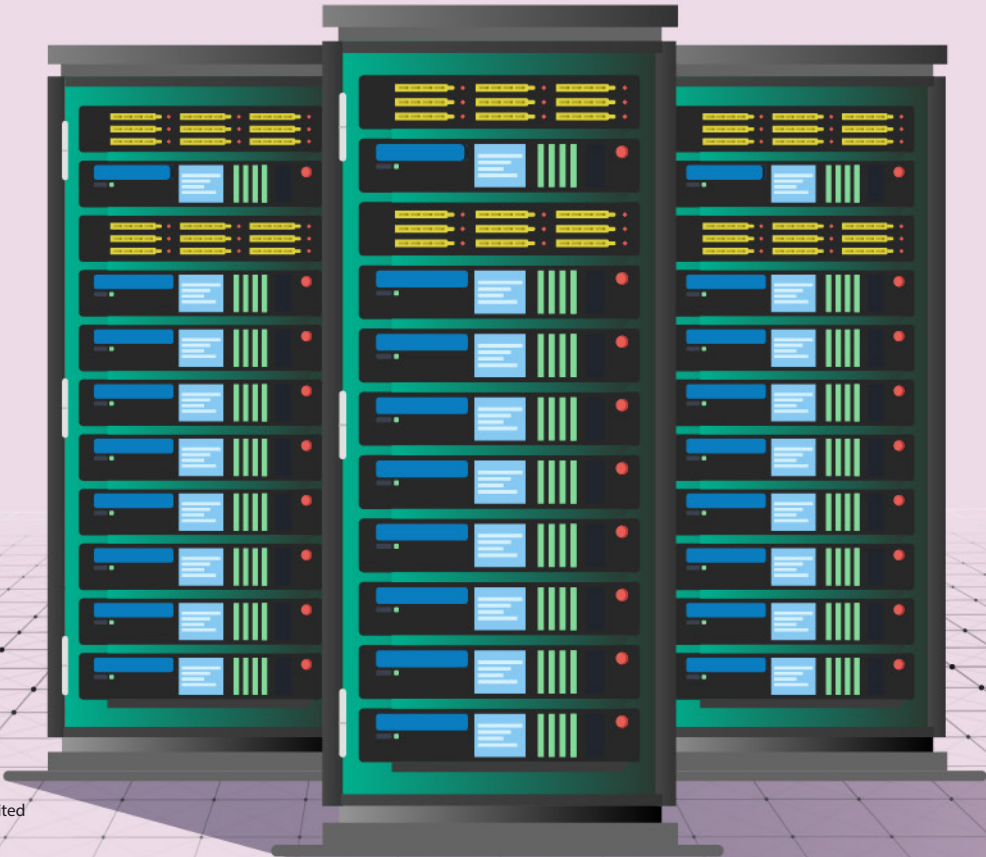# EMBRACING FIRST-PARTY DATA: A STRATEGY FOR PUBLISHERS AND ADVERTISERS - AN INFOSYS PERSPECTIVE

Contents

The Cookie Crumbles

It was in 1994 that the first cookies were created by the erstwhile Netscape Communications. Since then, their importance and influence have grown tremendously, with websites extensively relying on them to personalize and contextualize online experiences for their audience. Simply put, cookies help on multiple fronts - for servers to identify and remember things about individual visitors, for the website to respond quickly and for counting the number of visitors. But privacy concerns emerged as people realized how cookies were used to profile them and create targeted advertisements. So naturally, regulations came into place, starting with the European Union in 2002 stating that user consent was necessary before using cookies. Next, privacy laws like CCPA and GDPR (General Data Protection Regulation) surfaced, which imposed further restrictions.

At present, the web browsers like Apple Safari and Mozilla Firefox have implemented policies to disallow third-party cookies. Google has recently announced it will no longer phase out third-party cookies in its most popular browser Chrome, notwithstanding the emphasis on providing the users a choice and control over their web browsing privacy.

This trend toward greater user privacy and data protection has made using third-party cookies less viable.

The impact on companies generating billions of dollars in revenues through publishers and advertisers by heavily relying on third-party data is severe as it is a crucial part of ad targeting and measurement techniques. For advertisers and ad tech companies, the lack of third-party cookies means they will have to rely on other methods of tracking and targeting users, such as first-party data, and contextual targeting. For publishers, it may reduce their ability to monetize their websites through targeted advertising. However, it may also encourage them to focus on building stronger relationships with their users and collecting more first-party data, which can provide valuable insights and enable more personalized experiences. For users, while this move signals greater control over their data and fewer irrelevant or intrusive ads, however, it will also lower the personalized browsing experience.

As a result, publishers and developers need privacy-preserving alternatives for their key business needs, including serving relevant content and ads.

