

Why Advertisers Struggle To Get the Most Out of Their First-Party Data

Is strategy and technological infrastructure enough?

ARTICLE | MARCH 29, 2019

Ross Benes

Advertisers crave first-party data, but they often struggle to make the most of it.

In a survey of US digital marketers by [Advertiser Perceptions and programmatic agency MightyHive](#), respondents said they were, on average, tapping into just 47% of their company's first-party data potential.

More than four in 10 respondents said they were tapping into 40% or less of their company's first-party data potential, while one-fourth said they were tapping into more than 60% of their first-party data potential. Three in 10 respondents said they were taking advantage of 41% to 60% of their first-party data.

**Percent of Their Company's First-Party Data Potential
that US Digital Marketers Think They Are Using,
Sep 2018**

% of respondents

0%-20%	14.1%
21%-40%	30.4%
41%-60%	29.6%
61%-80%	21.5%
81%-100%	4.4%

Source: Advertiser Perceptions and MightyHive, "The Data-Confident Marketer," March 26, 2019

246093

www.emarketer.com

"This spread of responses is telling," said Myles Younger, senior director of marketing at MightyHive. "It implies that first-party data is still a work in progress across the board, with an abundance of challenges that marketers have yet to fully overcome."

Web browsers restricting ad trackers, new data privacy laws and constant data breaches have given marketers incentive to use less third-party data, which they obtain from companies without direct user relationships, in favor of more first-party data collected straight from their customers. But getting the right strategy and technological infrastructure in place to activate first-party data at scale is a struggle for many marketers.

"We've found that many organizations have access to technical capabilities but lack the strategy and execution, and even resources, needed to find success with tapping into first-party data," said Andy Monfried, founder and CEO of data management platform Lotame.

When asked what were the biggest challenges of using first-party data, respondents in MightyHive's survey cited accuracy, costs and privacy concerns as their top three challenges.

Overcoming these obstacles is key for marketers clamoring for more first-party data. In an April 2018 survey from ad tech firm **Sizmek**, 85% of brand marketers in the US and 75% of those in Western Europe said that increasing their use of first-party data was a high priority.

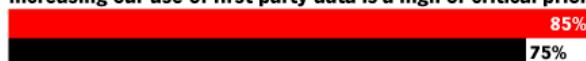
How Do Brand Marketers in Western Europe* and the US Feel About Data and Walled Gardens?

% of respondents, April 2018

Improving campaign analysis is a high or critical priority



Increasing our use of first-party data is a high or critical priority



Walled gardens do not provide enough data to effectively analyze and measure campaigns



Walled gardens do not provide enough insight to make comparisons with other channels or partners



■ US

■ Western Europe*

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

For Younger, challenges around using first-party data are largely technical. To be successfully used in campaigns, first-party data must be properly collected, cleaned, normalized, stored, analyzed and deployed through tech platforms. In other words, there are many chances for things to go wrong.

Advertisers should also consider that consumers believe brands **ask them for too much information**, and they're **growing weary** of invasive data practices. Advertisers who use people's first-party data must be more clear about the value exchange between their brand and the end user.

"With first-party data, marketers are playing the long game," Monfried said. "They are fostering an ongoing relationship with their customers and prospects by better communicating and serving them."