StackAdapt

EBOOK

Data Goldmine

Explore the Value of 1st-Party Data

Contents

Introduction

In this ebook, we will explore the power of 1st-party data. We cover the fundamentals of 1st-party data, including what it is, how to collect it, and where to store this type of data. You'll learn how you can leverage 1st-party data to set your campaigns apart and maximize return on investment (ROI).

Ready to gain the confidence to activate this data across different stages of the marketing funnel? Let's get started.

The Evolving Privacy Landscape

Businesses have long relied on 3rd-party cookies to track users across the web, gather data about their browsing behaviour, and inform their marketing strategies. But with today's advertising landscape experiencing growing restrictions on data collection, it's time for marketers to rethink how they gather the data needed to create effective digital marketing campaigns.

The number of digital environments where cookies are accepted and tracked is evolving. For example, some browsers like Apple or Safari now offer options for users to manage cookies and website data. A user can block all cookies while using that browser.

There will continue to be digital environments where cookies exist, acting as identifiers for those who engage with the content and web pages. But, we are moving toward a digital future that is increasingly 3rd-party data limited. This means marketers should be exploring other strategies and methods for gathering data about their audience.

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52%

of marketers are prioritizing the collection of more 1st-party data from digital experiences due to regulations.

Privacy Regulations

Consumers increasingly care about privacy regulations. They value the protection of their personal information, and the control they have over how their information can be used by businesses. Consumers today are empowered to make informed choices about sharing their data, and ensuring they have transparency and control over their online experiences.

Privacy regulations also help protect individuals from unsolicited marketing communications and unwanted tracking. This allows them to have a more personalized and relevant online experience that is based on their preferences.

Here are a few of the privacy regulations that marketers should be aware of:

JAN 1, 2023	JUL 1, 2023	DEC 31, 2023
CPRA (California) California amends existing CCPA. **VCDPA (Virginia)** Second state to give rights to access.	**CPA (Colorado)** Third state to enact privacy law. **CDTPA (Connecticut)** Fifth state to pass consumer privacy law.	**UCPA (Utah)** Fourth state to pass privacy law.

For advertisers, privacy regulations present both a challenge and an opportunity. Advertisers need to adapt and be agile in their marketing strategies, while also complying with privacy regulations. They should ensure they obtain proper consent, use data responsibly, and respect individuals' privacy choices. By adhering to privacy regulations, marketers can maintain consumer trust, enhance their reputation, and foster stronger relationships with their target audience.

63%

of customers say they'll share their data and see it as beneficial to them.

ⓘ **Source:** Experian, Global Insight Report.

1st-Party Data is Gold

First-party data is information collected directly from engaged, consenting users who are familiar with your brand and product offering. These users could be customers or prospects.

By collecting this reliable and accurate data, you can trust that the data is up-to-date and reflective of the actual behaviour of your audiences. This allows for more personalized and engaging customer experiences while maintaining compliance with privacy regulations.

What Is 1st-Party Data

First-party data is information you collect about your customers' behaviours and actions on your website (pixel data), app, email marketing, or other mediums where they engage or transact with your brand.

First-party data is proprietary to your business. This type of data is considered to be the most reliable and accurate because it comes directly from the source and is voluntarily provided to you by users.

This data can be collected through various *sources*. Here are some of the most common ones:

Website Interactions

Information collected through website analytics tools that track users' interactions, such as page views, clicks, session duration, and conversion actions.

Customer Relationship Management (CRM) Lists

A CRM system is a tool used to manage customer interactions and relationships. The information collected is typically from various touch points such as purchase histories, demographic information, and any interactions customers have with your business.

Surveys

Conducting surveys allows you to directly collect 1st-party data by asking specific questions to your target audience. The response provides insights into customer preferences, opinions, and behaviours.

Subscriptions or Loyalty Subscriptions

When users subscribe to your newsletters, blogs, and other forms of content, they willingly provide their contact information, which can be used as 1st-party data for further marketing and communication purposes.

