

The logo for 3radical, featuring the number '3' in orange and the word 'radical' in white, set against a dark blue background with a white dot grid pattern.

3radical

The title 'Earned Data PLAYBOOK' is displayed in a large, white, sans-serif font. 'Earned Data' is on the top line, and 'PLAYBOOK' is on the bottom line in a bold, orange font. The text is overlaid on a teal diagonal band that has a white dot grid pattern. The background of the entire image is a blurred photograph of a man in a blue shirt looking at a tablet, with a large white circle containing an orange dot on the right side.

Earned Data **PLAYBOOK**

Forward

Recently, practices around data collection and use have received bad press, and for a good reason. Data that was not given with consent, or is not directly from the consumer it is associated with, leads to irrelevant and invasive marketing. But not all data and data practices are equal.

If you're like many marketers, Earned Data is probably a term you've heard of recently. However, Earned Data's definition can be confused with other data types, such as zero-party or first-party data. Earned Data champions consumer empowerment and is a massive opportunity for brands to redefine their data strategy and business culture. This playbook demystifies the concept of Earned Data and will help you to form a deeper understanding of the opportunity it brings.

This playbook acts as a starting point to better understand Earned Data's positive impact on brands and consumers. Continue reading in order, or skip to the sections most relevant to you as you embrace Earned Data within your organization.

WE'LL BE GUIDING YOU THROUGH THE FOLLOWING...

- 1 What exactly is Earned Data?
- 2 Does this mean the end for traditional data?
- 3 What does Earned Data look like?
- 4 How to build an Earned Data culture
- 5 Earned Data use cases
- 6 How 3radical can help

1 What exactly is Earned Data?

Earned Data is the currency for building long-term, trust-based relationships between consumers and brands. Earned Data can only be captured directly from consumers and goes far beyond clickstream and other “traditional,” less transparent data sources. Earned Data is shared directly with an organization through a consumer-defined value exchange. This fully-consented consumer feedback and preference data enriches an organization’s existing data set, making it actionable, creating strategic differentiation for brands.

Earned Data helps us to serve consumers reciprocally; we know from our Consumer Insight Report¹ that 1 in 4 individuals are willing to share data in exchange for more personalized shopping and communications.

EARNED DATA IS BUILT AROUND:

ENGAGEMENT – capturing consumer attention through interactivity and relevance

CONSENT – it can only be obtained from the consumer with their explicit permission

TRUST – consumers offer data and have a clear understanding of how it will be used

A VALUE EXCHANGE – the requester of the data offers something fair in exchange for the data

TRANSPARENCY – providing consumers with transparency around how you will apply their data

ADAPTABILITY – each new interaction adapts based on the consumer’s direct feedback, enabling brands to more deeply understand individual consumers over time

PERSISTENCE – each new interaction builds directly on the previous, regardless of time passed, channel engaged, or context that has changed

CULTURE – Earned Data is built around a holistic approach to embracing the consumer; it takes people, process, technology, and cultural shifts to allow a pivot from short-term thinking around transactions and promotions to a long-term objective of building lasting relationships

2 Is this the end for traditional data?

At the very least, we're coming to the end of a data free-for-all. Historically, companies and brands have traditionally collected data through less transparent or actionable methods, using raw transactional data combined with third-party data. As an example, financial institutions know how many loans, credit cards, and accounts you have. They know your credit score; they may have access to other third-party data and can see you bought a car, a house, a boat. But do they understand the motivations and purchase intent behind the numbers? Do they know the individual behind the numbers?

The answer is probably not. And, therein lies the problem.

UNDERSTANDING THE NEW DATA LANDSCAPE

While having its benefits, traditional data remains fixed and static over time, unlike the individual, who moves dynamically through life stages with many different needs and expectations. Brands that can tailor their offers towards consumers in different life stages can dial up the personal experience and have a relationship with their consumers.

Capturing consumer data has become more challenging, a situation that looks set to intensify. Individuals are becoming more and more empowered just as they become more distrustful over how their information is collected and purposed.

In the US, for example, 79%² of adults assert they are very or somewhat concerned about how companies use their data. Contact details are especially sensitive, with 68%³ stating it's the information they're least comfortable sharing. This is key given consumer data is central to activating online experiences and journeys that foster consumer engagement.



² Campaign, 11.1.21

³ 3radical, Consumer Insight Report 2021

LEGISLATION CHANGES REINFORCE CHANGING CONSUMER MOOD

In response to privacy concerns is recent legislation, including Europe's General Data Protection Regulation (GDPR) and the California Consumer Privacy Act (CCPA). These require precise consent mechanisms for data collection and move towards the model of individual consumers owning their data and the right to understand how it's used.

