Second-party data IdeaBook

Creative ways to unleash the power of your data

Introduction

Data-driven marketing has transformed the marketing landscape. It has also levelled the landscape. All brands – big and small – have access to the same data-driven marketing tools, making it harder than ever to stand out.

People-based marketing moves beyond data-driven marketing and delivers the difference forward-thinking brands have been seeking. But if brands want to harness everything people-based marketing has to offer they need to recognise the value of second-party data. This is explored in our latest guide, *Second-Party Data IdeaBook: Creative ways to unleash the power of your data.*

The gap between first- and third-party data

Many organisations focus on first-and/or third-party data collection. But no matter how extensive this data is, it's only a snapshot. It offers an insight into a person's interactions with a brand. To gain a deeper understanding, brands need insights into a person's wider shopping behaviour and lifestyle choices. Second-party data is the key to that deeper understanding. In leveraging the power of second-party data, brands have the ability to anticipate their customers' needs, and surprise and delight them. It gives them the ability to stand out.

Second-party data is the missing piece

In simple terms, one brand's second-party data is another brand's first-party data. It has all the benefits of first-party data without the need to collect it.

Second-party data usage can operate under different models. For example, one data owner may charge a data partner to access some of their data or services powered by their data. Or partners may choose to exchange data for mutual strategic benefit.

Whichever model is agreed on, strong shared ethics are vital, as are following the rules around data privacy and giving customers the chance to control the use of their own data.

It is why choosing data partners is perhaps the most important decision to be made in the second-party data journey.

When done right, it helps brands unlock incremental value and add new revenue streams.

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Second-party data strategy in action

There are two potential sources of second-party data partners. The first is existing relationships: vendor partners, event sponsors, advertising platforms, direct mail partnerships and product suppliers are good places to start. The second is new relationships with external partners who share common interests or goals.

Depending on the type of partner, there are five ways second-party data can help drive people-based marketing and the marketing opportunities around these are outlined in greater detail in the IdeaBook.

Are you ready?

Second-party data usage has the potential to add value to brands working in any of the following situations.

- Work or partner with other companies for marketing, sponsorships or strategic partnerships.

- Run marketing campaigns that promote products sold through third-party point-of-sale locations.

- Run and/or own comarketing or sponsorship programs.

- Run an internal marketing platform and have vendors who pay you for better placement.

- Seek to evaluate a data provider by running an audience overlap to understand potential matches before starting a program.

1. Overlaps for measurement

Measure the full customer journey by connecting in-store transaction data from a point-of-sale retailer to ad impression files from a vendor's marketing campaign.

2. Overlaps for partnership evaluation

Evaluate the type of partnership opportunities that make most sense by comparing CRMs to see whether there is a large overlap (retention/loyalty) or a small overlap (new customer acquisition).

3. Audience augmentation

Augment a current customer segment with data from a brand partner (only on matched segments). This can involve layering in segment data from a trusted brand partner or overlaying a third-party audience to a combined segment.

4. Customer acquisition

More accurately predict and target customer behaviour by leveraging two data sources and finding the overlap between pseudonymised customer lists for net-new customer acquisition or suppressing matched records.

5. People-based targeting across publishers

Unlock data silos and prioritise the customer experience by matching customer CRM data to publisher data sets then apply campaign learnings for future activation to optimise performance and audiences.

The quest for competitive advantage answered

Second-Party Data IdeaBook: Creative ways to unleash the power of your data explores the opportunities of second party data, equips brands with a wealth of new ideas and shows how LiveRamp's privacy-safe environment provides the vehicle to deliver them.

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Second-Party Data IdeaBook

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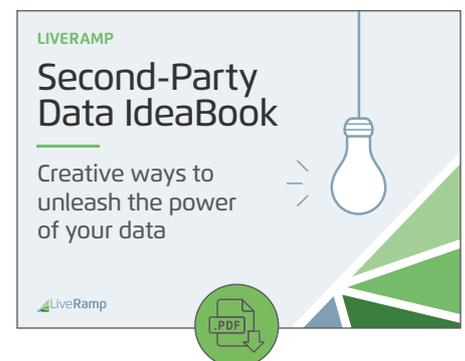
About Us

LiveRamp (NYSE: RAMP) provides the identity platform leveraged by brands and their partners to deliver innovative products and exceptional experiences.

LiveRamp IdentityLink connects people, data, and devices across the digital and physical world, powering the people-based marketing revolution and allowing consumers to safely connect with the brands and products they love.

LiveRamp is headquartered in the technology hub of San Francisco, delivering privacy-conscious solutions to market and honoring the best practices of leading associations, including the Digital Advertising Alliance's (DAA) ICON and App Choices programs, the Interactive Advertising Bureau, the Data & Marketing Association, and the Advertising Research Foundation.

For more information, visit:

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