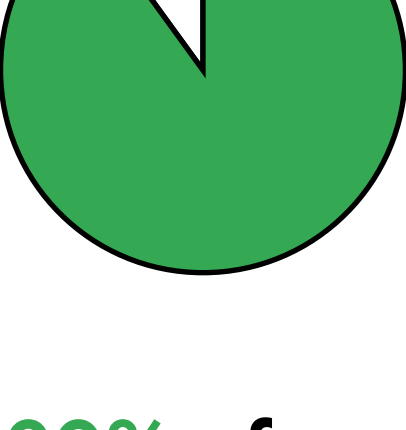
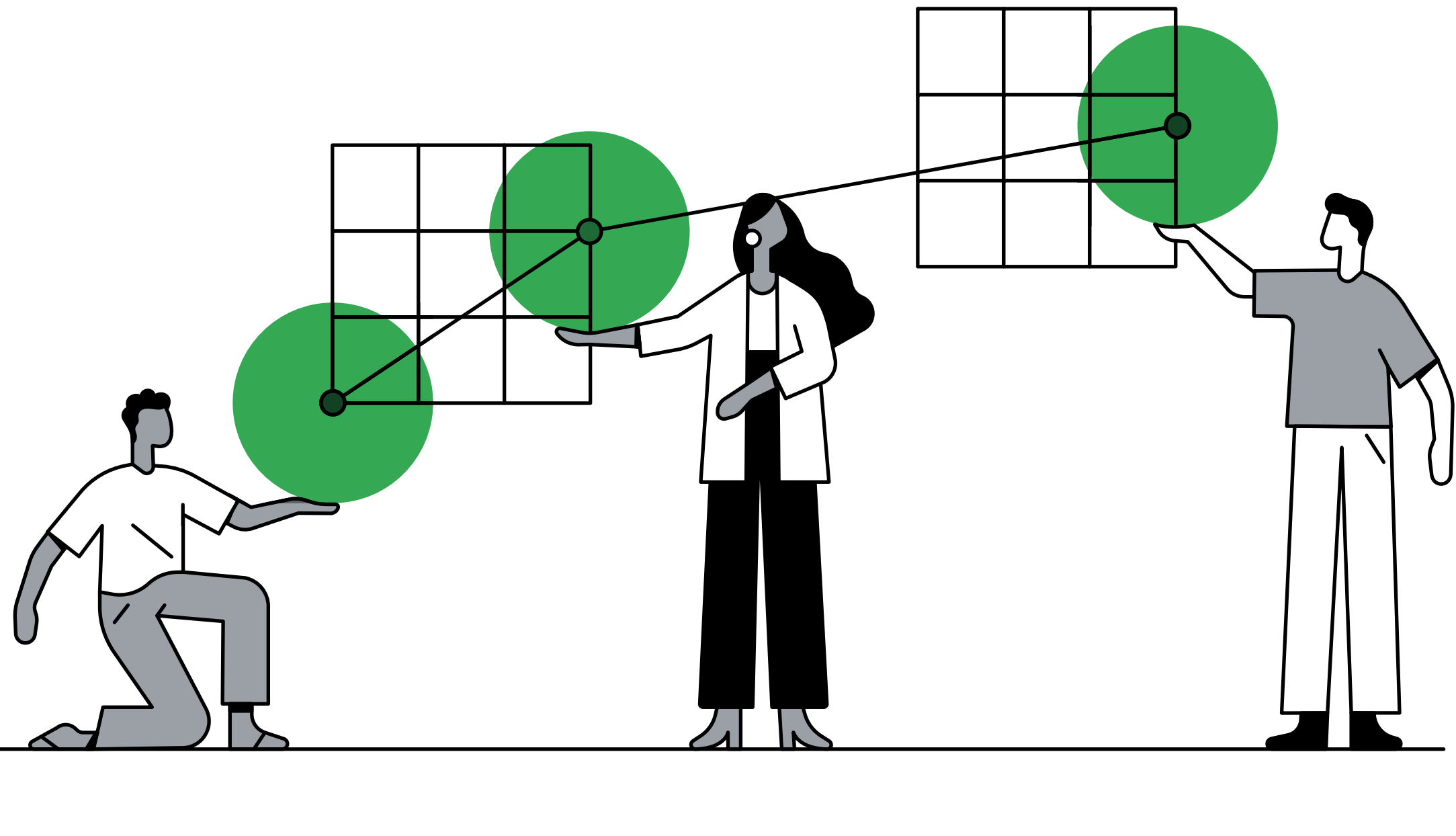
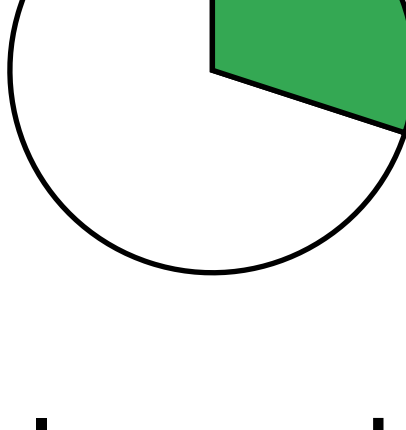


