



# THE ULTIMATE 2021 DATA STRATEGY GUIDE

*What Marketers Must Know Ahead of an  
Uncertain Budgeting Season*

## The year 2020 has **changed the game**

With a backdrop of a rapidly evolving landscape, brands, marketers and analytics professionals in nearly every industry are navigating the ongoing impact that the pandemic has created.

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*And as eyes begin to turn toward 2021, the new year  
promises to bring a budget season like never before.*  
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Consumer behaviors are changing as lives are heavily impacted by social distancing and new work-from-home lifestyles. This evolution, combined with a digital ecosystem that is rapidly moving away from third-party tracking in order to prioritize consumer privacy, has forced brands to re-evaluate priorities and costs heading into the new year.

So where are leading brands' and marketers' minds at right now amid the chaos and change? Their focus on being data-driven in every decision is greater than ever. Data must drive each engagement as brands seek to maximize sales and heavily emphasize retention. And it must also be done while prioritizing budget.

**So, what exactly do marketers need to do to ensure success in 2021?** We've put together a guide of what brands and marketers can learn from surviving 2020, and apply strategies to ensure that they're thriving in the next year and beyond.



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## First Priority: Maximize First-Party Data

Two-thirds of U.S. shoppers have increased their online buying since March. More than a quarter of consumers feel uneasy about returning to physical locations to shop. In many cases, the changes that consumers have made in the “homebody economy” such as moving to digital channels and being more mindful of spending are here to stay.

And an added challenge for marketers is the evolving digital landscape that is rapidly changing alongside consumer behavior. The imminent deprecation of the third-party cookie is requiring brands and marketers to pivot their focus to current-customer first-party data and completed identities to ensure success within walled gardens. They also must leverage anonymous digital identity markers such as mobile ad IDs (MAIDs) and hashed emails to reach larger digital audiences.

But despite changing consumer behavior and changing digital channels, there is a common denominator between the two: **a foundation of deterministically linked, updated, complete and enhanced identity data will make any brand more competitive.**

**Understanding Consumers in 2021:** First-party data is a brand’s most valuable asset because of the quality and accuracy. Going into 2021, brands need to focus on building out their first-party data as their source of truth for their evolving customers while filling the gaps with rich third-party consumer data.

They’ll need to truly understand their customers and their needs in order to provide rich and relevant offers that increase responses, improve engagement and lift conversions. This means knowing their address, phone number and email address as well as key demographic and lifestyle traits such as age, gender, wealth indicators, interest in arts or tech, home improvement, pet owner, fitness, travel, sports, and much more.

**Understanding customers is especially important in unpredictable environments**, with rapid consumer change, and at a time when there are an increasing number of touch points before a purchase is made. Equally important is ensuring relevant customer experiences that are consistent across channels and eliminating inefficiencies such as duplicate messaging.

By expanding the full identity of first-party audiences, marketers take control of their data and gain valuable independence in their ability to reach audiences at scale. They’re able to reach them at all points in time no matter which channel they might prefer in the future with personalized



## How to Acquire Authenticated First-Party Data 2021

- **Leverage tools across your organization** such as Google Analytics, mobile apps, social media, email, SMS, beacons, CRM systems, customer service interactions, point of purchase, direct mail, polls, surveys, progressive profiling, and first-party cookies
- **Create loyalty programs**, newsletters and contests or sweepstakes
- **Gather behavioral data** via website, app or social media profile with pixels that track visitor behaviors and information
- **Collect offline data** such as purchase data, subscriber information, and survey responses

messaging that helps retain best customers and convert more prospects. Consumers have come to expect personalization in nearly every interaction with a brand.

Brands that most effectively leverage the best third-party data to support their own valuable first-party data will position themselves to create the most relevant and valuable 1-1 messaging. And brands' lifestyle attribute data and intelligence will not only fuel personalization, but also track changing preferences and needs as life journeys unfold (e.g. marriage, presence of children, new homes) so messaging can evolve along with consumers and their preferences in 2021.

**Changing digital landscape:** The cookie is crumbling. In 2020, Google joined the major web browsers, announcing that it would begin to phase out the third-party trackers on Chrome. The initiative will continue through 2021, serving as a reminder of the need for brands to strategically leverage alternative tools in the coming year. MAIDs, hashed emails, and walled gardens will all play larger roles in the new year. And as with changing consumer behaviors, **the key to maximizing these channels is identity data.**

It's crucial that marketers are able to reach consumers in-app on their devices at the household level or even personal level. This can be done through with a complete identity solution that includes MAIDs and hashed email pairs. Many third-party data providers offer access to MAIDs, but marketers still need the means to link them to a consumer. And the quickest way to link them is an identity marker such as a hashed email, which can be used to tie a specific consumer to a Mobile Ad ID. This enables the linking of offline first- and third-party data that empowers increased reach and personalization.

