



# Death to Cookies: Long Live 1:1 Relationships

How the shift from third-party data to zero-party data will save your marketing campaigns



# Introduction

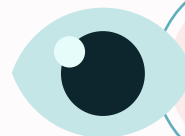
We are in the midst of a radical change for marketers and advertisers. Since the turn of the century, we've tried to find a balance between the glut of information and unfettered access the internet provides and our natural desire and right to privacy, as consumers.

For many years, tracking cookies – “[small blocks of data](#) created by a web server while a user is browsing a website and placed on the user's computer or other device” – have followed consumers around the internet, reporting back activity and information to marketers and data vendors. This third-party data allowed marketers to marginally personalize their campaigns to consumers.

Eventually, consumers got tired of being tracked across the internet and targeted with often incorrect, and at other times creepily specific, information. Legislators took notice and in 2018, the General Data Protection Regulation (GDPR) went into effect, offering data privacy and user protections to citizens of the European Union (EU) and European Economic Area (EEA). Over the next few years, three U.S. states would propose similar rules and mainstream browsers like Google Chrome, Apple Safari, and Mozilla Firefox started implementing cookie-blocking measures.

Right now, we are smack dab in the middle of all of this. For marketers stuck in old strategies, it may seem daunting to change everything and it may be tempting to kick the can down the road. But now is the time to start.

This guide will provide a clear, and easy-to-follow strategy to transition you from outdated, third-party-data-dependent methods into a newer, more compliant way to collect data and create personalized campaigns. As a bonus, the relationships your brand can grow from these new methods will help to future-proof your marketing strategies against the next disruptive technology changes.



**66%**

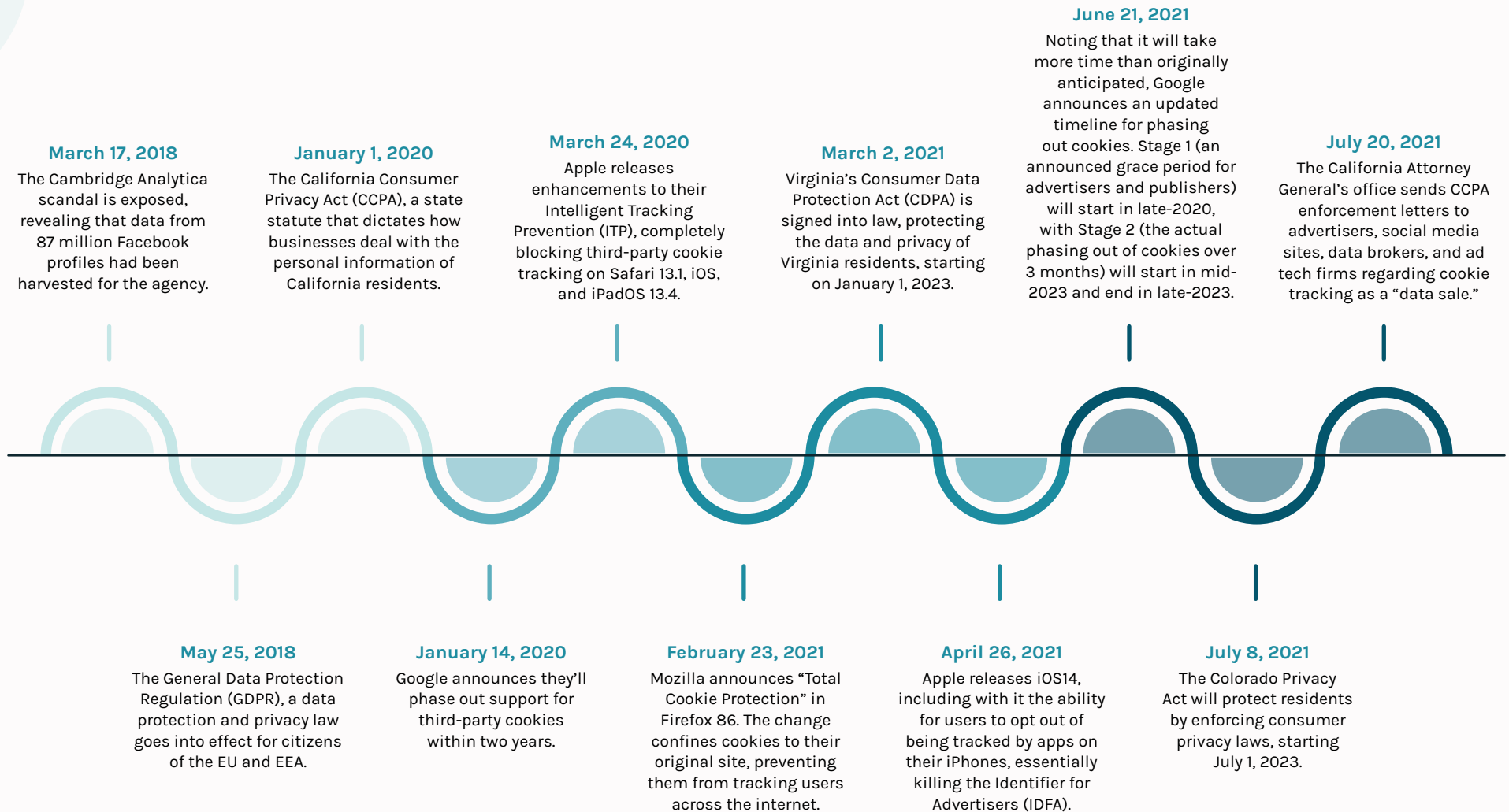
of consumers feel ads based on tracking behavior are creepy  
– [Digital Consumer Trends Index 2021](#)

