

The Zero-Party Data Playbook 2022





The Solution to the Death of the Cookie

62%

of consumers think retargeting ads derived from cookie tracking are creepy, not cool

We are in the midst of a great flux for marketers. Merely a few years ago the brand and customer relationship used to be a little more straightforward. Detailed buyer personas would be crafted, CRMs loaded with masses of aggregated data sets, and if they so wished, marketers could still claim humble successes from spray-and-pray philosophies.

But then came the Cambridge Analytica scandal, near global privacy legislation, the epiphany that much of this data that had been collected and purchased from third-party vendors was imprecise, stale and useless.

Fast-forward to the back-end of 2021 and the privacy era still rumbles on. With the eye-watering realization that **62% of consumers feeling ads based in tracking behavior are creepy, not cool**, Behemoth browsers have cemented plans to comprehensively curtail third-party cookie tracking within the next couple of years, and Apple is offering customers the ability to easily opt out of being tracked by advertisers. And it's these sorts of surreptitious practices has led to a rise in consumers proactively installing privacy protecting software.

For marketers that have relied on third-party data sets and cookie tracking to power their customer engagement initiatives, this time of digital disruption is quite the headache. However, for those marketers committed to forging honest, meaningful relationships, and thinking about the values of their customers and how they can align with them, the rewards are limitless.



The Cookie is Crumbling

49%

of consumers are frustrated by receiving irrelevant content and offers

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.

mainstream browsers like Google Chrome, Apple Safari, and Mozilla Firefox started implementing cookie-blocking measures.

For many years, tracking cookies has been the de-facto way in which markers track consumer activity, and this third-party data has allowed marketers to marginally personalize their campaigns to consumers. However consumers are 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

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. Although these behemoth browsers' privacy pivot is a win for privacy-conscious consumers, it's a headache for marketers wedded to third-party cookies to power their advertising, as well as perpetuating Google's anti-competitive walled garden. These sweeping changes to the martech and adtech industries reinforce the need for marketers to shift to a first- and zero-party data strategy to power their advertising and marketing initiatives. The cookie is truly crumbling.

35%

of consumers have received creepy personalization based on information that they did not directly share with the brand



Apple's IDFA: Death to Tracking for Advertisers

4%

only 4% of Apple users
are opting in to app
tracking for advertisers

Privacy challenges hit the ad industry like a runaway freight train and is playing out in real time. It's an industry in revolt and Apple has followed the trend of pivoting to privacy and implementing a raft of changes in its iOS15 update. These changes have significantly hindered those hooked on powering digital ads through location, cookie tracking, and the like.

The IDFA is a way for Apple to randomly identify users' iPhones and then share behavioral data like app usage and web and app tracking, anonymously, with advertisers. Advertisers see the data in aggregate and pull insights from it to then target those devices with ads. Another big part of the IDFA is being able to track ad performance, which is essential for justifying ad spend.

Identifier For Advertiser (IDFA) was shared with advertisers and app makers by default, but that is no longer case. Furthermore, numbers show a mere **4% of Apple users are opting in to app tracking for advertisers**, and that number is predicted to only dwindle.

It's unlikely Google FLoC (cohort based advertising) is going to be the silver bullet. There isn't going to be a magic replacement for the cookie, so what do marketers do next to deliver more personalization, and also meet privacy demands?

The Personalization & Privacy Paradox

38%

of consumers have gone to the trouble of installing ad blocking tech

We live in contradictory times. The modern consumer demands increased privacy, tightened data controls, and the right to be forgotten. That's easily deliverable until you contrast those demands with their expectations for tailor-made content, bespoke product recommendations, and uber-personalization.

Zero-party data marketers see this as a time of digital opportunity. They are connecting directly with consumers and gathering the data, insights, and permissions they need to power personalized marketing across all stages of the customer lifecycle. Rather than inferring, they're asking. And consumers are willingly and intentionally sharing.

For marketers who take the zero-party data path, this is a unique opportunity to improve relationships and deliver better personalization. For those still wedded to third-party data sets, this is quite the headache.

