Leveraging First Party Data in a Cookieless World

How Conversation Intelligence Can Fill in the Gaps and Foster Better Buying Experiences

Introduction

A new era is dawning for digital marketers as the industry grapples with increasing consumer concerns around how their personal data is collected and shared. The shift towards first party data represents the latest move, in a charge led by technology companies and governing bodies, to reduce the use of third party data, or data that's been collected and sold by third party aggregators, as opposed to data that's been directly gathered by a company using its own resources. Recent regulations such as the General Data Protection Regulation (GDPR) and California Consumer Privacy Act (CCPA) have put additional pressure on businesses to disclose how they are collecting, using, and sharing their consumers' personal data, signaling the beginning of the end for the third party cookie. As it stands, Mozilla Firefox and Apple's browser Safari already block all third party cookies, and Google plans to follow suit with its browser Chrome (although they have delayed this action until 2023).

Now is the time for marketers to strategize how to leverage first party data in a soon-to-be cookieless world. On the bright side, as the future of marketing, focusing on first party data presents exciting new opportunities for marketers to better connect and build trust with their customers. While this shift won't be without challenges, in this e-book, we will break down actionable next steps for how you can build a successful marketing strategy around your first party data. CallTrackingMetrics is also uniquely positioned to support businesses through this transition, and so we will demonstrate a few examples of how our customers are already leveraging first party data in valuable ways through our platform.

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The Benefits and Downsides of First Party vs. Third Party Data

Before we dive further into how to best leverage first party data, let's quickly recap the basics: what is first party data, what is third party data, and what's the difference?

Both first and third party cookies are used to track user behavior, yet they go about it in different ways. First party data is what you, as an organization, would directly collect about your own audience and customers, using first party cookies that are stored on your own website. These cookies allow you to collect valuable analytics data and recall user preferences, ultimately functioning to provide a better experience for the visitor.

First party data also provides valuable insights about your audience, such as their demographic information (age, gender, location, etc.), website visits and interactions, purchase history, interests, and more, which can be leveraged to incentivize your customers to purchase, to develop personalized messaging, and to target additional audiences. Given this data comes directly from people who have already shown an interest in your organization or product, it's considered the most valuable. Plus, you're not paying to acquire this data, making it more cost effective.

FIRST PARTY DATA COLLECTION EXAMPLES

- Website data and analytics

- Data you store in your CRM

- Subscription data

- Social data

- Online and/or offline information, such as completed surveys and customer feedback

There are some challenges with collecting and utilizing first party data. Ensuring accuracy presents a sticking point for marketers, for example, as first party data must be properly collected, cleaned, normalized, and deployed without error, which gets more difficult when you're dealing with large volume data sets. (Fortunately, these challenges can be mitigated by a data management platform.) Smaller companies also face concerns around scalability and growth with limited first party data sets to use and have previously relied on third party data services to fill in the gaps.

Further, while privacy concerns are lessened compared to third party data usage, consumers are still wary about how brands are using their information, even on a first party basis. It's important for marketers to demonstrate how sharing first party data will provide more value to the consumer in the long run by enabling brands to better communicate with and support customers.
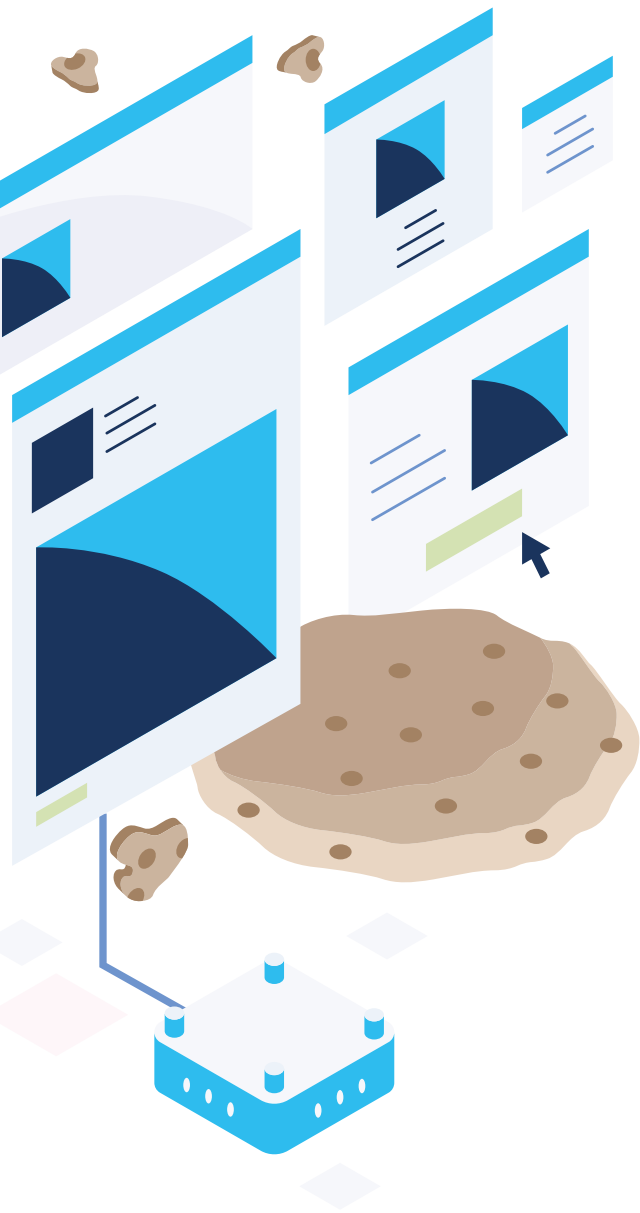
first party data