Lead Generation Campaigns

Any lead generation campaigns that have gate content or free trials are a great way to collect 1st-party data. Users will provide their contact information in exchange for accessing the offer or content.

Customer Feedback

Gathering feedback through customer reviews, ratings, and feedback forms provides valuable 1st-party data. This information offers insights into customer satisfaction, preferences, and areas of improvement.

Email Marketing

By tracking user responses to your email campaigns, such as opens, clicks, and conversions, you can gather valuable 1st-party data. This helps in understanding preferences and optimizing future email communications.

Online Chat

Engaging in live chat or chatbot interaction with website visitors allows you to collect 1st-party data, including user queries, preferences, and other relevant information shared during the conversation.

When collecting 1st-party data, it is important to be transparent and respectful of user privacy. Marketers should clearly communicate their data collection practices and provide users with the opportunity to opt out of data collection if they choose.

Another aspect of any data used is understanding the profiles of the audience. This is the detailed information and characteristics associated with individual customers or audience segments—created directly by your customers and their interactions.

These profiles provide valuable insights into a user's behaviour and preferences which can be used to create a more personalized and effective marketing campaign.

By combining and analyzing these different profiles and sources, you can gain a deeper understanding of who an audience really is, and offer products and services that are catered to their needs and wants.

Here are some examples of data *profiles* to keep in mind:

Demographics — Basic characteristics of customers, such as age, gender, location, occupation, and income level.

Behavioural — Data on user behaviours and interactions with your website or app, including browsing patterns, content consumption, and engagement metrics.

Affinity and Lifestyle — Insights into customers' interests, hobbies, lifestyle choices, and affiliations with specific groups or communities.

Professional and Firmographics — Information about customers' professional attributes, including job titles, industry, company size, or organizational demographics.

Lifestage and Events — Data related to customers' life stages, significant life events, and milestones that impact their purchasing behaviours and preferences.

Purchase Preference — Details about customers' preferences in terms of product categories, price points, brands, and purchase frequency.

Loyalty Program — Information about customers' participation in loyalty programs, points accumulation, redemption history, and engagement with loyalty program benefits.

Benefits and Limitations of 1st-Party Data

First-party data is a very powerful tool that enables marketers to create more effective and personalized marketing campaigns. By leveraging a data-driven approach, with data collected directly from customers and businesses, you can gain valuable insights into your customers' behaviours and preferences, which can inform your marketing strategies and ultimately drive conversions.

① 1st-Party Data

- Data sets that are proprietary to you.

- Collected from within your business's ecosystem through direct interactions with your audience.

- You leverage data collected from your website, surveys, apps, social media platforms, emails, and advertising analytics.

- Data and information is aggregated into your CRM.

- Leveraged by brands looking for insights into their own prospects and customers.

③ 3rd-Party Data

- Data sets built out by an external source.

- Collected by companies that don't have a direct relationship with your customers.

- Researchers use surveys, interviews, feedback forms, and other strategies to gather information about an audience.

- Data is available for purchase through a demand-side platform.

- Leveraged by brands to better understand changes in market trends, buying patterns, competitive analysis, and for social listening.

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Getting Started With 1st-Party Data

