

3radical

ACHIEVING DATA ZEN:

**GOOD THINGS COME
TO THOSE WHO
EARN THEM**



When it comes to data, it's about quality over quantity. Events over the past eighteen or so months have created a shift in consumer behavior, meaning that the relevancy of 'big' historical data sets is coming into question. Alongside this, privacy regulations are catching up with consumer concerns over individual data privacy and the right to control who has access to their online activities. The ability to build mutually beneficial relationships with your customers that will ensure the quality of your data sources has never been more critical.

DATA. DATA EVERYWHERE.

Traditionally, marketers have had to try and strike the right balance between sources providing the richest data and those with the scale of data needed to impact marketing objectives. Data typically falls into three categories:

First Party Data

First party data is the information your company collects directly from your customer. Examples include:

- transactional data created during a purchase
- traffic data created during a visit to your website
- followers to your social media sites
- data provided by consumers in response to surveys, polls, and other primary research activities

Second Party Data

Someone else's first party data that you have permission to use. Typically, it's created through a mutually beneficial partnership agreement arranged with an organization to increase the insights on your customer base or to increase the size of an audience for specific marketing campaigns or promotions. As partners will be selected for their audience relevance, this can be a highly effective strategy but comes with drawbacks such as limited size and unknown reliability of the data.

Third Party Data

Data collected by organizations that don't have direct contact with consumers. Its advantage is scale and size but may lack reliability as it can be inferred (i.e. not self-reported). Predictive analytics, such as modeling, is used to determine the consumer's actions or characteristics. Also, Third Party data can be generic with limited relevance to your business. Examples include demographic, attitudinal, and psychographic sources.

A drawback to any of these sources is the lack of context. That is, understanding why the consumer decided to take the action that created the data. For example, were the newborn baby clothes purchased by the new parents or were they a gift from a generous grandparent?

WHERE IS THE REAL PARTY AT?

The new gold standard is **zero party data** which, according to Forrester, is '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.' Historically, capturing this data was done using mechanisms that interacted with a small number of consumers, such as preference centers or primary research (i.e. surveys, polls).

Rarely does the feedback come from a large and diverse sample of the customer base. Also, these mechanisms create "one and done" interactions. The data reflects the consumer's needs, feelings, etc. at the specific moment in time when the exchange happens. Both these limitations restrict the viability of the data and, ultimately, your ability to improve the effectiveness of your marketing spend.



LEAVE THE PARTY AND ACHIEVE DATA ZEN



So what is the next level in data gathering? How can data sharing lead not just to immediate rewards but also to a long-term relationship and ultimately brand advocacy? Welcome to **Earned Data**.

Earned Data is a deep and reliable data set. It's based on a two-way dialogue between consumer and brand that creates an opportunity for the marketer to understand the consumer's need for both the immediate and a future perspective. Shared directly with an organization through a consumer-defined value exchange, Earned Data is a rich, actionable, and fully consented data asset that creates strategic differentiation for brands.

Where other data sets will provide customer insight for a given moment in time, Earned Data moves beyond a single transaction and sets up a continual series of interactive touchpoints. This will tell brands why customers are purchasing that product or service, for what purpose, and which products they may be interested in next. Ultimately, Earned Data allows brands to develop long-lasting relationships with their consumers and measure success in terms of lifetime value.

We see this as the right way to gain data - consumers deserve the ability to control their data. It also builds trust with the organization leading to a reliable data set representative of the entire customer base. From a legal and regulatory perspective, it creates a future-proof asset that is fully consented and permissioned. In a nutshell, the mutually respectful arrangement between brand and consumer makes Earned Data the most legal, moral, and valuable route forward.



WHAT ARE THE BENEFITS OF EARNED DATA?

The unique advantage of this approach is that you can bring together the two elements that marketers have traditionally had to choose between – rich, insightful data at an actionable scale.



Value For a Lifetime, Not Just a Day

Zero-party data provides valuable insight into your customer base but the data it captures is static, based around a singular campaign, product, or customer need. Purchase history, on the other hand, represents what client needs have been met. Models and other inference tools built from it assume the products and services bought in the past will continue to be the products and services they will need in the future. Obviously, this will create flawed audience identification as consumer's needs change over time. Earned Data sets up continual touchpoints for an ongoing conversation that can be used to create more exact lifetime value calculations and accurate predictive models and segmentation.



Everything to Declare

Earned Data is taking declared data to a whole new level. There is no reliance on inferred, modeled, or aggregated data, that all come with inherent reliability issues, and every data point can be traced back to a self-report activity. This creates greater accuracy that will bring measurable value to all the tools used to drive targeting and customer insights.