*Data collected directly
by the organization*

third party data

*Aggregated data from
other sources*

Third party data, on the other hand, is aggregated data provided by other sources that are not the original collectors of that data. Large data aggregators pull the data from various websites and platforms through the use of third party cookies or by purchasing first party data from publishers, and then packaging and selling the information. Purchasing these data sets can be a valuable tool in building and expanding your audience, especially when you are working from a limited first party data set. Given it's bought and sold programmatically, third party data can be broadcast rapidly and on a large scale--yet this also means that the data is not exclusive to you and that your competitors may be using the same information. And while you're gaining access to many more data points and insights about users you would not have otherwise, ultimately you don't know the original source and validity of the data.

The key differences between first and third party cookies revolve around how the cookie is set, where it is available, and whether it is supported by browsers. First party cookies are set on the publisher's server or within the script on the site, are exclusive to the domain that created it, and are supported by all browsers (and can be blocked or deleted by the user). On the flip side, third party cookies are established by a third party server or via code that's been loaded onto the publisher's site and are accessible on any website that loads the third party server's code. Increasingly, third party cookies are not being supported across browsers and are being blocked, with users also independently deleting third party cookies. It won't be long before they're gone for good.

Ultimately, first party data is the most valuable data you have: you own it, you collected it, and it doesn't cost you anything to use. All of this information lives right at your fingertips, and yet **research reveals** that, on average, marketers are only using 47% of their first-party data potential. This is essentially leaving money on the table, and with third party cookies being phased out, it's more essential than ever to start monetizing your most valuable asset. For marketers, this means building campaigns off of first party data which will help to inform your target audience, refine your marketing strategy, increase ROI, and foster more personalized interactions with your user base.

Zero-Party Data: What is it and How is it Different?

In its Q2 2021 report, **Now Tech: Zero-Party Data Solutions**, Forrester defined zero-party data as "data that a customer intentionally and proactively shares with a company." It is similar to first party data in a lot of ways in that you collect and own it and you can use it to create personalized customer experiences. It's different however in that zero party data requires a direct interaction from a user, whereas first party data can be collected from user behaviors and interactions. A great way to collect zero party data is to ask for a user's interests and intentions and provide something of value in return. Examples include a website survey asking a visitor to choose their product preference, then sending them to a page with that product, or asking a user for their email address, then providing a free content download. Zero party data, built on value and trust, can help you create more meaningful customer experiences and should be a part of your cookieless strategies.

Making the Shift: How Marketers Can Start to Prepare

We can expect that third party cookies will largely be phased out by the end of 2023. While time will tell all the myriad ways this will impact marketers, the work can (and should) begin now to start adapting to a digital landscape that doesn't rely on third party cookies. As mentioned, this future is promising! Prioritizing your first party data collection and implementation will empower you to improve the customer experience through more tailored content and enhanced segmentation. Let's break down some steps you can take now to prepare for the transition.

1.

Make first party data collection and strategies a priority.
Focus on first party data collection now so you can build your own sources of truth and own your data. This may mean adopting new lead generation forms in your ads to collect more user information, or it may look like investing in your brand and creating content so that people are more willing to give their information or interact with your brand. If technical barriers are holding you back from utilizing your customer data, invest in tools or even staff to help you better manage and make your data work for you.