**78%**

of marketers say that since cookies have been fairly effective in the past, they see no reason to discontinue their use  
– [AdAge, Zero-Party Data: An Optimal Path to Personalization](#)



# Timeline of Events



# Understanding Data Types

Not all data types are created equally. To understand why third-party data is so problematic (and on the way out), you must first understand the difference between third-, first-, and zero-party data. The method of data collection can also include inferred, observed, and self-reported data.

## Third-Party Data

Third-party data is collected and compiled by outside vendors, and typically purchased or licensed by a brand. It can include any number of personal or anonymized data points, including information on demographics and online activity that can provide inferences about a consumer's interests and preferences. Third-party data holds some degree of value for marketers, but it carries significant risk. Because it's amassed from a variety of sources, it's impossible to know the origin of a given data point. Information is often outdated or even contradictory – so campaign personalization based on third-party data can lead to a disjointed or even unpleasant customer experience. And since anyone can buy access to third-party data, it doesn't provide any competitive advantage for a brand.



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## First-Party Data

This is data that's collected directly from the customer, typically during interactions like site browsing and sales transactions. It includes things like name, email address, mailing address, browsing habits, product preferences, etc. First-party data is often collected using tracking pixels, cookies, and transactions. Since it comes directly from the source, first-party data provides valuable insights about how a customer interacts with your brand and how their behaviors change over time. So it's extremely useful for creating unique, personalized experiences. But as we've discussed, consumers are increasingly wary of sharing their data with brands – so first-party data isn't always easy to come by.

## Zero-Party Data

Many marketers may not be familiar with zero-party data – but they should be! Rather than being collected by one means or another, zero-party data is information a consumer voluntarily and intentionally shares with a brand. Unlike first- and third-party data, this means zero-party data can go beyond past behaviors and preferences to offer insights into people's motivations, intentions, and interests. Used in combination with first-party data, zero-party data provides a robust view of both the historical activity and the likely actions of a given consumer. Zero-party data allows brands to build direct relationships with consumers, and, in turn, better personalize their marketing efforts, offers, and product recommendations. Essentially, zero-party data requires brands to strategically ask consumers for information, rather than relying on observations and inferences.

	Inferred Data	Observed Data	Self-Reported Data
Third-Party Data	Inferred household income	Mobile device ID Set-top box data Purchase preferences	Social media page likes
Second-Party Data	Product/category preferences	Web cookie data Partner data	Self-identified household income
First-Party Data	Cross-device identity matching	Loyalty program activity Purchase history	Date of birth Mailing address
Zero-Party Data			Preference insights and purchase intentions



# Implementing a Zero-Party Data Strategy

Zero-party data is the gold standard of data. It's the rocket fuel behind true personalization and what empowers marketers to rise above privacy ad tech and other disruptions. So getting it right from the beginning is important.

Start thinking about what kind of data you want to get from consumers for your campaigns. This isn't just a data free-for-all. There is an explicit contract between brands and consumers – consumers will share data with you, but you agree to be clear and up-front about how you use this data. This isn't an unspoken agreement, there are clearly defined terms and conditions set out by the brand and made clear to the consumer on how their data will be used.

So, be conscientious and thoughtful about how you'll be using this data.

Once you've laid out the terms and acquired consent from the consumer, you'll be able to use this data to inform personalized ads, emails, SMS, web content, and other communications. But, how exactly do you start collecting this data?

## Entering the Value Exchange Economy

How do you collect zero-party data at scale? You start in the Value Exchange Economy. Put simply, a Value Exchange is offering something of value to the consumer in order to receive the data you need.

Some examples of things you can offer include free products or services or discounts. But what if you don't want to water down your products or brand? You may look into offering contextually differentiated experiences, where a consumer gets a desirable bonus for certain actions. Think of the ways you can promote your brand. This can be through early access to a product or exclusive content.

