The first-party future of marketing

How Tealium and Meta are helping companies use first-party data to optimise customer experiences

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Introduction

For years, marketers have relied on third-party data to create personalised experiences for their customers. While far from perfect, third-party data was easy to get, widely available and drove performance for marketers. However, its effectiveness is quickly waning.

Today, consumers want to know how their data is being collected and used. Governments are responding with new data privacy regulations. Companies are making changes to their web browsers and devices to limit the use of third-party cookies.

Amid this increasing premium on privacy, consumers still expect personalised experiences from the brands they interact with. This is requiring marketers to rethink how they collect and use data. Strategies that focus on first-party data—which customers provide directly to businesses—are making it possible to deliver on both privacy and personalisation for customers.

Tealium, a leader in customer data orchestration, is partnering with Meta to build out performance solutions for today's ad landscape. Together, we're helping marketers integrate first-party data capabilities that deliver timely and accurate insights in privacy-first ways.

One such solution is the Conversions API. Rather than relying on a browser, the Conversions API allows advertisers to create a direct connection between marketing data (such as website events and offline conversions) from their server to Meta. It's enabling marketers to identify drivers of conversions and leverage their own first-party data to optimise campaigns.

Let's take a look at how the ads landscape is evolving and how brands are using the Conversions API to accelerate their first-party data strategies. Let's get started.

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Why marketers have relied on third-party data

Before diving into how the ad landscape is changing, let's run through a quick refresher on what third-party data is and why marketers rely on it to create personalised experiences. In short, third-party data is data that's collected by an organisation that doesn't have any direct link to the customer. Often gathered in the form of browser-based cookies, third-party data is collected by data aggregators for the purpose of selling it to other companies.

When used carefully, third-party data can provide relevant data to improve campaigns. This helps marketers reach the right customers and provide them with personalised experiences—whether it's in-store, on the web or through the contact center.

Third-party data has been valuable because the stakes for delivering personalised experiences are high.

1 in 3 customers will walk away from a brand they love after just one bad experience[1]

To facilitate personalised experiences, marketers have primarily relied on third-party data for years because it was easy to get and readily available. But things are changing rapidly.

1. PWC. Future of CX. "Experience is everything: Here's how to get it right" 2018

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Why third-party cookies
are on the way out

As people spend more time online, they are becoming more aware of their rights and are empowered to take control over their online activity and data. Many people are appropriately asking questions about how their data is being collected and used by companies online to create personalised experiences. In turn, technology platforms and governments are responding.

In just the last 3 years, regulations have been put in place across the world to help in this space, such as GDPR in the EU, LGPD in Brazil and CCPA in California. Third-party cookies are gradually being limited by web browsers and are expected to no longer be supported by 2023. And currently, the ad industry is adapting to changes imposed by Apple in their iOS 14 update, which is enabling people to opt out of tracking and shortens the length of time that cookies can be stored on an Apple device.

These factors are impacting the effectiveness of third-party data. Performance online is declining, costs are rising and it's becoming more difficult to attribute ads to direct business outcomes. At the same time, as consumers are expecting more privacy, they still want personalised experiences.

The growing demand for privacy and personalisation

As privacy expectations continue to evolve, personalised experiences remain a priority for marketers because they enable people to discover products and services. Personalised experiences also drive growth and opportunities for businesses of all sizes.

For many marketers, maintaining and growing performance as the ad ecosystem evolves means rethinking how they collect, use, secure and share customer data. Today, where you get your data matters. It is important to plot the right strategy to keep your data secure and your customers happy. Increasingly, first-party data is playing an important role in modern data strategies.

The shift to first-party data

While marketers have relied on third-party data for a long time, evolving data privacy regulations and demand for personalised experiences are elevating first-party data.

First-party data is data customers give to your company in exchange for a better experience or enhanced benefits. Unlike third-party data, first-party data is collected and controlled by you. It gives you an opportunity to align privacy requirements and marketing needs.

Since first-party data is collected along with consent—when customers authenticate or opt-in to cookies—the data is accurate and complete, perfect for delivering personalised customer experiences.