By taking the zero-party data path, marketers become empowered to build direct relationships with consumers and, in turn, better personalize their marketing efforts, services, offers, and product recommendations.

74%

of consumers have a favorite brand as it uses their data in a way that makes them feel comfortable

The Data Types

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.

As 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 – leading to a disjointed and unpleasant customer experience. And since anyone can buy access to third-party data, it doesn't provide any competitive advantage for a brand.

First-Party Data

First-party data is typically collected during sales or form completion and can include things like past purchases,

mailing address, and date of birth. All of this is valuable information, but data related to purchase history can't tell you anything about purchase intent.

Spamming consumers with ads for products they've already bought or do not intend to buy will only damage their relationship with your brand.

Zero-Party Data

It is possible for marketers to know what customers intend to do or buy in the future by collecting data that is intentionally and proactively shared directly by the consumer. This is called zero-party data. Marketers collect this data by connecting directly with consumers.

Rather than making inferences and assumptions, you simply ask. If they trust your brand and value the interactions they have with you, consumers will willingly and intentionally share. The data, insights,

and permissions they provide can then be used to power personalized marketing across all stages of the customer lifecycle. Information like purchase intentions and preferences are useful to improve personalization and help build up a picture of who the customer is.

Quite simply, zero-party data allows brands to build direct relationships with consumers, and in turn, better personalize their marketing efforts, services, offers, and product recommendations. As it comes directly and willingly from the consumer, there are no intermediaries or guesswork.





“Zero-party data is that which a customer intentionally and proactively shares with a brand. It can include purchase intentions, personal context, and how the individual wants the brand to recognize her.”



The Value Exchange Economy

55%

of consumers will trade personal and preference data to feel part of a brand's community

The utopia described above comes with a caveat. Consumers are not going to hand over their personal and preference data for nothing. You need to offer a tangible value exchange - offering something of value to the consumer in order to receive the data you need.

doesn't always have to be a discount or red-letter prize: exclusive content, social kudos, personalized recommendations and loyalty points can also be the catalyst for the collection of opt-ins and zero-party data.

To collect the data required to power true personalization, consumers need to be entertained, engaged, and receive something in return for their attention and preference data. Marketers can deliver this through interactive experiences that conduct research, accrue opt-ins, and deliver an altogether better experience for the consumer.

Capturing consumer motivations, intentions, interests and preferences at scale allows for a personalized customer experience. And by leveraging the right mechanics, and offering a value exchange, your customers will tell you what products they desire, what they look for in a service, and what motivates them to purchase.

Questionnaires, polls, quizzes, contests or social stories can incorporate reward mechanics that give consumers a genuine reason to engage and submit their first- and zero-party data. And it

Moving to a zero-party data strategy means that your audience building and profiling doesn't stop, but that it also allows for change. This keeps your data accurate, relevant and current because the data points are coming directly from your audience.

86%

of consumers will trade personal and preference data for early or exclusive access



How Zero-Party Data+ Personalization Engine= Increased Revenue

50%+

open rate for zero-party data powered email

84%

conversion rate for Cheetah Experiences

American Airlines is one of the world's largest airline carriers moving nearly 200 million passengers annually. Email is a huge driver of revenue for the brand and they looked to increase revenue per customer while adding a deeper level of personalization based on individual customer preferences.

