

WHITEPAPER

Building Out Your First-Party Data Strategy

Beyond cookies: Making the move
towards a first-party data foundation





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A Unique Opportunity

The shift towards first-party data represents a unique opportunity for businesses to foster growth and deepen customer relationships. Central to this strategic shift is the adoption of the email address as a foundational identifier.

Despite Google's promise to do away with them, [a quarter of US marketers](#) and agencies are still relying on third-party cookies. As organizations learn to adapt to a world without them, the emphasis on first-party data becomes not just a tactical move but a strategic initiative. This approach demands an adept handling of challenges related to scaling data efforts, ensuring data cleanliness, battling data decay, and navigating the labyrinth of privacy regulations. Moreover, it highlights the importance of personalized marketing strategies that pull from direct customer insights to deliver relevant content and offers.

Building a successful first-party data strategy – which requires a focus on progressive profiling, identity resolution, and effective data activation – opens new opportunities for businesses to build on customer engagement. According to [McKinsey](#), to adapt in the face of third-party cookie demise, advertisers should focus on three strategies:

- collecting first-party data through their own consumer touchpoints
- creating partnerships to leverage data
- utilizing contextual and interest-based advertising

Partnering with data providers like AtData can be instrumental in driving this reformation, providing businesses with the necessary tools and insights for effective management and application of first-party data. Companies that adopt these strategies will be more well-equipped to navigate a privacy-conscious marketplace successfully, ensuring compliance and creating more meaningful, lasting customer relationships.

But the journey towards building out a first-party data strategy is both a challenge and an opportunity. It calls for a nuanced understanding of customer data, a commitment to privacy and consent, and a strategic use of technology to collect, analyze, and activate insights in ways that truly resonate with the audience. The rewards, however, are significant – offering businesses a chance to thrive in a post-cookie era and coming out on the other side with lasting relationships with customers based on trust, relevance, and value.

This is the promise of first-party data in the digital age – a testament to its enduring power and potential to reshape the future of business.





Understanding First-Party Data

Third-party cookie deprecation and its consequences were named [top marketing concerns](#) in 2023. Fortunately, first-party data, with its heightened accuracy and specificity can help by guiding businesses toward marketing messages and offers that resonate with their audience. When we say something “resonates with your audience,” it means the message, story, or content has struck a chord on an emotional, intellectual, or personal level. When content resonates, it prompts a strong reaction such as inspiration, motivation, or even taking action. This connection is what turns passive observers into active participants, supporters, or followers.

With that said, first-party data stands out because it’s collected straight from the source – your customers. According to a [Statista global 2023 survey](#), first-party data was the solution that held the greatest promise to replace cookie-dependent solutions according to advertisers. This data not only provides a higher degree of accuracy and relevance but also establishes a solid foundation for strategies that are both personalized and privacy compliant, and it offers a clear window into the individual’s preferences, behaviors, and desires. It’s this granular level of detail that enables you to craft communications that feel personal and relevant to each customer.

“Data is only valuable if you do something with it – ideally, to improve your understanding of customers and subsequently design experiences and products that they love.”

- Stephanie Liu [Forrester](#) Senior Analyst

When you understand what your customers are looking for, how they interact with your brand, and what their past purchasing behaviors have been, you can tailor your marketing efforts to match their exact needs and interests. That level of personalization significantly increases the chances of customer retention, as customers are more likely to stay loyal to brands that understand and cater to their individual preferences.

Moreover, in an era where privacy concerns are at the forefront of digital strategy, first-party data offers a compliant way to gather and use customer information. Since the data is collected from the individual, it aligns with global privacy regulations such as the [General Data Protection Regulation \(GDPR\)](#) in the European Union and the [California Consumer Privacy Act \(CCPA\)](#) in the United States, which not only protects businesses from potential legal issues but also builds trust with customers who are increasingly concerned about how their data is used and shared.



A lot of companies are interested in how they can really improve customer experience and customer engagement.

The Email Address: A Key Identifier for First-Party Data Strategy

At its core, the email address is a direct portal to your customer, offering a unique and persistent connection, along with valuable insights, that other identifiers simply can't match. It's this distinctive quality that makes them indispensable for marketers aiming to cut through the noise. Because an email address is often the common thread linking diverse aspects of a person's online activity – from ecommerce and banking to subscriptions and services, your business can use this activity to gather rich insights into your customers' preferences, behaviors, and needs.

The rich tapestry of data associated with email addresses, from transaction histories to browsing behaviors, offers actionable insights. Additionally, as a direct communication channel, the email address serves a dual purpose, acting as both a source of valuable data and a means to engage customers directly based on that data.

