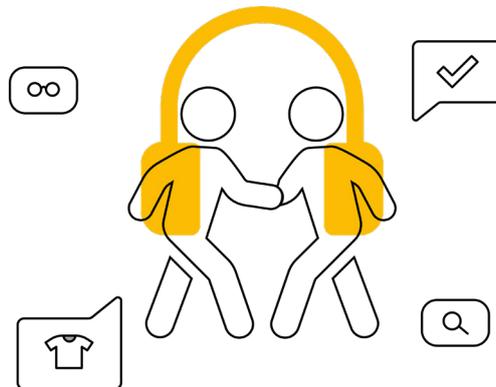


Think with Google

Listen & Think with Google

EP02 Transcript



Part one

Introduction



Lucy

Hello and welcome to Listen and Think with Google. I'm Lucy Hedges, journalist and self-confessed tech geek and someone whose path often crosses over into the world of marketing and business. And I am absolutely delighted to be your host for the second episode of our executive podcast series.

Maurine

Obviously the customer is really important, right? And what they need and what we can actually offer them according to those needs, it's extremely important to get that right. So I think that's where you try to put structures in place that you can actually orchestrate that on a very large scale. Then using first-party data becomes actually even more important.



Lucy

So you just heard Maurine Alma, the Chief Marketing Officer for the online food ordering company, Just Eat Takeaway, talking about why first-party data – so, in other words, data that your company owns – is pivotal to her marketing strategy. And we'll be diving into – yep, you guessed it, the importance of first-party data. What is it? Why is this a C-suite issue? And why should you care?

Now, we've got an exciting agenda lined up where we'll be revealing even deeper insights, including first-hand experiences from brands including the jewelry brand, Pandora, e-commerce company, Footway, and of course, Just Eat Takeaway.

I'm delighted to be joined by two first-party data experts who helped explore this hot topic. Our first expert is Bryan Nelson. Bryan leads a specialist team at Google that helps customers across the Nordics and Benelux to better use their data with Google's marketing platforms. Bryan, hello.

Part two

First-party data: What is it?

Bryan

Hi, Lucy, how are you?



Lucy

I'm very well, thank you. It's so good to have you on the podcast! Now, we've got a lot to get into, so let's get straight into it. As a tech journalist, I have read and heard a lot about third party cookies disappearing. So what does this mean and why is it such a hot topic?

Bryan

Well, it really starts with customers and how their expectations of privacy on the Internet have changed. I think we all know, and research confirms, that people have become increasingly concerned about how information about them is used by advertisers. In response to customers' increased expectations, new regulations have been introduced and web browsers have changed how they work, which limits the use of third party cookies.

Lucy

So why is this such an issue?

Bryan

Well, historically, digital advertising has relied heavily on this web browser technology called 'third-party cookies' to capture information about customers as they browse the web. Digital advertising platforms then use that information from those third party cookies to understand customers' online behavior and enable advertisers to deliver relevant ads. Not having those cookies impacts advertisers' ability to deliver relevant ads to the right customers and measure how well they perform. So one of the key shifts that advertisers now need to master is how to move from relying on the data that these third-party cookies have about their customers to using new technologies and their own first-party data in a way that respects customers' privacy choices while also continuing to deliver relevant and effective ads.

Part two

First-party data: What is it?



Lucy

OK, and does first-party data essentially mean data that a company has about their own customer base?

Bryan



Yes, and it's also more than that. First-party data is really any data that a business owns. Broadly speaking, it splits into two categories. Data a company has about their customers and data that they have about their business operations. We can start with customer data. Now, that's not only information like customers names and contact details, but also things like the history of their online and offline purchases, loyalty program information, or data obtained from interactions with digital marketing campaigns like which products they added to their cart after clicking an ad. Now customers must give advertisers consent to use this data, but when they do, it can be used to deliver a better experience for customers and better results for the advertiser.



Lucy

OK, this makes complete sense. So what about business data?

Bryan



Well, that's data that is not specific to a particular customer. Things like stock availability, store locations, or product margin. That data can be used also to create more relevant high-performing ads by, for example, only showing ads for items that are available near the customer.



Lucy

OK, I got it. So what we're talking about here is an approach where we connect the dots from multiple data sources, including information that a lot of businesses already have at their fingertips. But how a business is in Benelux and the Nordics translating this theory into practice, we spoke with Just Eat Takeaway's Global Director of Performance Marketing, Christoph Liefländer.

Part two

First-party data: What is it?

Christoph



Our marketing strategy, in terms of first-party data, is first and foremost, focused on location in order to be relevant for consumers, so they will not be able to order from a restaurant that cannot reach them or that they cannot reach. So we need to focus on location first in order to be relevant.