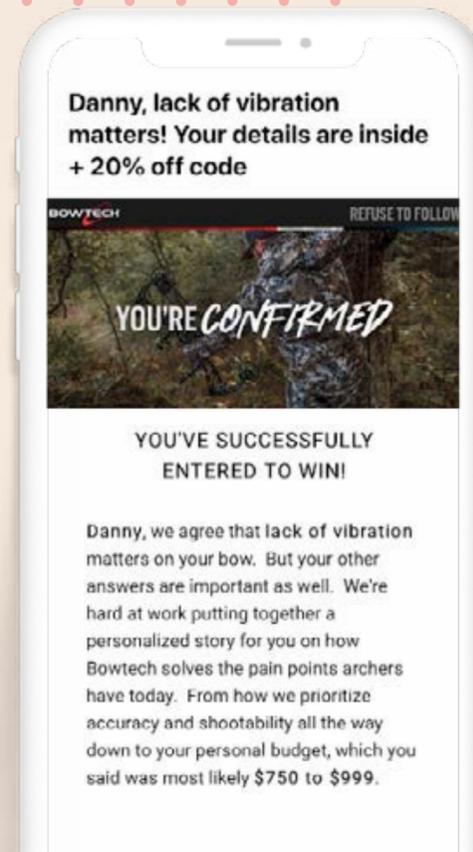
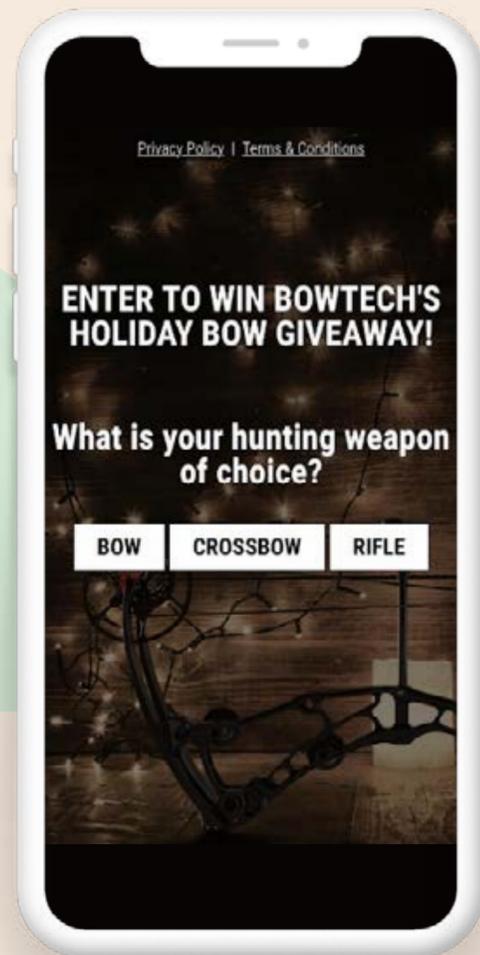
The Cheetah Digital Strategic Services Team developed a strategy that utilized the Customer Engagement Suite to reach that goal. First, Cheetah Experiences was deployed to collect the ever important zero-party data, including psychographic information about how, when and where

customers would plan to fly. Those insights fed into Cheetah's Journey Designer which put each customer on a unique email path that included hyper-personalized content and offers matching their needs.

They essentially moved from the typical 'batch and blast' email with a one-size-fits-all offer and delivered personalized, real-time offers based on known psychographic data declared directly from the customer. This led to increased open rates, a lift in engagement scores and ultimately a lift in revenue per member.



Pure Archery Group



50%
1M
\$1.2M

open rates on some emails by personalizing the content and personalizing subject lines.

Almost 1 million zero-party data records collected, enriched on average by 150 psychographic data points per customer

reduction in annual marketing spend

Pure Archery Group have adopted an aggressive consumer database growth strategy over the last 3 years and it has become their biggest weapon against unforeseen events like the recent Covid-19 pandemic.

Because they have almost 1 million consumer contacts, enriched with postal / zip code and mobile number and various other psychographic data

points like preference insights and purchase motivations, they can reach consumers with highly-personalized email and SMS messages as needed. Using postal codes, they can laser-focus invites to their best consumers encouraging them to book safe one-on-one appointments, that respect social distancing in their top independent dealerships across North America.





