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Secret Sauce

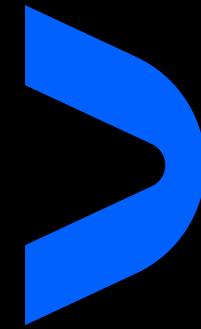
**First-Party Data
in B2B Advertising**

Custom Research compiled by Ad Age and Signet Research.

In a cookieless world, leveraging first-party data in B2B marketing is crucial. Marketers must understand how to use their data to create personalized and effective advertising strategies.

This exclusive report by StackAdapt and Ad Age presents the results of a comprehensive survey that gathered feedback on the use of first-party data across various digital advertising channels.





Disclaimer

To assess the use of first-party data for B2B marketing through various digital advertising channels, Ad Age and StackAdapt, in partnership with Signet Research, Inc., conducted a survey in April 2024. An email broadcast by Ad Age invited a selected sample to participate via a survey link.

The survey gathered responses from 294 individuals from ad agencies, marketers, publishers, tech companies, and others with a primarily B2B or mixed customer base. Those with a purely B2C focus were excluded.

The findings are accurate within a 95% confidence level and a sampling tolerance of approximately +/- 5.7%.

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Section 1

The Rise of First-Party Data in B2B Advertising

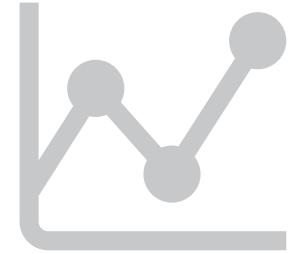
Third-party cookies have traditionally enabled advertisers to track users' browsing activities across different sites to target ads effectively. However, with their usage declining, the focus is shifting heavily towards first-party data.

First-party data is information about your customers and users collected directly from your sources, such as your CRM. This includes interactions on your website, customer feedback, email subscriptions, and direct engagements.

The main advantages of using first-party data over third-party data are:

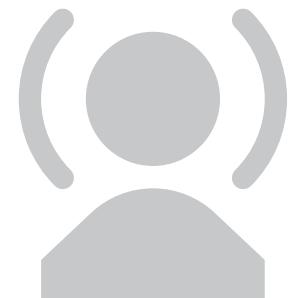
Improved Data Quality and Relevance

First-party data comes from direct interactions with your brand, making it generally more accurate and relevant. This leads to better insights and more effective targeting.



Better Customer Relationships

Using first-party data means engaging directly with those who have shown interest in your brand or interacted with you. This engagement helps build stronger relationships with your customers.



Increased Privacy Compliance

By collecting data with explicit consent from your users, you ensure compliance with data privacy regulations like GDPR and CCPA, reducing the risk of non-compliance issues.





Through a digital advertising platform like StackAdapt, advertisers can use first-party data across multiple channels —all from one place.

This is key as this study found that 85% of respondents use two or more digital channels for their B2B campaigns. Display is the most used channel (83%), followed by video (71%) and native (53%). The most popular emerging advertising channel is connected TV (49%), closely followed by digital out-of-home (47%).

Over two-thirds (68%) of advertisers surveyed said they have used first-party data to target customers in the past three years, and an additional 21% have considered deploying this data. Compare this with the 55% who used third-party data for targeted advertising. Certainly, first-party data use is on the rise.

To understand the challenges advertisers face, we asked respondents who have not used first-party data to target customers, why their organizations have avoided using this type of data. The main reason is a lack of first-party data or client interest (when the respondent was an agency).

FIGURE 1

Reasons for Not Using First-Party Data for Targeting

Percentage of Respondents

Lack of client interest (Agency)



Lack of privacy-compliance in systems



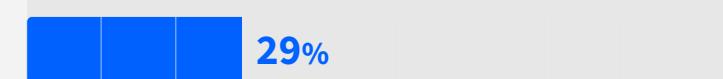
Lack of first-party data



Cost



Lack of client/management interest



Too complex to integrate with our systems



Lack of technology



Low match rate to other data sources





Section 2

First-Party Data Use Per Channel

The deployment of first-party data varies per channel: the most commonly used channel is digital display, followed by video and native advertising. The least utilized channel is in-game advertising.

The untapped opportunity of using first-party data in emerging channels like connected TV (CTV), digital out-of-home (DOOH), programmatic audio, and in-game advertising is immense. These channels offer innovative ways to reach and engage audiences, and leveraging first-party data can significantly enhance their effectiveness.

CTV and DOOH can benefit from precise targeting based on viewing habits and location data, while programmatic audio and in-game advertising can use user behaviour and preferences to create more immersive and impactful experiences.