Thinking Bigger

Scale is perhaps the main drawback related to primary research. This is an issue with Data Science and AI applications which require a minimum threshold of data to be effective. On the other hand, Earned Data typically receives a 40-60% response rate that reflects the diversity of your customers and provides a highly actionable data set to incorporate into your analytic frameworks.



HOW EARNED DATA IMPACTS MARKETING

Earned Data produces richer data that strengthens all analytic frameworks. As a result, campaigns become more personalized, effective, and relevant creating a better experience for the consumer and stronger response and conversion for the marketer.

Increase Customer Personalization

Create more defined audience segments and more accurate predictive models by combining self-reported customer demographics, behavioral patterns, and attitudinal preferences with first-party datasets. This allows brands to create highly personalized content that proactively predicts the consumer's needs and presents the right message at the right time.

Turn Customers Into Brand Advocates

Brand engagement is a key metric for cultivating consumers into advocates. It's also important for understanding message frequency which is vital for allocating advertising budgets more effectively. Focusing ad spend on more engaged consumers and encouraging frequent buyers into becoming brand advocates undoubtedly leads to greater ROI.

Fix the Leaks

Earned Data effectively identifies disengaged consumers that have a high likelihood of churning. Using a value exchange-based engagement tool, such as that offered by 3radical, the marketer can proactively identify this audience and understand the causes for brand abandonment. Surveys and other primary research mechanics perform a similar role but can be expensive to deploy and typically have very low response rates. Gamification techniques used by 3radical are a more engaging experience creating a more effective way to both gain access to the disengaged audience as well as the data needed to better understand the causes of churn. Armed with this information, the marketer can then begin to fix the leaks in the experience presented to the consumer.



ANALYZING YOUR AUDIENCE THROUGH 3RADICAL'S VOCO

An example of how Earned Data can work in practice can be found through 3radical's audience engagement platform, Voco. Brands can create a range of interactive experiences to engage and reward audiences. In return, your organization captures fully consented Earned Data to address business challenges and learn more about the consumers in the customer base.

On Voco's Heat Map, the customer base is divided into eight categories based on their engagement with the brand and the strength of their purchase activity.

		PURCHASE SEGMENT				
		Infrequent	Occasional	Frequent	Power	Extreme
ENGAGEMENT SEGMENT	Heavy	6		3	1 (Best)	
	Frequent			4		
	Limited	7 (Worst)		5	2	
	Non-Engaged	8 (Not Engaged)				

The framework creates unique customer segments with specific characteristics that drive personalized messaging content and offers. It assists in advertising budget allocation by identifying segments that should receive more and those that should receive less marketing.

We've delved into three of the eight segments below to highlight the marketing implications associated with the Heat Map.

RANK

★ 1 ★

Frequent engagement meets high purchase activity

Marketing Implication: These are the loyal brand advocates. The group represented here require frequent attention through communications, incentives, and other marketing activities to ensure they remain engaged and active buyers. Consider learning more about this audience to enhance the personalization of each customer's experience.

RANK

★ 2 ★

Limited engagement but still with high purchase activity

Marketing Implication: These are valuable customers who have high purchase frequency or value but are not engaged with the brand. Apply 'at-risk' strategies to mitigate attrition and consider tactics to increase engagement to reduce the possibility of churn.

RANK

★ 3 ★

Heavy engagement meets occasional purchase activity

Marketing Implication: These customers are heavily engaged, which suggests something is holding them back from purchasing with more frequency or value. Incentives may help to encourage stronger purchase behavior and move these individuals into the extreme purchase segment. Consider a marketing strategy with an Earned Data approach that could help to understand this segment further.

EARN YOUR CUSTOMER'S TRUST... AND THEIR DATA



Finding the balance between data sources that provide the richest data and the necessary scale has been the traditional challenge for marketers. Earned Data circumnavigates this issue by providing rich, insightful data at an actionable scale. Richer data allows brands to improve the effectiveness of their consumer communications and create highly targeted and personalized messaging. Earned Data is the most valuable route forward for data capture, creating a mutually respectful arrangement between your brand and your consumers to build long-term relationships that provide a lifetime of value.

References

[On-Time Delivery Toolkit for Interactive Creative \(iab.com\)](#)

[1st, 2nd and 3rd party data - what it all means? | Adsquare](#)

[What is Third-Party Data? - Digiday](#)

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 share and engage more. 3radical operates globally through North America, the U.K., and Asia Pac and services major brands across various industries.

Contact us to learn more, or book an informal chat about supporting your engagement strategy with targeted experiences to identified your best audience segments

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