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For Marketers:

10+ Value Exchanges to Grow Your First-Party Data

Content

First-Party versus Other-Party Data

The best marketers focus on learning about and understanding their customers. Marketing guru Peter Drucker once said, "The aim of marketing is to know and understand the customer so well that the product or service fits him and sells itself."

For the past ten years, first-, second-, and third-party data has been at the heart of understanding customers. But the industry is now at a tipping point. Big tech companies such as Google, Amazon, Facebook, and Apple (which many marketers rely on for third-party customer data) are placing more importance on privacy. Google is removing the use of third-party cookies on its Chrome browser in late 2023 Apple has given iPhone users more power to stop cross-app tracking for advertising purposes. And Facebook has done away with its 28-day attribution model.

The implication of these seismic moves? Brands are being forced away from third-party data and over to first-party data — the data they collect and own themselves.

This playbook helps marketers understand this dramatic shift, the importance of "value exchange", and provides ten clear ways to capture first-party data, capitalize on it, and use it to supercharge your marketing.

Why You Should Invest in First-Party Data

As opposed to second and third-party data, first-party data is data that you collect directly from your audience or customer base yourself.

By its very nature, first-party data is more accurate, more easily collectable, and of a much higher quality than second or third-party data. First-party data provides more detail on your customers than any other kind of data, with insights into:

- Behavior
- Predicted spend
- Lifetime value
- Loyalty status
- Returns
- Marketing channel interaction

- Online/offline mobile interaction
- Lifecycle status
- Predicted product affinity
- Channel affinity
- Service centre interaction
- Opt-in or opt-out status

The benefits of owning first-party data are astounding, and it makes it easier for your team to execute your marketing strategy, guide tactical execution and predict future trends.

The biggest first-party benefit is how it can help you create 1:1 personalized experiences across any channel and in real-time. A better customer experience leads to repeat revenue and a higher customer lifetime value. In other words, you achieve higher profitability and long-term loyalty for your company.

So how can you increase the amount of first-party data you collect? Creating **a value exchange** is key to obtaining this customer data.

10 Ways to Create Consumer Value Exchange to Grow Your Customers' First-Party Data

As concerns around privacy continue to grow, customers are becoming more aware that they're giving away their data to brands. Brands will now have to work harder to obtain the information that customers once gave freely. To obtain this customer data, you must create a "value exchange" to incentivize them to give you their data.

There are several things you can do to create a value exchange, all of which broadly fall into three categories:

Strategic initiatives: Creating new programs and opportunities can be a great way to obtain first-party data — especially from your most loyal and profitable customers.

Digital experience initiatives: One of the most powerful ways to obtain first-party data is to make small, subtle changes to your digital experience.

**Stores and services initiatives:** Even to this day, 70% of total retail sales still happen in physical stores. One of the most convenient ways to capture first-party data and ensure customers see value for your brand is through your store and service channels.

Employ these ten powerful tactics to ensure a continual flow of rich first-party data into your systems.

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Extend your loyalty program.

