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Why the collection of 1st party data should be the highest priority for brands in 2021

How can companies and brands win the battle for consumer knowledge? Now is the time to prioritise building first party data: your own knowledge bank of who your customers are, what they are doing and what they need.

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Every year I get pregnant, or at least my internet thinks I do. That's because I work on Nestlé Infant Nutrition and as we go into Annual planning I start to do the same searches and visit the same sites that a pregnant woman would, becoming a prime target for every nappy and infant formula brand out there and for a few weeks the only ads I seem to see are everything and anything for baby. The cookies that enable us as marketers to target audiences and retarget across multiple platforms mean that I am identified as a prime purchasing target, and the ads are relentless.

But cookies will be going away into 2021-22 as data concerns mount, and many Consumer Packaged Goods (CPG) brands are wondering what they will do without them. It's a particular issue in CPG as unlike a telco, hotel or airline CPG brands generally **don't have a direct relationship with the consumer** that makes it necessary for them to give data at the point of purchase. In a cookie free world CPG brands need to find other means by which customer identification, customer identity management, and nurturing can happen.

CPG brands are losing out in the battle for competitive advantage that comes from knowing and understanding consumers. Think of how much data Amazon has, and how well it knows what you like. Well Amazon also has a \$4billion grocery business from its private label and Whole Foods acquisition – they know when you'll need pasta sauce or chocolate and have a wealth of ways to target you. Then there are the Digital first disruptor CPG brands like tails.com (petfood) and Quip

toothbrushes, businesses which are built with consumer data at their heart. In every CPG category there are competitors large and small building deep consumer knowledge.

So how can huge CPG companies like Nestlé, Mondelez and Unilever win the battle for consumer knowledge? Now is the time to prioritise building first party data: their own knowledge bank of who their consumers are, what they are doing, what they need.

Some CPG brands have made moves into Direct to Consumer Commerce, creating a direct purchase interface with consumers where data is collected as part of the purchase process. We've been working with Kit Kat Chocolatory which does just that, of course consumers will give a wealth of data as they purchase their artisanal Kit Kats with personalised packaging.

Despite the huge shift to online shopping in the past year, the vast majority of CPG sales still happen in physical retail so Direct to Consumer is not the answer for every brand. **CPG brands need to focus on creating experiences and services for consumers which will generate data.**

It's all about the value exchange. When consumers give data, they are not just giving information, they are giving their TIME and their TRUST. Brands need to give value back in return for that time and trust. This doesn't mean just giving discounts or samples or goodies in return for data. To really get consumers to happily share their private data brands need to create valuable experiences FROM that data.

Which brings me back to my never-ending cycle of pregnancies (I've worked on Infant Nutrition for 20 years). When I search for

one of the many questions a pregnant woman has like “Can I eat Sushi at 6 months pregnant”, links take me through to the Nestlé Baby&Me platform. I register with my due date and from then on value is created FROM my data. The platform makes it clear how we will be using the data to give her a better service, removing key consumer privacy concerns.

From registration Nestlé provides a personalised service. My personal feed on the platform is tailored to my stage of pregnancy, week by week. The platform learns my interests and tailors content and services to me, and as my baby is born I register her name and date of birth and from then on I get personalised updates on what milestones little Charlotte will be reaching soon and how I can best feed her and help her develop.

As we move to a cookie free world, I’m expecting to see a rush of promotions, sampling campaigns and competitions as brands rush to try and collect first party data. But if we want to build deep knowledge and trust with our consumers, we need to be wary of tactical data collection. **When we talk about the value exchange for first party data we shouldn’t be asking ‘what can we offer that will get consumers to give us data?’, we need to be asking ‘What value can we create for consumers from their data?’**

In case you would like to find out more about the above aspect or need to design your Data Strategy please contact Christos Latos, Deputy CEO at Ogilvy - christos.latos@ogilvy.com