Where to Store 1st-Party Data

First-party data can be stored in various locations depending on your business' infrastructure and data management practices. It is important to keep in mind data privacy and regulations when determining where to store your 1st-party data. Compliance with relevant data protection laws, such as GDPR or CCPA should be a priority when selecting storage solutions.
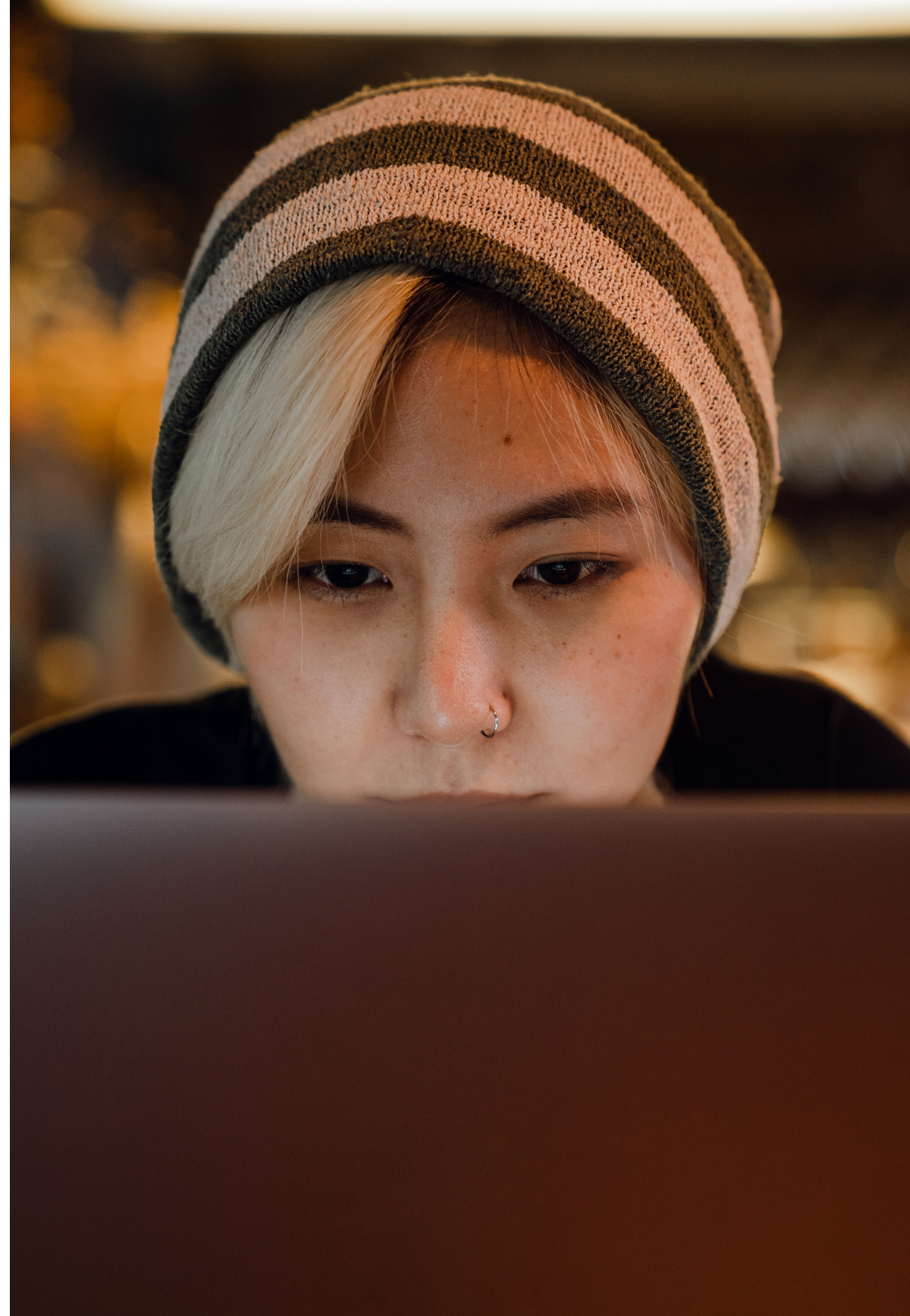
Here are some common systems and platforms for 1st-party data storage:

A DoubleVerify post-cookie survey report found

30.5%

of advertisers indicated that their ability to target audiences effectively was among their greatest concerns in a future without 3rd-party cookies.

