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DATA IS THE NEW OIL

In today's digital age, data is the key to success. For businesses, this means having access to reliable, accurate data that can help them make informed decisions and stay competitive. In recent years, the move from third-party data to first-party data has become increasingly important in powering the modern marketing machine. By collecting, understanding and leveraging first-party data, businesses can create a powerful marketing strategy that will set them apart from the competition.

Why the switch?

In recent years, user behavior and privacy standards have become increasingly crucial factors in the development of modern marketing techniques. Companies are now being held accountable to higher standards of data protection and privacy, which has pushed them to shift away from the use of third-party data and toward more secure first-party data.

Google's 2020 release of GA4—its new "privacy-first" approach to cross-channel data tracking—marked

a major shift in the way companies can interact with customers' data. This platform allows businesses to collect and analyze their own first-party data for more accurate tracking and reporting. This shift toward first-party data allows businesses to gain more accurate insights into user behavior, while also protecting customers' data from external misuse.

With the introduction of the General Data Protection Regulation and, for those that work in California, the California Consumer Privacy

Act, organizations must ensure that the collection and use of user data are compliant with these regulations.

Companies not only must take steps to ensure they are collecting and using this data correctly, but also must be able to prove it if called upon to do so. With first-party data, companies have full control over what data is collected, how it is collected and how it is used, giving



them greater assurance that they are compliant with regulations.

Additionally, the move to GA4 removes the discrimination of device-based tracking. There is no breakdown between mobile and computer in the new approach, as it is user based rather than device based.

Third-party versus first-party data

Simply put, first-party data consists of data that companies have collected directly from their customers and/or website visitors.

It's the most accurate and reliable source of data available because it hasn't been shared by or sold to third-party providers.

Third-party data, on the other hand, is data that has been collected by third-party sources and then potentially bought or sold to companies—essentially paying to receive your own website data.

Both third-party and first-party data have their benefits and challenges; but with Google moving away from Universal Analytics at the end of June 2023, ramping up your GA4 first-party data collection is a necessity.

How is first-party data collected?

GA4 uses first-party cookies and signals (more on those in a moment) to enable cross-device data collection and reporting. This means



that any website using GA4 can collect user data that is directly linked to the user. The cookies used by GA4 can be used to collect data on such events as:

- user behavior on the website;
- page interaction events;
- products added to the cart;
- purchases made; and
- form submissions.

This allows marketers to gain an in-depth understanding of the user's experience and provides them with valuable insights into how they can improve their website's performance. This data can then be used to inform marketing strategies such as targeting users with relevant ads, creating personalized content experiences or remarketing ads, and optimizing overall website design and usability. With

this information at hand, marketers can make more informed decisions about how to engage users and drive conversions.

What are "signals"?

Signals are ways to collect data from users who have turned on ad personalization across their devices. These signals will allow you to collect session data from those users across their Google-associated platforms. By enabling signals, you allow for cross-platform reporting, remarketing data collection and advertising reporting. Signals allow you to craft a more specific marketing message for your customers.

What are the benefits of first-party data?

Let's break it down to the major headline benefits of first-party data collection:

- Real-time tracking:

First-party data allows businesses to track events in real time as they occur. This means that businesses can respond quickly to changes in customer behavior and use their data to develop strategies that best address their customers' needs. By tracking events, businesses can also better assess the success of campaigns and optimize their marketing efforts.

- Better reporting and analysis: With first-party data, businesses can better report and analyze the data they collect. It can provide more detailed insights than third-party data, allowing businesses to make more informed decisions about their campaigns. This data can also help businesses determine which marketing and e-commerce efforts are

