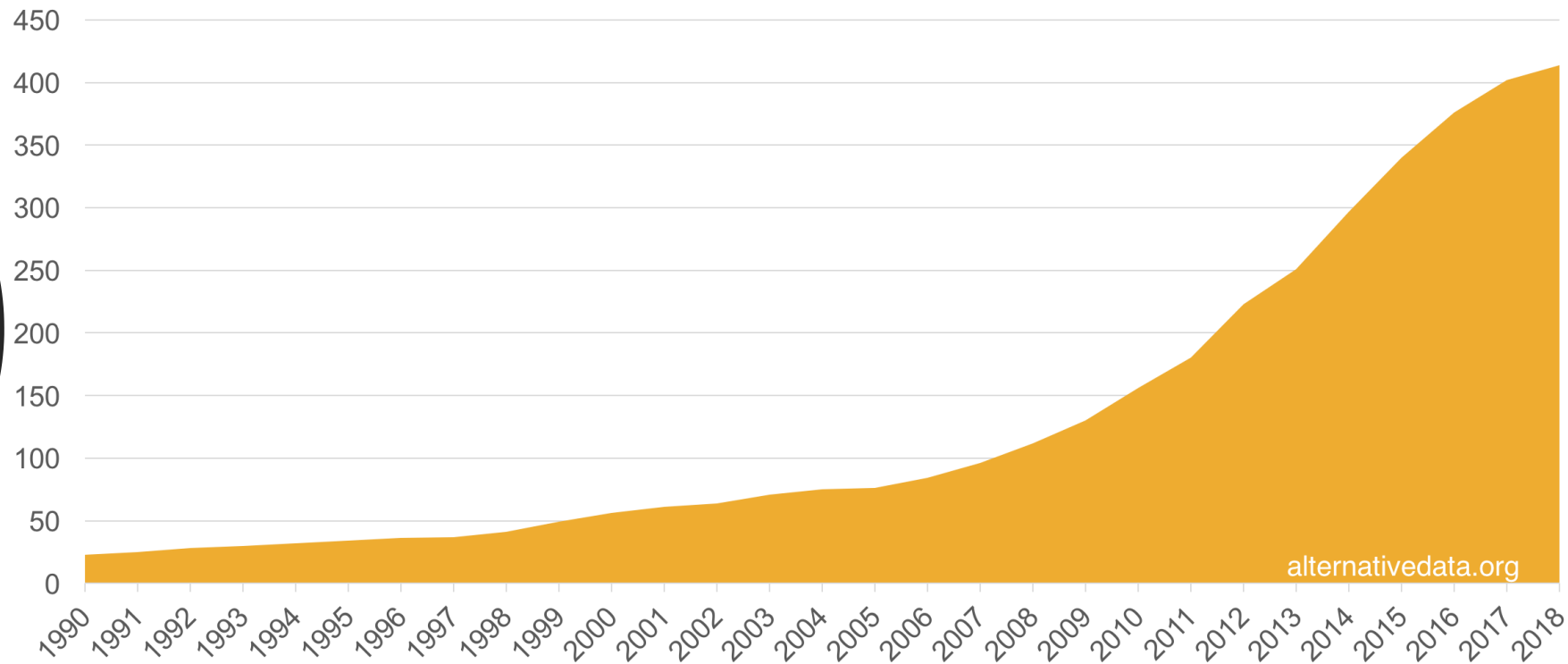
Alternative
Data Usage

Total Buy-side Spend on Alternative Data (\$m)

