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MEDIA CONSULTING

Your Guide to First Party Data Collection

June 2023

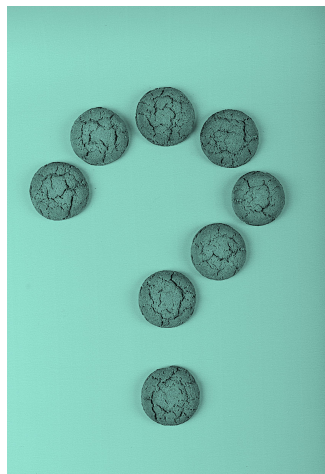




Intro

By now, we all know that third-party cookies are set to disappear in the not-too-distant future. You can check out our [previous whitepaper](#), which covered this very topic.

Naturally, the demise of third-party cookies and the tightening of privacy regulations have everyone wondering, “What will come next?”



Remind Me Why Third Party Cookies Are Going Away...



Consumers have been more concerned about privacy than ever. GDPR in the EU was one of the first significant privacy regulations to take effect, which forced companies to change how they were handling consumer data. Since then, more regulatory bodies have followed suit—notably California's CCPA and CPRA, Brazil's LGPD, Japan's amendments to APPI, and more. Additionally, tech leaders have taken a stand to show solidarity with consumers in order to instill loyalty and trust in their brand and experiences.

While browsers such as Safari and Firefox have already blocked third-party cookies, Google Chrome has delayed its phase out twice. This is considerable because Chrome is the preferred browser of more than 60% of global web users. Now, they are set to disappear by the second half of 2024.



What is First Party Data?

First party data is information that is collected directly from an audience, customers, website visitors or mobile app users.

Marketers usually collect first-party data by adding a pixel to their website, social media profiles, or product. This pixel gathers information about behaviors and actions and then records it in your CRM.

First-party data is owned by the company that gathers it and it is more reliable and accurate for predicting the behavior of its users than other data types. Additionally, as brands shift to using first-party data, they're building better relationships with customers, providing more value, and optimizing their marketing campaigns. First party data cannot be used to track across other sites.



Why is it More Important Than Ever?

Information is the oil of the 21st century, and analytics is the combustion engine.” –Peter Sondergaard, Senior Vice President and Global Head of Research at Gartner.

Data is now considered the world's most valuable resource. But, data needs to be analyzed and handled correctly in order to be of any use.

As the world moves towards a cookie-less future and privacy regulations grow, first party data will prove to be an incredibly valuable tool in future marketing strategies. In fact, a survey conducted by Gartner revealed that 82% of marketing leaders indicate that their organization is prioritizing first-party data to create immediate value for customers.



The Value of First Party Data

Compared to other data types, first party data is:

More secure - more transparent and compliant with privacy protection regulations, not blocked by ad blockers

More accurate - providing a more reliable, detailed view of customer preferences and behavior

More cost-effective - can be collected for free

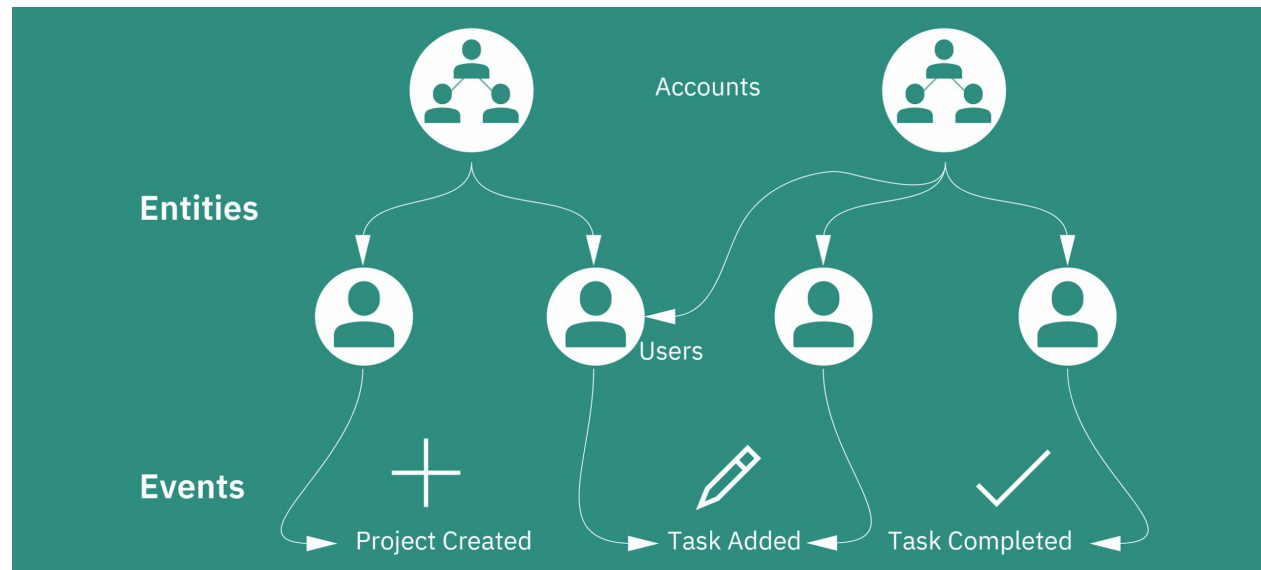
More profitable - enabling companies to boost conversion with an enhanced customer experience and successful targeting efforts