Further, consider refining the cookie policy displayed on your website to be more transparent about how you are using your customer's data and the ways in which providing their info will benefit them. Shifting to first-party data collection relies heavily on consent-based marketing. While consumers have a desire for more personalized ads and communication, they also are wary of sharing their data and private information. If there is transparency around how data is going to be used (as well as how to opt-out) and businesses follow through with effective strategies, then this will help establish trust with customers in the long run, and ideally, they will be more willing to share their information.

2.

Align your teams and know your customer.
Any business that effectively understands its customer now will be ahead of the game when third party cookies go away. Do a deep dive into your existing first party data and collaborate across your organization to see what takeaways can be gleaned about your existing customers and personas: what are their desires, pain points, and attributes that you can build upon now, and where are the gaps where you would like to know more or grow in the future? Beyond ideating with your internal teams, review sites are also a great opportunity to derive insights from customers and incorporate them into your strategy, whether in terms of how you target prospects, onboard new customers, or establish loyalty and trust within your community.

3.

Explore other ad targeting options.
As opposed to targeting users, explore contextual targeting or direct media buying, which allows you to target content and advertise on a website that your ideal audience is interested in and engaging with. Consider less reliance on programmatic display and more investment in the "walled gardens" of Facebook, Google, and Amazon that contain an abundance of user data that can be leveraged to target specific types of users or audiences you're aiming to reach. You can also upload your own audiences built from first party data to these sites and create lookalike audiences to more effectively target users.

4.

Consider future alternatives to the third party cookie.
Last but not least, don't fret: there are alternative solutions on the horizon to help close the cookie gap for marketers. Google, for example, has begun testing its replacement for the third party cookie, known as FLoC, or the Federated Learning of Cohorts, which is a type of web tracking that will group people into "cohorts" based on their browsing history to replace individual identifiers. Another alternative from The Trade Desk is Unified ID 2.0 (UID 2.0), which enables the same cross-site targeting and attribution as the third party cookie across a cohort of networks, but with stricter controls. UID 2.0 would require a user's consent and information once they visit a site that supports UID 2.0, and then that single sign-on means that the user would only need to consent once to receive targeted advertising from all publishers within the UID 2.0 network. Of course, these are just two examples of alternative solutions, and it is likely many more will be developed in the future.

Leveraging CallTrackingMetrics for First Party Data

As part of its mission to foster more meaningful interactions between businesses and their customers, CallTrackingMetrics (CTM) offers an abundance of tools that organizations can leverage for first party data collection and utilization. A call tracking and contact center solution in one, CTM is full of first party data from conversations that your team is having with your customers and insights around what marketing campaigns are most effective. Marketers can tap into this information as they become less reliant on third party cookies--and many CTM customers are already using the platform for this type of data anyway! Let's take a closer look at some real examples of how marketers are using CTM to cultivate first party data and put it into action in meaningful ways.

CTM Activity Log

Building Audiences

One of the primary ways marketers use first party data captured in CTM is for audience building. All communications between a business and its customers live within the internal dashboard known as the Activity Log, from which you can export lists of prospects and/or customers. You can access data around the individual's demographic information, the keywords they searched, pages they viewed on your website, any prior history of interacting with your company, and what advertising campaigns or channels led them to contact you. When exporting the Activity Log, there are many options and filters available to customize your list and export by date range, tags, scores, tracking sources, and more to get granular about lead quality as desired. You can also choose which fields to include and schedule the exports to deliver at specified intervals.

Further, CTM offers pre-formatted templates for the different ad channels to allow for the seamless exporting and uploading of data between platforms. There are multiple export formats available, including the major ad channels like Google Ads, Facebook, LinkedIn, and Microsoft Advertising. This saves marketers a ton of time to not have to manually format CTM exports for file upload templates by channel, which do vary. You can then upload these exports into your preferred ad channel and target the list of users as you choose. For example, you could export a list of users from CTM who called your business about a specific product but did not buy the product. Then you could upload that list of users to Facebook and target them with a promotional offer.

Another way you can leverage your CTM user list is to export a list of users who are already customers, then upload that list to Google Ads and exclude them from your ad campaigns. Google will also automatically create a similar audience from this list which would allow you to then target that lookalike list of similar users in your ad campaigns.

