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STATE OF
THE MARKET
REPORT

2023/2024

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BETTER, FASTER DECISIONS
WITH ALTERNATIVE DATA

BattleFin and Andeco are proud to present a new comprehensive Product Pricing Survey to better understand the views and trends on pricing from data providers and data buyers.
This report offers a unique glimpse into the alt-data industry and illuminates the experiences and motives of both alt-data buyers and providers. It presents findings about alt-data product pricing, strategic insights into alt-data pricing structures and a comprehensive view of the alt-data landscape.

DATA BUYERS »<//·> **DATA PROVIDERS**

JOB TITLE OF SUBMISSIONS

- Data Strategy 6.3%
- CEO 12.5%
- Business Analyst 6.3%
- Managing Director 6.3%
- Research Analyst 6.3%
- PM 12.5%
- Data Strategy 6.3%
- Data Scientist 6.3%
- Founder/ Partner 24.9%

AUM

- $25B - $50B 12.5%
- <$500M 50%
- $500M - $5B 25%
- $5B - $25B 12.5%

COMPANY TYPE

- PE/VC 12.5%
- HF 6.3%
- AM 25%
- Hedge Fund 43.8%
- Bank 12.5%
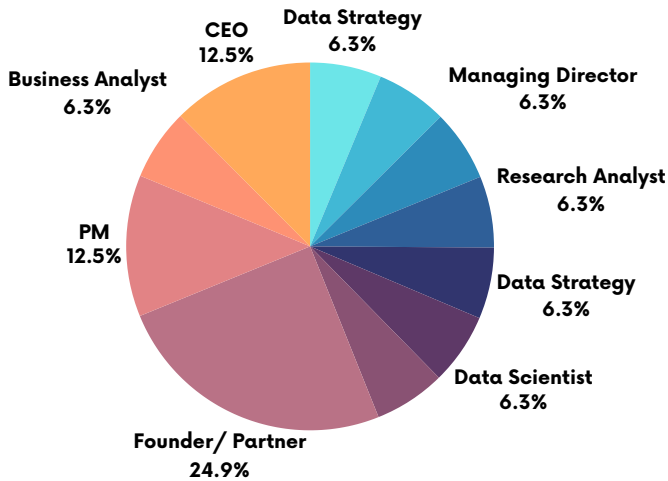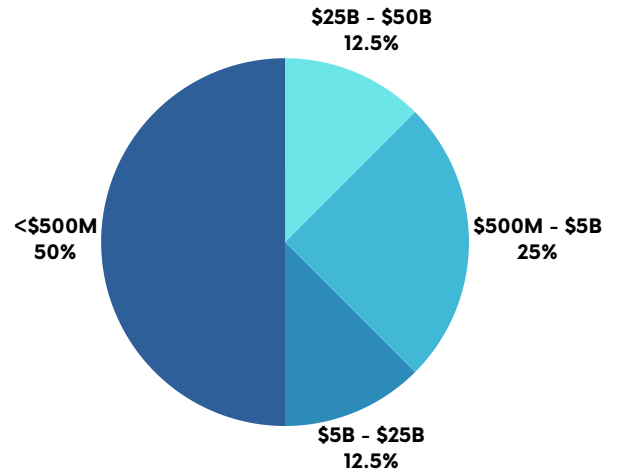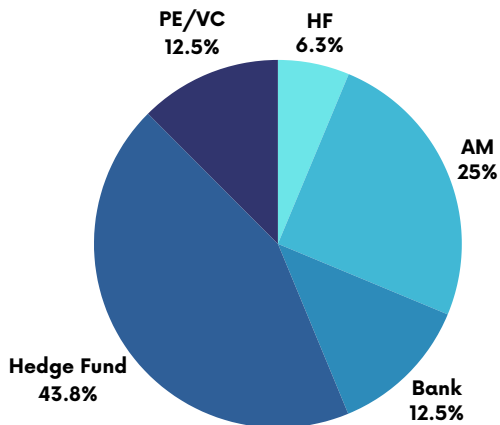
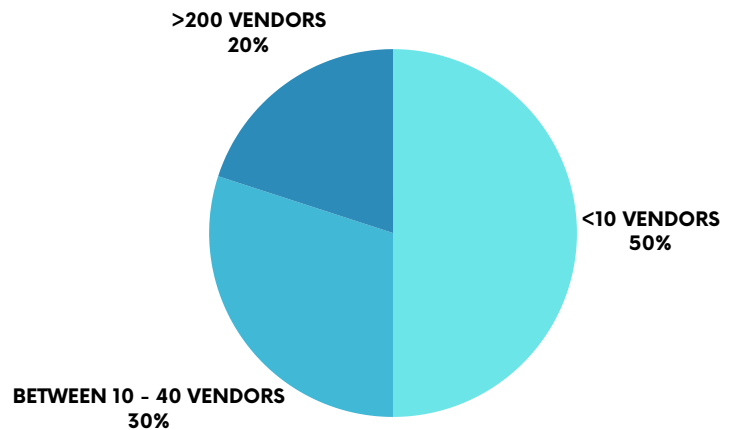## ABOUT HALF OF FIRMS WORKED WITH LESS THAN 10 VENDORS, 30% BETWEEN 10-40 VENDORS AND 20% WHO WORK WITH MORE THAN 200 VENDORS