The aim of us is to be the first brand that comes to mind when consumers have that 'hangry' moment that you might know yourself and be the first brand that they actually find relevant when they access the relevant channels that we are playing in, so that messaging that we apply here and the usage of signals like location and time and preferences also have moments in life for those users to be connecting with them and convincing them that that food delivery is a great service is something that we need to apply.

And the core element of our campaign is to create that focus and impact, so new customers in the early lifecycle. Customers are the focus of our digital channels, and in order to play those well and create that focus we need to create relevant advertising that has impact within our campaigns.

Part three

The importance of trust



Lucy

Such a brilliant example of how Just Eat Takeaway really developed their integrated first-party data and used those insights to serve the end-user better and take deliberate steps to ultimately improve the customer experience and provide a better service.

And from a customer perspective, you know, what Christoph is saying totally resonates with me and you do not want to see me when I'm hangry. As a customer, I want to see results and I want to see them fast so it makes sense that a company can use data such as location to help ensure an effective and useful service.

Part three

The importance of trust



Lucy

But with that I understand that regulations are a key factor. Bryan, what do you think?

Bryan

Yeah, absolutely. Data privacy regulations exist to protect people so that they are fully aware and in control of how their data is being used. These regulations are about making the Internet better for everyone. So, advertisers must be transparent with customers about what data they are using and give their customers complete control over how it will be used.

Also, companies must put governance processes and the right technical infrastructure in place to manage their customers' data and their privacy choices. The digital marketing ecosystem must now evolve to enable more responsible use of customer data.



Lucy

Interesting, so I was curious to understand how different companies were approaching this. So here's what Christoph had to say.

Christoph

Data ethics and consumer trust is of course also at the center of our attention, and one of the core aspects of how we are able to use first party data at JET so the way that we are set up is that we work in cross functional teams including data privacy officers, compliance, team data security teams that check the way that we structure our data, the way that we funnel our data and bring it to marketing platforms. But also how we then apply it. Everything has to be assessed and checked on an ongoing basis with every change coming in, so we make sure that data protection is ensured.



Part three

The importance of trust



Lucy

And this is something that every company should be thinking of, no matter the industry or vertical you're operating in, from food, like Just Eat Takeaway, right through to retail and beyond. Now, moving on to jewellery company Pandora, which sells 250,000 items every day and 110 million pieces per year. Now that's a lot of customers – and a lot of data! I spoke with the one person who oversees data across the value chain, Baltazar Ozonek.

Baltazar

We recognize that trust is earned and built over time, you know, by aligning with 'what is said' is also aligned with 'what is done' and that means, for example, when we are entrusted with your personal data as a customer or consumer, we acknowledge that yes, that's entrusted with us, but it does not belong to us and that is why we will not sell your personal data to third parties, for example. So these guiding principles are running through everything we do.



Part four

How come this is a C-Level issue?



Lucy

Really impactful stuff there from Baltazar. OK, so now I get what first-party data is and why trust is at the centre. And now, I'm joined by the other expert on our panel Camilla Steward. Camilla leads Google's digital marketing transformation program for Europe, Middle East and Africa helping companies to build data driven strategies. And she recently worked on research into the future of digital marketing with BCG, titled 'The Fast Track to Digital Marketing Maturity'. Camilla, how are you?

Camilla

Hi Lucy, great to meet you!



Part four

How come this is a C-Level issue?



Lucy

Great to meet you too! It's really good to have you on the podcast. So, tell me: if you're in the C-suite, whether you're a CMO, CEO, or CFO, why should you care and why should it be something that should be discussed and handled at an executive level?

Camilla

So you really should care if you're the C-suite, because getting your first-party data strategy right is essential to creating better customer experiences, as Christoph and Baltazar have just demonstrated. And, really importantly, we've now proven that this leads to real business benefits. Our research has found that companies who effectively link their first-party data sources see twice the incremental revenue from a single ad placement or communication compared to those who don't.



Lucy

OK got it. So what you're saying is that strategic decisions such as this fall firmly at the doors of executives?

Camilla

Yes, and those strategic decisions aren't just about technology. The C-suite needs to ensure that the right people and processes are in place. To meet these new customer expectations and, importantly, the new regulations that Bryan was just referring to.



Executives also need to be thinking about how they structure their organizations to effectively use first-party data. How can they encourage cross functional work across siloed teams or develop joint goals and KPIs? They need to think about how they can build a test-and-learn culture where teams are allowed to experiment and embed agility into their ways of working. All of that kind of change really requires C-suite alignments and a very clear vision.

Part four

How come this is a C-Level issue?



Lucy

Absolutely. OK, so let's hear from Just Eat Takeaway CMO. Maurine Alma on how she is aligned with this.

Maurine

Across teams I think from a data structure standpoint, it is really important to have a central data platform where you can actually use the data from and if you look at it from a you know sort of how we approach it as teams is to really do a lot of experimenting and you know be able to really learn because I think it's it's really, you know it's it's difficult to set this up in with 100% accuracy already up front, right? Maybe sometimes start with a very small area where we test it out that is working and then see if it is working, how we leverage it across channels or across multiple touchpoints.