Perhaps most important, email addresses are provided voluntarily, bringing a level of consent and compliance with privacy regulations that is often lacking in other data collection methods. This consent-based approach not only aligns with legal standards but also builds trust with customers.

The Effects of Trusting a Brand

80%

consider trust a
deciding factor in
their buying decisions

88%

of consumers who
highly trusted a brand
bought again

62%

buy almost exclusively
from the brand they
have trust in

Personalization and Continued Engagement

According to the CEO of [Informatica](#), Anil Chakravarthy, "A lot of companies are interested in how they can really improve customer experience and customer engagement." Because the email address is inherently tied to an individual, it's an ideal anchor. Unlike cookies, which are limited in scope and duration by privacy regulations and browser restrictions, email addresses offer a persistent, platform-agnostic identifier that allows businesses to deliver a consistent, personalized experience.

Companies can also use an email address to progressively profile customers over time. Each interaction provides valuable data that enriches the customer's profile, enabling more targeted, relevant marketing efforts. For example, by analyzing the links a customer clicks on in an email or the products they browse on a website, companies can tailor future communications to align with those interests. This level of personalization not only enhances the customer experience but also increases the effectiveness of marketing campaigns and allows businesses to evolve with their customers over time, driving higher engagement and conversion rates.

The Core Components of a First-Party Data Strategy

Refining a first-party data strategy involves leveraging every customer interaction to enrich their profiles and understand their identities across platforms, without overwhelming them or compromising privacy.

Here's a streamlined approach to building a first-party data strategy:

1. Data Collection and Progressive Profiling:

Start with the basics and gradually deepen your customer insights. In [Forrester's Q1 B2C Marketing CMO Pulse Survey](#), 76% of respondents said that they are collecting more first-party data in response to data deprecation. Use initial interactions to gather essential data, and then include progressive profiling to collect more detailed information over time. Progressive profiling is a technique where additional data is gathered incrementally, during subsequent interactions. This could be through follow-up surveys, interactions on social media, or as part of the checkout process on e-commerce platforms. It's a respectful and efficient way to build a detailed customer profile without overwhelming them with too many questions at once. This method also respects the customer's experience and privacy, ensuring collection is a natural part of their engagement with your brand.

76%

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2. Data Integration, Management, and Identity Resolution: This process involves aggregating and organizing the diverse streams of data collected into a centralized customer database. Effective management ensures data is kept up-to-date, accurate, and readily accessible. The key step here is to employ identity resolution, a process that connects data points from disparate sources – such as online purchases, social media interactions, and customer service engagements – to the same individual, so every piece of information contributes to a singular, comprehensive view. In 2023, US marketers spent \$10.4 billion on [identity solutions and services](#). Identity resolution addresses the challenge of fragmented customer data across multiple platforms since a customer might interact with your brand through various channels. Identity resolution stitches these points together to remove duplicates and inconsistencies for a streamlined view.

3. Segmentation and Personalization: With richer, more accurate profiles built through progressive profiling and clarified through identity resolution, you can segment your audience with better accuracy, which allows for highly personalized marketing efforts that speak directly to the individual needs and interests of your customers. For example, a retailer might use this approach to effectively segment customers into distinct groups like frequent shoppers, occasional visitors, and seasonal buyers, tailoring communications and offers to each group based on their unique behaviors and preferences. A frequent shopper might receive loyalty rewards or early access to new products, while occasional visitors could be enticed with special discounts or exclusive content to deepen their engagement with the brand.

4. Privacy and Compliance: All of these strategies inherently support compliance with [privacy regulations](#). Progressive profiling aligns perfectly, enhancing customer trust by not overwhelming them with too large of a request at once. For example, starting with just an email subscription and later asking for preferences improves the likelihood that every piece of data is accurate and collected with permission. Meanwhile, identity resolution maintains the accuracy and relevance of this data across platforms, ensuring that any updates to a customer's preferences are universally applied. These methods enhance customer trust by respecting their choices across all interactions and messaging them in the way they want.

5. Continued Optimization: The dynamic nature of customer data means your strategy should evolve. Use the insights gained to continually refine your approach, ensuring your marketing remains relevant and effective. By analyzing the data collected at each touchpoint, you can identify trends, preferences, and areas for improvement. Then, adjust your marketing tactics, messaging, and offers accordingly to ensure they remain relevant and impactful. This iterative optimization process ensures that your marketing efforts are always aligned with the changing needs and expectations of your audience, maximizing effectiveness and ROI over time.