Moreover, to protect user privacy, major tech firms are moving to reduce third-party data tracking and will no longer follow users around the internet. Just two examples: Apple's iOS will soon allow users to disable tracking between applications, while Google is on the way to blocking third-party cookies and ID-targeted-ads.

Gone, or going, are the days of sharing unconsented data gleaned from clickstream, media, or analytics tagging. All this means that from now on, we must take responsibility for collecting and earning consumer data.

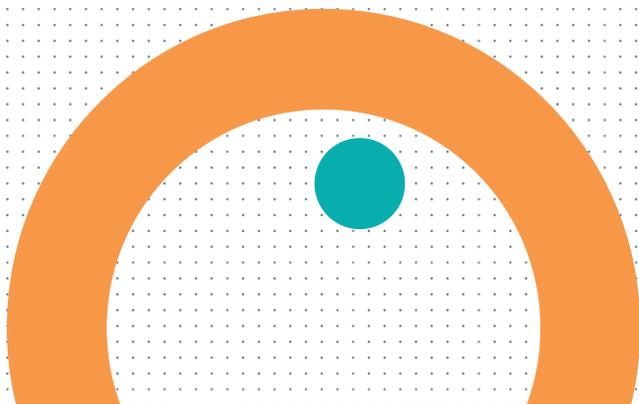
TODAY'S CONSUMER HAS CHOICES

For marketers, whose principal goal is to connect personally with consumers, traditional data is incomplete and not up to the task. Heavy investment in MarTech meant to solve this has been marred by large, unusable, outdated data sets focused too much on conversion funnels and not enough on what creates value for a brand – their consumers. While the technology itself can be incredibly valuable, the resulting marketing efforts will not meet objectives if the data quality is poor, unconsented, and, thus, unactionable.

A 360° view of the customer only works when it views the consumer, not just channels and transactions. Further, the consumer's data must be up to date, consented to, and acted on.

DATA FOR DATA'S SAKE

Many companies have been guilty of accumulating data for data's sake and short-term gains. After all, data lends a feeling of security and confidence when making critical business decisions. We are told that data is king, and we must have more of it. However, data is purposeless if it is not being acted on and of low quality.





This approach wastes valuable time sifting through data that won't impact the business; it raises significant concerns for compliance liability and puts brand credibility at considerable risk. If that's not enough, it also means the relationship with a consumer remains one-way, transactional, and void of genuine connection.

Earned Data transcends traditional data because it:

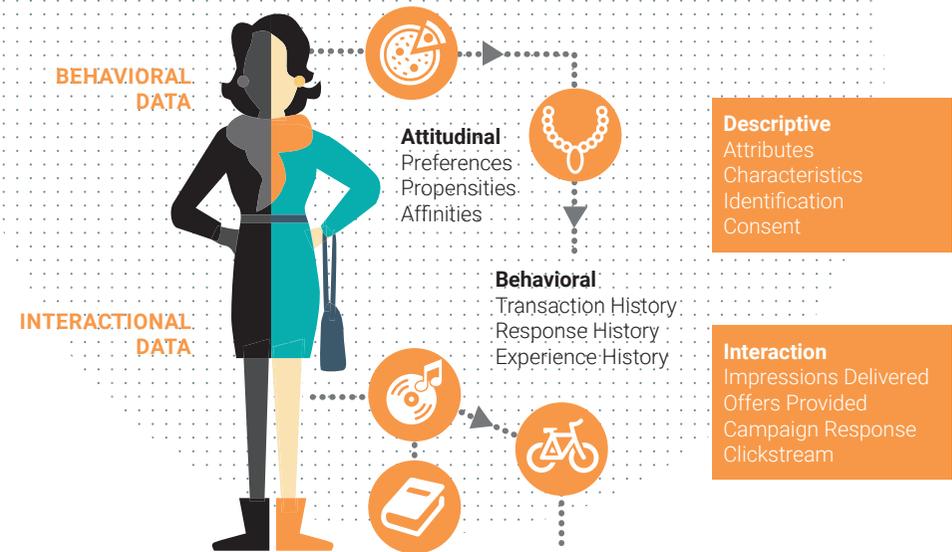
- Is only ever collected with consent – giving consumers choice, control, and buy-in
- Is based on the individual's explicit statements and actions – not inferred from historical actions
- Enables the consumer to shape their personal experience with your brand
- Fosters a two-way relationship with a clear value-exchange
- Is highly actionable and improves both the consumer experience and business results

3 What does Earned Data look like?

When customer data platforms (CDPs) entered the market, brands and companies jumped at the opportunity to see a 360° view of the consumer. Who wouldn't want to visualize and action consumer data in one place? In actuality, what happened is that marketers merged behavioral and interaction datasets to form assumptions about groups of individuals. They didn't end up with a 360° view of the consumer, but rather a single view of historical breadcrumbs that gave little insight into the actual people behind them.

