



# ONE DECADE, FOUR DATA REVOLUTIONS

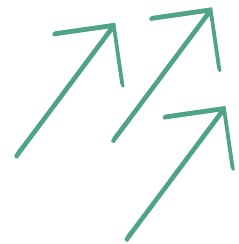


# ONE DECADE, FOUR DATA REVOLUTIONS



BY  
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Data and identity have been front-of-mind for more than a decade in the marketing ecosystem. One can structure this period into four major evolutions, and this article will explore each of those in turn.



## CONTENTS

- [CONTEXTUAL DATA](#)
- [THIRD-PARTY DATA](#)
- [FIRST-PARTY DATA](#)
- [ERA OF INTELLIGENT CUSTOMER DATA](#)

# CONTEXTUAL DATA

Let's head back to 2005. Say it's New Year's Day and you've decided it's time to get fit. Unfortunately, 80% of resolutions are abandoned by February. You're in dire need of inspiration, so you go online and search for "quick home workout". As you arrive on a webpage, you barely notice the onslaught of sporting apparel ads because you're now overwhelmed by your fitness goals. Welcome to contextual targeting of the early 2000s (started in 2003 and pioneered by Google), when advertisers were hoping to make a sale by showing people ads that complemented a web page's content based on 'keyword crawls'.

Contextual targeting lacked effectiveness as it provided an extremely limited view of individual users' demographics, interests, and intentions based solely on content consumption.

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Common stereotypes led to many misclassifications. For example, consumers of sports-related content were automatically deemed 'male'. That's when brands started looking at complementing contextual advertising with external third-party data to solve these challenges.


## THIRD-PARTY DATA

Jumping quickly back to the '90s, when Lou Montulli was focused on his infamous cookie creation (and not the kind you eat). The cookie gained traction later in the 2000s and to this day, this nifty line of code stores information about one's web browser in order to keep track of users and what they consume on the web (third-party cookies are created by domains other than the one you are visiting directly). Although the premise of cookies was to not track personally identifiable information (PII), it still caused major privacy controversies throughout its existence. Nonetheless, publishers and brands alike started to drop these cookies on their own websites or allowed other industry players, like early-day data targeting providers and agencies, to do just that in order to track online user journeys.

Third-party data providers gained traction as the rocket fuel for programmatic, and boosted the meteoric rise in global ad spend. According to Statista, online advertising revenues in the US grew from [6 billion USD in 2002 to 26 billion by 2010](#). In 2018 US, ad revenues topped 100 billion USD and continue to show an upward trend. Third-party data opened the doors to programmatic advertising and naturally, as a consequence, DMPs (Data Management Platforms). DMPs offered a tool for programmatic advertisers to make use of third-party data for better targeting, analytics, lookalike modeling, one-to-one campaign management, and cookie-based targeting.



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Most third-party data providers and DMPs were relying on a very small data set and extrapolating it with their black-box models to achieve scale. Third-party data allowed brands to target web audiences at scale, but with quality in constant jeopardy. Over time, brands slowly stopped trusting those providers.

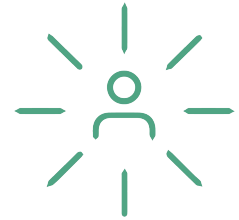
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In the last few years, there has been a lot more regulatory scrutiny and laws formed over user data privacy and security, such as the stringent General Data Protection Regulation (GDPR) in Europe and the California Consumer Protection Act (CCPA) to name a few.

The [announcement by Google](#) to block third-party cookie tracking in the world's most prominent browser, Chrome, has once again stirred 'black-box' conversations around data. This has in effect created the need for brands to shift towards strategies largely focused on first-party data instead (the data they already own through their direct consumer relationships).

# FIRST-PARTY DATA

First-party data typically consists of a user's identities like name, address, email, and phone number and other collected or declared traits like the user's gender and age and behaviours like browsing history or purchase patterns.



Brands who understand the importance of building marketing strategies based on first-party customer data realise the need to consolidate their first-party data in order to better understand their customers and make smarter marketing decisions. Hence, they invest in technologies such as customer relationship management tools (CRM) or newer customer data platforms (CDP).

With this knowledge, brands are able to maximise the impact of their marketing spend by offering tailored experiences that truly resonate with the end-user. A CDP allows marketers to grasp a 360-degree customer view by consolidating all data points into 3 key layers: data, decision making, and delivery. On a data layer, a CDP un-siloes data and brings about 360-degree customer views. On a decision-making layer, smart segmentation and automated user flows could take place. Lastly, on a delivery level, CDPs allowed marketers to real-time, cross-channel campaigns. These three layers are all based on first-party data.

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Unfortunately, first-party data comes with its own limitations. As a brand, you're only at liberty to get a portion of your customers' information and are most likely not tracking their every online move. Moreover, your customers make up only a small fraction of the global or even regional population, which makes it impossible for you to know how your customers interact with other brands, leaving you in no position to decipher what your prospects are up to. A brand's first-party data is by virtue not enough to create a complete customer view.

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Moreover, while DMPs and CDPs have done a great job at consolidating first-party or third-party data, they lack the necessary capabilities for data onboarding offered by their identity resolution counterparts (combining multiple identifiers across devices and touchpoints to build a cohesive, omnichannel customer view). In contrast, traditional identity resolution platforms offer data onboarding but lack other data management capabilities.

## **SO WHERE DOES THIS LEAVE BRANDS?**

# ERA OF INTELLIGENT CUSTOMER DATA


The fourth data revolution was heralded by the creation of customer intelligence platforms (CIPs), minted in 2019, and is bringing a novel way to combine disparate first- and third-party data from a multitude of internal and external sources, allowing companies to finally achieve true customer intelligence. CIPs allow companies to overcome many obstacles in the marketing arena to achieve next-gen customer understanding driven by data intelligence.



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CIPs combine the functional capabilities of DMPs and CDPs and build on top of them. They put first-party data at the epicenter and turn it into customer intelligence — enabling brands to truly understand their customers, resolve their scattered online identities and predict their future behaviours. Through more sophisticated methods of segmentation, like machine-learning-led algorithms and deeper customer insights, marketers using CIP technology will know just what sort of action to deliver based on the propensity of a customer’s future action. CIPs leave little room for guesswork.





For example, say it's the New Year and you have once again made a resolution to get fit. Let's imagine that this time, you fall into the minority 20% who will stick to this goal. If you went online to browse a new workout routine, today you would more likely be offered a 12-month gym discount by your financial service provider than targeted with workout apparel ads. Why is this? Your bank may be one of the few companies driving next-gen marketing techniques and have worked out that your propensity to drop exercise is high, but a targeted discount might just work wonders in incentivising you to not only achieve your goal but to remain a loyal banking customer —a true win-win situation. Such a sophisticated marketing ploy is better than assuming that a fitness newbie is going to invest in a lot of expensive yoga pants.

It's certainly been a journey for the more patient data aficionados amongst us over the last decade. But as this new decade goes by we find ourselves at a point where the silos are becoming connected —and on the horizon, customer intelligence is beginning to show us it's true glory.

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# CUSTOMER INTELLIGENCE UNLEASHED

Zeotap is the next-generation Customer Data Platform. Its Customer Intelligence Platform (CIP), empowers brands to unify, enhance and activate customer data in a cookieless future, all while putting consumer privacy and compliance front-and-centre. Recognised by Gartner as a "Cool Vendor", Zeotap works with over 80 of the world's top 100 brands, including P&G, Nestlé and Virgin Media.



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