\$10.4 BILLION *was spent on identity solutions and services by US marketers in 2023*



Scalable Growth with First-Party Data: Strategies to Overcome Challenges and Optimize Performance

Building a first-party data strategy is not without its challenges. Data silos, privacy concerns, and the need for technological infrastructure can pose significant hurdles. These challenges also encompass maintaining data hygiene, ensuring compliance, and optimizing deliverability to enhance the effectiveness of marketing campaigns and the integrity of customer data. Embracing industry expertise and collaborating with trusted solutions providers like AtData, businesses can effectively navigate these hurdles.

Email List Hygiene: In a [2021 survey](#) on advertisers from the United States spending at least 10 thousand dollars annually on digital advertising, the most mentioned strategy for enhancing first-party data was growing email lists via newsletter, named by 63% of respondents. To do this, an email list must remain clean.

63%

of marketers
intend on growing
email lists via
newsletter

However, over time, as customer data accumulates, email lists can become cluttered with inactive or invalid addresses, which not only hampers marketing campaigns but also jeopardizes the reputation of the sender. In a first-party data strategy, where the goal is to leverage direct customer interactions for insights and engagement, the integrity of email lists matters. Without accurate and up-to-date email addresses, businesses risk targeting the wrong audience or encountering deliverability issues, ultimately hindering their ability to personalize communications and build meaningful relationships with customers. Regular list cleaning using services like AtData and implementing reengagement campaigns to refine list quality can prevent this problem.



Data Fragmentation: As businesses expand their operations and customer touchpoints, data fragmentation becomes a significant challenge. For example, customer information may reside in separate systems such as CRM databases, marketing programs, and e-commerce platforms, making it difficult to gain a holistic view of individual customers. To overcome this challenge, businesses can adopt strategies to integrate all first-party data into a centralized source of truth, such as a customer data platform (CDP) or marketing automation system.

By consolidating data sources, businesses can create this single source of truth for customer information, enabling more accurate segmentation and targeting. Additionally, implementing robust data governance policies ensures consistent data handling practices across the organization, mitigating the risk of data discrepancies and ensuring data quality. Utilizing the consistency of the email address as the centralized identifier to unify customer profiles will make identity resolution more accurate and reduce the likelihood of fragmented, duplicate profiles.





Deliverability: Ensuring emails reach the intended inbox and digital marketing messages reach the right audience is crucial for success as poor deliverability can undermine even the most well-crafted campaigns. One common challenge businesses face is issues stemming from factors like spam filters, sender reputation, and authentication failures. To address these challenges, businesses can leverage solutions provided by data providers like AtData. Email validation helps businesses maintain a high-quality subscriber base by removing inactive, invalid, or potentially toxic email addresses. By regularly cleaning email lists, businesses can improve deliverability rates across digital channels and reduce the risk of emails being flagged as spam.

Saturation and Engagement Fatigue: There's always a risk of overwhelming subscribers with too many messages, leading to engagement fatigue. Bombarding individuals with far too frequent messaging can result in reduced open rates, click-through rates, and ultimately, higher unsubscribe rates. To address this, businesses can optimize marketing frequency based on engagement data. Analyzing behavioral data such as opens, clicks, web browsing, and more, businesses can identify the optimal frequency for reaching out to each segment of their audience. Prioritizing quality over quantity is crucial – instead of flooding them with generic promotional content, focus on delivering personalized, value-driven messages across channels.

Privacy and Compliance: Prioritizing privacy and compliance builds trust and mitigates the risk of regulatory penalties and reputational damage. Regulations impose strict requirements on how businesses collect, use, and manage customer data. To ensure compliance with these regulations, businesses must adopt transparent practices and provide clear communication about data use. This includes providing them with options to manage their communication preferences and personal data usage.

Conclusion

Adapting to the evolving digital marketing landscape necessitates a strategic pivot towards first-party data, emphasizing the importance of direct relationships with customers. Fortunately, the shift toward leveraging email addresses as key identifiers offers a unique opportunity to engage with customers on a more personal level. By focusing on progressive profiling, identity resolution, and personalized communication, companies can significantly enhance customer experiences and foster lasting relationships.

Challenges such as data integration and ensuring privacy compliance are real but manageable with the right approach and tools. Partnering with AtData can provide the expertise and resources needed to effectively implement and optimize your first-party data strategy. As we move forward into a post-cookie era, now is the time to invest in building direct, meaningful connections with your audience.

Visit [AtData.com](https://atdata.com) to get the full potential out of your first-party data, so your marketing efforts are both impactful and aligned with customer expectations.





AtData is the leader in email address intelligence. With accurate, comprehensive, and privacy compliant email-centric data solutions powered by over 20 years of historical email and postal addresses we process billions of monthly activity signals across our proprietary network. We not only validate and verify our customers' first-party data, but enable those organizations to develop actionable customer profiles and assess risk resulting in an increase in customer engagement, sales, and retention.

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