



## Market data spend hits another record as complexity grows

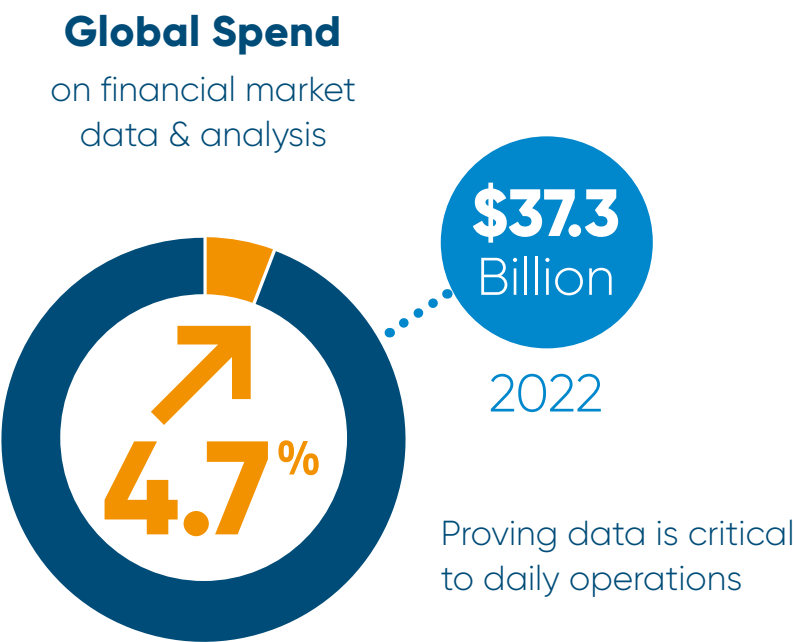
- Market data spend in 2022 **up 4.7 percent** to record \$37.3 billion
- Remains one of the **biggest costs** faced by financial institutions
- Keeping track has **never been more important**
- TRG Screen's 'game changing' insights, **savings of 2-10+ percent**

# Executive summary

SPENDING ON FINANCIAL MARKET DATA AND NEWS HIT A NEW RECORD IN 2022, HIGHLIGHTING THE VALUE BANKS AND OTHER INSTITUTIONS PLACE ON THESE VITAL STREAMS OF INFORMATION THAT DRIVE THEIR BUSINESSES.

Global spend on financial market data rose by 4.7% on the previous year to \$37.3 billion, with survey participants forecasting that it will exceed historical growth rates in 2023.

A respected annual report by Burton-Taylor International Consulting said spending has touched new highs every year for a decade. In 2022, the biggest share of spending was on real-time trading and data, although demand was also high for pricing, reference and portfolio management data.

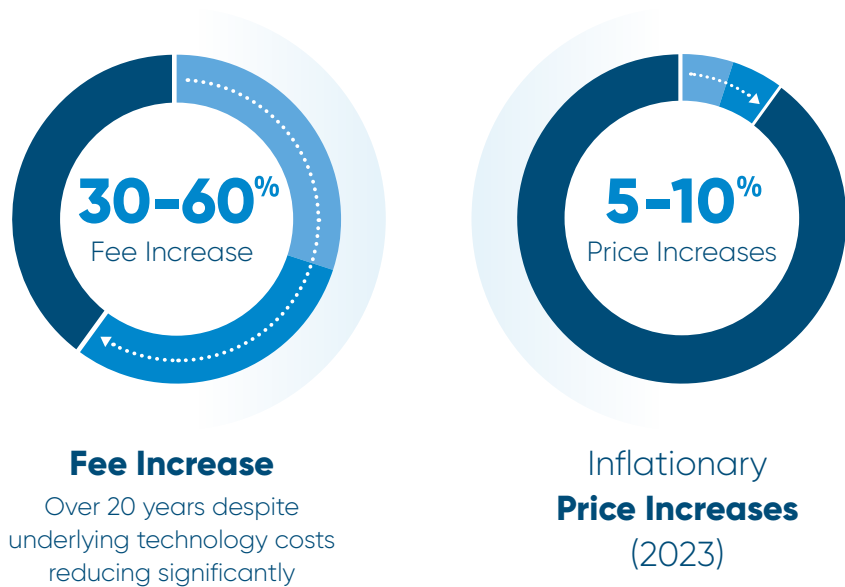


In a separate Burton-Taylor survey looking forward to 2023, respondents expected expenditure on market data would remain strong, with usage driven by greater acceptance of cloud technology and an increased ability to extract intelligence from data.