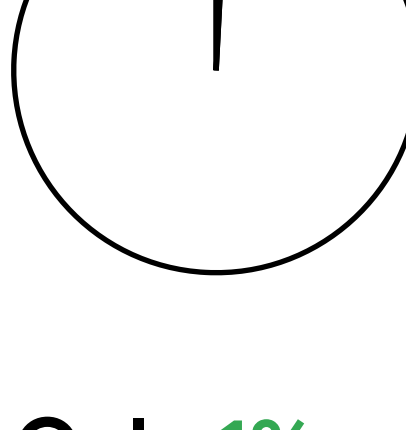
Responsible marketing with first-party data



90% of marketers say that first-party data is important to their digital marketing.



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.

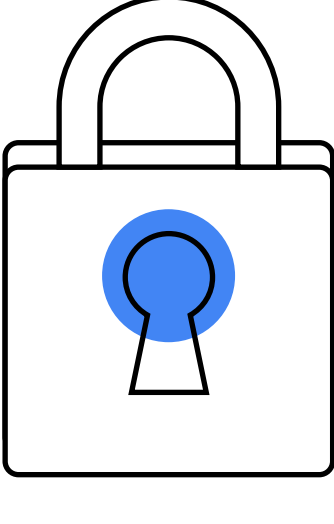
Using first-party data comes with business benefits

up to **2x** incremental revenue (from a single ad placement, communication, or outreach)

up to **1.5x** improvement in cost efficiency

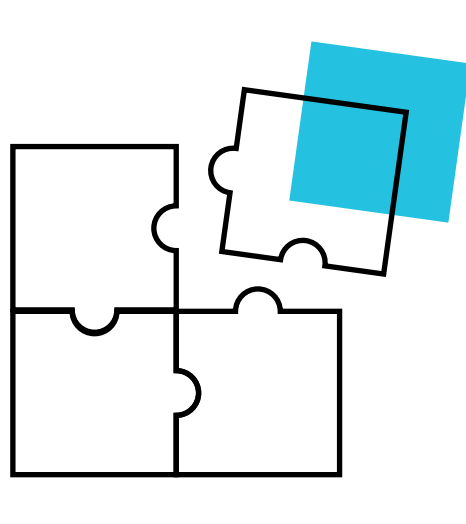
compared to companies with limited data integration

But there are some common challenges



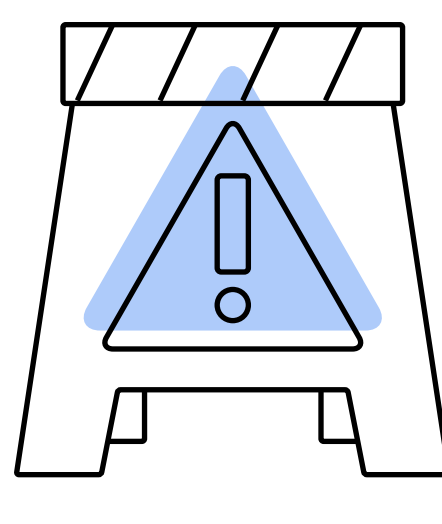
Access

Many companies have limited direct customer interactions, meaning that they have less access 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.