First-party data is a privacy-oriented, ethical data collection method that enables marketers to gain a clear view of their customers, control costs more effectively, and significantly impact their campaigns.

There are Two Different Types of First Party Data

Entity data: Information about the user's identity (like age, location, and gender) and their preferences (like the genre of movies they like to watch).

Event data (or behavioral data): Information about actions users take in your platform (like clicks, hovers, or adding to cart).



Source: [Amplitude](#)



More Examples

These specific examples of first party data can be collected:

- Coupon use data
- Location of customers
- Details of customer support inquiries
- Brand interaction on social platforms
- Age, education, employment, marital status, and other demographic data
- Interests like preferred content, product categories, individual products
- Items website visitors download, like documents, PDFs, and other materials
- Purchase history including subscriptions, cross-sells, upsells, individual purchases, etc.



How Can We Collect First Party Data?

First-party data can be collected at all touch points between a business and its individual customers, like:

- Customer feedback
- Surveys and quizzes
- Point of sale or CRM data
- Social media accounts
- Subscription-based emails or products
- Website, app, or product behavior analytics
- SMS/text messaging data
- Call centers
- Customer operations

Personal data can be compiled in customer data platforms (CDP), or databases that store all the customer information in one central place. Marketers can then pull relevant customer data to create targeted campaigns, assess the audience, and personalize customer outreach.



Why is First Party Data So Useful?

First party data can be helpful in so many ways. It can be used to:

- Understand customer lifecycles
- Improve the buying experience
- Develop new products and categories
- Retarget customers through ads and emails
- Break into new markets
- Identify new audiences
- Segment the customer base more accurately
- Personalize the customer experience by displaying relevant ads and content





Real World Examples

How are brands actually gathering and utilizing first party data? Let's take a closer look at some of the common strategies, as well as some out-of-the box ideas...






Quizzes

DTC brand Dollar Shave Club used a grooming quiz to generate customer recommendations. In less than a minute, grooming habits were evaluated, a subscription plan was recommended and the products were listed out so you can scale them up or down as needed. These quizzes are great for building customer trust. Since they're personalized, the customer believes that they've found the right product for them and they will continue to get relevant suggestions.

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5 items 10% off ~~\$44.00~~ **\$39.60**
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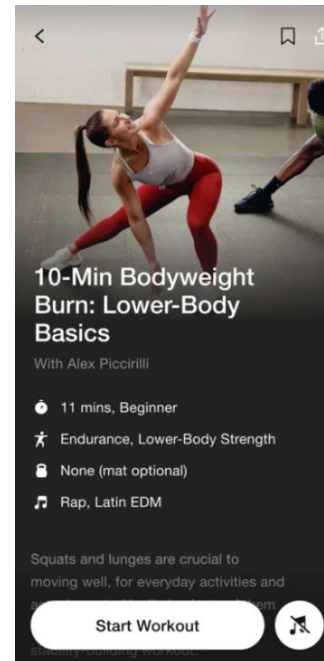
[Customize your products >](#)



Apps

Nike's app encourages its audience to access exclusive community benefits, browse and shop products more easily, and help them reach their lifestyle and sports goals.

The brand also has training and running apps to help its audience get active. By studying the app's analytics, Nike could gain a deeper understanding of its customers' behavior. Are they coming to Nike to reach their sports goals? Or are they shopping with the brand to buy stylish athleisure garments?





SMS and Text Messaging

Shop All Cookware + Bakeware + Sides +

Great Jones

Need real-time cooking advice?

Text 1-878-POTLINE

Text the Great Jones' Potline at **1-878-768-5463**, Mondays through Fridays (12-6pm EST), for recipe suggestions and cooking advice. We're here to help!

Why Potline?

- 👉 We'll help you conquer the dreaded question, *What should I make for dinner?*
- 👉 Not sure how to braise ribs? *No problem, we'll walk you through it.*
- 👉 We respond quickly and use cooking language *you can easily understand.*

6:28

Great Jones Potline

Hi Potline! I just got a ton of leeks, potatoes, and onions from my farm share/CSA. What can I do besides make mashed potatoes?

