

What Is the Future of Third-Party Data?

ARTICLE | **OCTOBER 19, 2018**

Ross Benes

With web browsers [cracking down on ad trackers](#), data privacy laws [going into effect](#) and data breaches [remaining ever present](#), it is presumably not a great time for marketers to be dependent on data that they acquire from other companies.

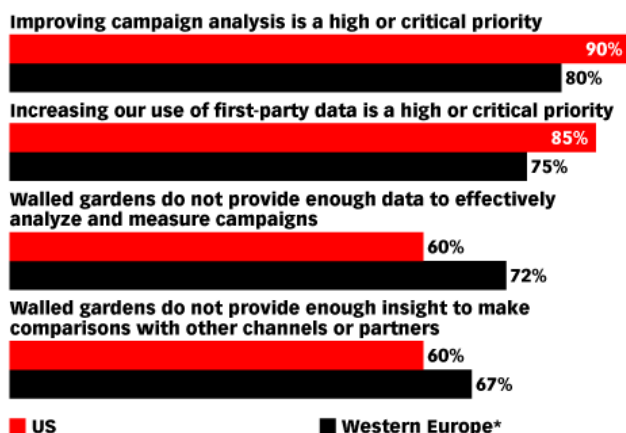
These trends give marketers [incentive to use less third-party data](#) that they obtain from companies without direct user relationships, and instead, use more first-party data that they collect directly from their customers.

An example of first-party data would be marketers' customer relationship management (CRM) data that they obtain straight from their users. Third-party data, on the other hand, is demographic data purchased from data resellers so that the marketers' campaigns can reach more people.

In an April 2018 survey of 522 brand marketers in the US, the UK, France and Germany conducted by [Sizmek](#), 85% of US respondents and 75% of respondents in Western Europe said that increasing their use of first-party data is a high priority.

How Do Brand Marketers in Western Europe* and the US Feel About Data and Walled Gardens?

% of respondents, April 2018



Note: *France, Germany and UK
Source: Sizmek, "Marketers Survey Results 2018: An Insider's Look at Data, Walled Gardens and Collaboration," Oct 17, 2018
242360 www.eMarketer.com

While third-party data may be losing some of its glamour, few marketers can rely on first-party data alone to power their biggest campaigns. Despite the ominous headlines, marketers' use of third-party data hasn't dwindled. Data aggregator Acxiom got purchased for **\$2.3 billion** in July this year, and just 11.4% of US marketers surveyed by Duke University's Fuqua School of Business, American Marketing Association (AMA) and Deloitte in August said **they plan to cut back their third-party data usage** in the next two years.

To get some clarity about third-party data, eMarketer asked professionals who work for various media and marketing companies how they see the role of third-party data evolving for marketers:

Megan Pagliuca, Chief Data Officer, Hearts & Science: The use of data in media will continue to increase as it has been. And we expect to see a decline in aggregate non-transparent data sets, but not on all third-party data.

Michael Horn, Chief Data Officer, Huge: Third-party tools are dramatically accelerating the speed at which third-party data can be sourced and processed. Also, many marketers who audited and overhauled their privacy practices in 2017 and 2018 are now better positioned to acquire and manage data they know to be compliant. So while many marketers will have culled questionable sources, most will

be positioned to more effectively integrate and activate the third-party data which clears the bar.

Chris O'Hara, Vice President Product Marketing, Salesforce

Marketing Cloud: I expect marketers to cut back on the variety of third-party providers they use and see a vast increase in second-party data usage.

Justin Merickel, Vice President Media Optimizer, Adobe

Advertising Cloud: Brands need to rely more on clean data from their own loyal customers, who willingly give information in exchange for something they value. Most marketers intrinsically know this, but less than half use first-party data to target ads today because implementation and execution are hard. I believe we'll see more brands get this right over the next year.

Sara Badler, Head of Programmatic Revenue and Strategy,

Dotdash: Third-party data will become less and less of a priority as people learn how to manage and utilize their first-party data better. This will essentially change how people buy in the digital space, both programmatically and direct.

Hetal Patel, Head of Sales Research and Insights, Vox Media:

The focus for third-party data providers will be placed on quality over quantity. Data is a valuable asset, but only with the consent to use it. Third-party providers will start to emphasize accurate and permissioned data, which will become a premium commodity in and of itself.

Jennifer Catto, CMO, Telaria: We believe the future of third-party data will be focused on advanced TV metrics. Marketers have been clear that enhanced connected TV data will greatly increase advertising investment in the medium in 2019.

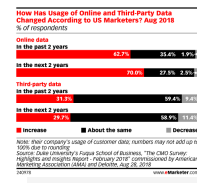
Charles Cantu, Founder, CEO, Reset Digital: Soon, more marketers and their agencies will be using proper third-party audits for both their segments and those outside their walled gardens. It's imperative for everyone to apply more rigor against what marketers have embarrassingly been hailing as so important. In 2019, people will begin to learn a lot more about who they are reaching vs. who they think they are targeting.

Jennifer Toton, Vice President, Marketing, RollWorks: A significant challenge facing B2B marketers today are data silos that dilute the power of third-party data. In the marketplace, you are seeing the emergence of third-party data platforms to help solve this problem, but ultimately they are creating yet another data warehouse.

Chase Buckle, Senior Trends Analyst, GlobalWebIndex: As data fuels many of the consumer insights marketers need to create successful campaigns, we only see the use of third-party data increasing in the next year.

Article Sep 05, 2018

Some Marketers Are Cutting Back on Third-Party Data



Article Mar 30, 2018

Third-Party Data Crunch