This creates a "see what sticks" approach, which, while better than no personalization, is based on unconsented, implied, or inferred data. Earned Data helps marketers motivate consumers to want to share and engage more.

Earned Data provides a fuller picture of your consumers because it incorporates explicitly permissioned and provided data, not implied and inferred data. Data like descriptive data (attitudes, characteristics, identification) and attitudinal data (preferences, propensities, affinities) only come directly from the consumers. It is adaptive, progressive, always-on, and individual-level information. As a result, the strategic value of Earned Data goes far beyond engagement and revenue by increasing the ROI and decreasing the time-to-value from MarTech investments through improved and actionable data quality.



Thus, Earned Data helps you to stitch together missing details, giving a more accurate 360° view of the consumer. Earned Data enables you to cultivate a genuine 'live' relationship with your consumers controlled and adapted by their responses. Better understanding their needs, helping you to act on them in real-time. Building around a consumer instead of a transaction requires knowing your consumers' motivations, drivers, aspirations, needs, and challenges.

Getting your business to this point takes work and a cultural change. But, how?



4

How to build an Earned Data Culture

Companies that are successfully pivoting to this new approach are not only changing the way they value data and how they engage with their consumers at a high level but are changing their core culture. It takes people, process, technology, and cultural shifts coming together to advocate for this shift from short-term thinking around transactions and promotions to a long-term objective of building lasting relationships. Here's how you can begin the pivot within your business:

REVIEW BUSINESS PROCESSES

With retailers like Amazon setting the pace for convenience, there's a fallacy that all consumers want is speed. This is not true. The consumer wants a great experience, but not just with your products; with you entirely.

Marketing strategies are based on business objectives. Traditionally, those objectives have been things like increasing YOY sales by 15%. While this is a worthy and vital objective, this marketing strategy is not built around the consumer, but around what it will take to get to that number. By shifting this mindset to what the consumer wants, you can earn the consumer's trust

and data while giving them what they want. Pinpointing what consumers want and targeting them with their exact needs leads to more impactful KPIs and objectives like increased lifetime value and return on invested capital, not just return on advertising spend and conversion rates.

PUT THE CONSUMER FIRST (FOR REAL)

The customer is always right; you know the drill. However, when it comes to data collection, it hasn't always been that way. As businesses, we've been guilty of requiring data from our customers to market back to them for our own benefit. Siloed teams are set objectives and KPIs around sales and more traditional conversion funnel metrics, which means that no one is considering the consumer by default. Brands could benefit from putting the lion's share of resources into onboarding and retention teams and focusing acquisition teams on gaining consent and instilling trust from day one.

Our recent study found that 81% of consumers willingly engage with brands outside of the shopping experience.⁴ This is a tremendous opportunity to build on the consumer relationship in the way that is best suited to them. For example, communicating through the social channel they engage with most or in their preferred language but always with the ability to show empathy for their real-world needs and challenges. To attract and maintain engagement over time, brands need to provide non-promotional ways to engage.

Marketing is not a “one-size-fits” all approach. It has never been, but now we have the tools and know-how to individualize on a mass scale, which may sound like an oxymoron. By starting a new relationship with a permission-based value-exchange, trust and increased long-term engagement are easier to foster.

ADOPT THE RIGHT TECHNOLOGY

An Earned Data culture starts and ends with consent by design. Brands need to create an environment that enables them to collect consented data and build on the information over time to inform consumer profiles. Moreover, each interaction must adapt to the consumer, providing the consumer with what they want, while the brand can learn more about the individual.

Interactions with your consumers must be relevant, helpful, memorable, and easy to follow. If not, you run the risk of creating roadblocks to put consumers off from sharing information with you. Achieving interactions that tick all these boxes can feel like a tall order, but you can save time and precious resources with the right technology.

DATA DRIVES THE EXPERIENCE, AND THE EXPERIENCE DRIVES THE DATA

An Earned Data culture means understanding that data exchange is cyclical; both brands and consumers benefit from this approach, and (bonus!) it gets better over time.

One of the key benefits of Earned Data for brands is knowing and understanding a consumer’s motivations, context, long-term intentions, and what triggers are they most likely to respond to.

Since no two consumers experience a brand the same way, Earned Data enables brands to adapt and deploy different experiences to each consumer. Brands can serve the following best options to each consumer while learning and adapting engagement based on each new interaction. Technology that can adapt ensures that data and real-time decision-making optimize every engagement.



5 Use Cases

At 3radical, we look at how your brand or company collects and actions data on a holistic level; we don't just provide gamification mechanics; we consult with clients to produce considered consumer journeys that solve real business challenges. Engagement techniques create a cycle of achievement and reward where consumers are guided and motivated into consenting to share data about themselves.

Earned Data is not a band-aid solution; it forms part of a long-term advantage to putting the consumer in control of their interactions with your brand and allowing your business to realize the benefits of this approach.