World Wide web is at an inflection point; as this digital world moves towards a more Private Internet.

Publishers, Advertisers, Browsers are scrambling to find alternatives which offers ability to drive customer experience through demographic / psychographic data yet being mindful of data privacy.
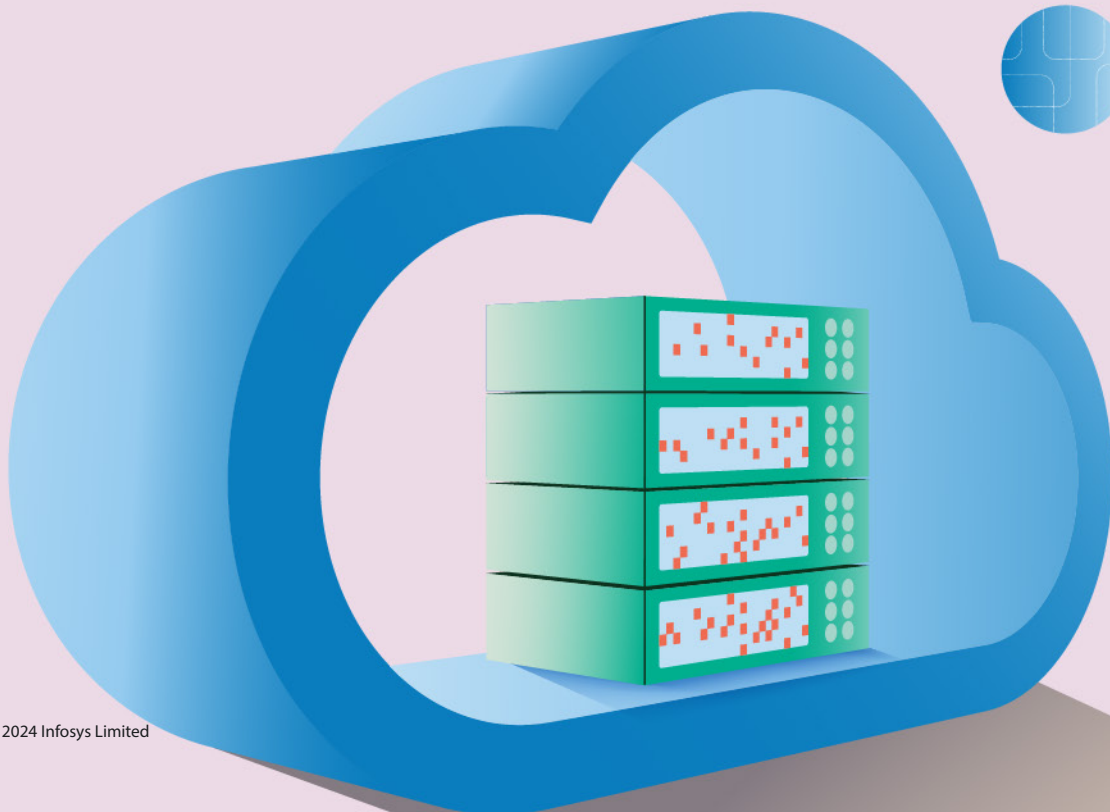
A New Data and Ad Strategy in the Offering

Advertisers and publishers are now set to relook at their data strategies. We suggest a few considerations as they embark on this path.

- Increase dependence on the first-party data they collect. Companies with multi-brand presence can consolidate the information they accumulate about their consumers and synergize across their first-party data systems

- Increase trust between consumer and brand by

  - Being transparent in what and how personal information is being used

  - Ensuring granular control on what, how and with whom information can and cannot be shared allows for improved end consumers' confidence in what and how information is being used