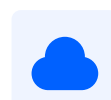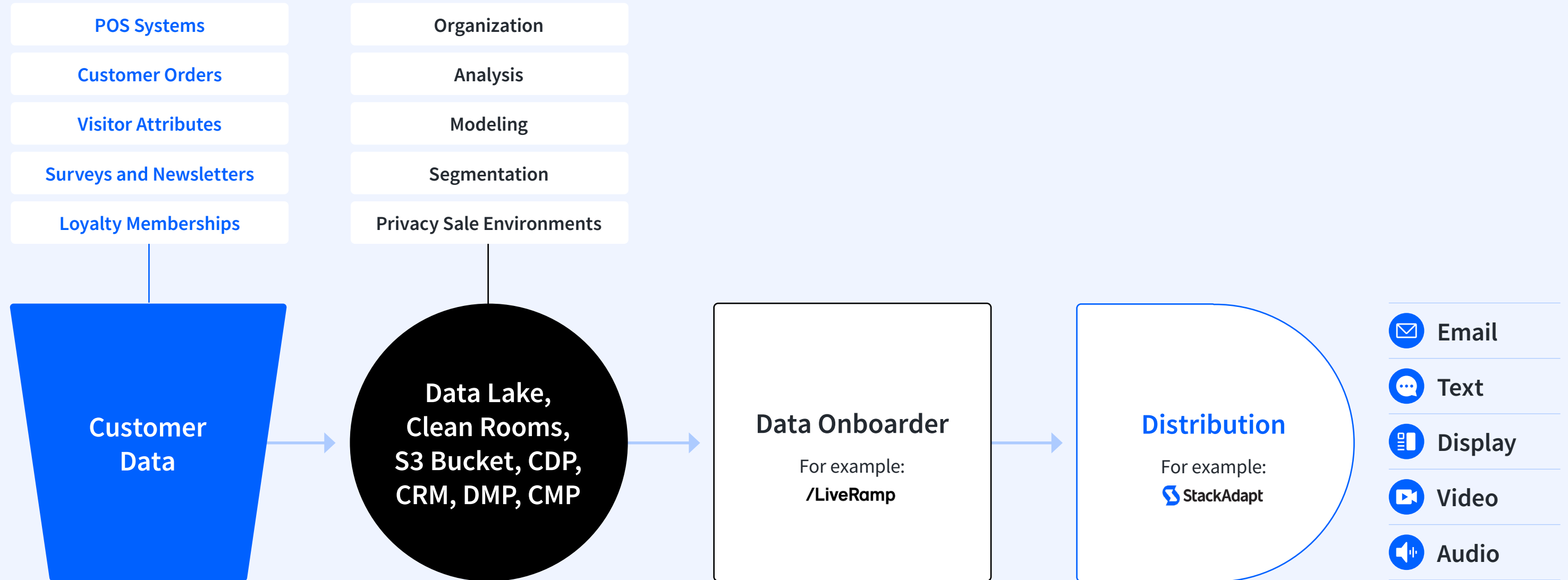|	
Customer Relationship Management (CRM) Systems	CRM platforms are commonly used to store and manage customer-related data, including contact information, purchase history, interactions, and preferences. They serve as a central repository for customer data and provide tools for organizing, analyzing, and leveraging the data for marketing purposes. Some examples include Salesforce and HubSpot.
Data Management Platforms (DMPs)	A DMP can help consolidate and manage 1st-party data from various sources within your organization, allowing you to analyze and segment data for more effective targeting and personalization. Some examples include Lotame, Adobe Audience Manager, and Oracle BlueKai.
Customer Data Platforms (CDPs)	CDPs specialize in unifying and organizing customer data from various sources, including online and offline interactions. By creating a comprehensive customer profile, you can use it for personalization, targeting, and marketing automation. It provides a single view of your customers and enables data activation across multiple platforms. Some examples include Segment and Tealium.
Marketing Automation Platforms	Marketing automation platforms often have built-in data storage capabilities to store and manage customer data. Some examples include Marketo and Pardot.
Secure Data Warehouses	These warehouses provide a centralized repository for storing and analyzing large volumes of structures and unstructured data. They ensure data integrity, security, and scalability, enabling advanced analytics and data-driven decision-making. An example of this is Snowflake.
Cloud-Based Storage Solutions	Cloud-based storage solutions offer scalable and flexible options for storing and managing 1st-party data. Some examples include Amazon S3, Google Cloud, and Microsoft Azure Blob Storage.