Third-party data versus first-party data

Third-party data	First-party data
Less accurate	Accurate
Incomplete	Complete
Often not collected with explicit consent	Collected with consent
Shared with other organisations	Not shared with other organisations
Aggregated insights (less timely)	Individual insights (timely)

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The advantages of a first-party data strategy

2020 marked a watershed year for transformation of the importance of first-party data. As we've seen, a few key factors are making it important to move away from third-party dependent strategies as soon as possible:

Web browser changes

Data privacy laws

Personalisation without third-party data

Switching your marketing to a first-party data strategy isn't swapping out one set of data for another. It's complementing this existing approach with richer and more strategically-aligned data that maps to your organisation's revenue goals.

Third-party data can be very helpful as a complement to your first-party data. But it shouldn't be relied on for long-term strategies. The value of first-party data is realised when you have a strategy in place to turn it into actionable insights that continue to get better—not worse, like third-party data—over time.

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A partnership to accelerate first-party data strategies

Tealium and Meta are excited to partner to help companies deliver personalised advertising that respects people's privacy choices. An important component of this is rethinking how data is collected without relying on third-party cookies.

Here, Tealium—a leader in customer data orchestration solutions—is helping companies implement first-party data strategies to:

- **Create better marketing** and customer experiences across every customer touchpoint
- **Drive more accurate customer insights** from both online and offline data sources
- **Ensure consistent marketing performance** regardless of industry changes

Tealium's enriched customer profiles, built from online and offline data, enable Meta advertisers to take action using a complete view of the customer. Tealium's integrations with Meta enable businesses to utilise high quality, first-party data to improve ad targeting and analysis across Meta technologies.

One such integration that is helping businesses optimise their campaigns is the Conversions API.

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Activating first-party data with the Conversions API
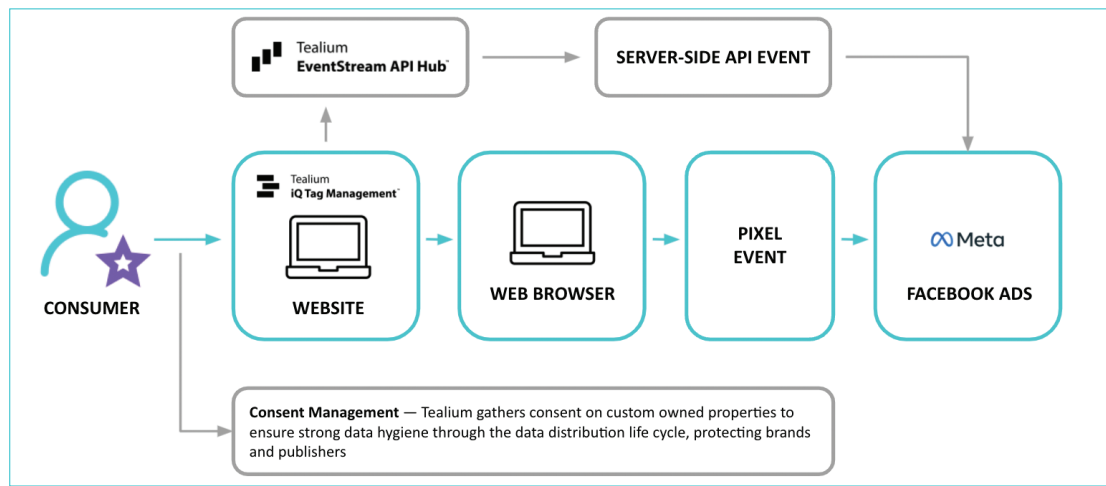
The Conversions API is designed to help advertisers drive the outcomes they want using information and data they control, such as interactions with their sites, products and services.

The data advertisers rely on to reach the right customers at the right time is often collected via a browser, meaning it can be lost due to loading errors or connectivity issues. As the industry moves to better protect the privacy of consumers, browsers will cease to support certain mechanisms that today aid in optimisation, targeting and measurement, such as cookies.