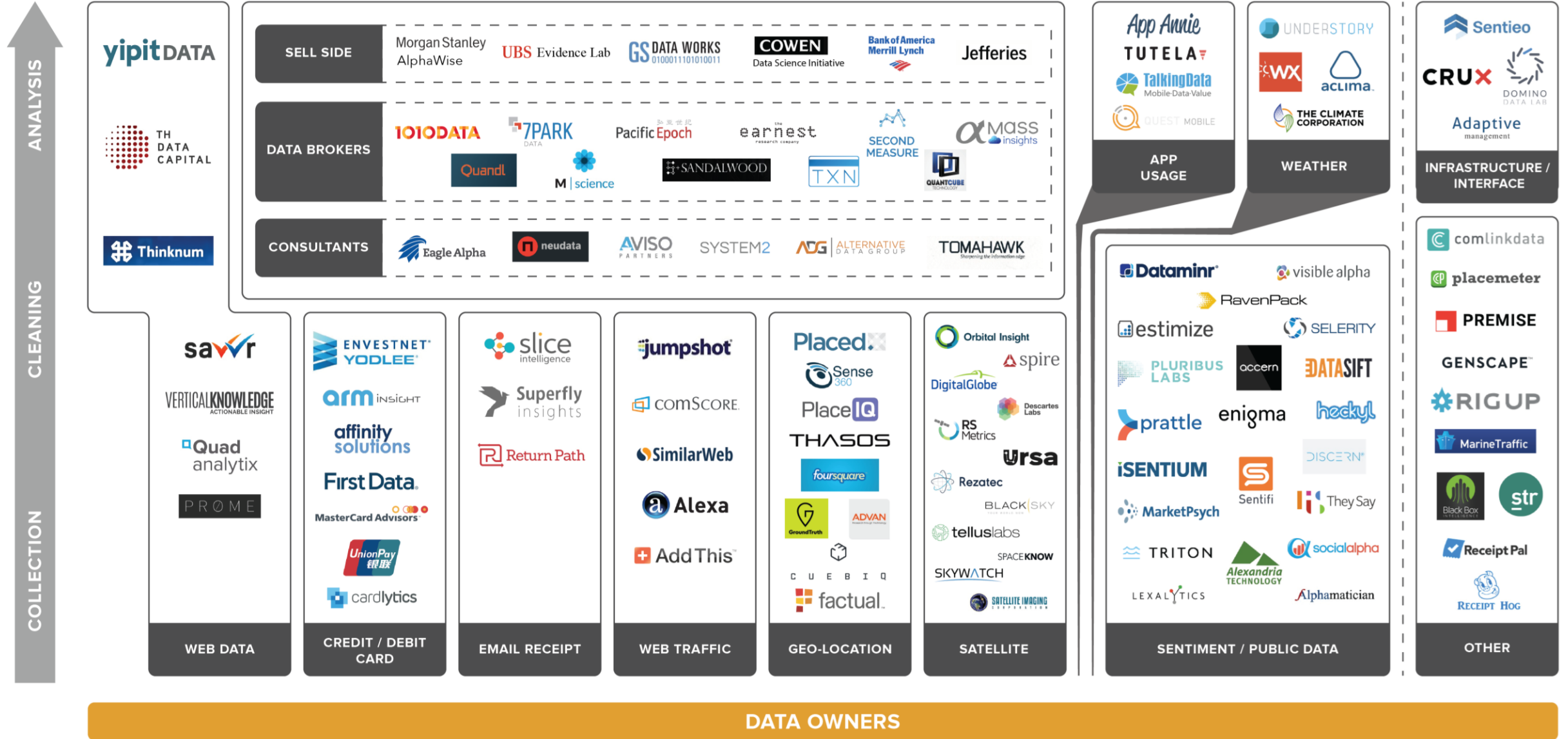


Alternative Data Usage

Number of Alternative Data Providers



INSTITUTIONAL INVESTORS





**Lowenstein
Sandler**

Demand for Alternative Data is Driven by Hedge Funds

Percentage of firms using alternative data