It will come as no surprise to firms who are already having to pay more for data, that fees have risen by 30-60% in the past two decades and, driven by rampant global inflation, by 5-10% this year alone. A contributing factor to the upward trend in spend.

## Price Lifts

Market data fees continue on an upward trajectory

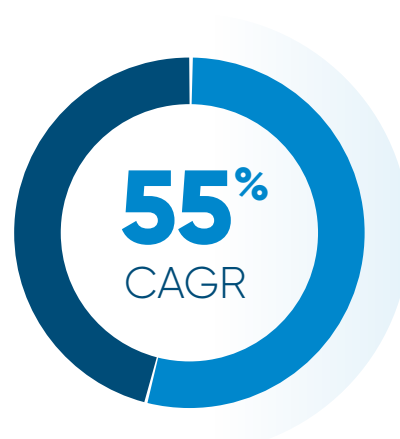


### Other growth factors

Like many other industries, market data consumers are arguably still dealing with the consequences of the pandemic. Market volatility during Covid and the economic upheaval that followed, fueled increased data demand. At the same time, what looks like a permanent shift to hybrid working meant firms needed more licenses, raising costs and potentially making it harder to track compliance with vendor contracts.

The increased demand for data triggered strong growth in alternative data, and it continues to expand. A report by San Francisco-based [Grand View Research](#) valued the global alternative data market at nearly \$4.5 billion in 2022. Analysts expect "alt-data" to undergo a compound annual growth rate of up to 55% between 2022 and 2030. This means more data sources need to be acquired and managed and typifies the relentless growth in complexity of market data.

### Predicted Growth in Alt Data 2022 to 2030



Growing need to manage complex data from non-traditional sources

# Growing complexity

MARKET DATA AND INFORMATION ALLOWS FINANCIAL ASSETS TO BE PRICED, BOUGHT AND SOLD, AND TRADES INITIATED AND COMPLETED. QUITE SIMPLY, WITHOUT THIS INFORMATION, TODAY'S FINANCIAL MARKETS WOULD NOT EXIST.

The volume, variety and value of market data and other financial market information is growing by the year.

**3000 products** provided by  
more than **500 suppliers**



Basic market data include transaction prices, underlying bid/ask spreads and traded volumes of financial instruments, along with details of buyer and seller. From there, it extends to price and other data, real-time and historical, covering a vast array of assets and instruments from exchanges and trading venues across the globe.

But the data universe is expanding, including into hitherto uncharted territory. Sources of so-called 'alt' (for alternative) data, embraced by nimble hedge funds during the pandemic, are proliferating.

These include retail footfall metrics, social media posts and even measures of traffic jams in Beijing, often in non-standardized formats. This makes the datascape even more complex and inevitably adds to costs.

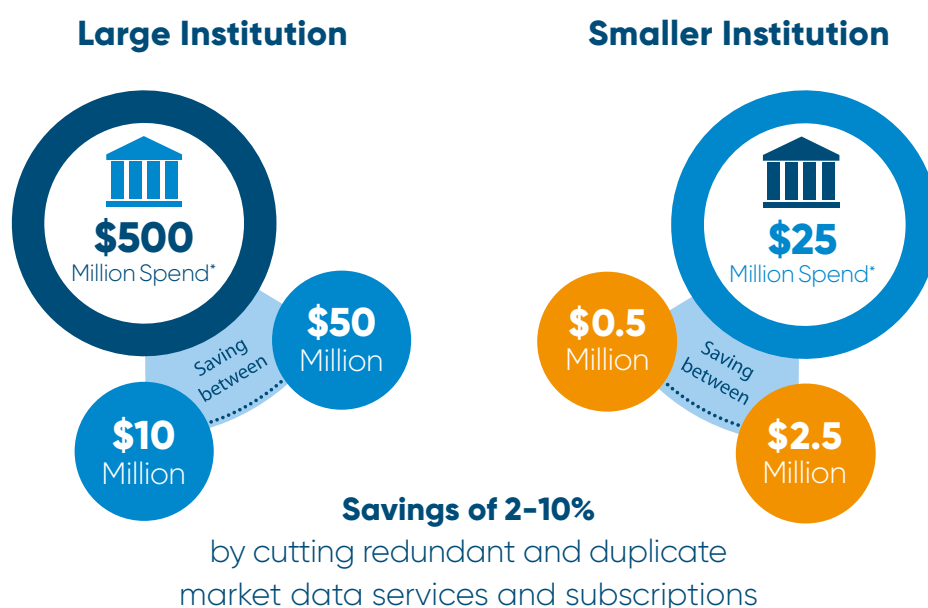
An important driver of volume and complexity is growing demand for automation to fuel algorithmic and high-frequency trading and state-of-the-art analytics – leading to potentially higher compliance risk as firms are contractually obliged to track all forms of data.