A Holistic Marketing Ecosystem At a Glance

Where Data Turns Into Results

Marketing and advertising technology play two distinct roles in the ecosystem, but when integrated, they develop a synergistic relationship where marketing efforts become more data-driven, targeted, and personalized. By leveraging the strengths of both technologies, business can optimize their advertising campaigns, enhance customer experiences, and ultimately drive better results.

POS Systems

Customer Orders

Visitor Attributes

Surveys and Newsletters

Loyalty Memberships

Organization

Analysis

Modeling

Segmentation

Privacy Sale Environments

Customer Data

Data Lake, Clean Rooms, S3 Bucket, CDP, CRM, DMP, CMP

Data Onboarder

For example:

/LiveRamp

Distribution

For example:

StackAdapt

Email

Text

Display

Video

Audio

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Onboarding 1st-Party Data

Unlocking the true potential of your advertising efforts relies on the ability to precisely activate on the audiences you've diligently collected.

By onboarding this data, it enables you to deliver personalized, relevant, and impactful messages that resonate with your customers.

There are two ways to onboard data, either manually, or through a DSP that have direct integrations with data partners.

METHOD 1

Manual 1st-party Data Onboarding

You can manually upload your 1st-party data directly into a demand-side platform (DSP). This method involves preparing your data in a compatible format (such as a CSV), which includes necessary audience identifiers like emails, names, phone numbers, and postal addresses.

Upon upload into the platform, the data is instantly hashed and converted into multiple online identifiers. Once your segment is ready, you can use it in your campaign for targeting.

METHOD 2

Auto-sync Through Integration Partners

With this method, you are allowing for automatic synchronization to happen. This provides peace of mind that your audience segments are always up to date and aligned with your data management platform.

1st-Party Data Activation Strategies

Activating 1st-party data is vital for marketing strategies as it enables precise targeting and personalization. By leveraging accurate insights from your own customer base, you can effectively reach specific segments based on their behaviours, preferences, and purchase history. This level of targeting ensures that your marketing efforts are directed toward the right audience with relevant messages, increasing the likelihood of driving conversions and engagement.

You can also enhance customers' understanding and help build trust when you activate 1st-party data. By gaining a deeper understanding of your customers through demographics, behaviours, and preferences, you can uncover valuable insights about their motivations, pain points, and purchasing triggers. This enables you to develop effective marketing strategies that resonate with your audience, fostering strong customer relationships.