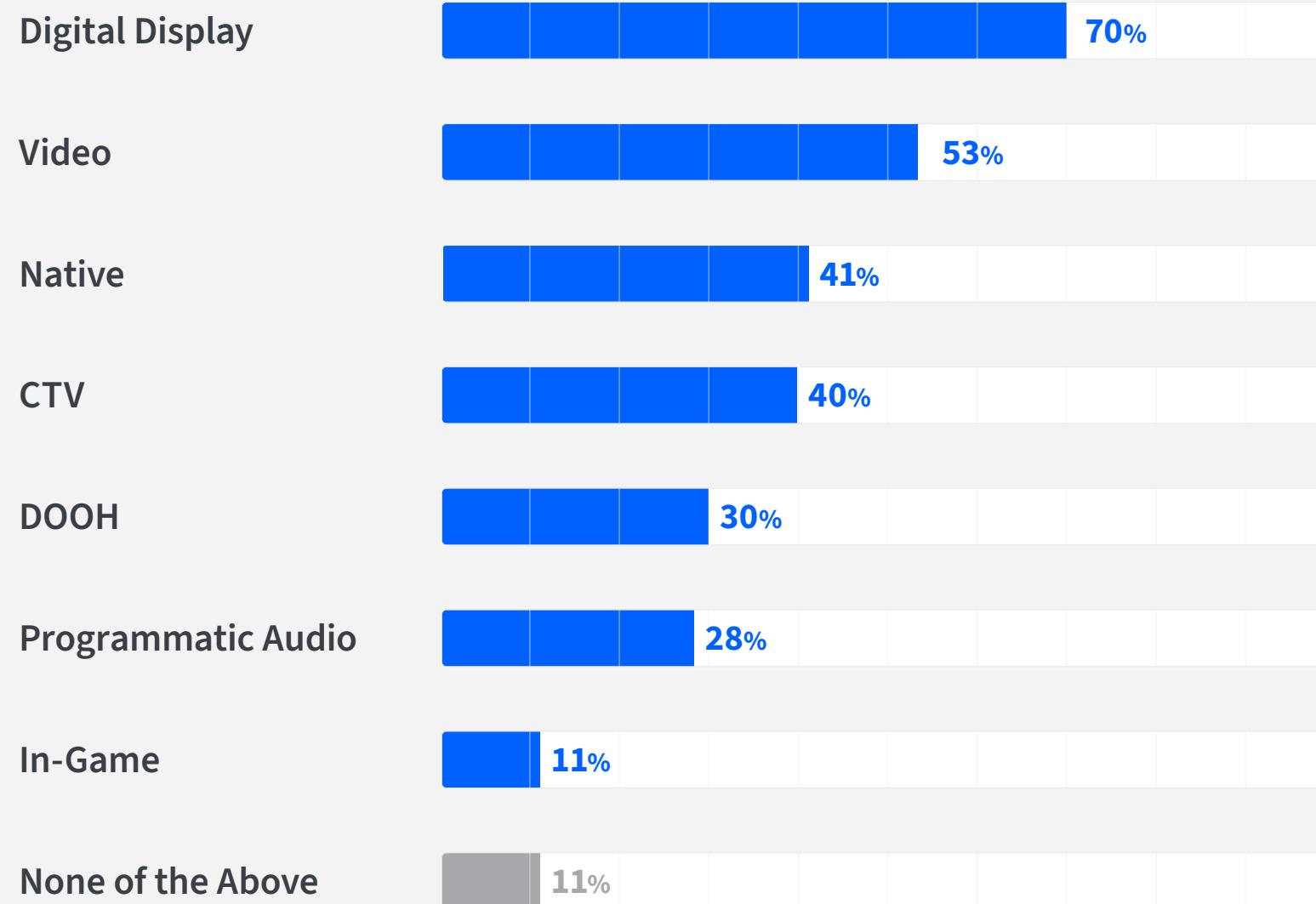
As these channels continue to grow, the strategic use of first-party data can unlock new levels of marketing success and provide a competitive edge.



FIGURE 2

Deployment of First-Party Data (by Channel)

Percentage of Respondents



n=243



40%

of advertisers have used connected TV to deploy their or their client's first-party data in a campaign.

Section 3

The Efficiency of First-Party Data

In digital advertising, efficiency is vital for staying ahead. First-party data offers unmatched benefits, giving marketers precise and actionable insights. Unlike third-party data, which can be unreliable, first-party data comes directly from your interactions with customers, ensuring accuracy and relevance.

Using first-party data, B2B marketers can streamline their strategies, optimize campaigns, and achieve better results with fewer resources.

For instance, more than half of the respondents (52%) said using first-party data for targeting was more effective than other targeting strategies, and 29% said it was as effective as most other strategies.



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First-party data plays a vital role in shaping our company's and clients' overall strategies. By tapping into the direct insights gained from our audience's behaviours, preferences, and interactions, we craft more *personalized* and *effective* approaches across various aspects of our operations.

– Survey Respondent

First-Party Data

Targeting Effectiveness in Different Channels

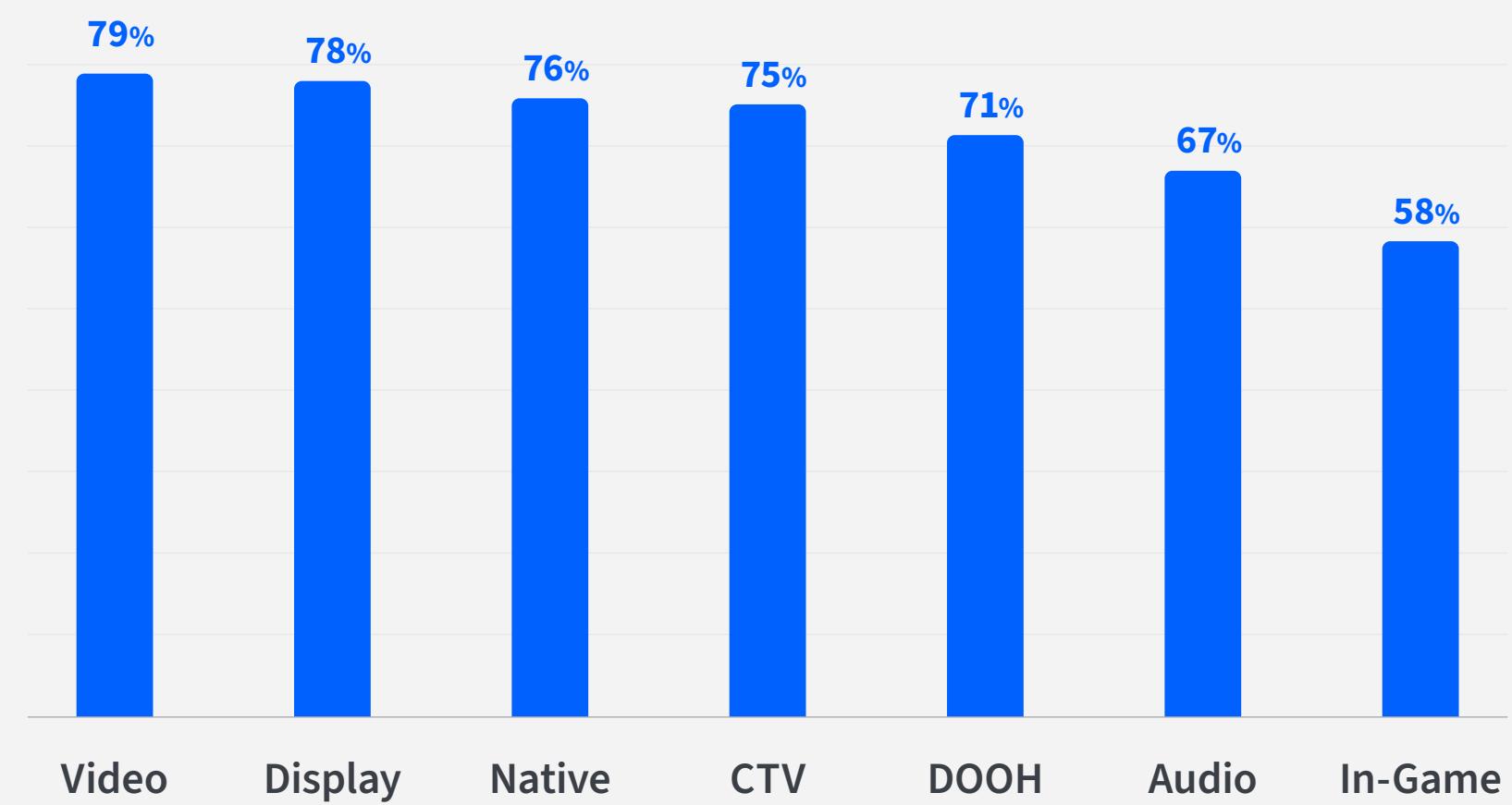
Survey respondents said first-party data deployment was moderate to highly effective most of the time for all channels, particularly for video (79%), display (78%), and native (76%).