- Focus on more direct-to-consumer (D2C) marketing

- Introduce partnerships with walled gardens. As users have already consented to have their data used and stored, first-party data is by default compliant with regulations such as GDPR, CCAP, CAN-SPAM, and CASL. While this can be a core strategy for the interim, the long-term focus must be building a robust and well-connected consumer data platform with first-party data
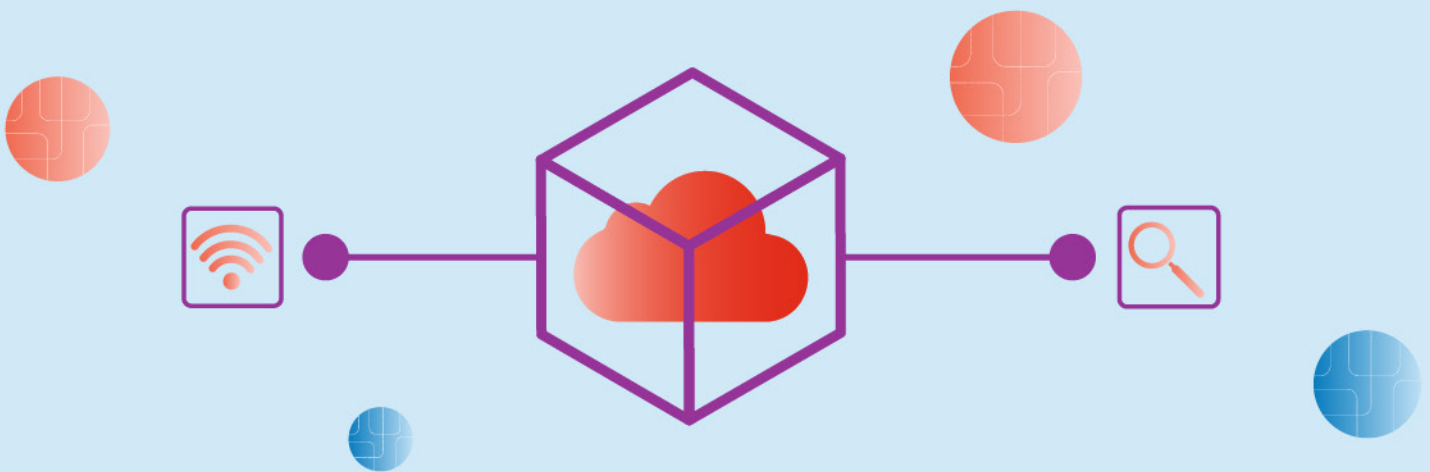
Background

There have been growing sensitivity around data privacy augmented withrise in regulatory and compliance requirements like GDPR, CCPA, etc. around managing user data. It has become necessary for developers and technologist to keep consumer data privacy at the center while developin and creating new solutions and products for digital platforms.

Impacts

- Browsers have brought about changes centered around giving greater control of data in hands of customer.

- Death of support for third-party cookies is one such critical change which has a profound implication on publishing and advertising industry

Our Study and Analysis

Based on our study and interactions with customer, following impacts are seen and how technology will play a critical role in resolving the challengers.

- Rise of CDPs with heightened focus on building first-party data crucial to drive customer insights, analytics

- Focus on analytics to drive overall user experience and increased personalization for driving subscription revenues

- Use of first-party identifiers across all sites, channels and platforms a publisher is serving helping

01

**Increased focus
on building
first-party data**

02

**Rise of Customer
Data Platforms**

Effects
on
Industry

04

**Focus on
analytics,
insights and user
experience**

03

**Increased focus
towards driving
advertising
revenues**
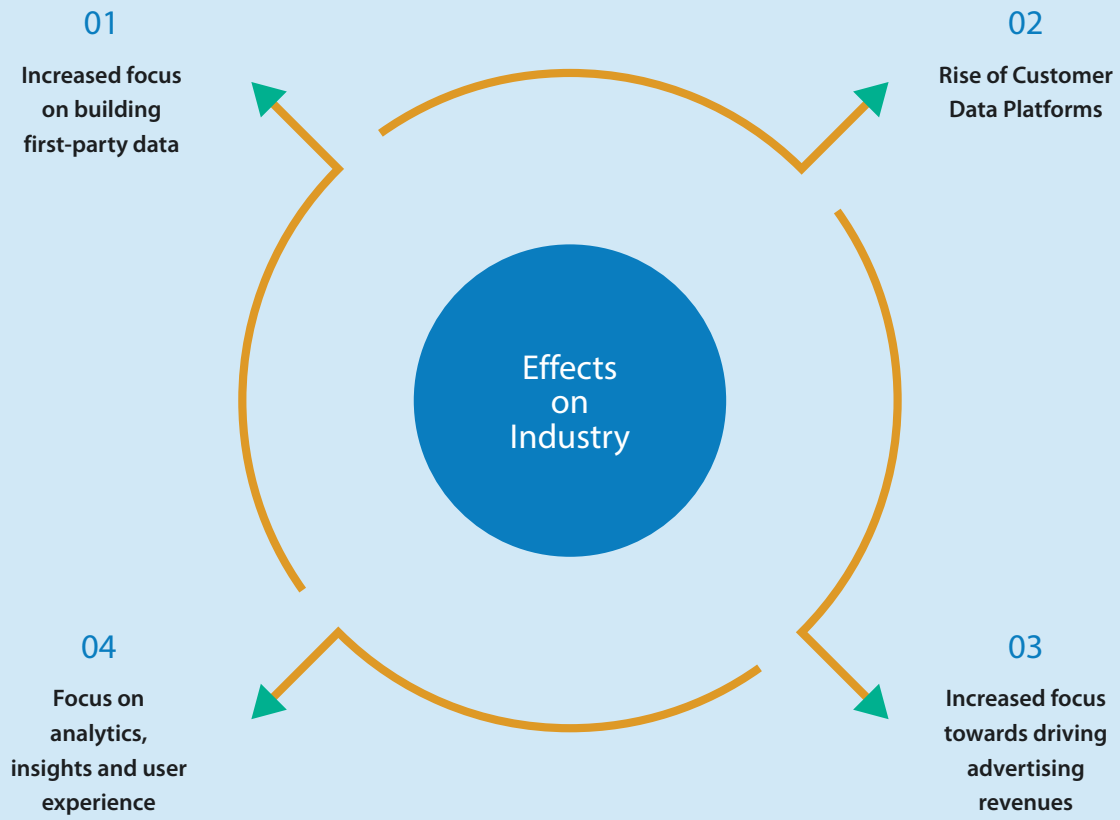
**With our deep technological expertise in analytics and rich
industry experience in developing comprehensive customer dtd
platforms supported through our strong platform ecosystem, we
belive we can help our customers rise through this critical change
successfully.**