Camilla

That's a great example of how centralising data empowers teams to be more agile.



Lucy

Absolutely. And what are the benefits of when the C-suite is involved or actively participating in a first-party data strategy?

Camilla

So, active involvement and support from the C-suite has proven to be one of the key factors for success in executing first-party data strategies. In fact, 80% of the most digitally mature brands say they have CEO sponsorship for data-driven marketing initiatives. On the flip side, if we find there isn't C-level sponsorship for digital transformation strategies, it's very difficult to succeed because teams really need that cross-functional vision from leadership to execute these strategies. If they don't have it, the chance of failure is big.



Part four

How come this is a C-Level issue?



Lucy

Wow 80% – that’s pretty huge now. One executive who’s passionate about using data in his strategy is Daniel Mühlbach, the CEO of e-commerce company, Footway. Footway operates eight websites in 24 markets, and data is at the heart of everything they do from operations right through to strategic decision making. He explains why data is so crucial.

Daniel



It’s really critical to use data and one of the things that I think is a challenge in regards to this is that ordinary organizations tend to have people in the C-Level that are afraid of going down into details.

I think one key thing with regards to what to do is to remember that we live in a world right now that’s going faster and faster and things are changing all the time so one of the key things that I’ve learned has been to make things as flexible as possible, so I don’t think it’s the best solutions that will win – I think it’s the companies that can change. So simplicity to be able to change is one key thing. Then I think it’s a learning organization that is not afraid of data.

Because the challenges I’ve seen has been that the data has been more towards people interested in data and right now in Footway everybody is using data, but it’s been a journey to get there. But I think it’s the more you can get the entire organization and it started with C-Level to use data, the better you will become at it.

Part five

Ensuring a good 1P data strategy: Value exchange



Lucy

So I understand what first-party data is and now I get why it’s important for the C-suite. But Bryan – what makes a good first-party data strategy?

Part five

Ensuring a good 1P data strategy: Value exchange

Bryan

Well, the most advanced businesses are using their first-party data to create a more integrated and relevant experience for their customers throughout their relationship. And our experience shows this clearly leads to better business results. We call this the value exchange. We're building a 'virtuous cycle' around first-party data to create a unique competitive advantage.



Lucy

Ooh, virtuous cycle – I like that! So, can you give me any examples of this? What would a good value exchange look like for me?



Bryan

I think it's helpful to use a simple example, something like a customer loyalty program. For example, the free coffee I get after every 10 purchases at my local coffee shop. That's a great value exchange. Another example could be my Lego VIP membership, which gives my family and me early access to exclusive sets and other member-only experiences. Leading advertisers are combining that kind of loyalty data directly into their digital marketing campaigns.



Lucy

And who doesn't love being rewarded with exclusive offers for their loyalty? It's such an effective way to, you know, really engage with customers and deliver a more integrated experience. Now recently, I was persuaded into handing my details over on beauty website Rituals by spending an extra five pounds on my order in exchange for a free tub of body cream and to receive exclusive offers on products. Now for me, that's a fantastic example of a good value exchange.



Ok, so moving on we asked Baltazar Ozonek how Pandora approaches their value exchange; here's what he had to say.

Part five

Ensuring a good 1P data strategy: Value exchange

Bryan

Our mission is to deliver a more frictionless customer experience. We want to increase the relevance and ensure that people are met with a Pandora that recognizes but also rewards your engagement with our brand and products. And that is essentially the value exchange that we commit to.



We will use that data to personalize the experience. So we will try to understand and help you identify relevant products or relevant categories, relevant experiences so that we don't send you somewhere where you have shown no interest or where you're not really engaging with our brand.

Lucy

That's so crucial to the customer experience. Bryan, what do you think?

Bryan

Yeah, absolutely. To expand on that, it's better to show customers ads for the accessories to something that they bought in-store rather than continuing to show ads for the same item that they just bought.



Lucy

Yeah, exactly so speaking as a customer and you know, this probably comes back to trust – while I love to have that relevant experience, I don't always like that feeling of being 'watched'. So when shopping online for an expensive smartwatch, for example, you know, you browse a few watch websites and the next thing you know, watch-related adverts are on your computer, they're on your Facebook feed, they're popping up on Instagram. They are everywhere. Even if you give in and buy the watch, the ads continue following you everywhere you go, so there's definitely a fine line between helpful and really, really annoying.



Part five

Ensuring a good 1P data strategy: Value exchange

Bryan



I absolutely agree with you, and I think that everyone can relate to what you're saying. This kind of annoying experience is bad for customers, and it's bad for business. So businesses must be really cautious about what kinds of experiences they create for their customers when using their data. Even if a customer has consented to insights from their offline activity to be used for online marketing, it's quite easy to come across as invasive. If a business uses that data in a way that the customer does not want or expect. So transparency and control are crucial. Advertisers should take small steps to learn and build trust over time.