Those numbers reflect the high-adoption rate of these channels. However, first-party data targeting was rated highly effective even for less-used channels like CTV, DOOH, audio, and in-game.

FIGURE 3

Effectiveness of First-Party Data for Targeting (by Channel)

Percentage of respondents who said deployment of first-party data was moderately or highly effective for targeting compared to other targeting strategies.

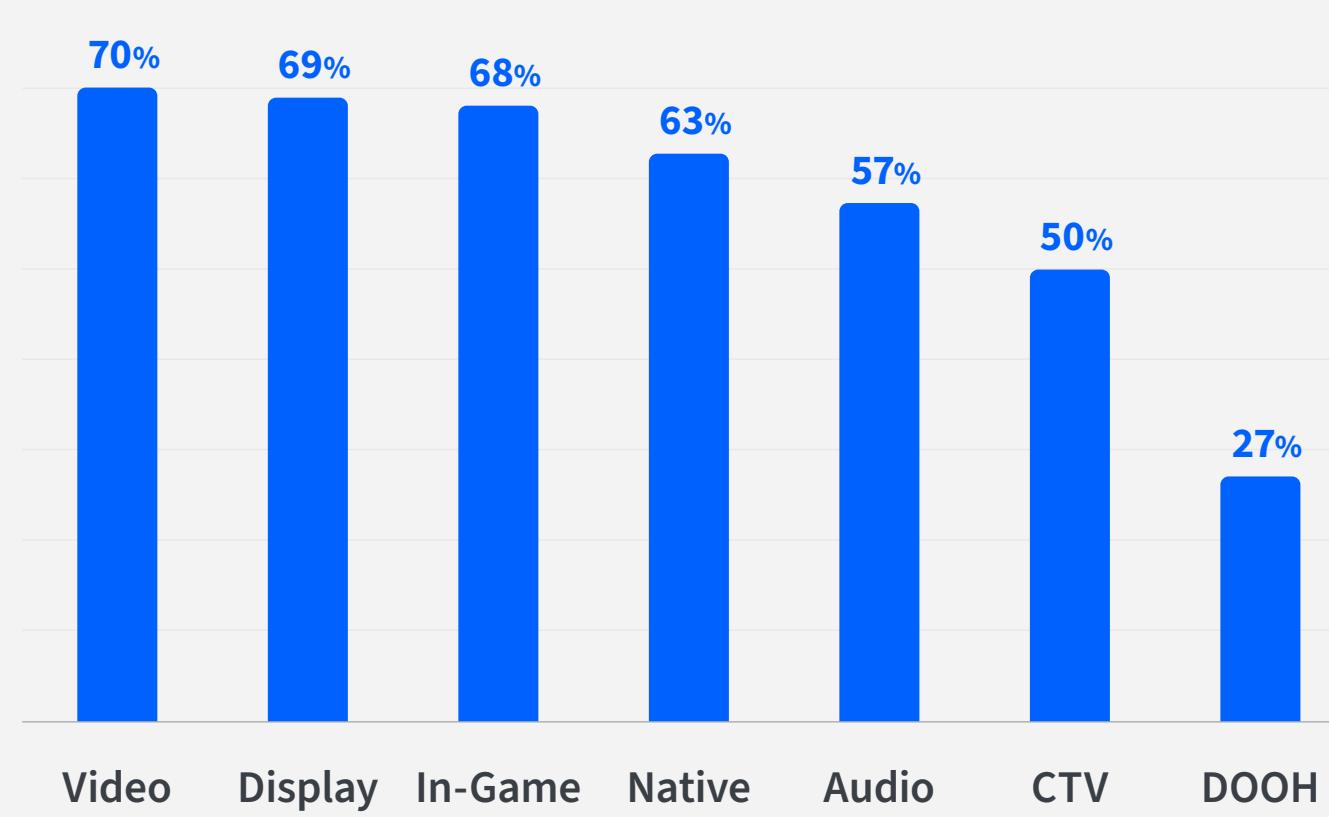


n=205

FIGURE 4

Cost-Effectiveness of First-Party Data for Targeting (by Channel)

Percentage of respondents who said deployment of first-party data was moderately to highly cost-effective for targeting compared to other targeting strategies.



n=201

Cost-Effectiveness of First-Party Data Targeting

Regarding costs, respondents said using first-party data was moderately to highly cost-effective for most channels, especially for native and CTV.