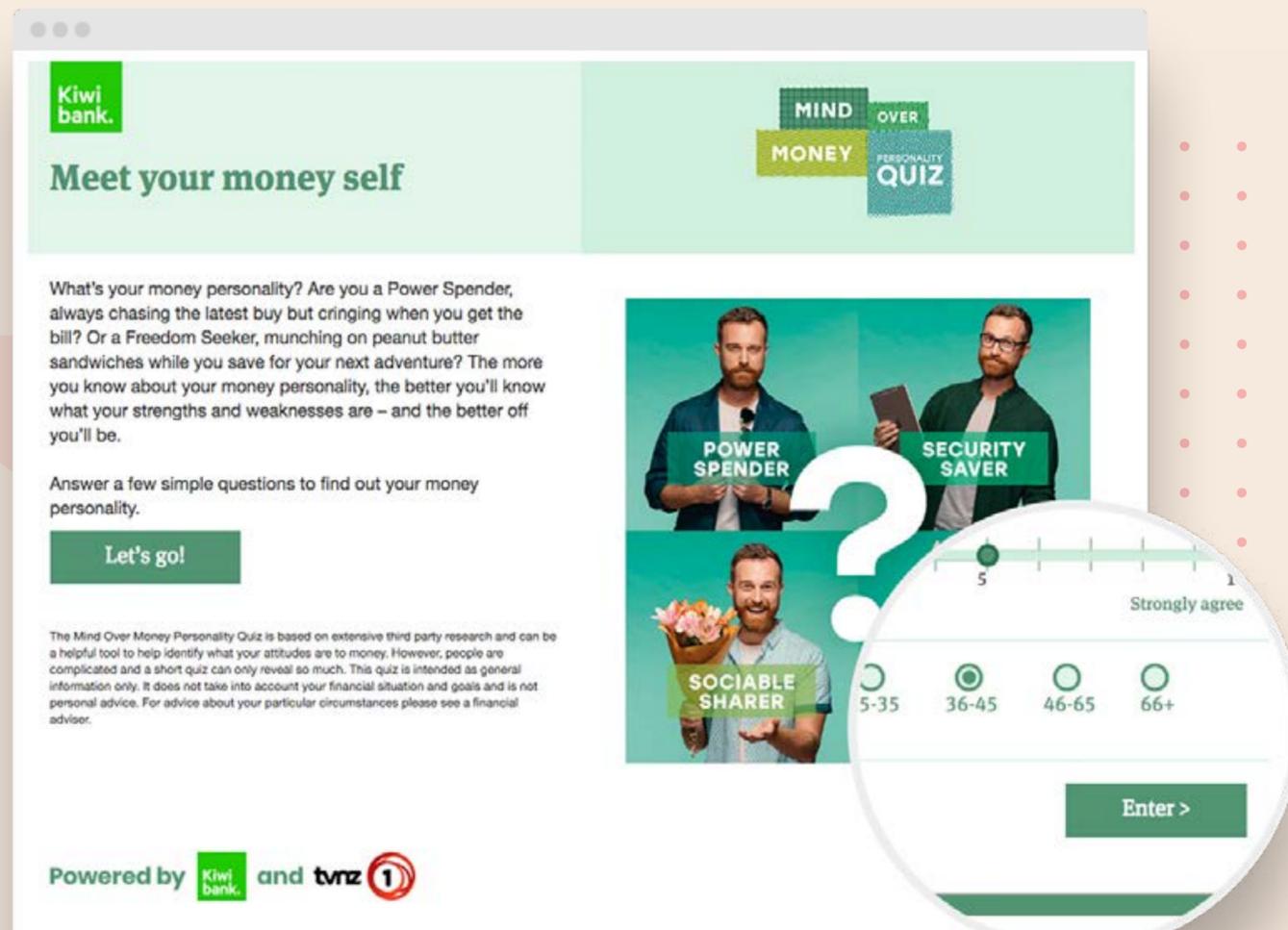
Build Rich Customer Profiles



150^K
75%

marketing opt-ins enriched with zero-party data

conversion rate



Kiwibank wanted to learn about their prospects and customers to better personalize their email marketing and offers.

