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Your Guide to First Party Data Collection

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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?"

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 of marketing leaders indicate that their organization is prioritizing first-party data to create immediate value for customers.

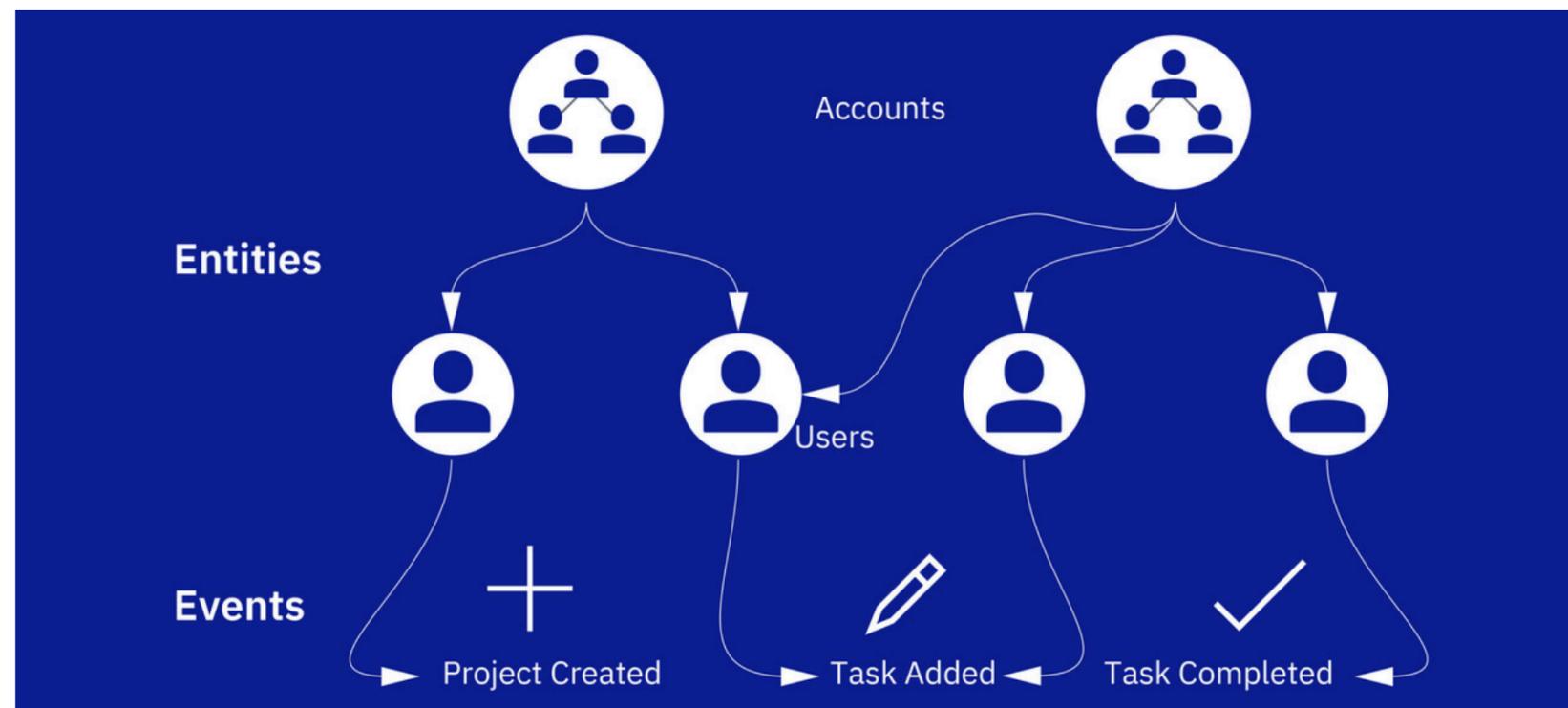# The Value of First Party Data

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**

But it's 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.

Source: SimilarWeb

How Can Marketers Develop an Effective First Party Data Strategy?

The elimination of third party cookies means a recalibration of the entire marketing strategy. There are three important steps in order to maximize efficiency.

Step 1 – 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 2 – Build trust with customers

Step 3 – Invest in personalization

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.

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.

Contacts

STEFANIE BEACH
Founder and owner
Stefanie@themarketeergroup.com
917-596-2737

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