First-party data makes advertising more cost-effective by providing accurate insights from direct customer interactions. This data allows for highly-targeted campaigns, reducing wasted ad spend.

Section 4

First-Party Data and Personalization of Ads or Campaigns

First-party data is a powerful tool for personalization in marketing, but its true value lies in the careful selection of the data variables you collect. Purposefully choosing the right information about your customers' interactions, preferences, behaviours, and needs can transform your marketing efforts.

Not all data is created equal; identifying what will improve your campaigns and boost your ability to sell is crucial.

Focus on the most impactful data and tailor your marketing messages and offers more effectively, creating highly-relevant and engaging experiences for your audience.

In our study, the most common type of first-party data used for targeting or personalization was:

Email

77%

Geolocation

62%

Demographic Data
(e.g., age and income)

59%

Job Title

54%

Event Registration Data

51%

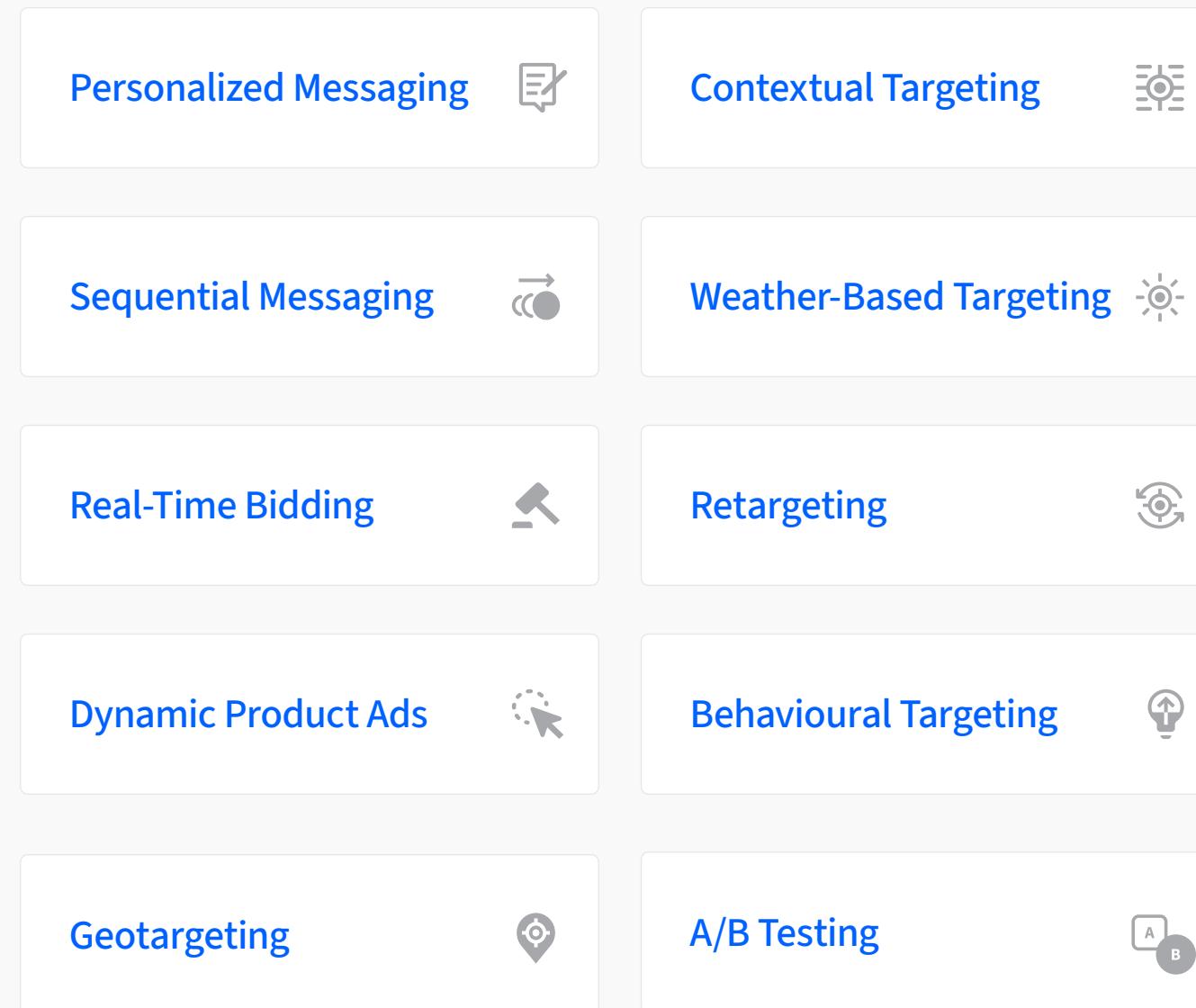
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First-party data always gives us more customer insights for personalized marketing. We use these for email marketing, creative performance marketing, and remarketing. That helps to *segment the audience* and launch the campaign according to their geolocation, age, buying behaviour, such as frequency, order bucket size, etc., which ultimately helps to retain or nurture them.

– Survey Respondent

The study found that most B2B advertisers leverage first-party data in their campaigns using dynamic creative tactics. Dynamic creative tactics in programmatic advertising use technology to automatically customize ad content in real time based on user data and context.

These tactics include:



88%

of marketers use first-party data to personalize messaging—two-thirds on display, half on video, and one-third on CTV and DOOH.