Trends in the publishing industry
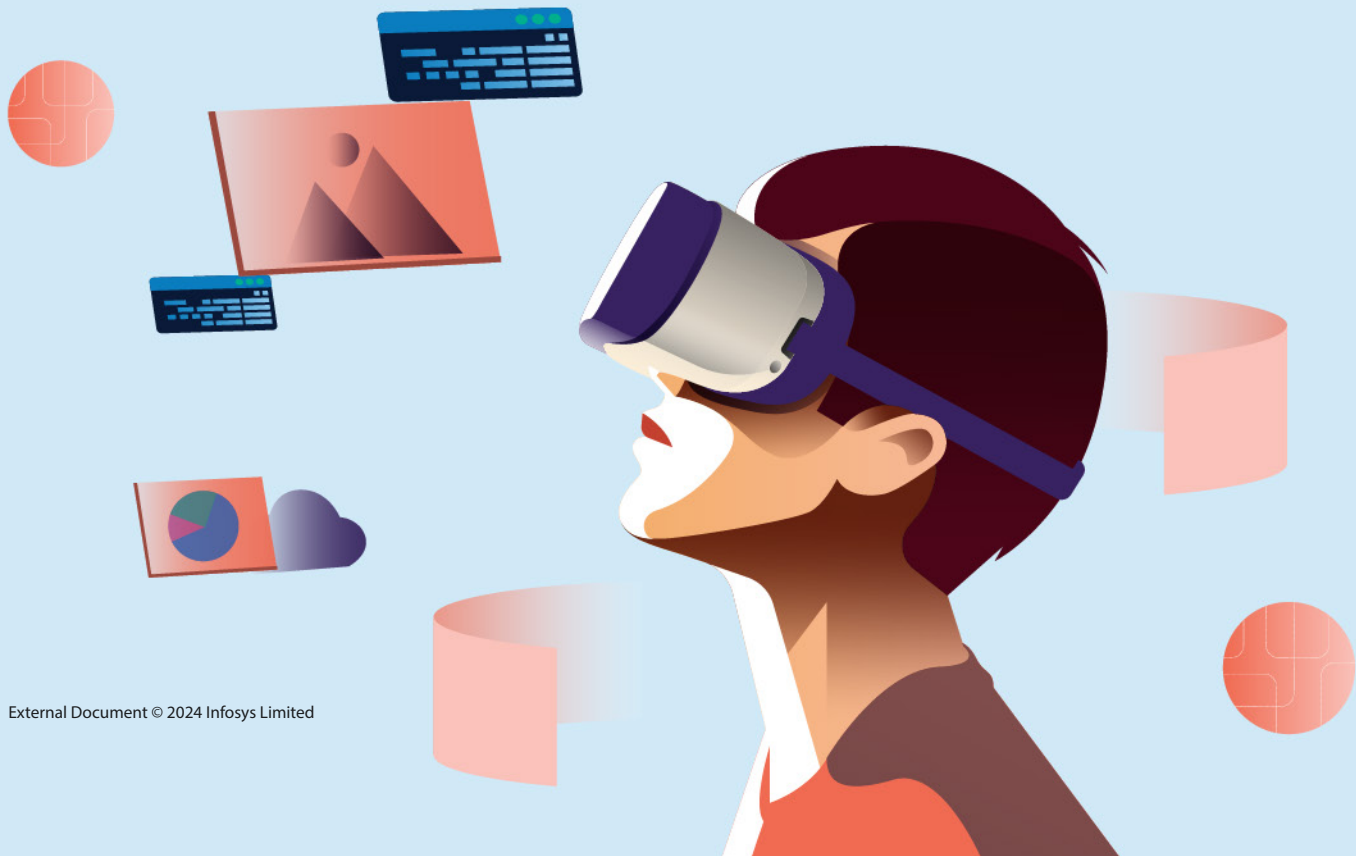
First-party Data