- >200 VENDORS 20%
- <10 VENDORS 50%
- BETWEEN 10 - 40 VENDORS 30%

OF THE SURVEY RESULTS, MOST DATA TEAMS WERE UNDER 5 PEOPLE OR ABOVE 20

<5 OR >20

99% of firms are investing globally

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DATA BUYERS
## SURVEY RESULTS

TWO THIRDS OF FIRMS SAW A SMALL INCREASE IN THEIR LICENSING COST, LESS THAN 10% SAW AN INCREASE OF MORE THAN 10%

<10%   >10%

THERE WAS SOME SIGNS OF INCREASED COMPETITION AND PRICING PRESSURE. GEOLOCATION DATA PRICE DECREASES WERE REPORTED BY ABOUT 20% OF THE RESPONDENTS.

60% OF THE FIRMS EXPECT PRICES TO GO UP, 30% EXPECT THEM TO STAY THE SAME AND 10% EXPECT THEM TO GO DOWN.

MEDIAN COST OF DATA PRODUCTS

$46K

30% of firms expect prices to go down

60% of firms expect prices to go up
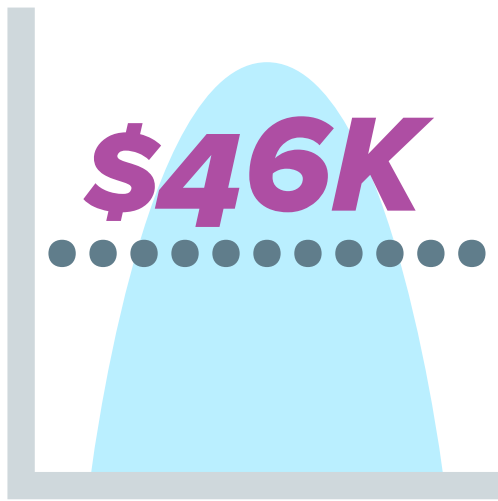
70% OF FIRMS DO ANNUAL CONTRACTS, 30% OF THE FIRMS ARE FLEXIBLE AND ENTER INTO OTHER DURATION RANGING FROM MONTHLY TO 3 YR CONTRACTS.

MARKET DATA AND PREMIUM OFFERINGS SAW THE MOST INCREASE

FLEXIBLE
30%

ANNUAL CONTRACTS
70%
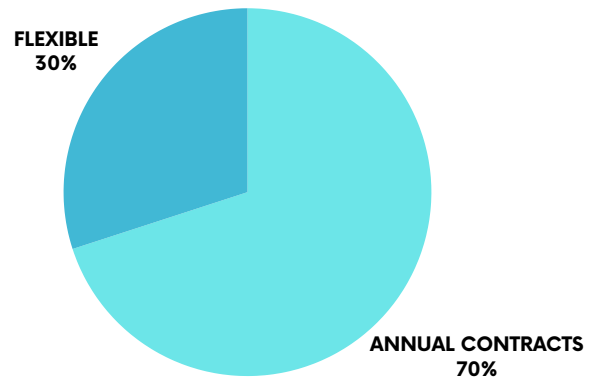
DATA BUYERS
LICENSE COST CHANGE YEAR OVER YEAR

LARGE VENDORS

Most buyside firms saw an average of 3-5% increases. Some dissatisfaction with lack of product improvements from large vendors

+3% TO 5%

MEDIUM VENDORS

LICENSE COST CHANGE

Most firms saw an average of 3% increases in medium vendors

+3%

SMALL VENDORS

LICENSE COST CHANGE

Most firms saw none or less than 5% increase in costs.
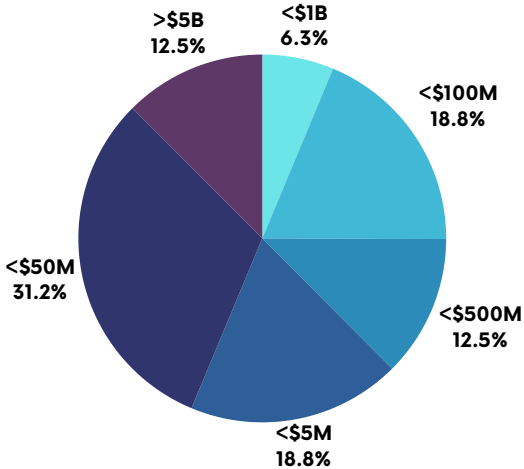
+0%

SUMMARY:

Larger vendors tended to have more pricing power, in the case of smaller vendors some were able to offer increased coverage and new products to avoid price decreases.