Hedge Funds

65%

Private Equity

29%

Venture Capital

11%

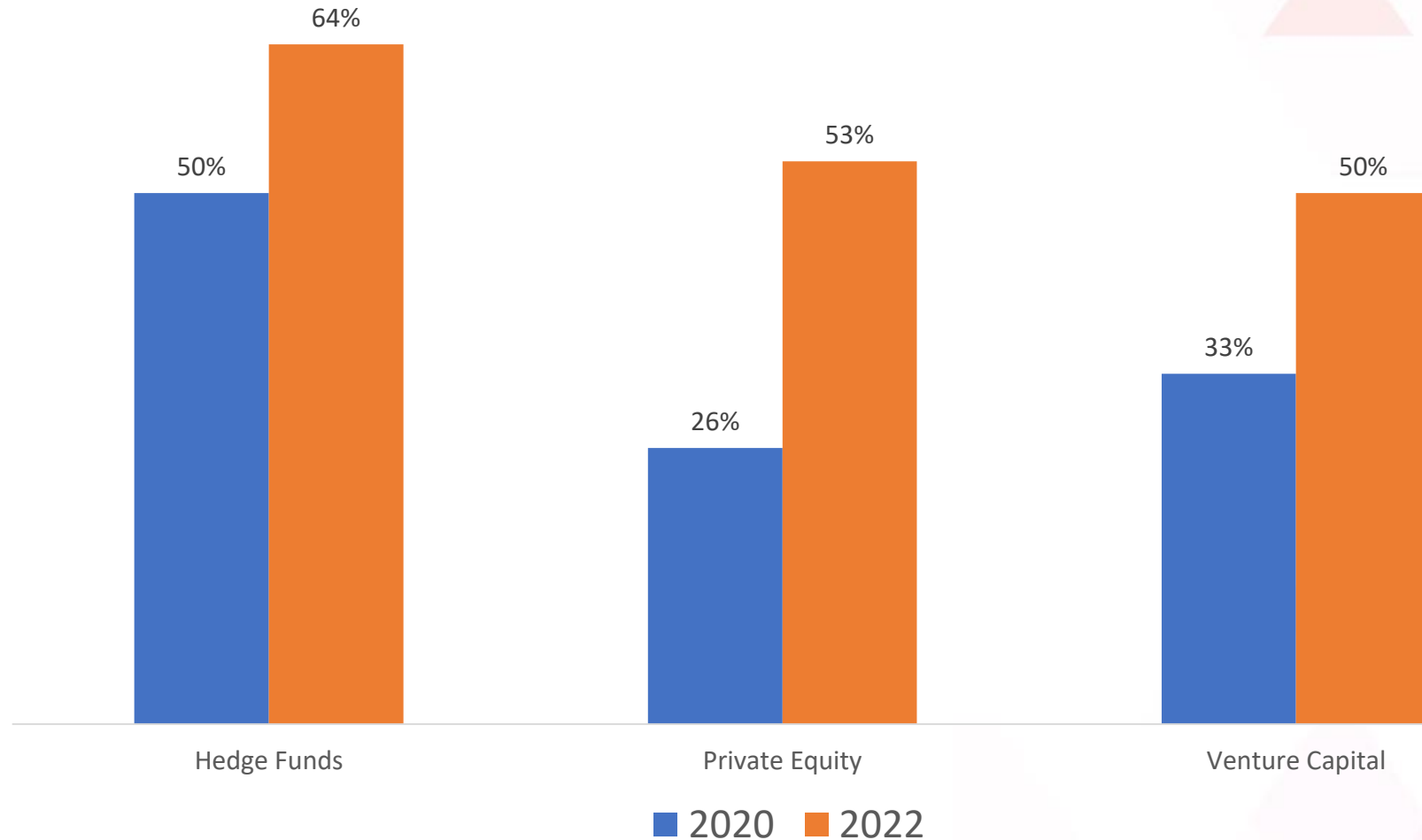
Trends in Alternative Data Utilization

81%

Investment
organizations' usage
of alternative data
stayed the same or
increased from 2020
to 2022