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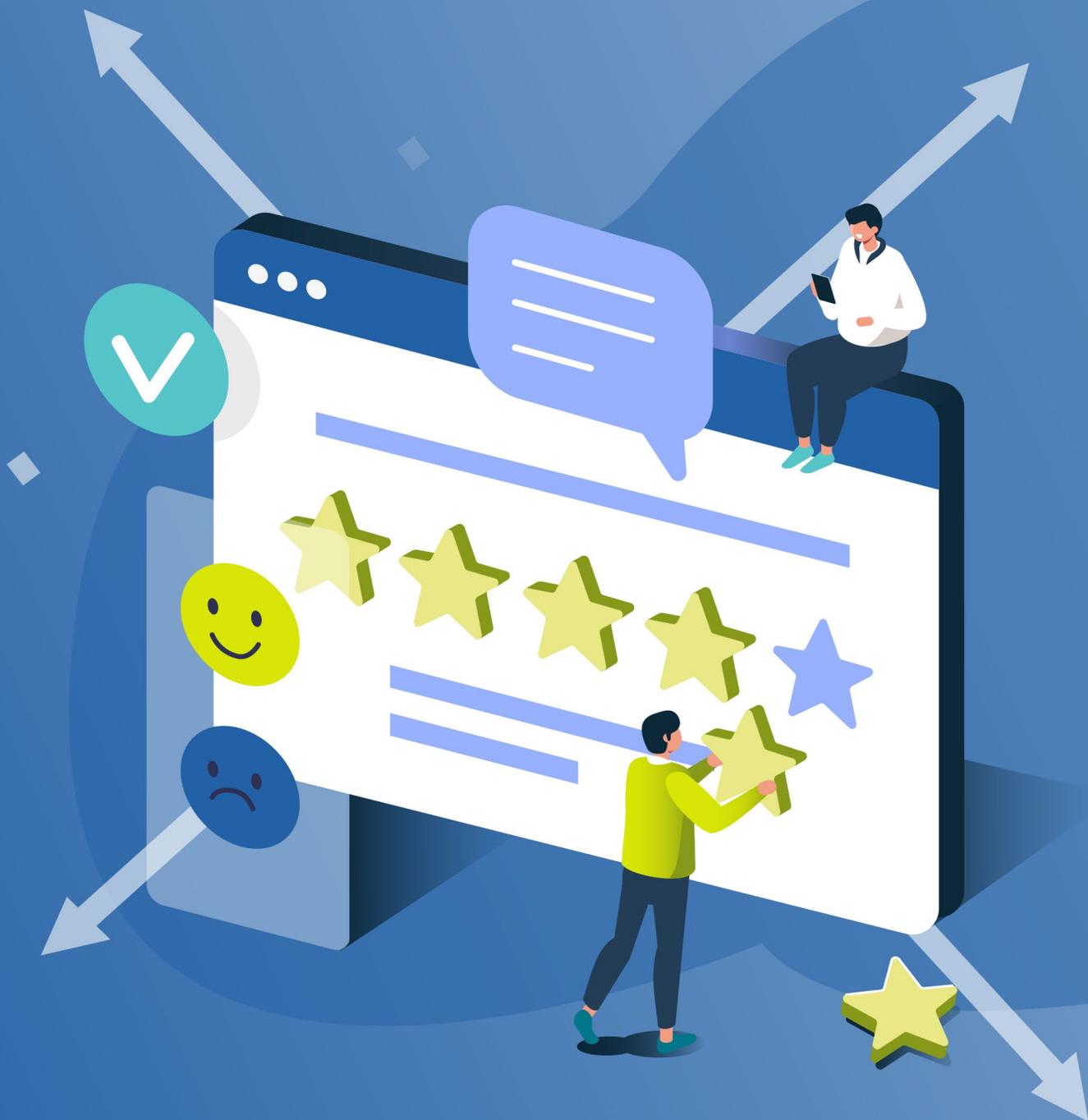
Extend your loyalty program.

Most retailers have a loyalty program. Consider extending the value of your program to more than just points and prizes. Give your consumers access to exclusive products, VIP experiences, events, and priority customer service — similar to what you might want to do if you created a club.

These tactics help you build brand loyalty beyond simply offering points and prizes. They also provide an incentive for customers to give you basic data on themselves (their name, age, gender, address, etc.) but also preference data, which is invaluable for retargeting products in the future.

You also have a great opportunity within extended loyalty programs to encourage customers to refer a friend (and offer a reward for doing so), which is a cost-effective and simple way to acquire new customers and more first-party data.

Puma, for example, created an experience that money can't buy, giving their customers an exclusive Q&A session with Formula One driver Lewis Hamilton in exchange for their data.

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Create subscription models for products and services.