Takes Centerstage
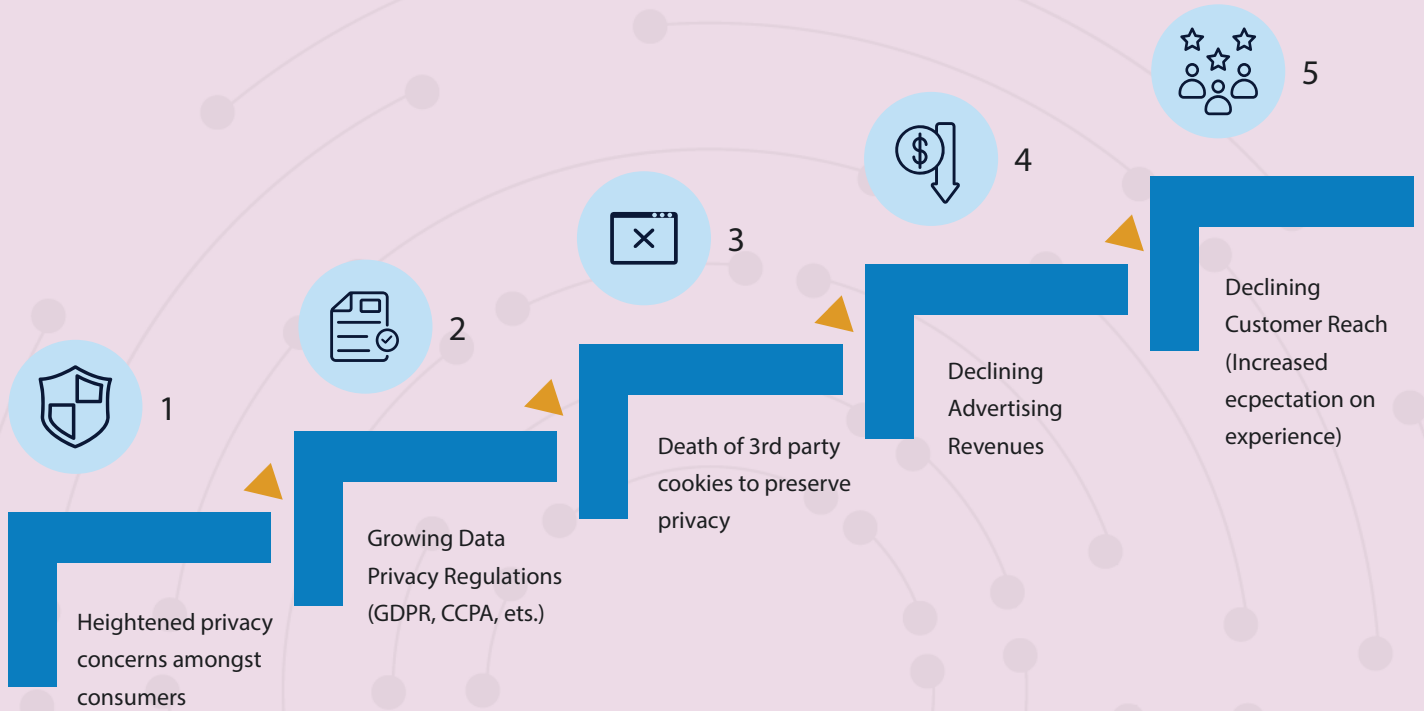
Private Internet - Visible Trends