Camilla



Bryan's absolutely right – this is actually backed up by the BCG research. Companies have to prioritise customer trust and put customer value first to become digitally mature. If you're not focused on this, you will struggle to move up the maturity curve and see the business benefits that I was referring to earlier.

Lucy



Absolutely. Well, I was going to ask when you think companies should be adopting this, but Just Eat Takeaway's Christoph Liefländer summed it up best:

Christoph



So my advice to companies that have not started applying first-party data in their marketing campaigns number one is definitely: go start quickly, now!

Part five

Ensuring a good 1P data strategy: Value exchange

Camilla

Christoph's taken the words out of my mouth, it's never too early to start since it takes a lot of time to do it right. And we also know that the gap is getting bigger between the least and most mature businesses, with increasing differences in revenue and efficiency gains. So it's really important to start now to think about future-proofing your company and to not fall behind.



Lucy

OK, so I guess by being able to react quickly it's fair to say you can generate better insights. So, Christoph, Baltazar and Daniel have all achieved actionable insights for their respective company, so here's some snapshots from each of them, explaining more.



Part six

Clients tell us what they are doing

Baltazar

I think when trying to focus on interesting discoveries, the things we're doing with predictive analytics are really driving activities and driving value. So discovering how we are able to predict future outcomes. The likelihood of someone making an action or being able to predict what customers are most likely to engage with next. That are some of the real powerful stuff that we get from first party data.



Part six

Clients tell us what they are doing

Christoph



I think one of the biggest insights that we have from using our first party data in our digital marketing is that we are actually much better able to identify similar customer profiles on the Internet, lets say, so we have much relied on cookie-based information in the past which has served us greatly. But we see with the usage of first-party data in our campaigning, we are much better able to identify similar customer profiles and actually make our marketing more relevant to those to identify new customers, but also existing customers. So these lookalikes are used for our campaigning in search for search campaigns, but we also connect this setup to products like DV360 so we are able to use that for our video and display campaigns as much as we are able to use it for our app campaigns to target existing customers.

Daniel



We have quite a lot of returns in e-commerce and understanding the distribution of returns, so it's easy to say that we have an average of maybe 30% returns. But understanding that the distribution of the data is different if you put the 30% and distribute that over a couple of million customers, you have a quite interesting curve there, and understanding that about 80% of our customers have a shopping behaviour that is not optimal and or that the order value has a high correspondence with with the return level, so it's a lot of stuff that is connected to understanding the data. And it's a lot of strategic decisions that is tied to that, so it's really critical that everyone is using data.

Part seven

Tangible next steps – How can I get my company 1P data ready?



Lucy

Some fantastic insights there from Pandora, Just Eat Takeaway and Footway. So Camilla, what action can the C-suite take now?

Camilla



So, I think most importantly, they've got to take it seriously and prioritize it. And they can do this by starting to build a bridge between the CMO, CIO, and CFO to create that singular cross-functional approach that we were talking about earlier. The next step is to start investing in understanding and securing your first-party data sources and ensure you have good basic data quality. Look into building cross-functional privacy teams that can help you in meeting new regulations. And most importantly, build a compelling story for customers across the entire purchase journey that delivers relevant experiences underpinned by trust. Again, all of this requires a C-suite with a very clear and unified vision.



Lucy

Excellent stuff Camilla, thank you so much. And Bryan, what takeaways would you give our listeners?

Bryan



I think similar to Camilla. The main one for me is to think about how to create that 'virtuous data cycle' and there are three key elements. First: understand your value exchange. What's in it for your customers, and what's in it for your business? Second: data. What is the minimum amount of data that you need to deliver that value exchange? And finally: transparency and control? Do your customers understand what their data will be used for and are they in full control of what they have consented to share?

Part seven

Tangible next steps – How can I get my company 1P data ready?



Lucy

Honestly guys, this has been so, so insightful. I want to thank you both for sharing your knowledge and thanks to Baltazar Ozonok from Pandora, Daniel Mühlbach from Footway and Maurine Alma and Christoph Liefländer from Just Eat Takeaway for also sharing their thoughts and their experiences.

And to you guys, our listeners, we hope you found this extremely useful. Now first-party data is just one of four key elements of digital marketing maturity and you can read about all four in the full BCG report that's available to download for free on Think with Google Nordics and Benelux.

So to access those you'll need to head to thinkwithgoogle.com/nordics or thinkwithgoogle.com/benelux and make sure you subscribe to our podcasts so you always get a notification when we release more episodes. Until next time, enjoy listening and thinking with friends and colleagues, and may they spark some great discussions for your marketing strategy.