By using 1st-party data, you are ensuring the data is compliant with privacy regulations, as the data collected directly comes from your consumers who have given consent. This transparent approach builds trust and strengthens your brand image, instilling confidence in your customers and reinforcing their loyalty in the long run.
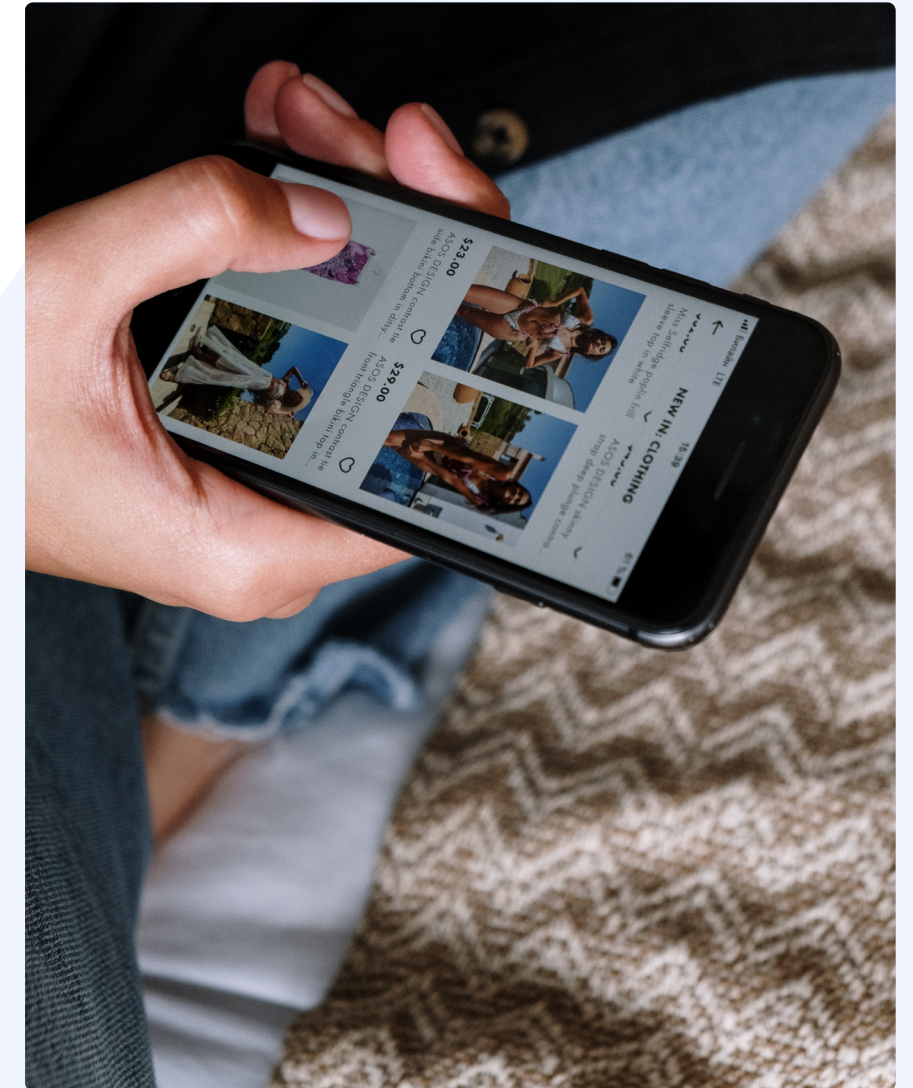
81%

of customers say a positive online experience increases brand loyalty and trust.

Source: Experian, Global Insight Report.

Three Fundamental 1st-Party Data Strategies

First-party audiences are self-gathered, engaged users familiar with your client's brand. Using this audience in a multi-channel strategy can help brands tell a cohesive story across the entire customer journey for acquisition, loyalty, and retention.

↑**40%**

more revenue is generated when companies excel at personalization compared to the average players.

Customer Match Strategy

This strategy focuses on personalization—the most powerful way to leverage 1st-party data. By analyzing user behaviour and preferences, you can activate and target 1st-party audiences to deliver personalized ads and upsell complementary products. Additionally, by retargeting users who have previously engaged with your brand you can increase the chances of conversions and improve campaign effectiveness.

Lookalike Modelling Strategy

Extend reach by using your programmatic platform's lookalike modelling feature to find users who have common traits and behaviours of your highest-performing audience. Target lookalike audiences to expand reach and attract new customers who are more likely to be interested in your product and services.

Suppression List Strategy

Use your 1st-party data as a suppression list to omit targeting users who have converted in the past—this ensures effective use of ad dollars.

Industry Examples

Retail

A home decor retailer leverages its CRM data to create a list of active customers. Segment them by zip code and use the segments to drive customers in-store based on location for seasonal campaigns, like Halloween, Thanksgiving, or Christmas.

E-Commerce

An online mattress company using their 1st-party data to cross-sell other related products such as pillows. They can segment their 1st-party audience based on purchase recency, and craft personalized messages promoting complementary products.