USECASE Consented Data Capture

TRUST STARTS WITH PERMISSION

Turn consumer consent from a friction point into a foundational element of your relationship and brand experience by incorporating consent by design. By creating experiences that allow consumers to make clear choices about how they wish to interact, trust follows. This transparent environment then sets the stage for enhanced sharing of data and increased long-term engagement.

BENEFITS

- De-risk privacy regulation with modern approaches to subscription and preference management
- Reduce or eliminate dependency on third-party data
- Get better use of the data assets you already have
- Create defensible differentiation with strategically built data assets and enhanced brand loyalty
- Improve ROI of existing technology investments with access to broader sets of consented data

USECASE Conversion Optimization**IMPROVE THE CHANCES OF CONSUMERS ENTERING THE CONVERSION FUNNEL AND TAKE THE DESIRED ACTIONS**

Interjecting engaging, interactive digital gamification mechanics as part of your campaigns can significantly optimize conversions. Use existing data augmented with real-time Earned Data to inform the experience and the outcomes you offer up. Whether it's simple mechanics like an instant win, a progress bar towards earning a status, or a sophisticated consumer journey program, gaming science can significantly improve engagement driving the desired behavior.

BENEFITS

- Reduce your cost per acquisition
- Speed up A/B testing
- Improve conversion rates
- Cost optimization and efficiency

USECASE Onboarding & Education**CHAPERONE AUDIENCES AS YOU INTRODUCE YOUR BRAND AND THEY NAVIGATE THEMSELVES WITHIN YOUR EXPERIENCE AND VALUE PROPOSITION**

Support your audience to inform them of the value you provide and learn how to serve them best. Educate them on your business's pertinent aspects and help set expectations as they determine their journey. Capture their preferences through Earned Data, enabling the organization to adapt to and personalize their experience and best understand their motivations and intents. Present them with options that reduce friction, encourage interaction, and foster loyalty

BENEFITS

- Drives direct feedback to provide personalized experiences
- Understand what's important to your audience and deliver on that value
- Improve acquisition value to repeat engagement
- Foster brand loyalty with increased knowledge retention and relevance
- Reduce costs by encouraging adoption of best-service, lowest cost communication channels



USECASE Know Your Audience

WE HELP YOU UNDERSTAND THE PERSON BEHIND THE DATA

Move from assuming to knowing your audience by cutting through the noise and getting to the heart of each individual. Capture their motivations, intents, desires, needs, values, and preferences to reveal an individual's complete understanding. By adding descriptive and attitudinal data to transactional and clickstream data, organizations get a clear view of their audience as people and not IDs.

BENEFITS

- Build around your audience and not the channel
- Eliminate the need for model data
- Improved data accuracy
- Reveals personalization opportunities

USECASE Revenue Growth

ENGAGE AND DELIVER EXPERIENCES THAT DRIVE REVENUE GROWTH AND LTV ACROSS YOUR MARKETABLE DATABASE

- 1) Maximize existing growth programs with enhanced capabilities to engage and reactivate existing customers while identifying optimal acquisition targeting profiles.
- 2) Determine the right content, messages, offers, incentives, channels, and timing that each unique audience is looking for, and deliver it the way they want.
- 3) Pinpoint where opportunities exist across your customer base to maximize revenue.

BENEFITS

- Increase Sales per Customer
- Improved audience targeting profiles for acquisition programs
- Reduce customer attrition rates
- Reactivate lapsed customers
- Determine predictive attributes for optimizing revenue outcomes



6 How 3radical can help

The consumer experience is a human experience.

We believe a consumer is more than their clickstream data. A consumer is a human with needs, motivations, and values. We help organizations develop the capability to move beyond traditional data and get to the heart of what inspires and activates their audiences.



With the continued onset of privacy regulations and proposed changes to third-party data usage and tracking, organizations need to establish trust to capture data and permission to deploy it, providing consumers maximum control of their experience. Gamification techniques create a cycle of achievement and reward while capturing consented, earned data that uniquely comes directly from consumers.

We use game science and comprehensive strategic services to shape and support the customer experience by creating a fair value exchange delivered directly to each recipient and optimized by data and real-time decisioning. Every progressive exchange results in consented, earned data provided by the consumer in a transparent, motivating, and mutually beneficial environment enticing consumers to want to share and engage more.

3radical is a consumer data acquisition and audience engagement solutions provider. We help organizations listen to their consumers and adapt experiences accordingly by giving them the ability to earn consented data directly from their audience. Critically, this fosters humanized interactions through choice-driven journeys provided by 3radical's gamification software.

3radical operates globally through offices in North America, the UK, and Asia Pacific and serves major brands across various industries.

Earning customer data may not be a walk in the park, but it doesn't need to be a walk in the dark.



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