# Transparency and control

DATA REMAINS ONE OF THE BIGGEST COSTS FACED BY FINANCIAL INSTITUTIONS, SURPASSED ONLY BY BUILDINGS AND LABOR.

Major institutions subscribe to hundreds of data sources from dozens of vendors, potentially requiring thousands of licenses across the business.

The largest banks can each spend upward of \$500 million a year on feeds from stock exchanges, specialist data providers credit-rating agencies and a growing variety of platforms. While smaller institutions may not match these total sums, costs per user are unlikely to be any less and spending on data and information may be an even bigger share of their outgoings.



This puts firms under pressure to optimize their spend on and use of data and other information services that underpin today's financial trading.

For the data manager, the goal is optimum visibility of the data landscape. It requires clarity on spending, usage, compliance and data enquiries, among many other factors across the lifecycle of a market data subscription.

## The edge

"EVERYONE IS LOOKING FOR THAT EDGE," SAID LEIGH WALTERS, PRESIDENT OF ENTERPRISE SUBSCRIPTION MANAGEMENT COMPANY TRG SCREEN, WHOSE 500+ CUSTOMERS RANGE FROM HUGE GLOBAL BANKS AND ASSET MANAGERS TO SMALL HEDGE FUNDS.

It is not just financial institutions that struggle under the weight and complexity of their data subscriptions. TRG Screen includes law, energy and professional services firms among its clients and all rely on data to serve their customers.

Arguably, keeping track of burgeoning data spend and usage and the requests for ever-more feeds has never been more important. For many, it has never been more of a headache, given tight budgets and headcount cuts in response to the pandemic.

Managing market data is a multi-faceted operation. Of all the data sources coming into the business, which are the most important? Have some become redundant as users' needs have changed?

Who is using what data and how often? Do they really need all the data sources they can access or would different, perhaps cheaper datasets be more appropriate? As sources of data proliferate, is there duplication, with the business paying two vendors for the same information? Is everyone licensed for a particular service even still working for the company?

## Cost creep

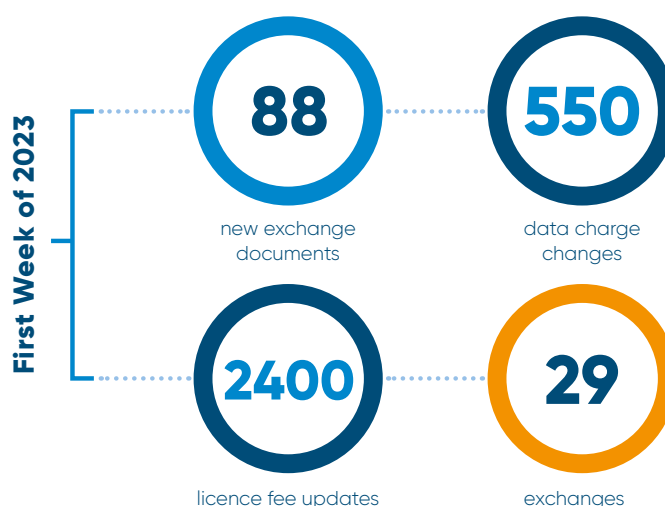
AS MORE SEGMENTS OF THE BUSINESS REQUEST DATA AND MORE SUBSCRIBERS START USING THE INFORMATION, ARE THEY BEING PROPERLY PRIORITIZED. AS ENQUIRIES MULTIPLY, IS THERE EVIDENCE OF "COST CREEP" THAT NEEDS TO BE MANAGED.