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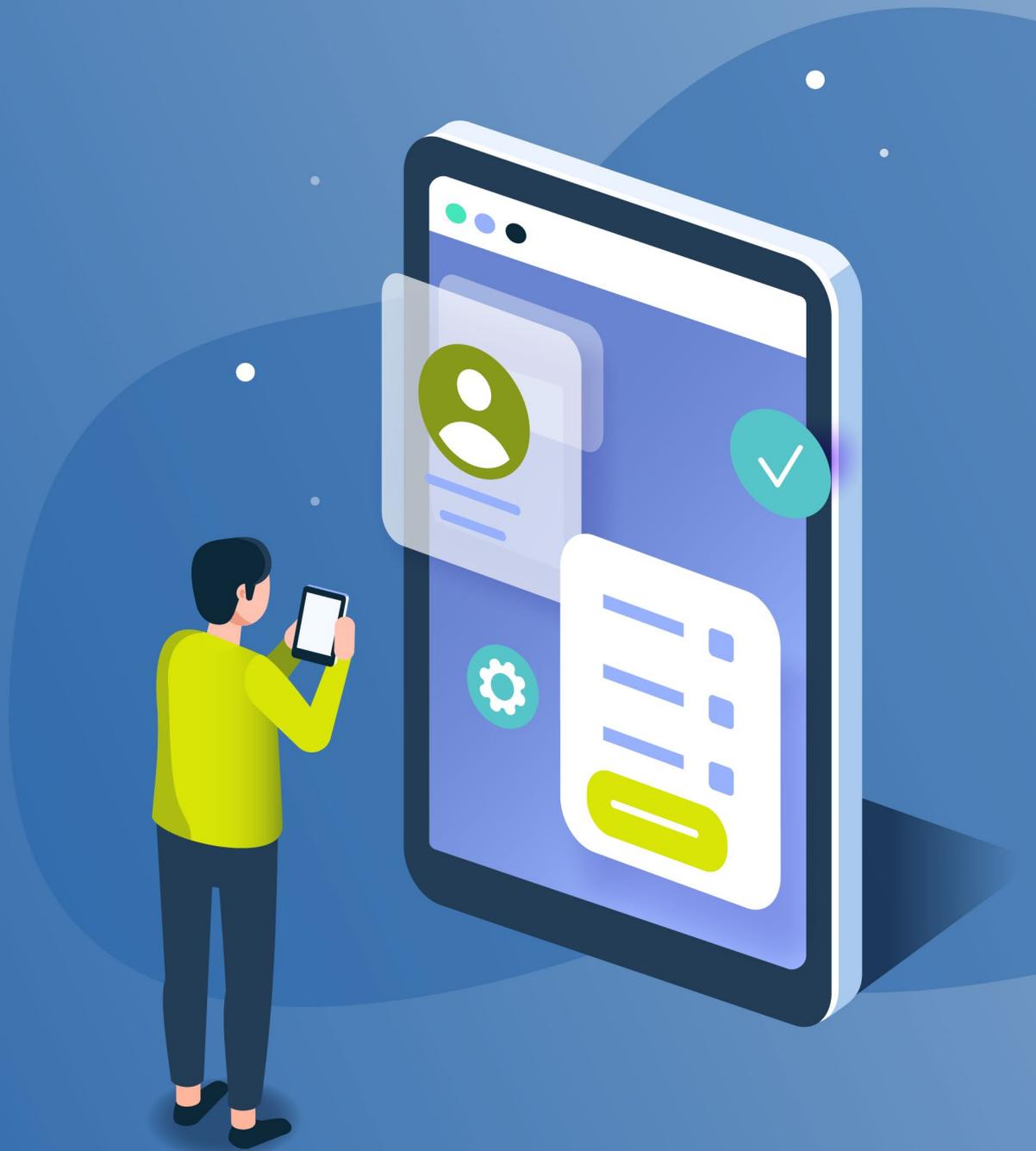
Create subscription models for products and services.

If you provide a replenishable product, you may have an opportunity to drive repeat revenue and first-party data collection by creating a subscription service. During Covid-19, the subscription industry boomed, with consumers spending considerable amounts of money on subscriptions to create a regular "surprise" or "self-gifting" type of experience.

Subscription models provide a great value exchange as they help you build up the profile of each customer, so you can personalize their experience on a 1:1 basis to ensure they renew their subscription when the time comes.