B2B

A software company creates a lookalike audience of prospects who have similar online behaviours to those who have already converted. This audience is included in their 1st-party data as a suppression list to avoid targeting customers who have already converted, all in one campaign. By doing so they are making the most of their advertising dollars while finding new prospects.

Political

A political campaign onboards 1st-party data collected from rallies, voter petitions, or registered voters in a specific district. From there, retarget voters who have expressed interest.

Marketers who use a 1st-party data-first strategy are able to double revenue with a single ad and reduce cost by 1.5x.

Source: BCG, Responsible Marketing with First-Party Data

1st-Party Data Strategies Across the Funnel

When building a holistic strategy, it is important to maintain a cohesive message and brand experience across all stages of the funnel to provide a seamless customer journey.

Higher Scale

AWARENESS

CONSIDERATION

CONVERSION

Higher Accuracy
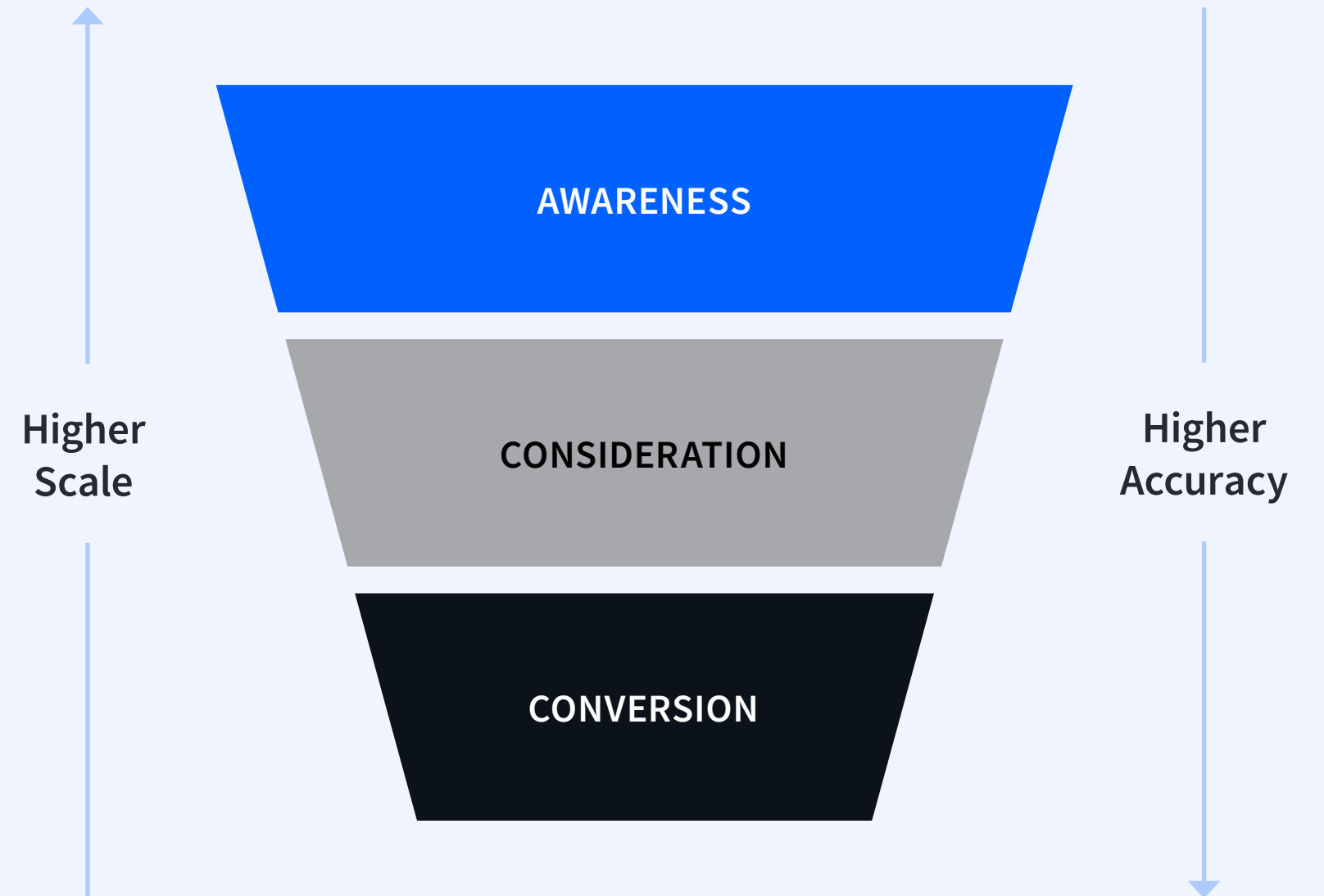
TOP FUNNEL

Awareness Stage

The top of the funnel represents the awareness stage, where you are trying to cast a wide net to generate brand awareness. Users at this stage may not be familiar with your brand or products.

In this stage, you can use your 1st-party data by implementing a lookalike modelling strategy. This is highly effective in the awareness stage because it enables you to reach new prospects who may not be aware of your brand but possess similar characteristics to your existing customers. This increases the chances of attracting highly qualified leads and expanding your customer base.

MID FUNNEL

Consideration Stage

In the middle of the funnel, which is also known as the consideration stage, users are showing interest in your brand and product and are evaluating their options before making a final decision.

In the consideration stage, use a combination of the customer match and suppression list strategies. This will allow you to personalize ads and messaging for users who have engaged with your brand previously, while excluding users who have already converted from your targeting efforts.

This ensures your ad budget is focused on users who haven't yet converted, preventing ad fatigue, and optimizes your campaign performance for maximum ROI. Additionally, by delivering tailored ads and cross-selling complimentary products you can nurture leads and encourage them to move down the funnel to the conversion stage.