Alternative Data is Growing in Importance

Use of Alternative Data is Significant to Users



Budgets for
Alternative
Data are
Increasing

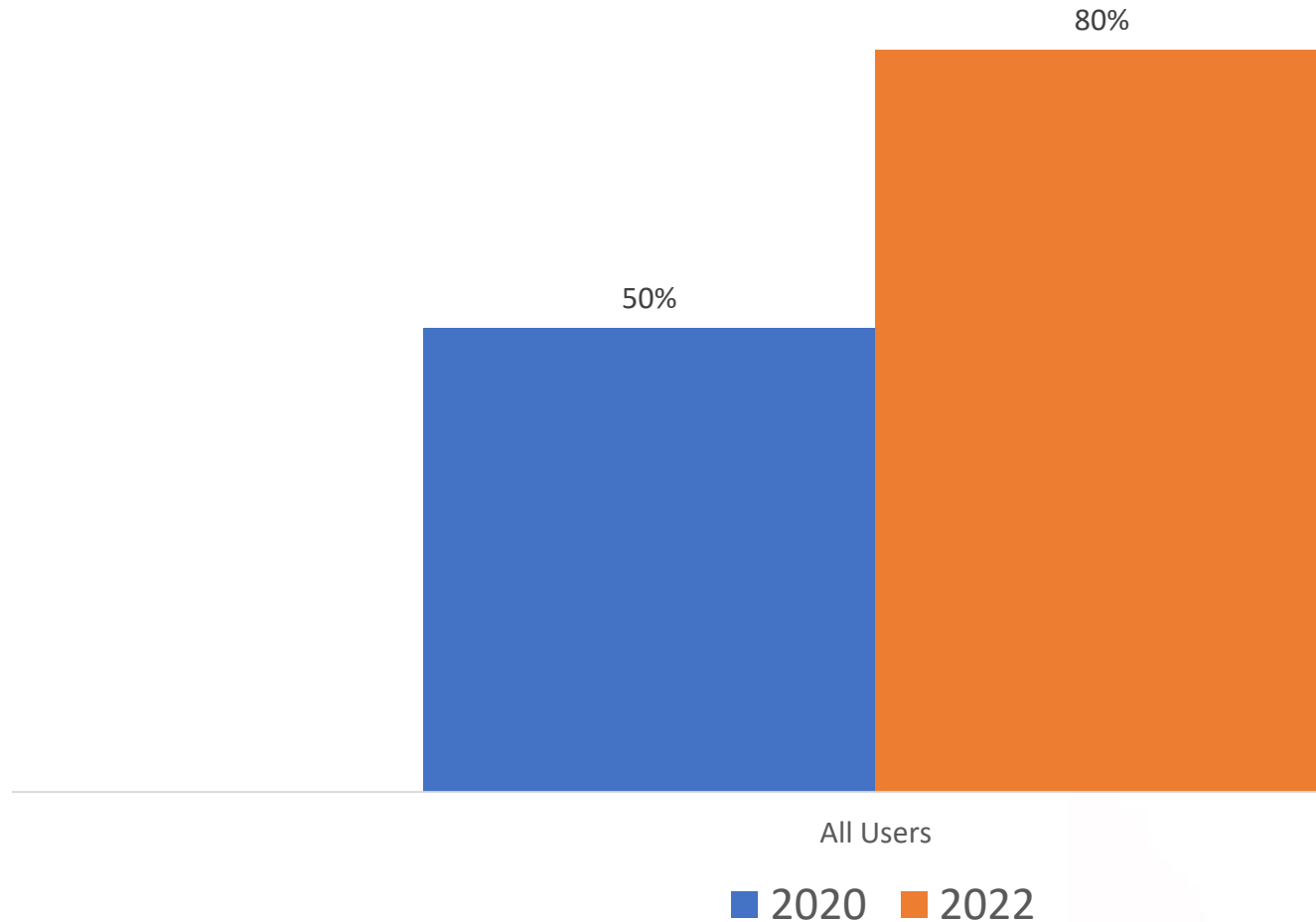
80%

Current users plan to
increase 2023
budgets

Nearly half plan to
spend 26% to 50%
more than last year

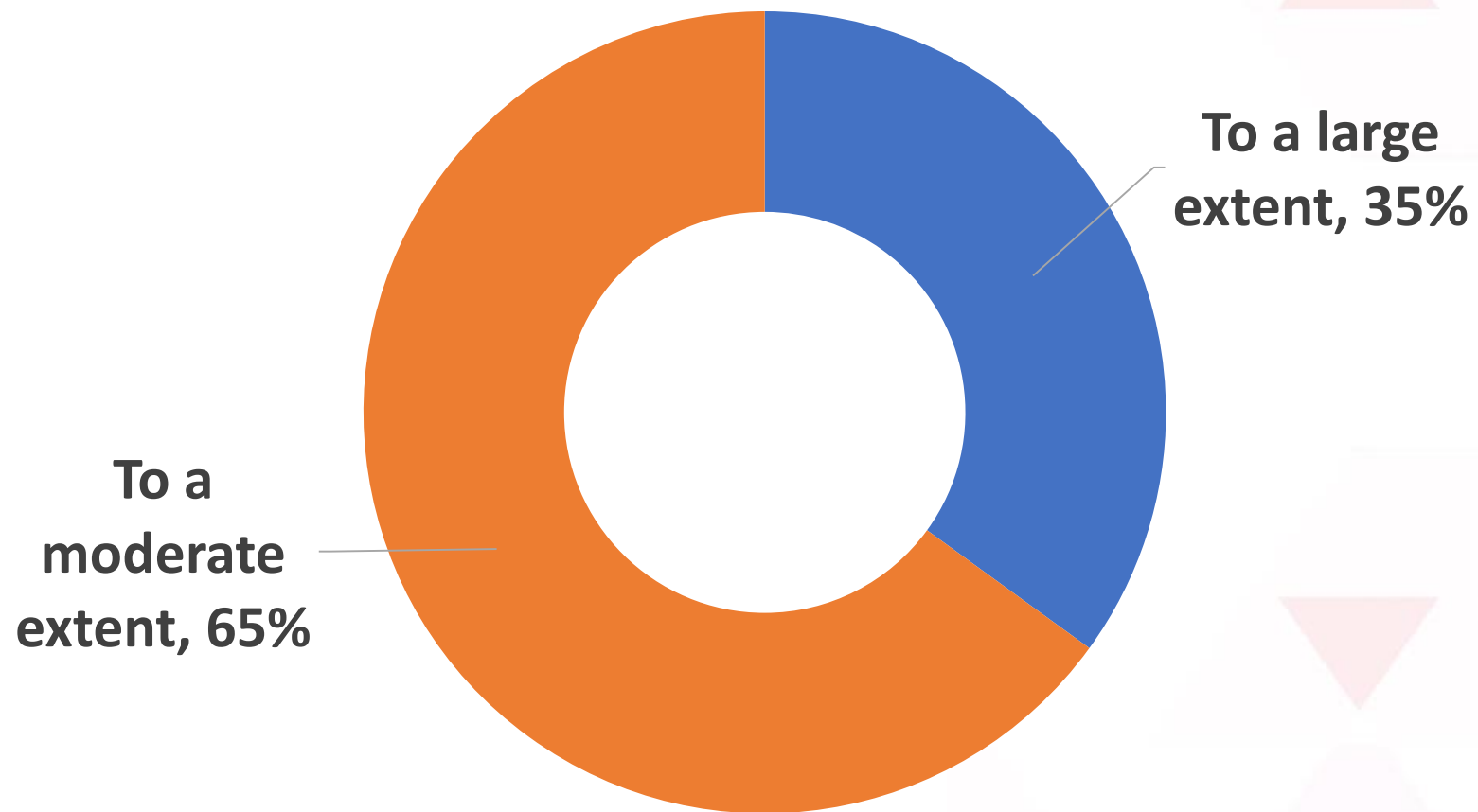
Planned Increase in Spending vs 2020

Planned Increases in Spending for Alternative Data