Identity data is also the gateway to growth in walled gardens. A brand's first-party data must include customers' identity markers such as email or phone number in order to link to online audiences within walled gardens. It's also needed to maximize the effectiveness of these digital channels. With these walled garden ad platforms, brands can integrate their first-party data beyond identity markers to include segments based on consumer attributes such as buying behavior and lifestyle preferences. The more robust a brand's first-party





data, the better its personalization efforts will be. And while this highly relevant messaging drives better targeting and maximizes retention and up-selling, robust first-party data is also necessary in walled gardens for the acquisition of targets who look and behave like brands' best consumers.

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*But no matter what the future holds for walled gardens and digital identity markers, **consumer identity data is and will always be the foundation for marketers.***

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## Get Your House (and Loyalty Program) in Order

**Data has a shelf life.** And with customer retention becoming a higher priority than ever in 2021, having accurate CRM data is crucial to gaining and maintaining brand loyalty. Reaching them in the right channels with the right messaging is essential. But marketers also need to ensure they're always able to do so.

To optimize data, brands should link multiple (and conflicting) data elements from disparate silos to ensure that identities are resolved to a single consumer, while keeping the data up-to-date.

**Data linking:** Mismatched data is among the biggest challenges for brands, and poor matching can be extremely costly with manual processes needed. Whether it's exact matching or fuzzy matching, deterministic data is the key to ensuring their customers are always correctly identified. By assigning a unique identifier to every individual and household, a single, persistent, authoritative identity record is created and duplicate records are consolidated to drive improved marketing effectiveness and accurate reporting.

**Data hygiene:** Keeping data up-to-date and linked is an ongoing battle. Data decays rapidly, meaning that about 30% of the identities and attributes in a CRM without proper data hygiene are wrong or missing critical identifiers at any given point in time. But data decay can be neutralized by working with a consumer identity partner for continuous data cleansing to ensure accuracy and maintain strong identity links at all times.

In maintaining linked, de-duplicated and cleansed consumer identity data, brands will put an end to data silos and minimize costly data decay. In doing so, marketers are able to reduce waste and maintain their ability to reliably reach the right consumers at scale with relevant and compelling messaging as their lives evolve and change in 2021 and beyond.

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## Cut Costs Through Consolidation

Marketing budgets for 2021 are under a microscope, and a huge part of brands' planning will be focused on efficiency, keeping costs down, and maximizing ROI.

One way to proactively do this – consolidate vendors who can bring multiple data solutions under one roof. Here are some questions for brands that might benefit from streamlining:

- ☐ **Do you leverage different vendors** to perform multiple data tasks? For example, does one vendor assist with identity resolution data and another perform data hygiene?
- ☐ **Do you have vendors overlapping** in different departments?
- ☐ **Are you spending more time** on administrative tasks by managing multiple vendors and systems?
- ☐ **Would you benefit from a more personal relationship** with customer support?

**Brands should perform an analysis of each data vendor** to see how they might be able to consolidate solutions into a single provider. Most providers offer more competitive pricing as additional services are provided. Brands are often surprised at how many solutions certain partners are able to offer. Partners should easily and willingly provide an analysis to prove ROI, and budget season is the ideal time to test these potential cost-saving services.

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*Providers such as Infutor can offer the opportunity to leverage a single data source and **become more streamlined and cost-effective.***

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Data partners should be nimble and flexible in helping brands maximize and enhance first-party databases with identity data and intelligence. They should be able to continuously cleanse, link and optimize data while fueling analytics and innovation that will drive the initiatives of 2021.



## Be Ready for New Privacy Regulations

As marketers have seen this year, they should be prepared for anything. That same mentality should apply to readiness for privacy compliance and regulations. Pandemic aside, 2020 also brought the full rollout California Consumer Privacy Act (CCPA) with the law becoming enforceable as of July 1. Penalties can range from \$2,500 for unintentional violation up to \$7,500 for intentional violations.

The stakes for compliance are already high, but the consumer privacy story continues to evolve. In June, California's Secretary of State announced that the California Privacy Rights Act (CPRA) is eligible for the November 2020 general election ballot.

The impact of CPRA potentially augmenting CCPA is unclear, but it underscores the message of readiness. **Consumer privacy regulations are fluid and susceptible to changing legislation at any moment.** By partnering with data providers or partners that are stable and ahead of all the privacy regulations, brands can ensure there will be no surprises when laws do change.

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## Your Key Takeaway

The impact of a tumultuous 2020 will shape 2021 data strategies across every industry. It's imperative that brands maintain independence by leveraging robust, high-quality first-party data to future-proof in an evolving digital landscape while staying ahead of the consumer privacy curve. And as budgets come under renewed scrutiny, brands should focus on maximizing the ROI of their assets and streamlining costs through vendor consolidation.

Infutor is the expert in consumer identity management. Learn more about what we can do to **fuel your 2021 data strategy.**

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