A subscription service can also diversify your route to market — an especially useful tactic for brands that tend to sell through a third-party retailer. Gillette, for example, which sells primarily through supermarkets and pharmacies, created its direct-to-consumer subscription service, diversifying its channels while also giving the brand access to valuable customer data that previously went to its third-party partners.

Brands such as Gaia Herbs, Adidas Runtastic, Calm, and Headspace have turned to the subscription model to drive repeat revenue.

Build a community or club.

03

Build a community or club.

For your most loyal and profitable customers, consider creating a community (like a focus group on tap) where they can provide valuable input into product development, ideas, testing, and advertising. This customer information may provide you with valuable insights you can use for your product and marketing roadmap while strengthening your brand loyalty. Plus, you'll gain detailed preference and behavior data from your most loyal customers.

With data you collect on community members, you can personalize their experiences using artificial intelligence (AI) and predictive analytics. The experiences could be subsequent marketing campaigns or instances when they're engaging with your brand through your contact center, real-time chat features, and more.

Also consider whether your brand or products lend themselves to creating a club for like-minded customers to connect with one another over similar issues, trends, or lifestyles. In the same way as a community, a club can strengthen your customers' loyalty to your brand while giving you valuable preference and behavior data. Through a club, you can show value to a customer beyond a transaction by giving members exclusive or early access to new products and exclusive experiences.

Many brands have used clubs to collect first-party data. Orlebar Brown, a UK-based luxury menswear brand, delivers personalized experience to its most loyal customers through a dedicated concierge team. They connect data from in-store sales, product inventory, and digital behaviors to deliver personalized product recommendations across the web and clienteling in store.