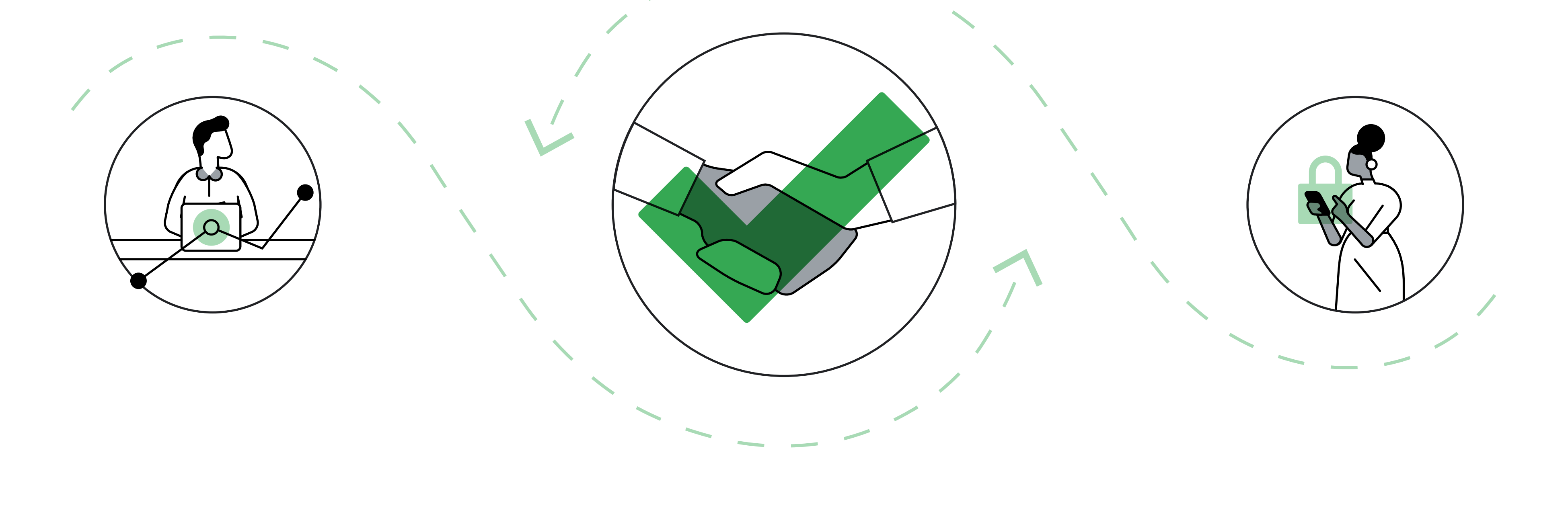
Caution

In a good number of companies, management fears that overly personalised communications could have an adverse impact and drive privacy-sensitive customers away, but this is not necessarily the case.

The responsibility imperative

Customers are most likely to share their data with companies that actively work to generate trust.

First-party data best practice: The two-way value exchange



Advertiser

Data stewardship and transparency

Companies can build a virtuous cycle of increasing trust, data, and value.

Value exchange

Increasing consumer trust increases size of value exchange

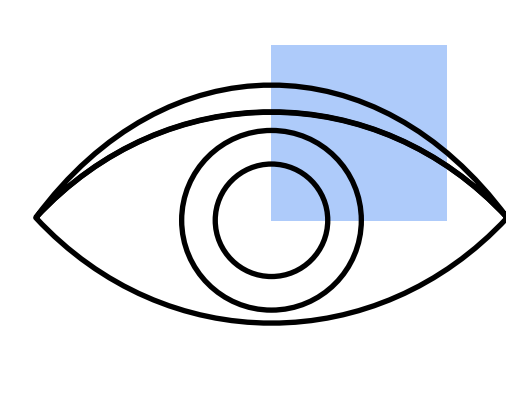
The more value the company offers, the more trust they earn with the consumer.

Consumer

Trust and permission to use data

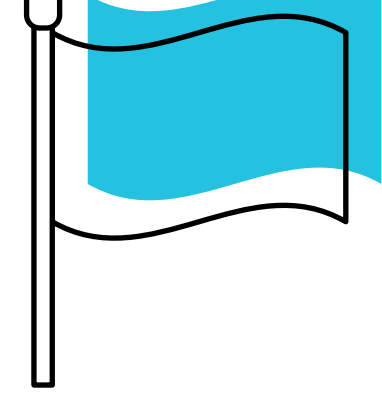
Consumers can withdraw permission at any time if trust or the benefits are too low.