Finally, marketers also leverage this feature to export a list of users within CTM who represent your unqualified leads: people who didn't convert and never will for whatever attributes you determine. You could then upload that list to multiple ad channels and exclude them from your targeting to avoid reaching the wrong audience for your product (and wasting money and resources in the process).
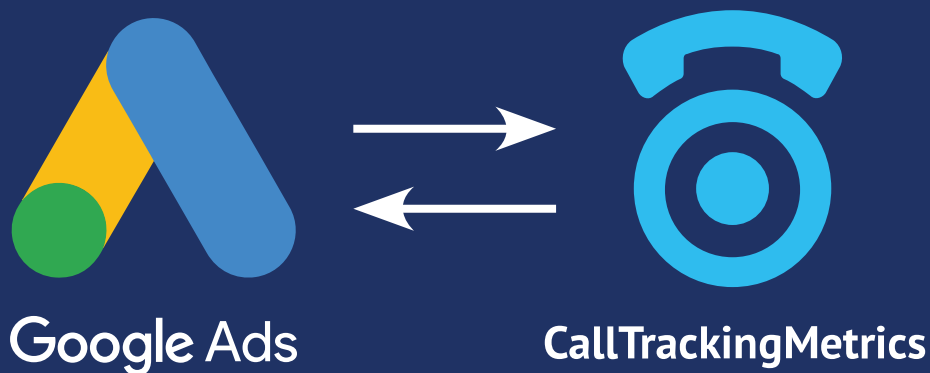
Google Ads Direct Connect

Marketers can also take advantage of CTM's direct integration with Google Ads to automatically send their first party data from CTM into Google to inform their campaigns and lists.

Customize for Customers versus Prospects Using Keypress Menu

Another opportunity to improve your overall marketing strategy through the use of first party data in CTM is to make sure you're defining who is a prospect and who is a customer, no matter how they contacted you. This would allow you to clearly distinguish paying customers from those who want more information within your full log of phone calls and to understand which ad campaigns are driving interest or inquiries (and subsequently, where you can preemptively provide more information to your target audience). There are, of course, many reasons why you may wish to keep your customer and prospect audiences separate, including being able to align teams and conversations around prospects versus existing customers. If nothing else, this approach will also help prevent you from serving ads to existing customers--and restricting your paying customers from clicking paid ads!

If you're relying on phone call data to determine who is a prospect versus an existing customer, it can be helpful to define this through the use of a voice menu keypress. Interactive voice menus in CTM can be used to trigger separate events based on the caller's keypress. For example, if you request that callers press 1 for sales and 2 for support, the keypress of 1 would trigger an event for prospects versus a keypress of 2 which would trigger an event for customers. You could also include tags for "new" or "repeat" callers in your Activity Log to help you better segment your existing customers versus prospects, further informing your audience lists and allowing you to measure the efficacy of your campaigns.

Targeted Remarketing Efforts

Hyper-targeted remarketing can be an incredibly powerful tool for marketers to leverage. Typically, when a prospect is served a remarketing ad, the ad copy is determined by what web pages they visited. And yet, the individual may not have clicked around and just visited the homepage and then opted to call the business or use the website's chat widget to gain additional information about the product or service they were interested in.

If this is the case, CTM has the ability to still pull valuable first party insights about this customer's preferences through the use of phone or chat transcriptions, which can then be used to target the customer with more personalized ad messaging. CTM can extract unique keywords and info from calls or chats to automatically apply tags related to what the customer was interested in. For example, a home services company which may offer everything from pest control to lawn care could have unique tags that could be applied to calls/chats to highlight specifically what the customer was looking for. That data could then be included in the event CTM sends into either Google Ads, Google Analytics, or Facebook, which would allow you, as a marketer, to add additional context to your retargeting campaigns. The additional data points inform hyper-targeted audiences so you can serve ads related to their exact interests, rather than a generic branding ad. This enhanced personalization ultimately leads to better engagement, a faster buying process, and increased conversion rates. Best of all, the setup can be automated through the use of CTM's trigger functionality.

Build Segments Around the Customer Journey

Segmenting your audience, based on where they are in their customer journey, is yet another valuable opportunity to deliver more personalized and effective messaging that meets the customer's needs. Within CTM, your team can add tags and score conversations with prospects in order to attribute a journey stage through the use of custom dropdown panels. Post-call, an agent would be prompted to apply a score to signify the nature of the call and what transpired, which of course could be completely customized depending on your business's unique needs. You can then use this first party data to segment customers into lists separated by journey stage.

This helps to refine your ad strategy so that you may opt to serve a top of funnel prospect content and other high-level messaging to educate them about your product, versus spending more aggressively on targeted ads that speak to your prospects who are more likely to convert sooner. This ensures the customer is served content that's most relevant to them no matter where they are on their journey to a sale.