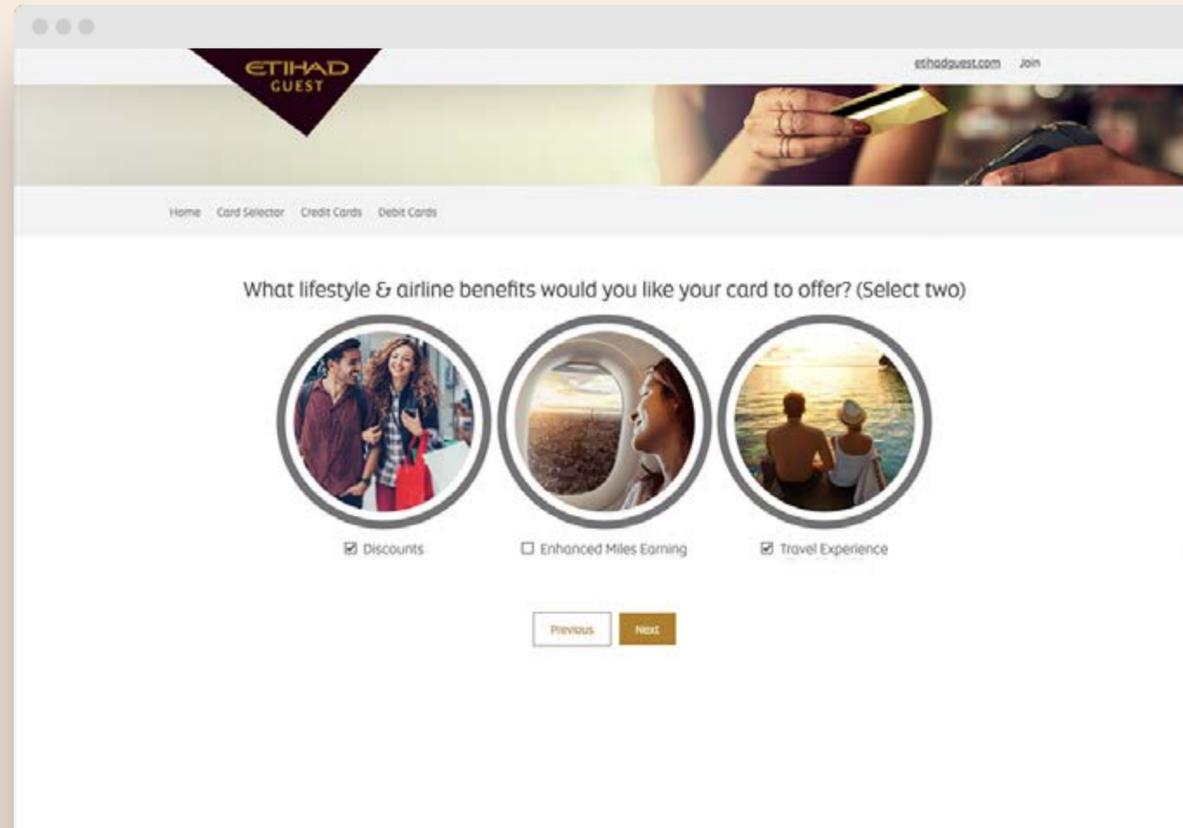
The 'Meet Your Money Self' interactive quiz was designed to profile consumers' spending habits in return for personalized financial advice. It leveraged 10 questions based on spending habits to help better understand customers, collecting rich psychographic data in return for advice to help participants spend, save or invest their money more effectively.

With Cheetah Experiences, Kiwibank was able to quickly and painlessly create and launch an interactive experience that incentivised customers to share personal information willingly. Data that would enrich their customer profiles and help Kiwibank improve and deliver more personalized customer experience.



Highly Personalized Product Recommendations

6^K — Entries
31% — conversion rate



Etihad has a plethora of different credit cards they offer that map to all different consumer profiles. They worked with Cheetah Digital to devise an experience that allowed them to personalize what was offered based on the individuals' interaction, spending habits and financial history giving them the best credit card options based on their personal circumstances.