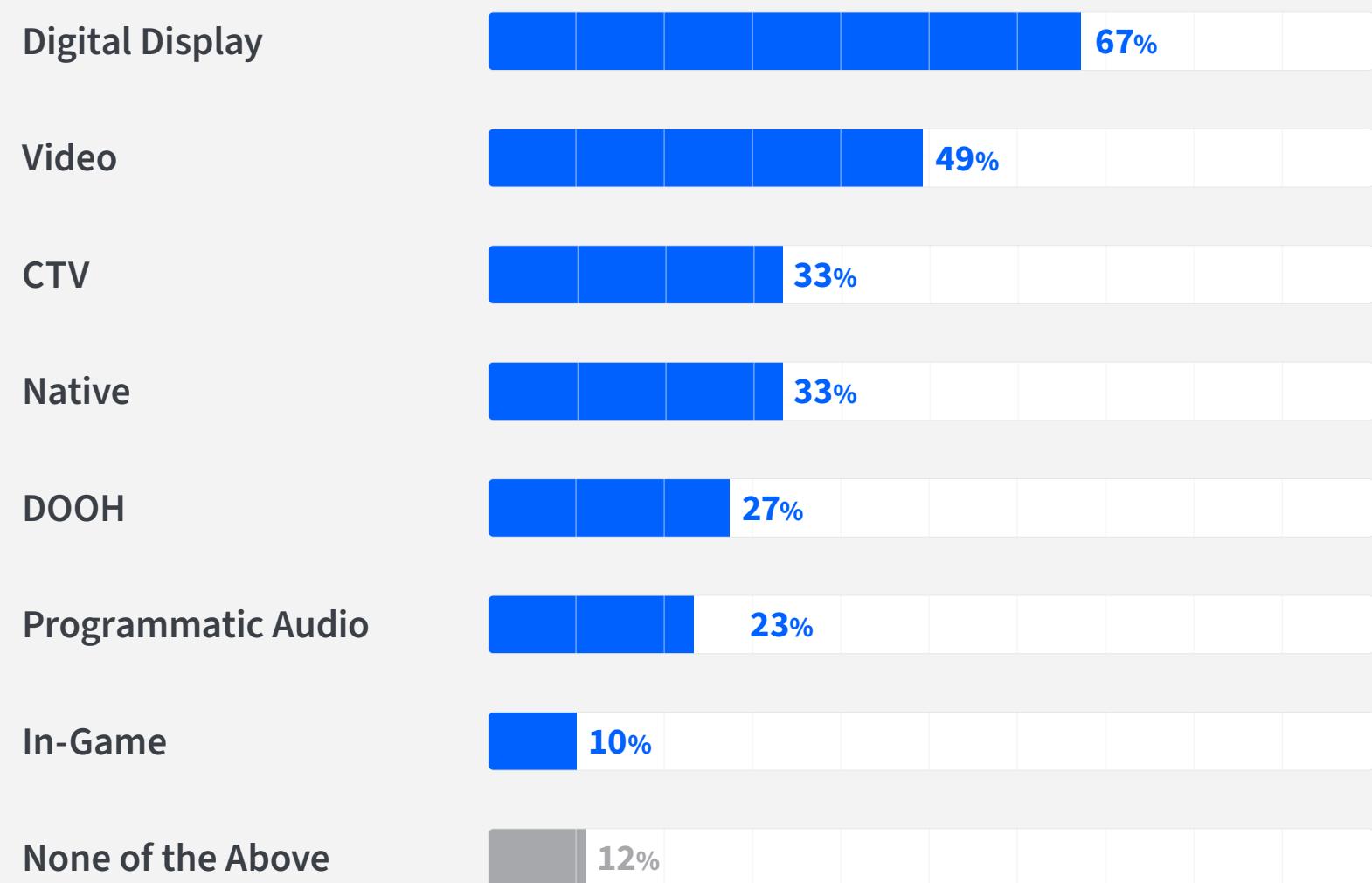
Tailoring ads to individual users' demographics, behaviours, locations, and current environments enhances relevance, engagement, and conversion rates. These strategies lead to more effective and efficient advertising campaigns.

In summary, personalization helps build stronger customer relationships, increase brand loyalty, and boost conversion rates.

FIGURE 5

Use of First-Party Data for Personalization (by Channel)