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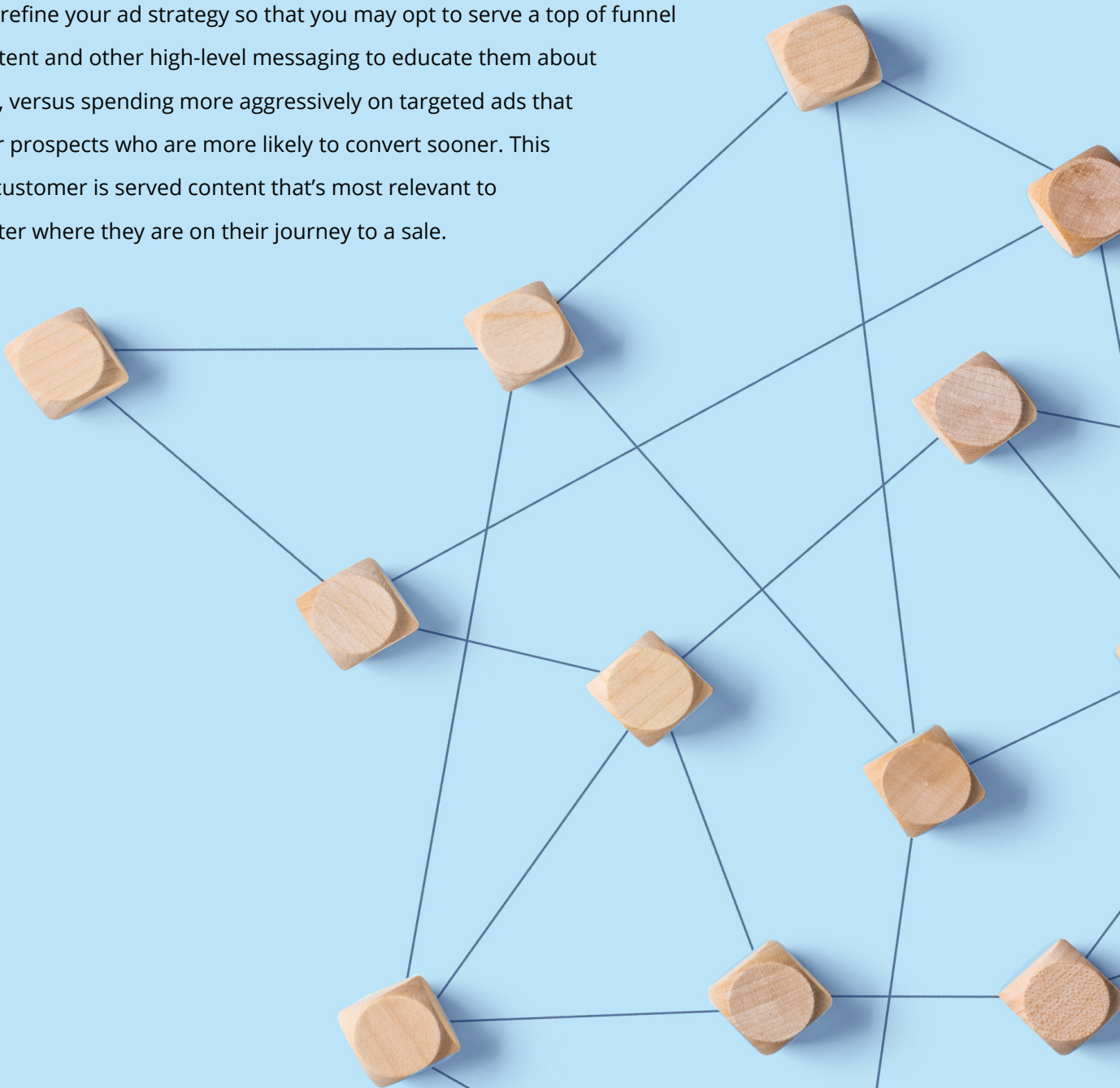
Conclusion

Change is never easy, and yet, we hope that saying farewell to the third party cookie isn't the doomsday some marketers may have predicted. Doing away with murky data-collection practices will ideally rebuild some of the trust between brands and consumers that was previously lost, and allow for customers to enjoy the increased personalization and customization that fosters better buying experiences. And for marketers, the transition to focusing on your own first party data represents an opportunity to find more value in your existing customer resources. There's no reason to wait until 2023 to start making progress in this regard. Through the techniques laid out within this e-book, you can begin now to reel in your strategy and target the people who are most qualified and interested in your product or service to use your ad spend wisely.

CallTrackingMetrics offers many valuable functions within its platform that provide significant return on investment for marketers, helping them refine who they're reaching with their ads and ensuring that they're getting the most for every dollar spent on campaigns. To learn more about the platform, visit CallTrackingMetrics.com or call [X] to schedule a customized demo today.

Visit CallTrackingMetrics.com to join us on a custom demo tailored to your organization's goals.

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