Lose control of these factors and tracking or forecasting the data budget is a problem. A big part of the task is ensuring the institution remains compliant with all its numerous vendors' contracts.

Market data, like other parts of the subscription economy, come licensed, with restrictions on who is permitted to use them, and how the datasets can be distributed. The rules change at a giddy pace and failure to comply can result in fines and reputational damage.

### Exchange Updates

Keeping up with never ending exchange policy and price changes



"Changes to exchange policies happen too quickly for anyone to keep up without the appropriate technology," said Nadine Scott, Global Head of Managed Service at TRG Screen. Failure to realize when a data source becomes fee-liable, for example, could lead to the data being switched off and to expensive compliance problems.

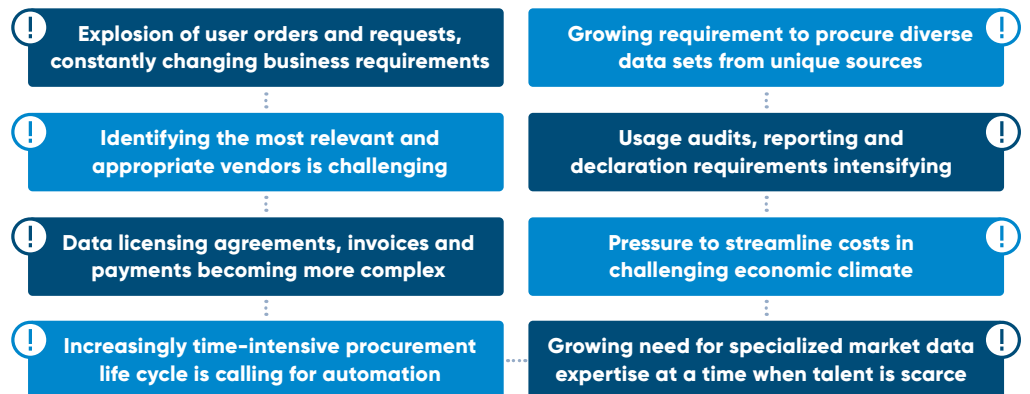
Then there are the thousands of separate invoices and the easy-to-miss renewal dates peppered across the year to be dealt with.

All these tasks require precious staff attention and time that could be more fruitfully spent on higher-value projects.

Not for the first time, data managers are being asked to cut costs. However, industry insiders say it has not always been easy to get an accurate picture of data usage and spend and where savings can safely be made.

## Industry Trends and Observations

Typical challenges faced across the market data procurement life cycle



All of this speaks to the need for firms to ensure they have total transparency over who or what is using the data streaming into the business, and for what purpose. Without this clarity, firms will struggle to manage their subscription landscape and truly get a handle on their market data spend.

## Careful what you switch off

"YOU'VE GOT TO CHOOSE VERY CAREFULLY WHAT YOU SWITCH OFF," SAID WALTERS. "IT'S NOT JUST COST-CUTTING", HE SAID.

Adding it is vital to optimize access to data so that different parts of the business have the information they need to consistently generate revenue and growth. "It's about squeezing more out of the stone and enabling your end-users."

While most large financial institutions leverage dedicated market data management tooling and services, smaller firms may not even realize that managing their data spend and usage presents a potentially costly problem.

The days are gone when the complexity, scale and value of market data subscriptions can be managed over many hours spent on spreadsheets or with generic procurement or contract management systems.

Only purpose-built software that gives total visibility, whatever the firm's size, will suffice.

Market data optimization starts with knowing the full picture of a firm's data landscape and ensuring the right data gets to the people who need it.

## Driving blind

"IF YOU DON'T HAVE THAT VISIBILITY, YOU'RE DRIVING BLIND," WALTERS SAID, ADDING THAT LARGE COMPANIES WITH A SUBSCRIPTION MANAGEMENT SYSTEM OR SMALL FIRMS WITH NONE WERE ALL LOOKING FOR GREATER TRANSPARENCY.

