Is All Data Created Equal?

A Comparison of First and Third-Party Data in Campaign Performance
Much of the data that digital marketers rely on to target their ideal prospects is purchased from third-party data providers, either directly or via public exchanges.

THIS RAISES AN IMPORTANT QUESTION:
Does data purchased from third-party sources perform as well as first-party data?

In August 2014, Connexity compared its proprietary first-party data with data purchased from reputable third-party data sources. The data was used to target women’s fashion shoppers as part of a branding campaign.

The Connexity data delivered:

- **Higher CTR**: +25%
- **More Page Views**: +8%
- **More Time Spent on Site**: +36%
Defining first-party v. third-party data

First-party data
Typically when marketers hear the term “first-party data” they assume it refers to data they collect themselves via their websites, sales and marketing initiatives. But at Connexity first-party data also refers to vast datasets from our own network of web properties and shopping ecosystem. For instance, through our retail sites including Shopzilla and Bizrate, Connexity collects a billion in-market retail data points each month, covering over

- 1,000 product categories
- 7,500 brands
- 150 million products.

Third-party data
This compared to third-party data, which isn’t collected directly by the data company that sells it. Third-party data is aggregated from a multitude of sources including publisher sites, banks and credit card companies. The definitions used to promote audience segments are inconsistent across data sources and in general are heavily diluted to achieve scale. This is clearly not proprietary or even unique data.

The test
In early August, Connexity launched a branding campaign to promote shoes and dresses on the Beso shopping site—reaching several million consumers with its audience segment called “Fashion Insider.” The company compared it to similar third-party audience segments purchased via a public exchange. The goal was to drive post-click engagement, with click-through rate (CTR), page views and time spent on site serving as key metrics for success.

Campaign parameters were as follows:

**Target Audience:**
Women’s fashion shoppers

**Data:**
1st

- Connexity women’s fashion shoppers, collected via our network of retail sites and shopping ecosystem

3rd

- Third-party women’s fashion consumers, purchased via a public data exchange

**Flight Dates:**
August 3 – 9, 2014

**Creative:**
Two ads, one for dresses, the other for shoes

Upon clicking an ad, the consumer was taken to a landing page that featured dozens of dresses or shoes, which they could click on to view individual items, as well as shop. Every page visited by the shopper was counted as a page view.
The results

The Connexity first-party data delivered stronger performance, as measured by key metrics.

1. The average CTR (i.e. ad engagement) was **25% higher** than the CTR earned from the comparable women’s fashion audience segments purchased from the third-party providers.

2. The Connexity audience delivered **8% more page views** than the third-party data, meaning shoppers clicked on more dresses or shoes, or otherwise engaged with the content on the landing page.

3. The shoppers targeted with Connexity data spent **36% more time** on the site than the consumers from third-party segments. This was particularly important since a key goal for brand marketers is to have consumers engage with their content for as long as possible to create meaningful brand experiences.
Data quality makes a difference

There are several possible reasons why Connexity first-party data performed better, including:

Gender accuracy.
Third-party data relies on “head of household” information to determine the gender, not the actual computer user in that session. Connexity uses proprietary self-reported survey information from the Bizrate Insights platform to derive and model gender.

Transparency.
The third-party data sources provided very little information on how it classified individuals as active fashion consumers, just offering a one-sentence description. That means they may have included women who, at one point, shopped intensely for a dress for a special occasion, but once they found it, were no longer in market. Or they may not have shopped at all in relevant categories, but just read an article about something fashion related.

Proximity to the source.
Connexity data is 100% “Powered by Shopping” and always comes from a touch point in a shopper’s path to purchase. Being close to the data enables us to collect, segment, and score audiences accurately—then bid based on the true value of each individual.

Whatever the reason, there’s an important take-away for all marketers:
Data quality has a significant – and measurable – impact on your campaign results. The closer you get to the source, the better it performs.

6 questions to ask your data providers

How can marketers ensure that the audiences they purchase through programmatic channels really represent their target segments? Here are six questions every marketer should ask their data providers:

1. Do you collect data yourself or aggregate it from other sources?
2. How recent is the data?
3. How is your data sold -- via public data exchange or privately?
4. How do you classify consumers as in-market?
5. Will my ads pass through multiple tech platforms before they are actually seen by consumers?
6. Can I tailor and manage data based on the goals of my campaign?

Click here for explanations on each question
Connexity, Inc. is a technology driven marketing solutions company that leverages almost twenty years of ecommerce expertise to enable retailers and brands to understand their consumers better, acquire new customers efficiently, and increase sales.

For retailers, Connexity offers a range of marketing solutions including search marketing, syndicated product listings, targeted display advertising, and the Bizrate Insights customer feedback program.

For marketers and their agencies, Connexity delivers targeted audiences on any device through a programmatic display media buying platform.

Headquartered in Los Angeles, the company operates sites and business services in the United States, the United Kingdom, France and Germany including Bizrate, Beso, Shopzilla, Retrevo, TaDa, PrixMoinsCher, and SparDeinGeld. Connexity, Inc., formerly Shopzilla, Inc., is owned by Symphony Technology Group (STG).