Percentage of Respondents



n=216

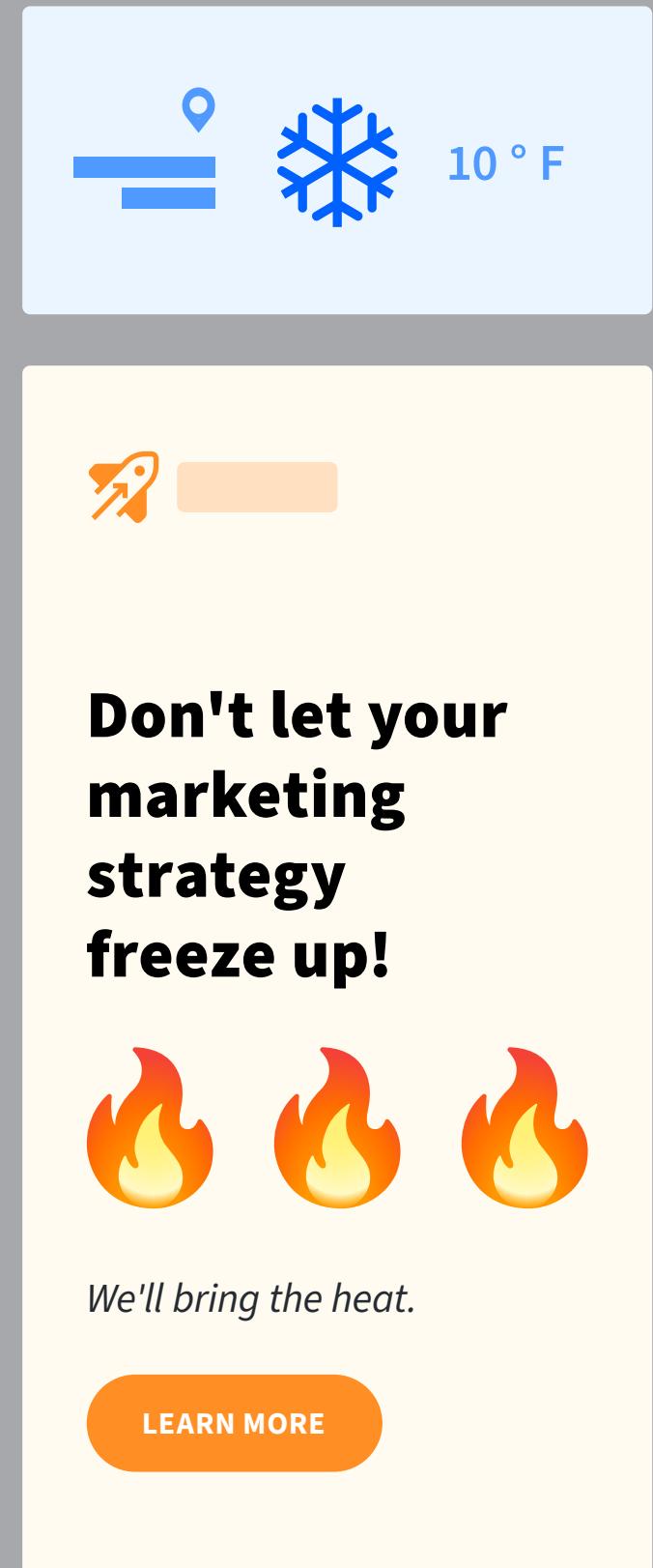




FIGURE 6

Effectiveness of First-Party Data for Personalization (by Channel)

Percentage of Respondents

CTV



Native



Video



Digital Display



DOOH



Programmatic Audio

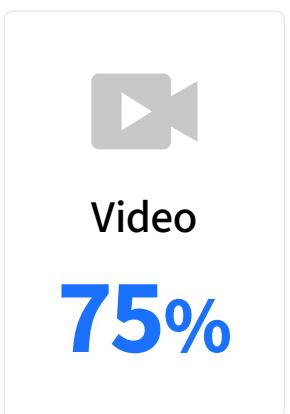


n=160

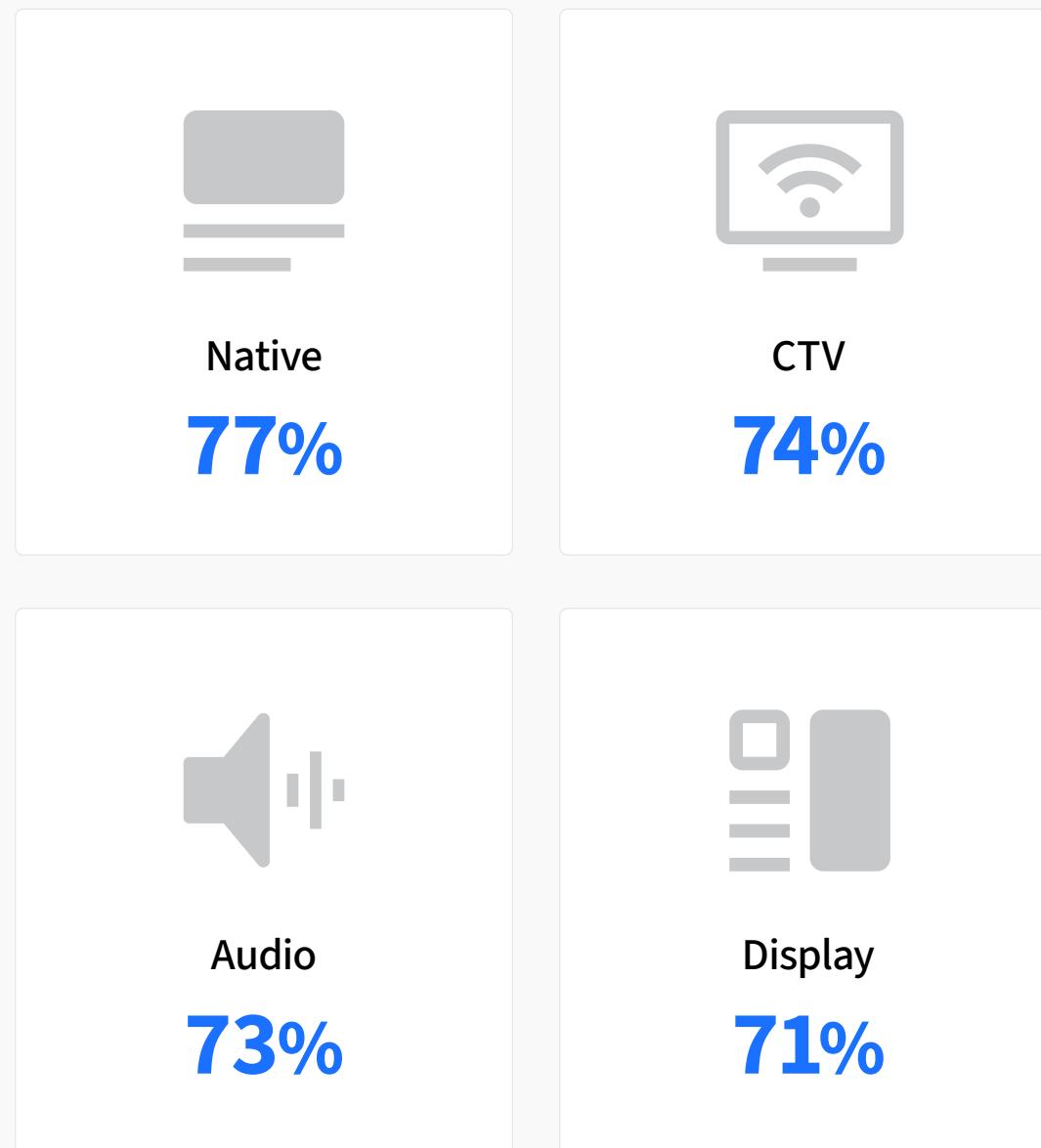
Effectiveness of Personalized Campaigns

When using first-party data to personalize its messaging to customers, 60% of marketers said the results met the organization's expectations, and 19% said they exceeded expectations. Almost half (47%) of marketers found that using first-party data for personalizing messaging was more effective than most other marketing strategies.