Hi!! I have the perfect thing!

Thinly slice all 3 ingredients, and then mix with salt, some butter, olive oil, and garlic in a Dutch oven or casserole dish. Pour cream on top, bake until the sauce thickens, and then cover with any cheese. Bake for 35-40 minutes and presto!

Can't wait to try this!

DTC cookware brand Great Jones gives launched POTLINE, a free text service offering real-time cooking advice and recipe suggestions. By offering this value, they are gaining customers' phone numbers in return. Phone numbers are identity markers, which is helpful to brands as they build out consumer profiles.



Re-targeting

A useful way to use first party data is re-engaging customers. Shopping cart abandonment currently sits at around 70%, causing ecommerce stores to lose an estimated \$18 billion in sales revenue. First party data can help you bridge the gap and encourage consumers to re-engage with your offering. Clothing brand Alex Mill uses data to identify a consumer's recently abandoned items. It then sends a targeted email as an opportunity to remind the shopper of the items in their cart. It also provides an incentive to encourage consumers who are on the fence to convert.

ALEX MILL

Good News: We Saved Your Picks ;)

And You Get Them For 15% Off

Check Out With 15% Off

Patrick Denim Jacket

View Cart

YOUR RECENTLY ADDED ITEMS

Som-Socks

View Cart

Standard Boatneck T-Shirt In Slub Cotton

View Cart



But First Party Data is Not Perfect

Pros and cons of first-party data

Pros of first-party data	Cons of first-party data
You own the data and are in complete control of it.	It can be expensive to collect and maintain.
Useful for the optimization of campaigns and increasing conversions.	Requires significant infrastructure to store and manage information as part of a first-party data strategy.
Use it to gain a better understanding of your customers and target them with personalized messages.	Incomplete or inaccurate information can present itself in the data set.
Complete visibility into the data and how it is being used.	Difficult to interpret the data and draw meaningful conclusions.
Helps you gain insights into customer behavior and trends.	Challenging to keep up with changes in consumer behavior.



Common Difficulties

There are some common pitfalls when it comes to first party data. Try to avoid:

- **Gathering surface-level data only** – Don't stop at name and email. The more data you have, the more you can connect with your customers.
- **Not having a plan** – Identify your goals. Piles of data will do nothing for you if you don't know how to analyze it and use it.
- **Not using the data properly** – Use your data when it's fresh and can be used in a relevant manner, instead of letting it sit for a long period of time.
- **Not building trust with your customers** – Customers want to know what is being done with their data. Brands need to build trust by showing customers they're responsible with their data.



An Important Note About Building Trust

You are complying by all privacy ethics and regulations, and practicing transparency, but how else can you build that ever-important trust with your customers?

You need to exchange value. You help me and I help you.

If you want to deepen the relationship, you need to continue delivering these valuable experiences across all interactions over time. Perhaps it is a newsletter, alerts when a favorite writer or topic is posted, or a text message when a coveted item is back in stock. Ask “How can I help this person with what they need?” instead of “How can I get this person to convert?” Over time, the consumer will willingly provide a greater level of first party data. At that point, they’re converting into a longer-term customer. This could be your end game or it could be just the beginning in what you hope is an enduring, loyal relationship.



How Can Marketers Develop an Effective Marketing Strategy

The elimination of third party cookies means a recalibration of the entire marketing strategy. Important steps to take in order to maximize efficiency include:

Step 1 – Define your plan and goals.

Step 2 – Make sure you have your data systems in order. Ensure you have the ability to store and access clean and solid data, preferably through a Customer Data Platform.

Step 3 - Build trust with customers. Offer something of value in exchange for data.

Step 4 – Invest in personalization.

Step 5 – Refine and adapt as necessary.



If You Don't Have the Tools, Get Them

If you don't already have a plan or systems in place for collecting and analyzing first party data, you should strongly consider addressing that as soon as possible. Assess how much your business relies on third party data and figure out if it will suffer in the absence of it.

If you do decide to implement a system, make sure you have a multiple teams collaborating. Data/engineering must obviously be involved, but product, growth and marketing teams also need to provide input on which tools and technologies to use, what kind of data needs to be tracked and what kind of data is of no use.





In Conclusion

First-party data is important, and while it does provide valuable insights into existing customers, it can be sometimes limited. Using a comprehensive range of data sources allows businesses to gain a complete understanding of their customers and marketplace.

However, as we move into the future, privacy issues and concerns will be at the forefront of consumers' minds. They will also be looking for more streamlined and personalized online experiences. Utilizing first party data to its highest potential will ensure accuracy and a relationship of trust with your customers.



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SO GLAD WE'RE HERE TO HELP