Inflation/operational costs were some of the main reasons for the price increases.

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DATA PROVIDERS
SURVEY RESULTS

ANNUAL REVENUE

- >$5B 12.5%
- <$1B 6.3%
- <$100M 18.8%
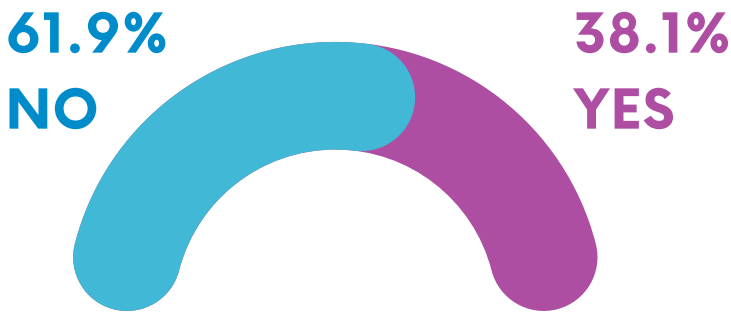- <$500M 12.5%
- <$5M 18.8%
- <$50M 31.2%

AS EXPECTED, SIZE OF FIRM BY REVENUE AND EMPLOYEES VARY A LOT. THIS IS A HIGHLY COMPETITIVE INDUSTRY WITH A LOT OF INNOVATION OPPORTUNITIES.

50% of data vendors had revenue <$50M ARR

20% of data vendors had revenue >$1B ARR
*in USD

VENDORS LICENSING OTHER DATA PRODUCTS TO BUILD OR IMPROVE THEIR PRODUCTS
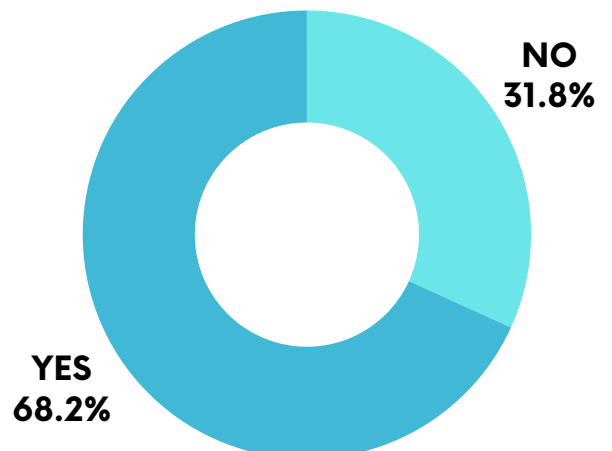
61.9% NO

38.1% YES

75%+
DATA PROVIDERS SAW A RENEWAL RATE OF 75%+

55% OF DATA PROVIDERS ASKED FOR YEAR OVER YEAR PRICE INCREASES

MOST ASSOCIATED INCREASES WITH HIGHER COSTS OF DOING BUSINESS

87% OF FIRMS ARE PLANNING NEW PRODUCT LAUNCHES IN 2024

DATA MAPPED TO TICKERS OR A SECURITY ID?

NO 31.8%

YES 68.2%

DATA PROVIDERS
SURVEY RESULTS

TITLES MOST ASSOCIATED WITH DATA BUYING:

DATA STRATEGIST
DATA SOURCING
DATA SCIENTIST
RESEARCH ANALYST
DIRECTOR OF RESEARCH

PROVIDER PAIN POINTS:

- Staying abreast of regulation & compliance requirements,
- Long evaluation and PoC cycles.
- Lack of access to data buyer decision maker.
- No transparency into decision process.
- Conflicting demand for Raw Vs Actionable Insights mapped to KPIs.
- Data science talent

SUMMARY:

A diverse set of data provider firms responded to the survey, ranging in revenue from S1M to over S12B, with number of employees less than 20 to over a thousand, with representation from all over the world. Some trends that we see:

- The Alternative Data Industry is in a healthy state as 2023 revenue was expected to be higher compared to 2022, most products having over 75% renewal rate, and data firms activly looking for external data sources.
- Prepare for plenty of new products in 2024. Almost all the firms have plans for launching additional products. And lots of these will be at a BattleFin event.
- Derived data product offerings seem to be increasing. More and more firms are looking to build products on top of other externally sourced data products. This makes the data user's job easier as data gets combined and insights easier to surface and consume.
- Approx 90% of the respondents found Industry Conferences as a good channel for lead gen and customer engagement.
- A significant portion of the data firms responding, use a single cloud provider. The number of employees seems to be correlated to diversity in cloud presence.

Most of the infrastructure and processes at data firms are a mix of on-prem and cloud operations. Looks like not all workflows have been migrated to cloud for multiple reasons

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