1 Heightened privacy concerns amongst consumers

2 Growing Data Privacy Regulations (GDPR, CCPA, ets.)

3 Death of 3rd party cookies to preserve privacy

4 Declining Advertising Revenues

5 Declining Customer Reach (Increased ecpectation on experience)

Private Internet - Change of Perspective

Customer Consent At Core	Data Privacy By Design	3p Cookie Based ->1p Data Solution Strategy	1p/2p Driven Marketing and Ad Strategy	Customer Centricity

Increase Customer Trust	**Compliant and Risk-Free Strategy**	**Consented and Accurate information**	**Successful Targeted Campaigns**	**Increased Customer engagement**

First, what is first-party data, and how does it differ from third-party data? First-party data is information that a company collects directly from its customers or website visitors with explicit consent.

Examples include data collected from website analytics, CRM, transactions, and social media. Next, we discuss how companies are viewing and adopting this trend.

Relevance

First-party data is high quality and accurate information about and around the end consumer. As a result, it increases the end user's trust with its ability to honor control via consent and transparency. So, first-party data is slowly developing in stature for a growing publishing enterprise.
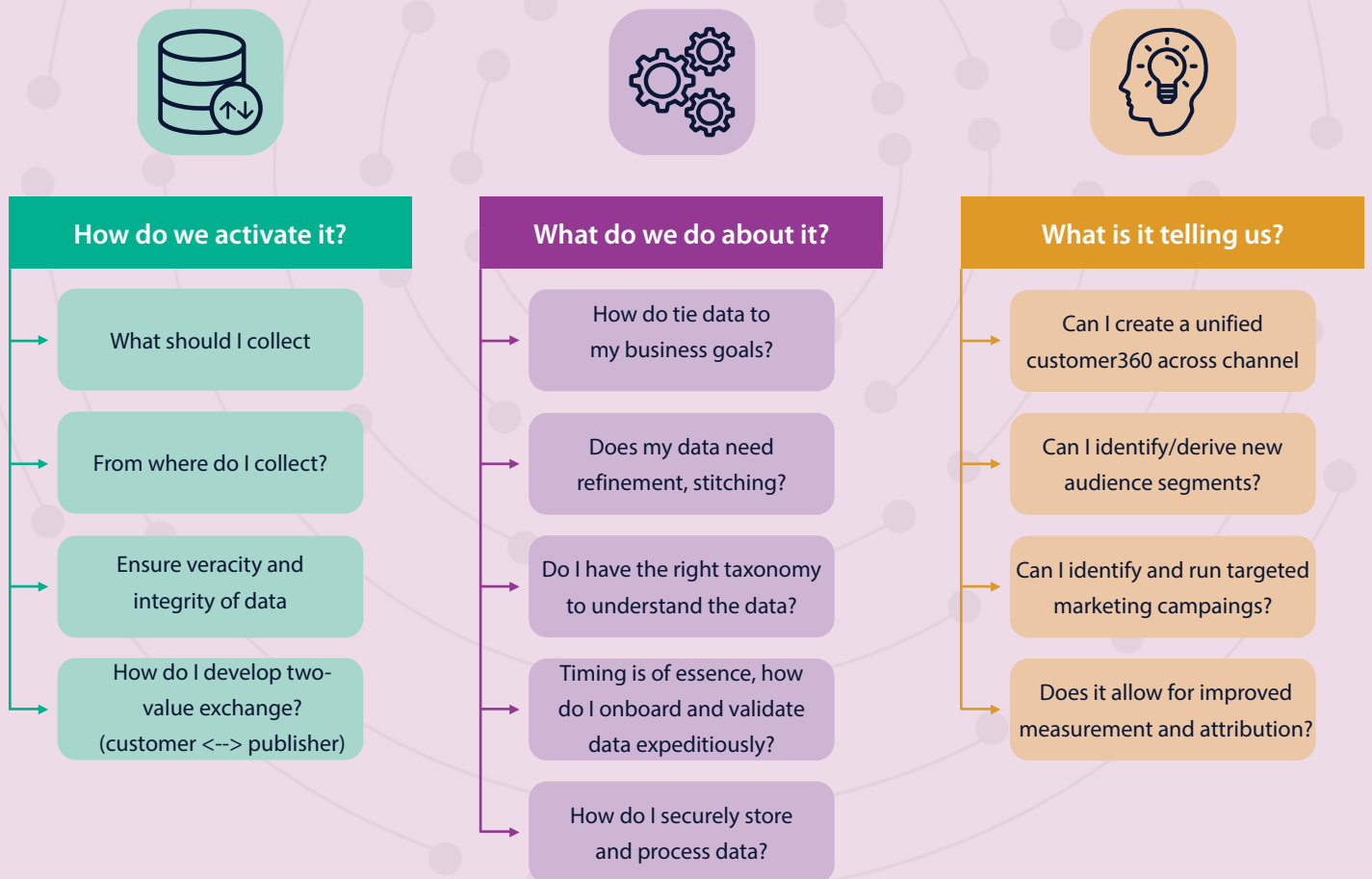
Transparency - Every site visitor or end consumer to identify themselves with clear explanations and the rationale for soliciting such information. Provides ability to allow them to use their social media handles while clearly outlining what, why and how the information would be used.

Control - Allows the end customer to control what they want to and what they don't want to share

Data Strategy

Embracing the change and shifting focus toward first-party data As publishing enterprises embark on this journey, it is important to draw up a clear first-party data strategy focusing on long-term value for the business where privacy is at the core.

To start with, it is important to find answers to some of the critical questions related to first-party data...

How do we activate it?

- What should I collect
- From where do I collect?
- Ensure veracity and integrity of data
- How do I develop two-value exchange? (customer <--> publisher)

What do we do about it?

- How do tie data to my business goals?
- Does my data need refinement, stitching?
- Do I have the right taxonomy to understand the data?
- Timing is of essence, how do I onboard and validate data expeditiously?
- How do I securely store and process data?

What is it telling us?