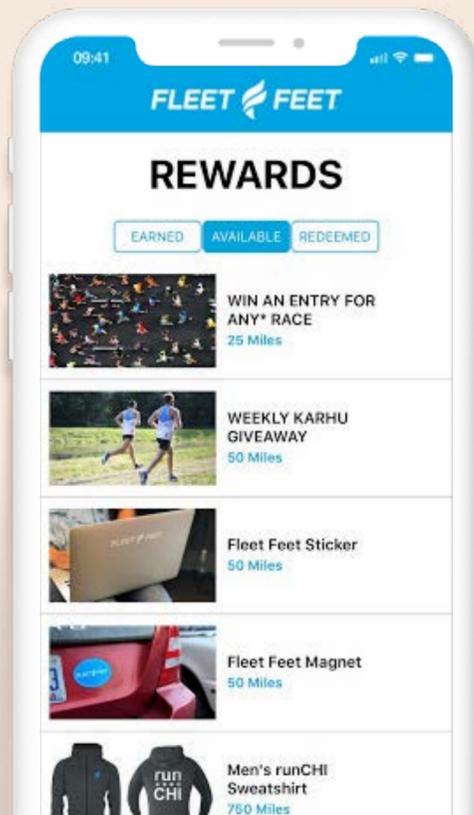
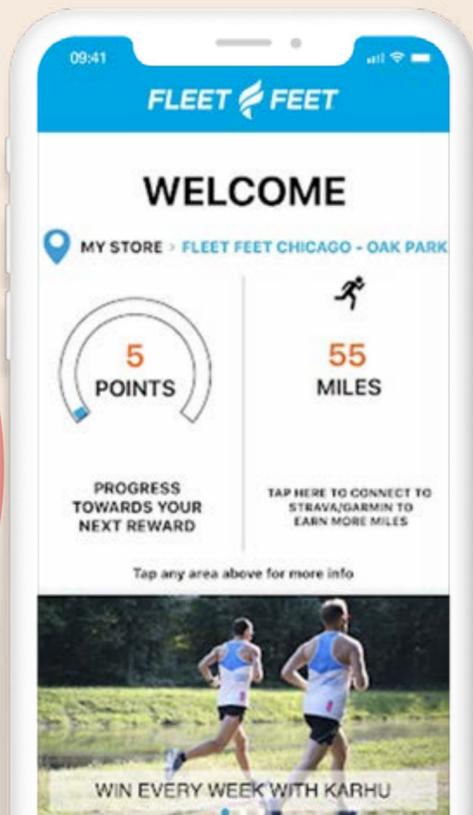
Upon answering some questions regarding income, spending habits, travelling and benefits, users were recommended the perfect credit card that matched their needs.

Etihad were not only able to see a huge boost in credit card applications, but they collected huge amounts of marketing opt-ins and a host of psychographic data points.



Hyper-Personalized Product Recommendations

3^M — zero-party data records
10^K — new app downloads per month



Running shoes and apparel retailer Fleet Feet have grown market share in a saturated vertical dominated by behemoths like Nike, ASICS et al. They launched a loyalty app, powered by Cheetah Digital that synced to runner's fitness trackers and supplied them with personalized shoe recommendations based on their running gait, the type surface they run on and amount of miles they tackle.

This hub collected both purchase and fitness activity data, creating a comprehensive customer profile that allowed the brand to deliver hyper-personalized, locally-driven opportunities to involve customers in their mission: to inspire the runner in everyone.

Cheetah Digital



Uber-Personalized Email

45% click-through rate

Phase 1

Binocular brand Leupold Optics bulldozed its traditional email marketing techniques and turned to a strategy rooted in zero-party data.

as well as the explicit dollar amount that the entrant revealed as their budget in the sweepstakes. The email content then suggested only products that met this specific budget.

First they deployed a Cheetah Digital-powered sweepstakes and collected essential PII data like name and email address, but this was supplemented by an additional 9 psychographic data points on each entrant to the sweepstakes. Actionable data like; product preferences, budget size, and important product features.

The copy supporting each recommended product in the email also used keywords that were aligned to the exact features the entrant chose as most important to their purchase decision.