TRG Screen, with more than 20 years of experience, is the only vendor offering solutions to manage data spend, usage, compliance and enquiries – the entire lifecycle of subscriptions.

Now it is phasing in a new platform combining the best of its existing products and groundbreaking analysis of how to get the most out of subscriptions. This brand-new platform is Optimize and promises unparalleled clarity on an enterprise's data landscape and, for the first time, tailor-made actionable insights on how to enhance efficiency and save money.



## The real gamechanger

"THE REAL GAMECHANGER IS THAT WE ARE RE-IMAGINING THE WAY THIS INFORMATION SHOULD BE PRESENTED TO OUR CUSTOMERS. WE ARE SHOWING OUR CUSTOMERS A NARRATIVE ABOUT THEIR OPTIMIZATION OPPORTUNITIES," SAID TRG SCREEN CHIEF PRODUCT OFFICER RICHARD MUNDELL.

The best features of TRG Screen spend management products such as FITS and INFOmatch have been integrated into Optimize Spend while data usage management tools, including ResearchMonitor and XMon, will be reborn as Optimize Usage.



Optimize manages all aspects of subscriptions, including all data and other new sources as they arise. It catalogues sources used by each individual user and automatically deals with compliance, ensuring license terms are adhered to. Users can be surveyed regularly to check whether they still need a particular feed.

It also handles the time-consuming but crucial functions such as renewals and paying invoices via interfaces between vendors and the enterprise's finance and human resources departments. Managers can see where licenses and data purchases are allocated. Monthly management reports can be generated automatically.

An increasing number of clients are seeking to add other types of enterprise-wide expenditure to subscription management systems. These include software, cloud applications, research, consultancy services and contingent labor. Customers want clarity similar to that they get with market data on regular expenditure in other parts of the business.

Optimize will meet the growing demand among market data users for trend analysis, not only keeping tabs on rising costs but, using artificial intelligence machine learning, analyzing why they are rising, Mundell said.

In other words, no more driving blind.

However, turning visibility on data usage and spend into actual savings and greater efficiency has up to now often involved busy managers hacking through lengthy reports and spending hours interrogating spreadsheets.

## Insight

THIS IS NO LONGER THE CASE. AT THE APEX OF THE NEW PLATFORM IS OPTIMIZE INSIGHTS, WHICH USES AI TO DELIVER THE 'WHOLE STORY' OF A FIRM'S DATASCAPE TO THE DATA MANAGER'S SCREEN, ALONG WITH ACTIONABLE RECOMMENDATIONS FOR COST SAVINGS AND GREATER EFFICIENCY ACROSS ALL ASPECTS OF A SUBSCRIPTION.

### Unlock Actionable Insights



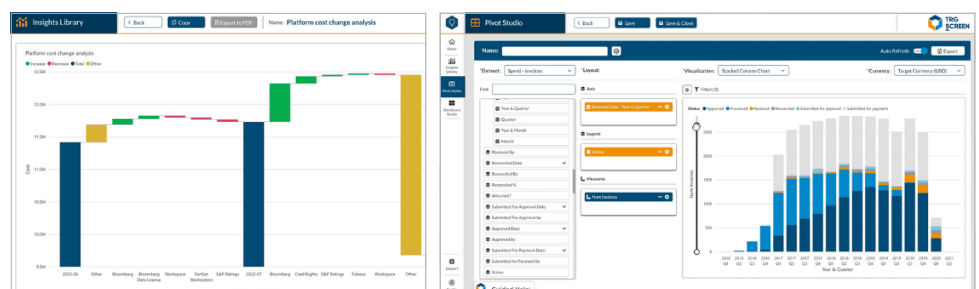
Real-world “do this now” suggestions will be displayed on the manager’s dashboard. “There are trends we can see by looking at the big data and all the different correlations that you’d never be able to see as a human being,” Walters said.

Not only does Optimize Insights bring together data from a whole suite of TRG Screen products, it allows users to pull in their own data from internal applications and third-party systems via API links and extensions.