- Can I create a unified customer360 across channel
- Can I identify/derive new audience segments?
- Can I identify and run targeted marketing campaigns?
- Does it allow for improved measurement and attribution?

… and it is equally important to understand how answers to these questions help stitch an overall first-party data strategy and solution.
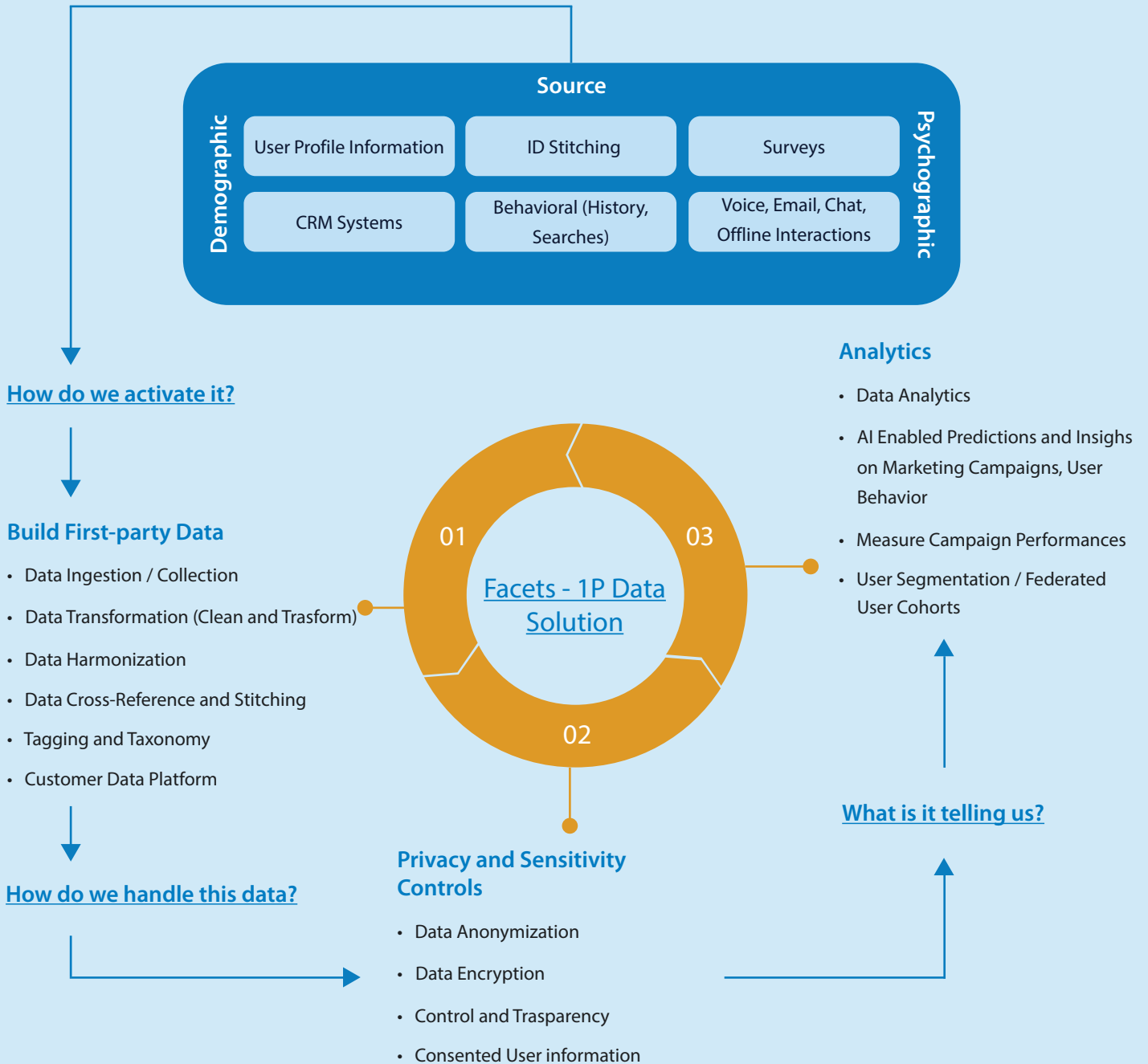
Solution Elements