Conduct progressive profiling.
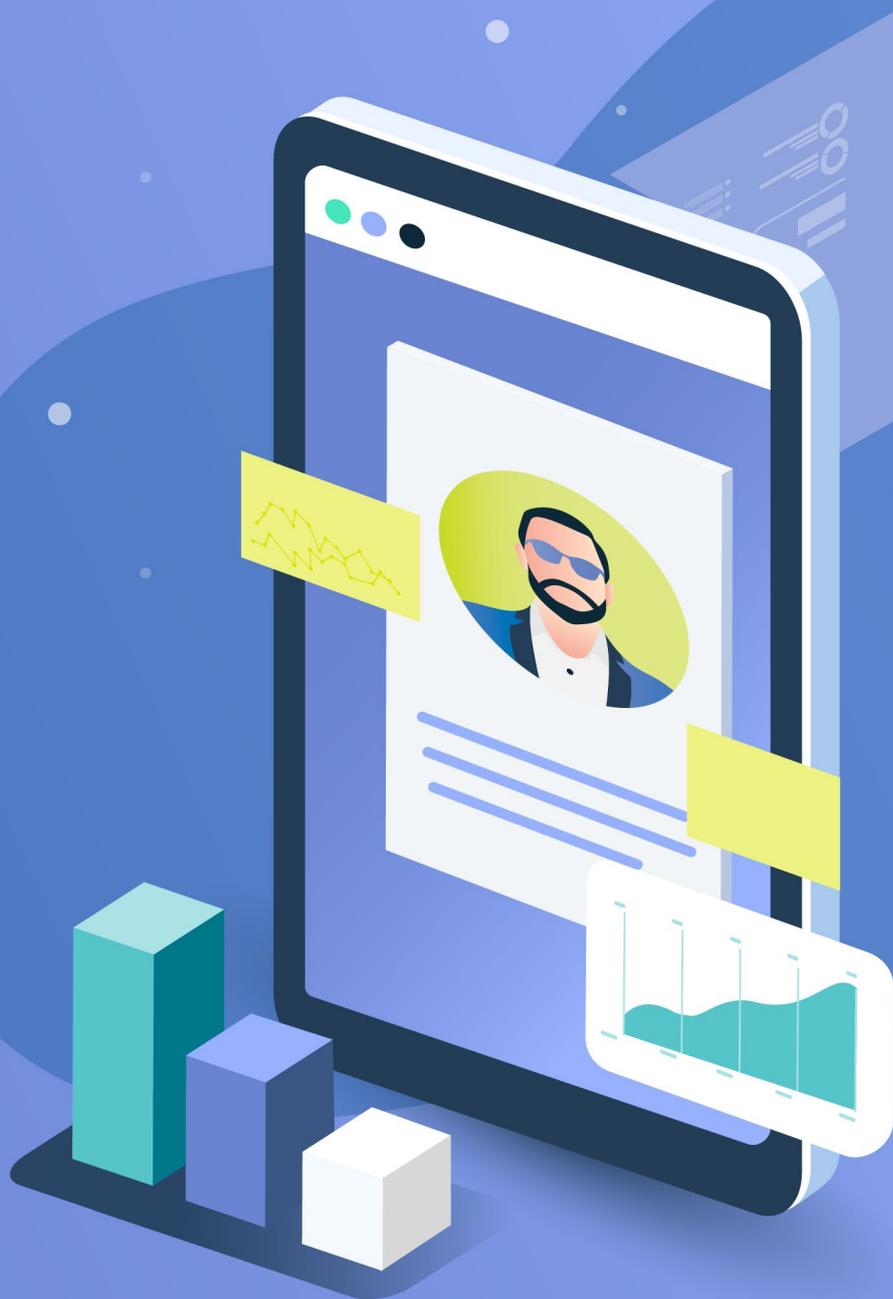
04

Conduct progressive profiling.

Progressive profiling is a powerful way to obtain first-party data. By asking pop-up style questions to customers at key points within the customer journey on your website and app, you can gain insights into their experiences and their behaviors. Over time, you can build up more and more data and use this information to hone your personalization efforts with this particular customer.

For example, if a customer is looking at a certain product, ask them what other products they think would complement it. This tactic can be very useful for fashion brands looking to pair items of clothing or for food brands to pair certain foods and wines. You get real insights into what your customers like and dislike.

05

Connect your web and mobile app experience to your marketing and commerce function.

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Data about digital behavior is more valuable if you attach it to a unique, recognizable individual. So, to that end, encourage customers to log into their account whenever they're on your site or app by offering additional services beyond what's available to general visitors. Such services might include real-time order updates, customer service live chat, mobile app-specific promotions, and mobile loyalty programs.

Be sure to link the web and mobile experience to your wider marketing and commerce function. Mobile experiences often live in siloes within organizations, meaning valuable first-party data goes untapped. By connecting mobile data to your wider commerce function, you're better able to deliver a frictionless online-to-offline experience. Consider using SMS to send your customers digital vouchers, which they can redeem in store. Then, using geofencing, you can notify the customer when they are near your store on their smartphone via an SMS or push notification with a personalized message reminding them to redeem their reward in store.

06

Offer wish lists for customer convenience.

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Wish lists are a great way to ensure you don't miss out on a sale when you're out of stock. By allowing customers to add products they want to buy on your website or mobile app to a wish list, you can quickly execute campaigns. For instance, you can alert customers that you have products back in stock or that there's been a price drop.

As part of its "commerce anywhere" vision, Cue Clothing (an Australian modern fashion brand) has a multichannel wish list and digital stylist service that helped the brand to bridge the physical and digital retail gap when the COVID-19 pandemic hit — ensuring customers could get the clothing they wanted without leaving their homes, even if their local stores were out of stock or closed.

07

Create gated content offers.

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B2B marketers understand the concept of gating content, whereby the brand provides access to content only if users fill in a short form with their name, email address, business industry, and other demographic information. B2C brands can also use this approach by creating and gating content that customers want to access.

Guitar shop brand Andertons is one example of a retailer that uses gated content to generate first-party data. Andertons offers never-before-seen content on its website (and extra deals and free next-day delivery) exclusively for Andertons Extra subscribers.

Deploy quizzes and surveys.

08

Deploy quizzes and surveys.