In the real world, [Discovery Inc. saw great success](#) with this strategy. The parent company of HGTV, a lifestyle content channel, created the Dream Home competition where consumers were given the opportunity to win a beautifully designed home in a tropical locale. Entrants were asked for contact details as well as a small amount of personal information and newsletter preferences from their portfolio. At the end of the campaign, Discovery had collected over 483 million data points – which could then be used to personalize future campaigns.

**50%**

of consumers are comfortable sharing data with a brand in exchange for a better service

– [Digital Consumer Trends Index 2021](#)

**79%**

of consumers will trade personal and preference data for the chance to win a prize

– [Digital Consumer Trends Index 2021](#)

## Putting Personalization into Action

Once the data is collected at scale, now it's time to turn these data points into personalized campaigns. Remember, zero-party data includes not just details like email and first name/last name, but psychographic data like consumer attitudes, motivations, desires, interests, insights, and purchase intentions. If you want to know something about the consumer – just ask. The zero-party data you collect using the value exchange will make your communications and campaigns that much more personalized to the consumer and that much more likely to be opened.

[Pure Archery Group](#) is a master class in how to personalize campaigns. The outdoor brand oversees seven brands, with a marketing team of only a handful of people serving all seven brands. They take advantage of all of their channels, from social media and website, to email and online ads, to even print and television advertising to reach their target audience but also to gather zero-party data. They give away free products, offer discounts, and even in-person experiences. Within these promotions, they collect very specific data points, things like products they're interested in, when they're likely to purchase them, and who they'd purchase from (including competitors). They then use this data to create emails that offer discounts and coupons that match up with the consumer's purchase preferences, and their purchase timeline. Because of this, Pure Archery Group often sees click-through rates 5-6x higher than industry average, and have generated over \$250k from one email campaign using a zero-party data strategy.

# 92%

of respondents moderately or very much agree that one-to-one personalization capabilities will be essential to advertising and marketing efforts in the future

– AdAge, [Zero-Party Data: An Optimal Path to Personalization](#)

Less than

# 24%

of respondents said that they are using advanced personalization methods, but 50% plan to put them in place within the next 12 months

– AdAge, [Zero-Party Data: An Optimal Path to Personalization](#)



## Goodbye Cookies, Hello Better Relationships

A zero-party data strategy is something you can start implementing right now with the tools you already have at your disposal. But if you need a trusted partner with all of the capabilities you need to move beyond a third-party cookie mindset, Cheetah Digital is here to help. We've been working through all these disruptions, right alongside and with our clients, to create an integrated Customer Engagement Suite that brings together everything you need to deliver a personalized path to better customer engagement.

[Reach out to us to get started](#)

### Additional Resources

We keep an eye on these constantly changing trends in our podcasts and blog. We also publish great content through our ebooks, guides, and webinars. You can find links to all of them below.

[Cheetah Digital Podcasts](#)

[Cheetah Digital Ebooks](#)

[Cheetah Digital Webinars](#)

[Cheetah Digital Blog](#)



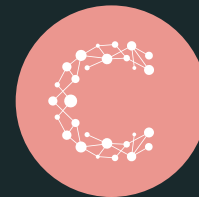


# About Cheetah Digital

Cheetah Digital's unique engagement platform empowers retail brands to enhance consumer experiences and grow revenue long-term. Our data collection and enrichment capabilities across the customer lifecycle allow marketers to transform everyday consumer interactions into meaningful insights.

Many of the world's leading retailers, including Williams-Sonoma, Neiman Marcus, Bass Pro Shop, and Walgreens trust us to help them drive revenue, build lasting customer relationships, and deliver a unique value exchange to their customers. To learn more, visit [www.cheetahdigital.com](http://www.cheetahdigital.com) or <https://www.cheetahdigital.com/retail>.





# Cheetah Digital

It's time to look beyond transactional data to build thriving customer relationships at every touchpoint. With Cheetah Digital's Customer Engagement Suite, you have an entire platform at your fingertips to build the most **relevant, integrated, and profitable customer experiences**.



## Cheetah Engagement Data Platform

Our foundational data layer and personalization engine enables marketers to drive data from intelligent insights to action at speed and scale.



## Cheetah Experiences

We help deliver interactive digital acquisition experiences that will delight customers, collect first and zero-party data, and secure valuable permissions needed to execute compliant and successful cross-channel marketing campaigns.



## Cheetah Messaging

We enable marketers to create and deliver relevant, personalized marketing campaigns across all channels and touchpoints.



## Cheetah Loyalty

We provide marketers with the tools to create and deliver unique loyalty programs that generate an emotional connection between brands and their customers.



## Cheetah Personalization

We enable marketers to leverage the power of machine learning and automated journeys to connect with customers on a one-to-one basis.

Start building lasting customer relationships at [cheetahdigital.com](https://cheetahdigital.com)