When measured by channel, personalization through first-party data was moderate to highly effective for over 75% of respondents in:



In terms of cost-efficiency, the use of first-party data to personalize messages was moderately to highly efficient for over 70% of respondents in:



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First-party data allows us to tailor marketing efforts precisely to individual customer segments, enhancing engagement and conversion rates. It guides us in refining our targeting efforts, ensuring that resources are allocated efficiently and effectively.

By analyzing customer feedback and usage patterns, we can identify areas for product improvement or new product opportunities, leading to more successful launches and increased customer satisfaction.

– Survey Respondent

Challenges When Using First-Party Data

Using first-party data in marketing comes with its own set of challenges. Collecting and managing this data requires systems and processes to ensure accuracy and completeness.

Ensuring data privacy and compliance with regulations like GDPR and CCPA adds another layer of complexity.

Integrating first-party data across different platforms and channels can be technically demanding and resource intensive. Additionally, deriving actionable insights from the data demands advanced analytics capabilities.

The study found three top challenges:

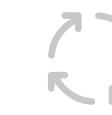
53%

Privacy Concerns and Restrictions



43%

Refreshing First-Party Data



42%

Accuracy of First-Party Data

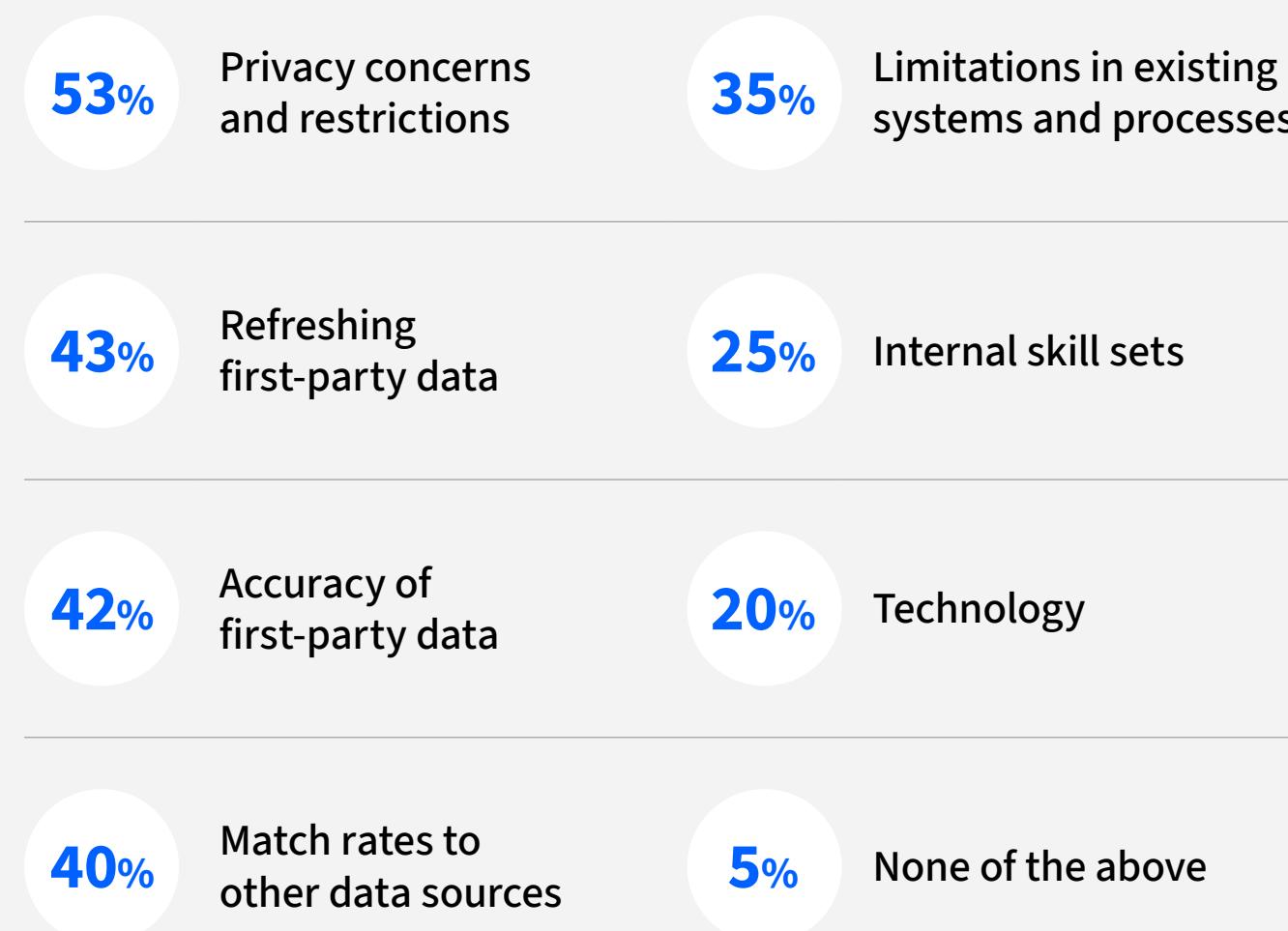




FIGURE 7

Challenges When Deploying First-Party Data for Marketing

Percentage of Respondents



n=162

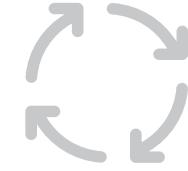




Privacy Concerns and Restrictions

Privacy concerns and regulations like GDPR and CCPA pose significant challenges to using first-party data in B2B advertising. Businesses must obtain explicit user consent and ensure data protection, which can be resource intensive.