One of the simplest ways to encourage customers to provide their data is to use quizzes, games, and surveys across your digital platforms. Opt-in rates are often particularly high via a mobile app. You can choose from many styles of gamification and "surprise-and-delight" tactics to keep customers engaged — all of which help to build preference data and personalize customers' experiences.

Rethink the post-purchase experience.

09

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The sale of a product or service provides ample opportunity to gain subsequent first-party data. For example, if you're a retailer that sell tangible mid-to-high-price-range products, you can incentivize customers to register their new products to receive additional benefits, such as VIP customer services and extended warranties. If the customer registers, you can contact that customer when their warranty is about to expire and let them know how to move forward with cross-sell and upsell opportunities.

You can also incentivize customers to leave product reviews, which is another opportunity to capture data a few weeks or months after the initial product registration. By providing an incentive (like a prize) to review products, not only will you get first-hand insights into what each individual customer likes and dislikes about your product, but you'll also be able to personalize any following experiences accordingly. And after a customer's first review, you can encourage them to review your other products and services.

Contact centers are another post-purchase channel with which you can build first-party data. Usually, customers will reach out to customer support if they have a specific problem or urgent question they can't answer via other channels. These interactions provide a perfect opportunity to turn a negative experience into a positive one, as well as a chance to obtain more data by providing something of value like free shipping or a discount on next purchase.

Make the most of your in-store experience.

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Make the most of your in-store experience.

The majority of retail sales (70%) still happen in physical stores, so it's important to be able to gather first-party data wherever possible from customers who shop in person. The key to doing this successfully is identification. You can identify individual customers when they come into your store in multiple ways, arming in-store staff with insights into a particular customer. When your staff understands each individual customer, they can offer a personalized experience and build more first-party data with which to personalize the experience on other channels.

One way to identify customers in-store is to encourage them to use discount codes and vouchers, which you've sent to them via their smartphone in store. Consider this scenario: within a promotional or transactional email, a customer receives a barcode. This email is personalized according to their previous purchase, browsing behavior, and loyalty status, and it offers the customer an incentive for their next purchase in store. Store staff can easily identify the customer at the point of sale (due to the email barcode), but also provide personalized recommendations.

E-receipts are another way to identify customers in store and build first-party data. In many countries, physical receipts are becoming

obsolete, and government mandates are in place to replace physical receipts with e-receipts. Consider the scenario: following a purchase in store, a customer provides their email address at the point of sale and receives an e-receipt that's personalized with recommended products and loyalty incentives relevant to the customer based on their in-store purchase. Through this e-receipt, the customer provides their opt-in permission and receives additional tailored communications from the brand based on their behavior and previous purchase.

Getting the Technology Foundations Right

To collect and make the most out of first-party customer data, the right consolidated technology foundation is essential.

Every campaign, program, and offer needs to start with a single customer view. Without that, it's almost impossible to draw effective insights from the data you collect. With a single customer view in place, though, artificial intelligence can analyze the data at speed and present you with actionable insights on your customers and target audiences for you to improve your personalization efforts and omnichannel marketing.

The Emarsys Customer Engagement Platform has the power to help you achieve everything we've talked about in this playbook, from loyalty program platforms to bridging the gap between the online and offline worlds. Our platform is the only one in the world that's built to help you achieve business outcomes and not just meaningless marketing metrics.

Emarsys can help you create a value exchange with your customers and grow your first-party data.

To find out more, get in touch.

About Emarsys

Emarsys, now an SAP company, empowers digital marketing leaders and business owners with the only omnichannel customer engagement platform built to accelerate business outcomes.

By rapidly aligning desired business results with proven omnichannel customer engagement strategies — crowdsourced from leading brands across your industry — our platform enables you to accelerate time to value, deliver superior one-on-one experiences and produce measurable results… fast.

Emarsys is the platform of choice for more than 1,500 customers around the world. Join thousands of leading brands who trust Emarsys to deliver the predictable, profitable outcomes that their businesses demand and the highly personalized omnichannel experiences that their customers deserve. For more information, visit www.emarsys.com

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