“We are showing our customers a narrative about their optimization opportunities.”

The company says clients who adopt TRG Screen solutions benefit from centralized management of their subscriptions, including global agreements with data vendors and greater use of automation. On top of that, the complete visibility that comes with Optimize Insights means licenses are allocated more efficiently and other wastage eliminated.

These measures deliver rapid improvements in return on investment (ROI), leading to cost-savings of around 2-10% by just cutting redundant and duplicate market data services and subscriptions through greater inventory transparency and control.



A clear benefit of seeing the big picture through Optimize is that it becomes easier to leverage a firm’s whole spend on data in negotiations with a vendor, rather than renewing contracts piecemeal as they come due.

Compared with handling individual invoices, some TRG Screen users have saved up 80 percent.

## More time for managers

THAT LEAVES MORE TIME FOR DATA MANAGERS TO CONSULT WITH THE BUSINESS ON LIKELY FUTURE REQUIREMENTS AND WITH VENDORS ON THEIR PLANS FOR NEW SERVICES.

Even for companies with subscription management systems, the increased volume and complexity of data, along with the need for standardization, means that many systems may no longer be fit for purpose. A proliferation of custom data presented in custom fields has left many, installed 10 or 20 years ago, creaking.

Numerous TRG Screen clients have been smoothly upgraded to Optimize.

For users of other systems, the company can point to cases where, faced with a costly rebuild of a legacy management system, switching to TRG Screen technology resulted in savings of 60 percent.

Another benefit of Optimize, Mundell said, is that it will be easier to build new capabilities into the system, allowing for more business challenges to be addressed.

## Managed service

OPTIMIZE COMBINES ALL THE POWER AND CAPABILITIES OF TRG SCREEN PRODUCTS TO HANDLE THE MOST COMPLEX AND HIGHEST VALUE ENTERPRISE SUBSCRIPTIONS

However, the company acknowledges that not all data users need the same solution. TRG Screen therefore offers a smart managed service, run by its own team of market data specialists, that can handle anything from invoicing to full management of all aspects of market data and information subscriptions.

It is clear that the data market will continue to grow in terms of volume, breadth, complexity and cost, while experience shows that pressures to do more with less will only intensify. Industry insiders are clear that the unavoidable first step to taking control of this rapidly changing landscape is for users to ensure they have the whole picture of their data subscriptions 24/7.

That way lies insight and the opportunity to optimize data consumption and make significant savings.

"Not only do we give you insights, we give you the real next-generation, cutting-edge business intelligence capability," Mundell said.

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## About TRG Screen

TRG Screen is the leading provider of software used to monitor and manage subscription spend & usage across the entire enterprise.

TRG Screen is uniquely positioned to offer the full spectrum of enterprise subscription management capabilities across:

- Spend management – Optimize Spend (inbound licensing)
- Usage management – ResearchMonitor (online resources & applications) & XMon (data feeds)
- Enquiry & workflow – Quest
- Exchange compliance & reporting – AXON
- Revenue management – INFOmatch (outbound licensing)
- Specialist consulting services, managed services & events

TRG Screen is differentiated by its ability to comprehensively monitor both spend on & usage of data and information services including market data, research, software licensing, and other corporate expenses to optimize enterprise subscriptions, for a global client base.

TRG Screen's clients realize immediate ROI and significant long-term cost savings, transparency into their purchased subscriptions, workflow improvements and a higher degree of compliance with their vendor contracts.

Our global client base consists of more than 500 financial institutions, law firms, professional services firms and other blue-chip enterprises that jointly manage more than \$8.5 billion of subscription spend using TRG Screen's software solutions.

TRG was founded in 1998 by a group of financial technology executives passionate about helping firms manage their high value data subscriptions.

In October 2016 TRG acquired Priory Solutions adding powerful usage tracking solutions to our portfolio of solutions.

We further strengthened our position as a market leader in enterprise subscription spend management when TRG acquired Screen Group in January 2018.

In June 2019 AXON Financial Systems, the leading provider of exchange policy and compliance solutions, joined the TRG Screen family. The combined TRG Screen business provides a truly unique global offering.



**TRG Screen**

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