

WHAT'S THE DIFFERENCE BETWEEN
ZERO-PARTY DATA
& **EARNED DATA?**



From GDPR to CCPC, browser bans of third-party cookies, and Apple's IDFA changes - new privacy laws are helping to safeguard consumer rights and data. The new digital marketing playing field is being marked out - and it spells good news for consumers and a sharp pivot for short-breathed marketers.

Businesses must find new ways of identifying and targeting audiences in a world where the sources of much of the data used before are no longer. Simultaneously, the radical shifts in consumer control over the last few years mean these new data sources must enable brands to support consumers with more personalized, choice-driven experiences. We know 83%¹ of consumers are willing to provide their data in exchange for improved services and experiences. But what environment is the most conducive for capturing this?

Data has many nomenclatures – third-party, second-party, and first-party. The information extracted or overlaid from various touch-points and interactions between a consumer and a brand is meant to inform and improve products, services, sales, promotion, and branding. But does any of this data help you get to know and understand your audience better? Enter zero-party data. Forrester defines zero-party data as 'data that a consumer intentionally and proactively shares with a brand, which can include preference center data, purchase intentions, personal context, and how the individual wants the brand to recognize her.' But is that enough? Is "zero" just another number that doesn't truly define the holy grail of data – earned, permissioned, and personal data?

While we wholeheartedly agree with the shift to how we define fully consented, permission-based data, we believe the term we are striving for is **Earned Data**. And we believe Earned Data will soon become the war cry of marketers. There are certainly similarities between zero-party and Earned Data, but there are important distinctions and significant advantages that Earned Data brings to the table:



¹ 3radical Consumer Insight Report 2021



ESTABLISHING A **SUSTAINED, CONSUMER-LED DIALOGUE**

Much like zero-party data, Earned Data is built on a value-exchange directly between the consumer and brand. However, zero-party data is typically discrete data captured from a finite and brief interaction. On the flip-side, Earned Data is a fuller and richer dataset intentionally designed to build progressive relationships grounded in willful sharing of personal information, not gleaned from clicks but rather from direct dialogue and trust built over time. Furthermore, Earned Data is rooted in fully-conscious customer choice. It is data provided on the consumer's terms and earned by the brands they choose to share it with.

Earned Data encourages a two-way conversation which **always** leads to a better experience for the consumer. The purpose of every interaction and every piece of data collected is to build a tailored audience journey, adapting as they engage. Consider it a 'Choose Your Own Adventure,' giving the consumer control over their engagement. As a result, an Earned Data strategy will outlive and outperform zero-party data by continuing to build upon and maintain a meaningful conversation with your consumer.

LONG-TERM GOALS

Frequently, zero-party data focuses on a value-exchange for a time-bound and financial purpose. Examples of this may include shifting particular stock, making changes to a platform, or filling in lost-revenue gaps.

Earned Data moves beyond the transaction and focuses on developing a long-lasting relationship with your consumer. Similarly, Earned Data suits a longer-term strategy where goals and metrics are measured around consumer engagements and lifetime value.

Zero-party data may inform what a consumer is doing at a given point in time, but Earned Data tells you why they are doing it, for what purpose they are doing it, and how they came to need to do it. These data sets truly unlock value for the consumer and the brand, and that is not a zero-sum game.



CHANGE AT A CULTURAL LEVEL

As organizations, brands, and marketers, we need to change how we perceive data and the people from whom it came. For one, we never **own** consumer data; we are merely data-custodians. Changing the way we perceive consumers and their data requires a business-level shift.

Earned Data takes a more **humanized** view, changing how a brand or company views data (and the consumer) from the board level right through to the individual consumer. Businesses are programmed to make a profit, and as such, KPIs, goals,

and teams are structured around revenue, not the consumer. Setting the precedent of an Earned Data culture changes this.

The tone for ethical data sharing starts with you. Companies have an opportunity to put their money where their mouth is and first demonstrate to their employees they are changing how they view the earning of a consumer's data as a privilege. The outcome of this practice will be a more fluid roll-out through to consumers and instill a holistic data-reset.



ALWAYS ON, **ALWAYS ACTIONED**

One of the most prominent issues for marketers jumping on board with what's currently defined as zero-party data is lack of action.

When you approach a consumer for their data, you make a promise - be it monetary or service-based in value - it must be communicated and followed through. Unactioned data poses a real threat to companies' integrity. Companies who communicate with consumers throughout the data collection and utilization process will build invaluable trust. Data collection that is piecemeal

and lacking strategy is likely to negatively impact your brand and prevent consumers from sharing data in the future.

Earned Data strategies are always-on, adaptable, and actionable. No matter what data is collected, it is actioned upon, and the consumer will understand why. Clear communication between brand and consumer means no surprises and a personalized experience that is genuinely tailored to the individual, to the human.

ADAPTIVE AND CONSCIOUS DATA COLLECTION

Zero-party data is collected, however and whenever the company decides it is needed. In comparison, Earned Data is an insightful, more conscious choice for both parties. Through an adaptive, deliberate strategy, marketers can develop customized consumer journeys, drip-feeding games, surveys, or polls to the consumer when it feels right.

What the premise of zero-party data might miss is the opportunity to go gently and to create a humanized interaction. In 2018, Accenture found that 27% of consumers felt interactions were too invasive and

personal. We must remember we are speaking to and requesting sensitive data from real people, despite the digital barrier. Consideration builds respect, and respect builds long-lasting trust.

Ultimately, Earned Data stitches together a conversation with your consumer that can dramatically increase their satisfaction with your organization, brand, or products. It brings back the human into the picture and puts trust at the heart of our businesses.



ABOUT 3radical

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. 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 operates globally through offices in North America, the UK and Asia Pac and serves major brands across a broad range of industries.

Contact us to learn more, or book an informal chat about supporting your audience engagement strategy.

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