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



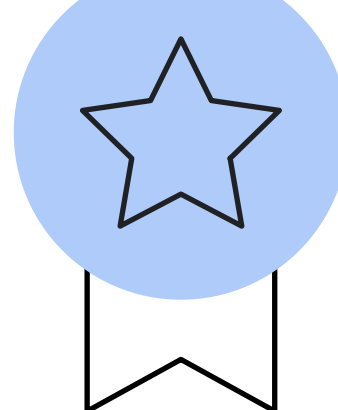
Visibility

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



Transparency

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

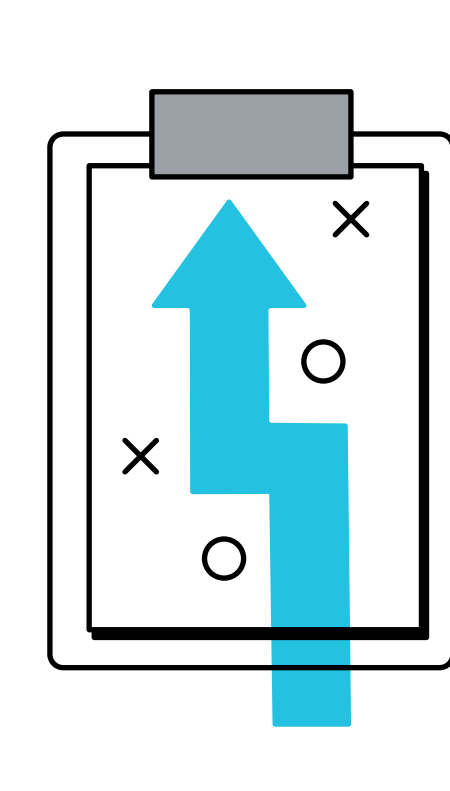


Value

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

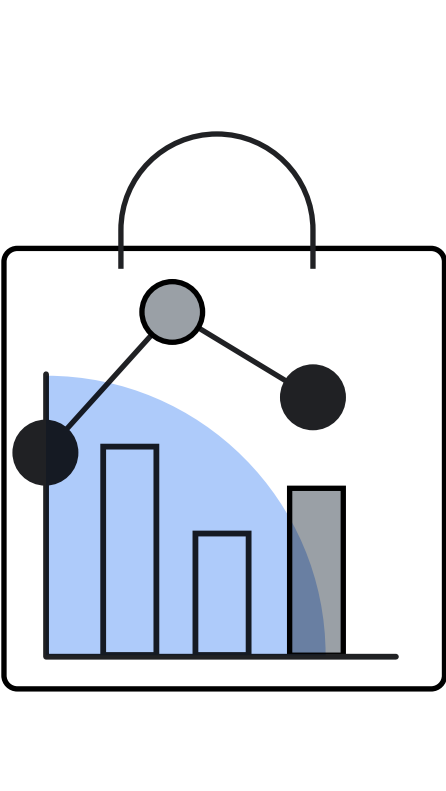
Putting first-party data to use

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



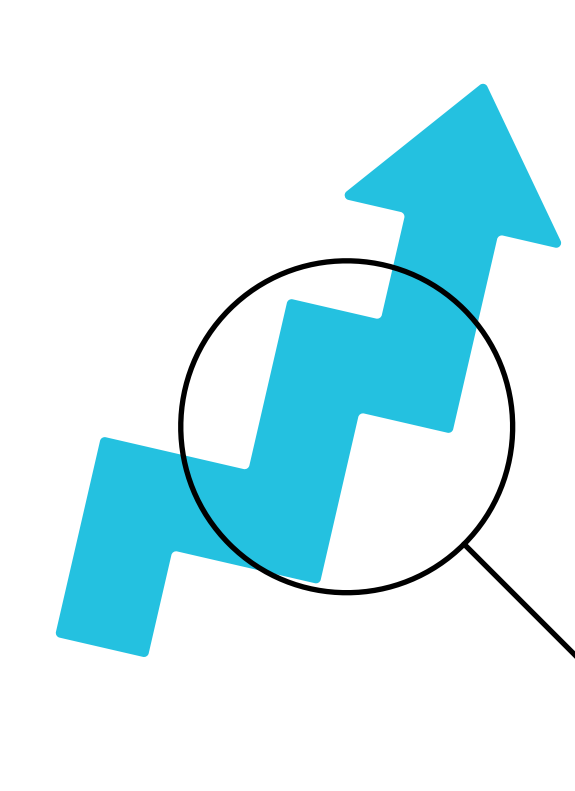
Strategy

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, to create more relevant experiences for customers.