Additionally, customers expect brands to handle their data responsibly. Balancing the need for customer insights with maintaining trust and legal compliance remains a key challenge for B2B marketers.



Refreshing First-Party Data

Outdated data can lead to ineffective targeting and missed opportunities. Keeping data up-to-date requires continuous monitoring and updating to ensure accuracy and relevance. This process can be time-consuming and resource intensive, especially for businesses with a large customer base.



Accuracy of First-Party Data

Accurate data is essential for effective targeting and personalized marketing, but collecting and maintaining precise information can be difficult.

Inaccurate data can arise from user input errors, outdated information, or data integration issues from different systems. To address this, you need data verification and cleansing processes, which require significant time.

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Overall, leveraging first-party data is integral to our strategic decision-making processes, empowering us to optimize marketing effectiveness, enhance customer experiences, and drive sustainable business growth.

– Survey Respondent

Section 6

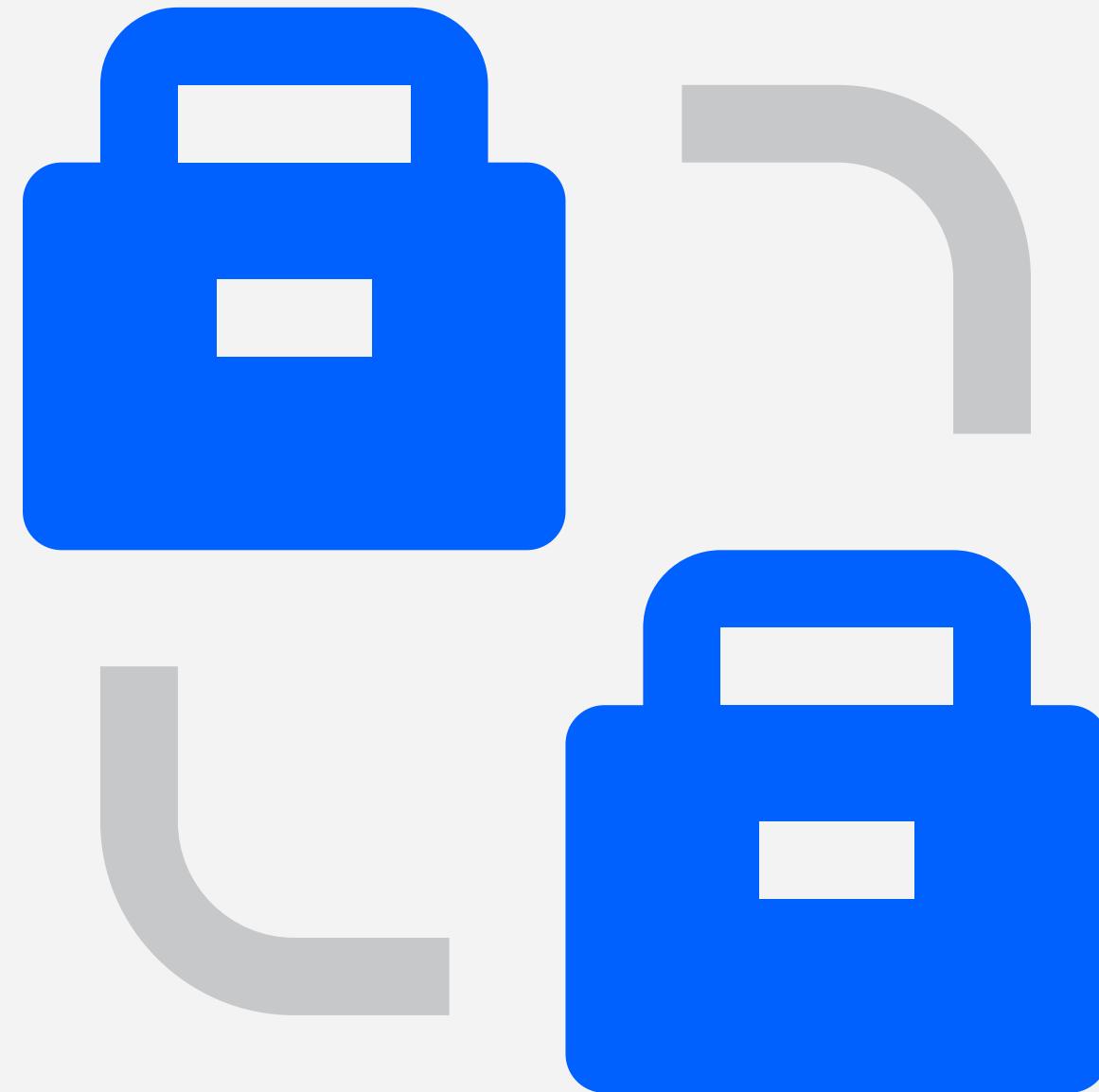
Conclusion

First-party data is a game-changer for B2B marketing, offering unmatched accuracy, relevance, and compliance.

Leveraging this data allows you to create personalized, effective campaigns that build strong customer relationships and drive better business outcomes.

While challenges exist in collecting, managing, and integrating first-party data, the benefits far outweigh the difficulties.

As digital advertising evolves, first-party data will play an increasingly crucial role in successful marketing strategies. Start leveraging first-party data today and maximize its potential.





StackAdapt is a multi-channel programmatic advertising platform used by the most exceptional digital marketers. This state-of-the-art platform is where some of the most progressive work in machine learning meets cutting-edge user experience. Ad buyers plan, execute, and manage data-driven digital advertising campaigns across all devices, inventory, and publisher partners.

For more information, visit stackadapt.com.