A comprehensive first-party data solution should cater to the complexities and expanding needs of a publishing enterprise such as –
- Ability to ingest data from multiple sources
- Ability to harmonize data from heterogeneous sources
- Design aligned to the sensitivity and data privacy needs
- Prediction and analytics for driving personalized campaigns supported by an artificial intelligence enabled solution
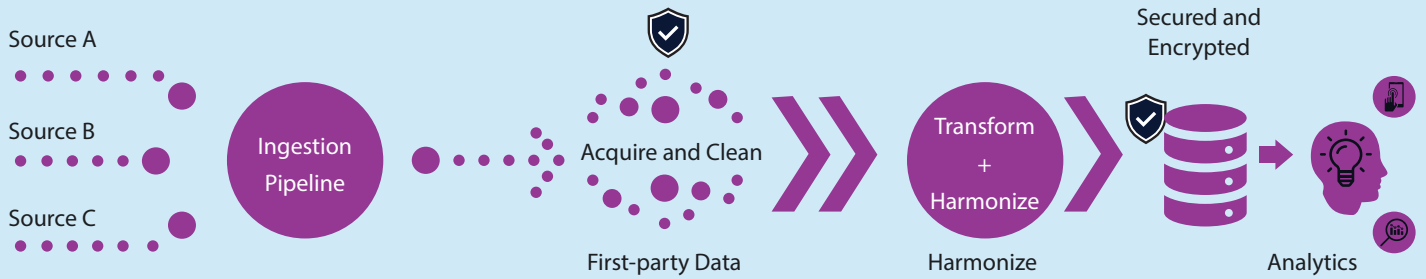
First-party Data Solution - Facets

Let's understand how these questions fit into 1P Data solution facets...

Source

Demographic

| User Profile Information | ID Stitching | Surveys |
| CRM Systems | Behavioral (History, Searches) | Voice, Email, Chat, Offline Interactions |

Psychographic

How do we activate it?

Build First-party Data
- Data Ingestion / Collection
- Data Transformation (Clean and Trasform)
- Data Harmonization
- Data Cross-Reference and Stitching
- Tagging and Taxonomy
- Customer Data Platform

How do we handle this data?

Facets - 1P Data Solution

01

02

03

Analytics
- Data Analytics
- AI Enabled Predictions and Insighs on Marketing Campaigns, User Behavior
- Measure Campaign Performances
- User Segmentation / Federated User Cohorts

What is it telling us?

Privacy and Sensitivity Controls
- Data Anonymization
- Data Encryption
- Control and Trasparency
- Consented User information

*1P data includes 2P data

Source A
Source B
Source C

Ingestion Pipeline

Acquire and Clean

First-party Data

Transform + Harmonize

Harmonize

Secured and Encrypted

Analytics

*1P data includes, 2P and 3P data

Infosys Cobalt Publishing Cloud
Powered by Infosys Topaz

At Infosys, we are well-poised to work with publishers as they set about building first-party data platforms. A powerful blend of our rich domain experience and strong ecosystem of solutions is a sure value-add.

Our value proposition rests on these key pillars for driving successful implementation:

Assess

Measure

Consult

Accelerate

Infosys Value Proposition

- **Infosys First-party Data Maturity ASSESSMENT**
  - Comprehensive assessment framework to drive first-party data solution journey
  - Develop and/or enhance first-party data strategy tailored to specific customer needs

- **Consulting and Domain EXPERIENCE with publishing clients to**
  - Develop an implementation roadmap
  - Help evaluate custom versus COTS methodology

- **ACCELERATE the journey with a pre-built solution and services with the Infosys Cobalt Publishing Cloud Intelligence platform with important features as**
  - Accelerator framework with a variety of services such as Data Ingestion, ID Harmonization, ML Model, Nudge Framework etc
  - Knowledge Graph generation using 1P data
  - Pre-built dashboard with metrics populated for publisher intelligence
  - Decision Cockpit for digital marketers
  - Recommendation Engine for content, ad campaigns

- **MEASURE and FORTIFY strategy**
  - Utilize observability and telemetry to allow for early detection and calibration of first-party data strategy as part of design/accelerators

- Dashboards and reports to help decision making for further improvements

Infosys Cobalt Publishing Cloud Powered by Topaz - Our Solution Offering

Realize connected customer experience and amplify marketing efficiency powered by first-party data and intelligence.

Digitize Data Life Cycle

Consumer Knowledge Fabric

Safe Knowledge Room

Consumer
+
Marketer

Consumer Intelligence

Smart Engagement Hub

Marketing Intelligence

Personalization

Optimization

Collaboration

- Empowers and enables marketers with self-service and autonomous marketing that sense, respond and activate intelligence across the consumer life cycle and hyper-personalizes customer journey across physical and digital channels at scale

- Amplifies connect with customers and optimizes spend by connecting the un-connected media data across all the channels (search, social, ctv, video, etc.) along with creatives (images/video/text) internal data and syndicated data

- Democratizes data and intelligence through always-on collaborative ecosystem that realizes an agile and rapid discover, learn, activate and share model across enterprise functions and partners

In conclusion, Infosys Cobalt Publishing Cloud is well-placed to help publishers in their first-party data journey to help improve their marketing effectiveness, increase customer engagement, reduce costs, protect data privacy and security, and gain a competitive advantage.

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