Collection

Collecting data from multiple sources does not unblock 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

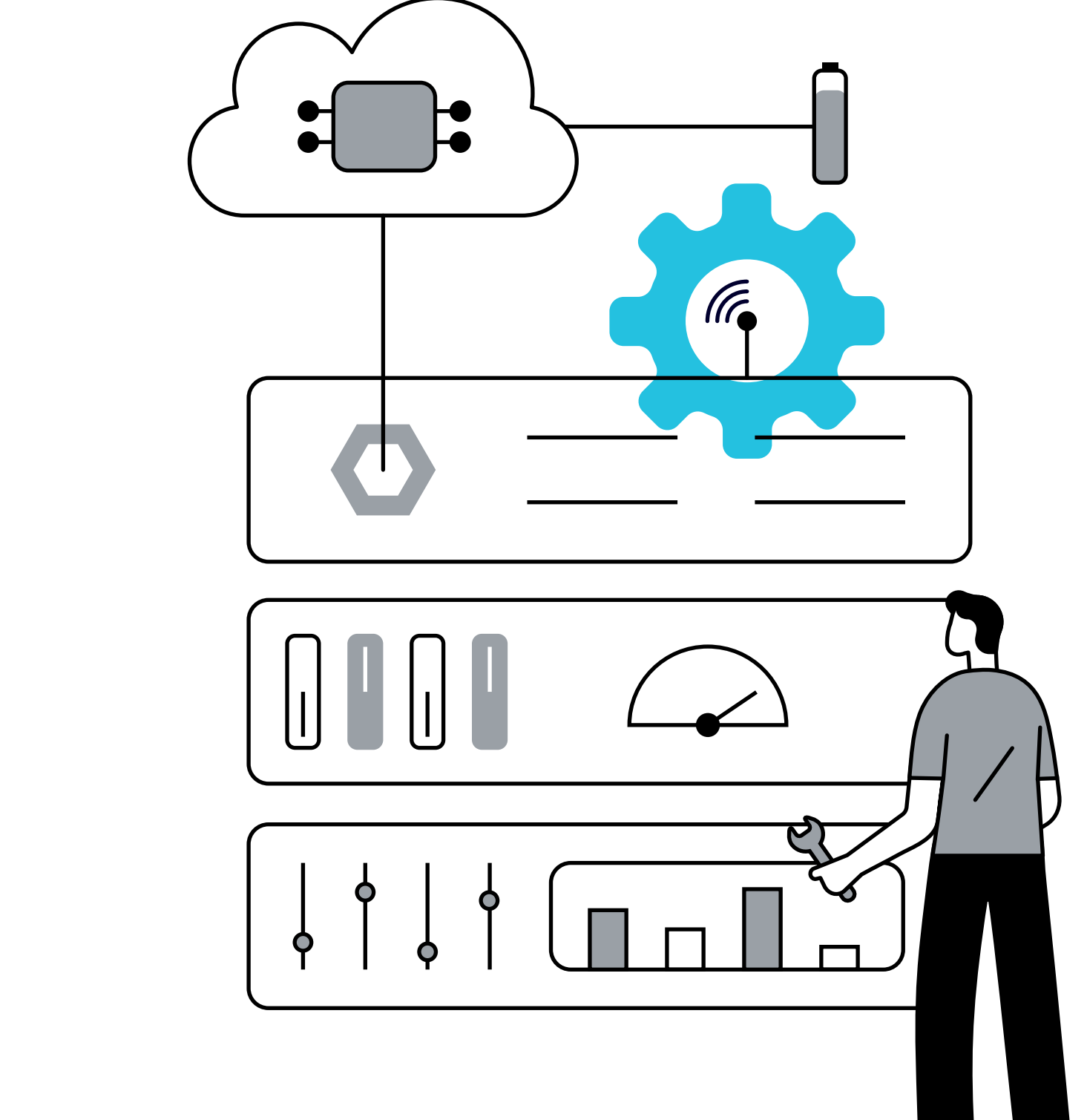
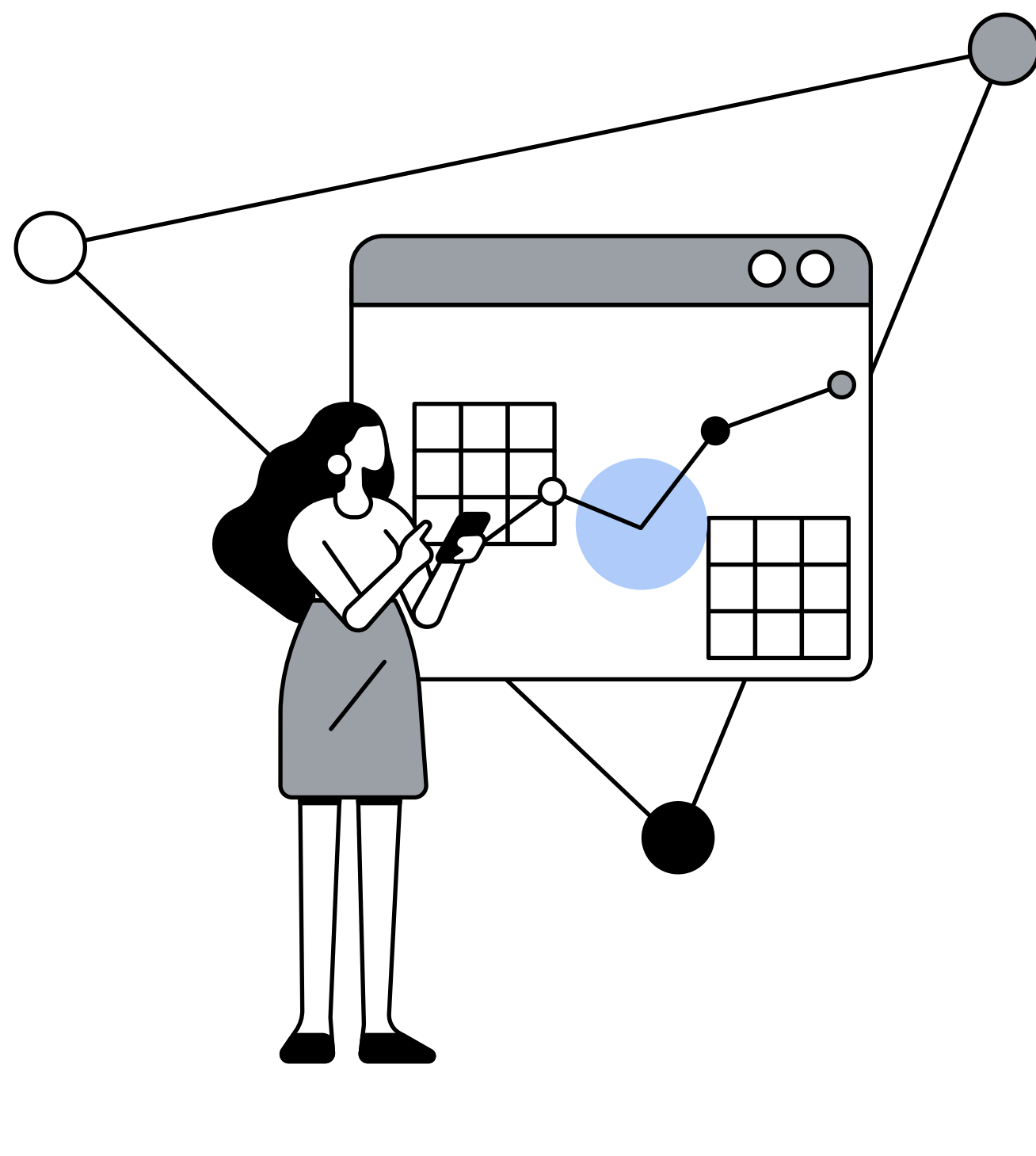
Companies can use their first-party data in multiple ways: from the basic (audience definition) to the advanced (predicting future consumer trends). The most sophisticated digital marketers tend to make their segmentation and marketing more specific without sacrificing reach, while ensuring the economics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

Organisational enablers

- Have a data-first mindset where responsibility is key and data governance and stewardship is visible throughout the organisation.** E.g. new executive roles to lead on data strategy and responsibility (Chief Data Officer, Data Protection Officer).
- Bring specialist functions in-house** (such as data scientists and cloud engineers) to build proprietary models to facilitate more advanced use cases of first-party data.
- Work with strategic technology and analytics partners** to better understand how best to deploy the available tools and achieve full functionality.



Technical enablers

- Set up a 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.
- Develop proprietary algorithms** in favour of off-the-shelf solutions to focus on metrics customised to your business.