BOTTOM FUNNEL

Conversion Stage

Lastly, the bottom of the funnel, which is commonly known as the conversion stage, users are ready to make a purchase and take that desired action.

Consumers need constant reminders. By retargeting users with the customer match strategy you can deliver personalized ads encouraging them to convert. By including the suppression list strategy, you can prevent users from seeing irrelevant ads and maintain a positive user experience while avoiding wasted impressions.

1st-Party Data Attribution

First-party data attribution allows you to use your own CRM data for accurate conversion tracking and campaign optimization. Instead of relying on 3rd-party data sources for attribution, this solution enables you to directly link conversions from their own 1st-party data, whether they occur online or offline, to their advertising campaigns—offering a closed-loop attribution report.

You can measure ROAS and gain valuable insights into the performance of your campaign. It can help to answer important questions including:

? Has my campaign been successful in driving conversions?

? Which audience segments are the most effective in generating conversions?

By using your own 1st-party CRM data instead of 3rd-party data, you can measure actions that are highly specific to your brand—you can get as granular as your CRM data goes! First-party data is also deterministic making it reliable and privacy compliant.

Conclusion

In today's dynamic marketing landscape, the importance of 1st-party data cannot be understated.

First-party data provides you with a competitive advantage by enabling you to optimize your strategies, improve customer experiences, and create more personalized marketing campaigns.

By leveraging this high-quality, reliable, and accurate data, you can deliver marketing campaigns that help you achieve your business goals.

Looking to transform your 1st-party data into advertising gold?

Book a Demo

StackAdapt

StackAdapt is a self-serve programmatic advertising platform used by the most exceptional digital marketers. This state-of-the-art platform is where some of the most progressive work in machine learning meets cutting-edge user experience. Ad buyers plan, execute, and manage data-driven digital advertising campaigns across all devices, inventory, and publisher partners.

For more information, visit stackadapt.com.

www.stackadapt.com