The Pandemic Impacted Use of Alternative Data

Increase in Usage Driven by COVID-19 Pandemic



Examples of Alternative Data

Social media
data

Web scraping
data

Satellite
imagery data

Wearable
device data

Point-of-sale
data

Credit card
data

Mobile
application
data

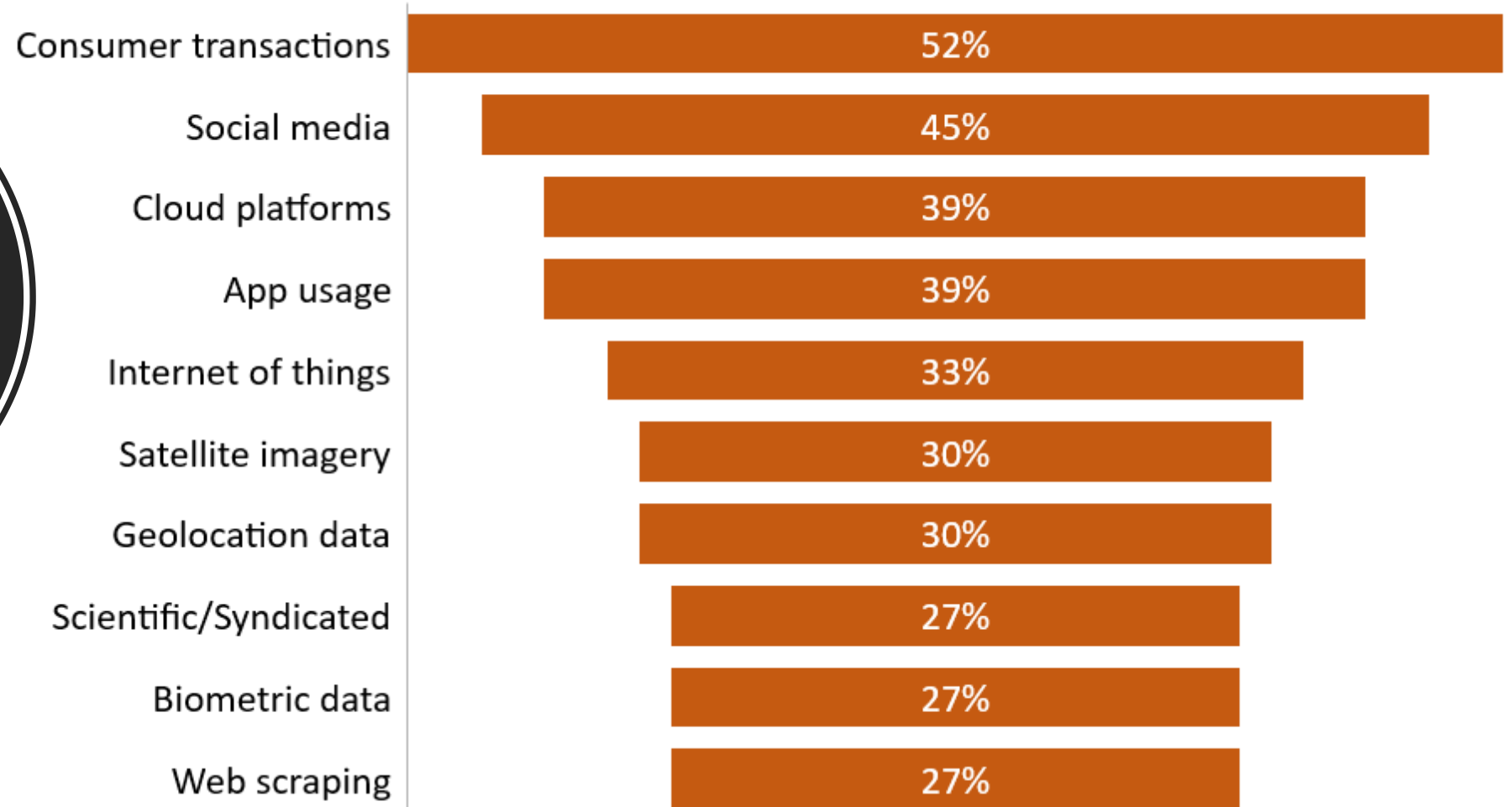
Location data

Dark web data

Machine
learning data

Types of Alternative Data Used