The Conversions API supports advertiser efforts to provide consumers with appropriate data transparency and control while also helping them to continue providing personal experiences. The Conversions API allows advertisers to share data directly from their server, rather than through a browser. The tool is also designed to honor Meta's user privacy controls; for example, if a customer uses privacy tools to measure activity outside Meta platforms, their choices will extend to data sent via the Conversions API.

The benefits of the Conversions API

Data control
Advertisers can pass a wider array of data than currently captured by the Meta Pixel, such as CRM data or lower funnel events. The Conversions API gives advertisers added control over what data they share. Advertisers can choose to append insights like product margins discreetly or include historical information like customer value scores.

Reliable data sharing
Strengthen how you share data with Meta. Data sharing through the Conversions API may be more reliable than browser-based methods—as the Conversions API is designed to be less susceptible to issues like a browser crash or connectivity issues.

Full-funnel visibility
Gain more insights into the people who matter to your business. A wider array of data can lead to more qualified leads, or multi-site conversion paths.

We encourage advertisers to implement the Conversions API in addition to Meta Pixel for full-funnel visibility and more reliable data sharing. Here are some great examples of companies that took this approach and how it helped them achieve their business goals.

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TUI explores new opportunities in a first-party data world

Increasing TUI's resilience to cookie loss

TUI, a global leading travel and tourism company, wanted to increase their resilience against the loss of third-party cookies. They wanted to solidify data collection methods to retain effectiveness and insight. The company was also looking to improve customer experiences while honoring customer preferences.

The journey from third-party to first-party data

Working with Tealium and Meta, the company implemented the Conversions API to ensure the supply of insight via Tealium EventStream. This enabled TUI to optimise ad spend on Meta through better attribution, media suppression and lookalike targeting.

Excellent results

By leveraging the Conversions API, TUI drove an increase in bookings and a reduction in costs. Better data accuracy led to increased segmentation based on customer behaviors. As a result, TUI saw:

29% increase in conversion rate for social traffic across the platform

18% increase in return on ad spend

6% drop in cost per booking

> "Like the majority of brands, the loss of third party cookie data is something we're really conscious of, and looking to mitigate as soon as we can. Moving our data collection from client-side to server-side has set us up brilliantly for the eventual loss of that data. Introducing the Conversions API from Meta has helped us not only use our advertising budget more effectively, by targeting the right customers but also increased the number of customers who convert via these ads to make a booking."
>
> — Volkan Özturan, Team Analytics Digital Commerce, Berlin, TUI GROUP

Tested for success

Golfbreaks drives up sales with a full picture of conversions
Golfbreaks, a leading golf vacation specialist, relies on the expertise of their sales staff to provide advice to customers on golf packages and vacations. Because of this, their call centre is their highest converting channel.

Being able to track inbound calls (as server side events as a webhook from the phone tracking system) and send those to Meta, allowed Golfbreaks to get a full picture on conversions. Using both the Conversions API and Meta Pixel, Golfbreaks achieved:

18%   improvement in ad click-through rates

11%   increase in online sales conversions

17%   increase in return on ad spend

Dodo connects campaigns to conversions
Dodo, an Australian internet provider, tested the Conversions API tool by comparing campaign performance insights from it to the insights the brand received from its existing Meta Pixel.

Dodo ran a campaign of link ads optimised for the conversion objective, which directed people to their website. The team then ran a multi-cell test comparing how well things such as sales and add-to-cart actions on Dodo's website were captured by the Conversions API and Meta Pixel. The test helped the brand better understand how to use the measurements tools. As a result, Dodo achieved:

26%   increase in incremental sales

23%   higher conversion rate

13%   more online sales

Taking the next step

As the industry quickly moves away from third-party cookies, marketers that are getting ahead of the game are acting early to build out their first-party data strategies. With a host of Meta integrations—such as the Conversions API—Tealium is helping companies quickly integrate such capabilities practically, quickly and safely to optimise marketing performance.

To learn more, <u>visit</u> the Tealium Conversions Connector page.