

## Responsible marketing with first party data



# 90%

of marketers say that first-party data is important to their digital marketing, but:



Only around 30% are collecting and integrating data across channels.



Only 1% are using data to deliver a fully cross-channel experience for their customers.

## Using first-party data comes with business benefits

up to **2x** incremental revenue <sup>(1)</sup> (from a single ad placement, communication or outreach).

up to **1.5x** improvement in cost efficiency <sup>(1)</sup>

Vs. companies with limited data integration.

## But there are some common challenges involved in accessing it



### Access

Many companies have limited direct customer interactions, meaning that they have less opportunity to data about these customers.



### Internal silos

While many companies use first-party data for tasks such as risk management (banks) or churn prediction (telcos), they are not yet using these capabilities fully in their marketing efforts.



### Caution

In a good number of companies, management fears that overly personalized communications could have an adverse impact and drive privacy-sensitive customers away.

## The Responsibility Imperative

Customers are most likely to share their data with companies that actively work to generate trust. <sup>(2)</sup>

## First-party data best practice is about a two-way value exchange:



## Best-in-class marketers follow three best practices to maintain the value exchange:

They set priorities for each customer segment, depending on objectives, in order to create a more relevant experience for customers.



### Visibility

They don't hide banners, design the ask with a neat user interface, and make it easy to withdraw permission by giving users control.



### Candor

They're upfront about the reasons for collecting data, and the benefits of collection and usage.



### Value

They highlight the incentives, such as better customer experience, that comes from sharing data.

## Putting First-Party Data to Use

To make the two-way value exchange work, best-in-class marketers follow a three-step process.



### Strategy

Best-in-class marketers are clear about the data they need for specific business goals or problems. They set priorities for each customer segment, depending on objectives, in order to create a more relevant experience for customers.



### Collection

Collecting data from multiple sources does not unlock its potential. Best-in-class marketers store, cleanse and combine data - the goal being to link sources and connect them to advertising technology platforms for automated activation.



### Analysis and activation

Companies can use their first-party data in multiple ways: from the basic (audience definition) to the advanced (predicting future consumer trends). The most sophisticated digital marketers tend to make their segmentation and marketing more specific without sacrificing reach, while ensuring the economics remain viable.

## The Enablers of Digital Maturity

The research highlights three organisational principles and three technical areas that best-in-class marketers focus on to realise the benefits of first-party data.

### Organisation enablers

**Have a data-first mindset** where responsibility is core. Data governance and stewardship is visible throughout the organisation.

e.g. new exec roles to lead on data strategy & responsibility (Chief Data Officer, Data Protection Officer).

**Bring specialist skills in house** such as data scientists and cloud engineers to do more sophisticated marketing.

**Work with strategic tech & analytics partners** to accelerate their maturity.



### Technical enablers

**Centralised data warehouse on the cloud**, to bring offline and online data together and to build insights about customers.

**Improve match rates between data sets**, moving them toward a single view of the customer, where they can provide relevant communications and incentives.

**Use measurement models to anticipate what matters**: delivering the right message at the right time to the right customer.