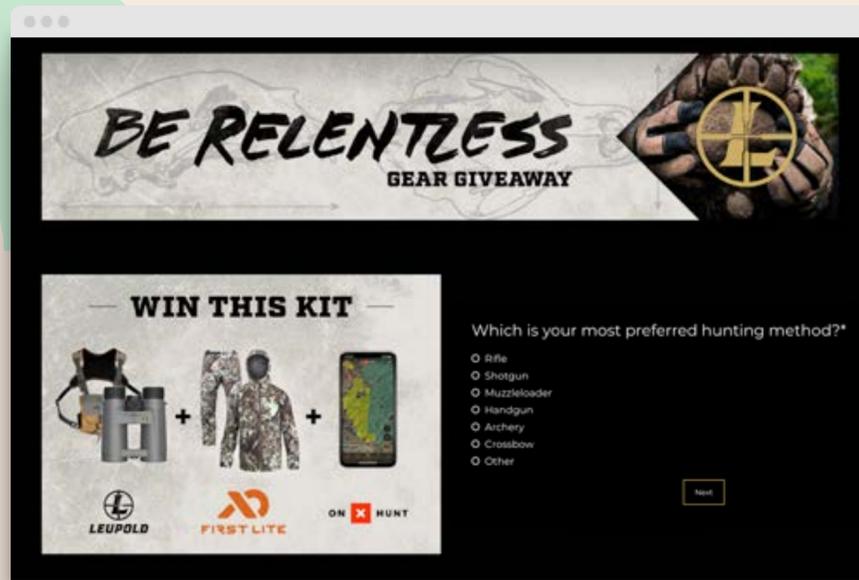
Phase 2

With the help of Cheetah, the brand deployed hyper-personalized emails that contained dynamic content in over 50 potential variations - using the entrant's name in the subject line

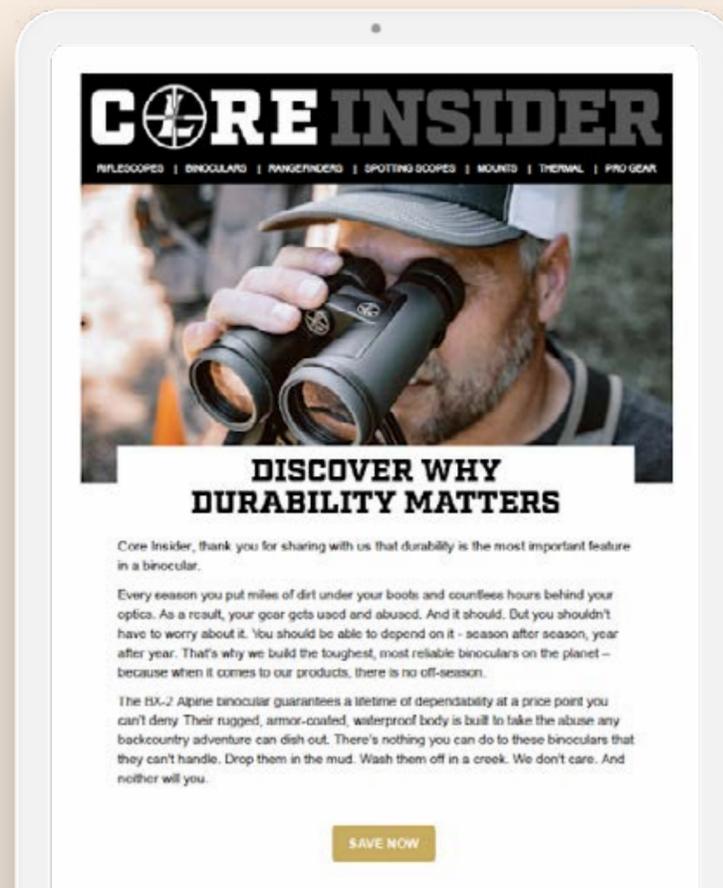
They also went as far as to use imagery in the email that aligned directly with the entrant's intended use of the product, as well as CTAs that linked to product pages in the specific channels that the entrant said they wished to shop.

The result was the most successful ecommerce capable marketing email Leupold Optics had ever sent.

70% open rate



70^k Entries



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