Usage By Alternative Data Type

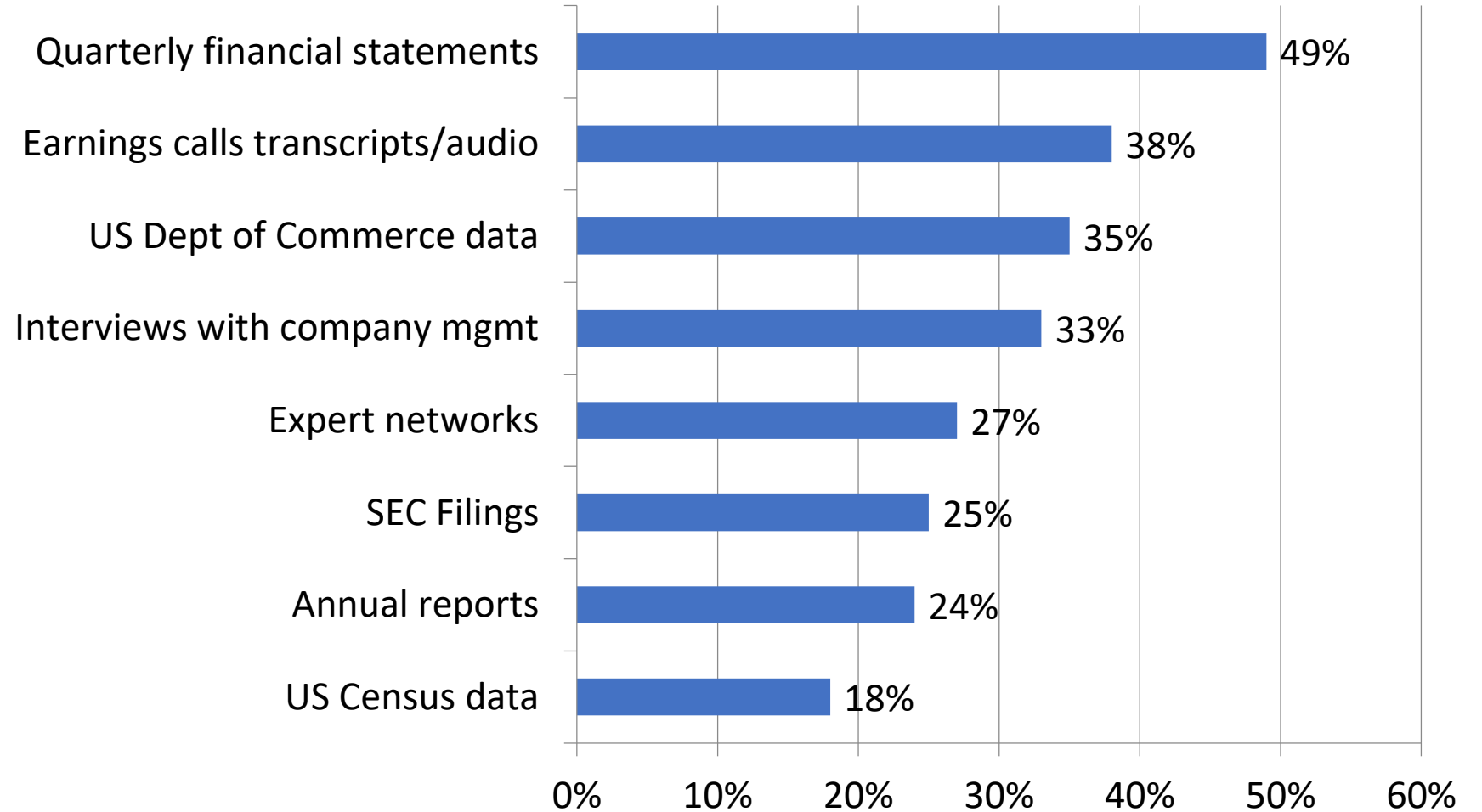


Alternative
Data Usage

Additional Data Types Used

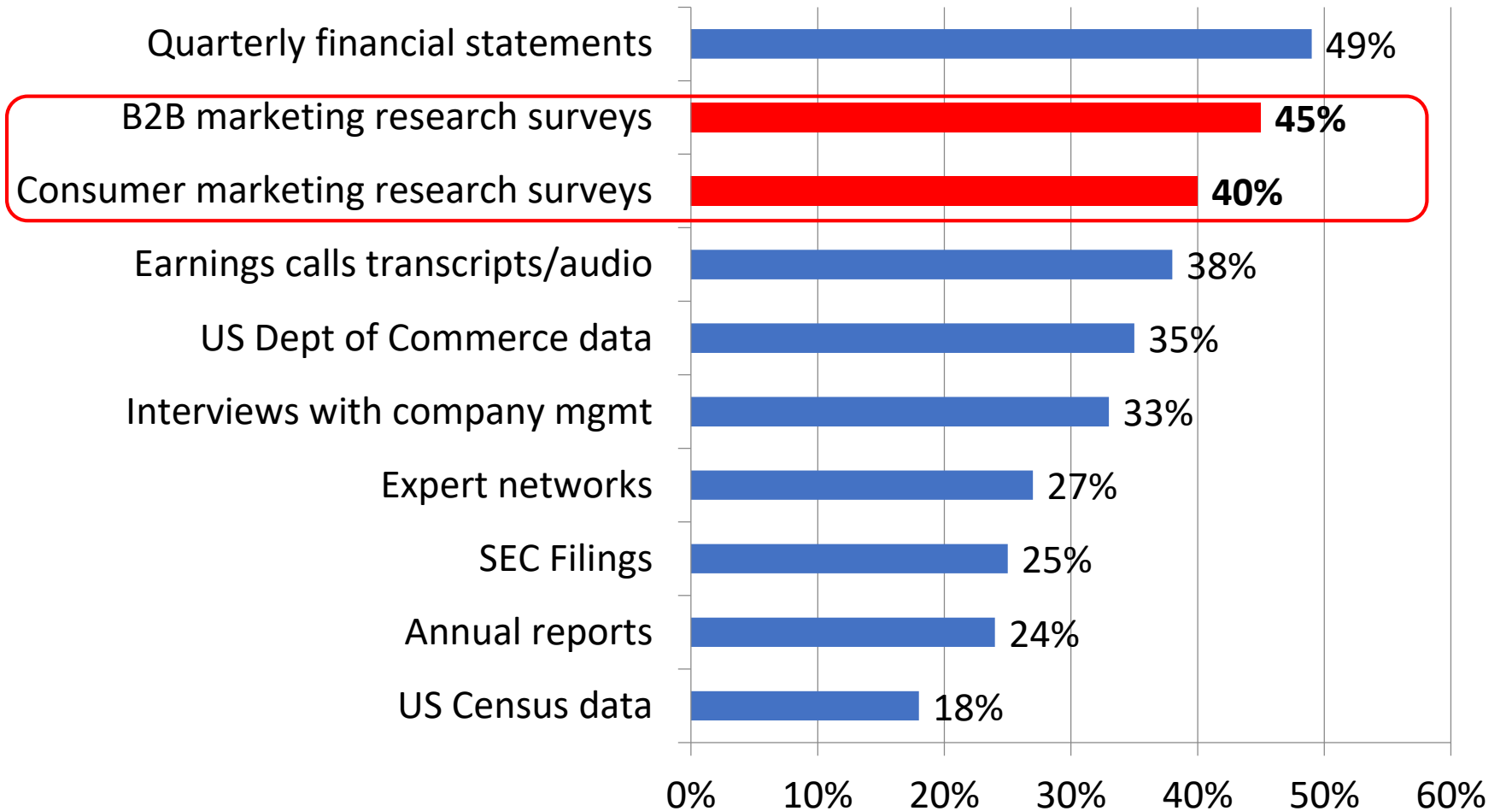


Additional Data Types Used



Additional Data Types Used

Additional Data Types Used



Additional
Data Types
Used

Use of Marketing Research with Other Data Types

Those Using MR Are **Less** Likely to Use:

- Quarterly financial statements
- Consumer transactions
- Social media

Those Using MR Are **More** Likely to Use:

- Geolocation data
- Satellite imagery
- Cloud platforms
- Web scraping
- US Dept Commerce
- Expert networks



Alternative Data vs Marketing Research

**Working in concert, not
in competition**

Alternative Data has limitations

- Limited data availability
- Quality control
- Data privacy issues
- Lack of standardization
- Cost
- Regulatory compliance
- Complexity
- Insufficient documentation

Primary Marketing Research Has Advantages

- More reliable and accurate data
- Ability to uncover deeper insights by asking questions
- Cost effective
- Direct contact with consumers and B2B decision-makers
- More detailed and timely than alt data
- Marketing research is tailored to specific business objectives