Unlocking growth with first-party data and Ál for Marketing

Google Cloud Deloitte.

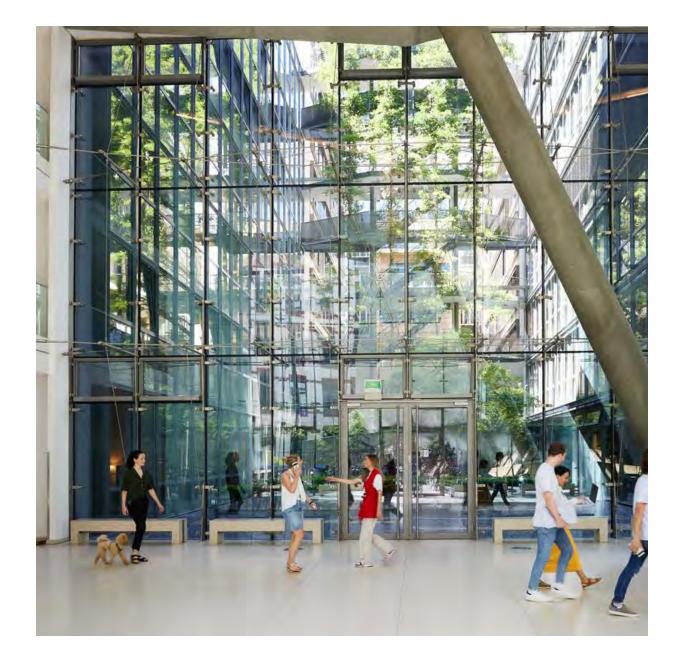
Driving sustainable growth: The new generation of personalization

As inflationary pricing strategies taper off and the holiday season approaches, the focus for brands and retailers is squarely on growth—driving more customers and more frequent purchases to keep revenue strong. However, even with the rise of generative Al, acquiring and retaining customers is becoming increasingly complex. Consumers expect personalized, or at the very least, highly relevant messaging while trends shift rapidly, and predicting where a purchase will actually occur is more uncertain than ever.

And yet, the Spring 2024 CMO Survey, supported by Deloitte, reveals that only 25% of marketers can identify actionable insights on their most engaged customers or respond quickly when opportunities arise. This gap presents a pivotal opportunity for CMOs.

First-party data has become a game-changing asset for marketing leaders, enabling deeper insights into consumer preferences, behaviors, and needs. It fuels hyper-personalized marketing efforts, powers generative AI, and is an essential ingredient for composable customer data platforms (CDPs) that create a 360° view of the customer.

This paper explores how Marketing can leverage first-party data and Google Cloud technologies to prove its value as a profit center, deliver measurable impact, and drive sustained growth in an increasingly unpredictable world.



Navigating a complex consumer landscape

CMOs are navigating a complex landscape driven by the rise and rapid advances in AI technologies, the increasing complexity of consumer behaviors, and heightened privacy and security measures.

Marketers face several key challenges, including:

Consumer behaviors and

expectations: Consumer preferences and behaviors are rapidly changing as they have come to expect instant gratification, personalized experiences, and seamless interactions with brands across channels. Customers now expect hyper-relevant, hyperpersonalized experiences across all touchpoints, delivered only in the ways they specify and, of course, without compromising privacy and security.

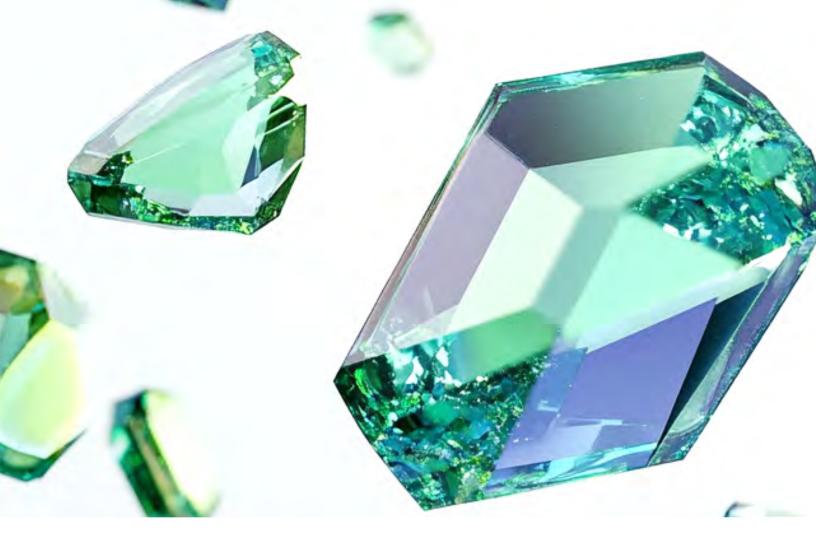
Data privacy and security:

Marketers are facing increasing limitations on how they can collect and use customer data due to data privacy and security regulations such as GDPR and CCPA. Some browsers, including Safari and Firefox, no longer allow third-party cookies. This makes finding and using relevant thirdparty data and complying with these regulations much harder. Priority is shifting to collecting, analyzing, and managing first-party data.

Al: The rapid advancement in Al technologies, from generative Al to predictive analytics, has created both immense potential and significant challenges. Marketers must understand how to leverage Al effectively and responsibly while mitigating risks like bias and ethical concerns.

Automation is the big promise to unlock the magic of customer growth, but it is reliant on accurate, timely data, especially the most valuable first-party data.

The evolving digital ecosystem has created a new set of challenges but also adds new opportunities to build customer acquisition and retention, increase productivity and profitability, and drive sustainable growth.



Harnessing first-party data as a growth engine

The value of first-party data cannot be overstated. Brands are now focusing on first-party data strategies to drive profitability and growth in a changing privacy landscape.

With the decline in third-party cookies and the tightening of data privacy regulations, brands must rely on the data they collect directly from customers to create the hyper-relevant, hyper-personalized experiences that consumers now expect. First-party data is data that a company collects directly from its customers through their interactions, such as website visits, app usage, surveys, and purchases. By tailoring messages, offers, and content to individual preferences, marketers can significantly boost engagement, strengthen customer loyalty, and drive higher conversion acampaigns and customer insights allows teams to continuously refine their strategies, for example:

Personalization: Give customers content and offers in the channels they prefer.

Targeted advertising: Deliver these personalized ads to the right audiences on the media they consume, such as social media, websites, popular apps, connected TVs, and other platforms.

Customer growth and retention: Grow the customers you have and quickly identify and work to keep those who are at risk of leaving.

Product development: Use feedback to make your products even better.

Customer experience optimization: Smooth out any rough spots in the customer journey.

First-party data empowers marketing leaders to create detailed and accurate customer profiles, drawing from real-time interactions and behaviors. This enables brands to deliver hyper-personalized experiences and campaigns that drive higher engagement, loyalty, and conversions—and positions Marketing as a profit center.

Deeper customer insights & impactful marketing campaigns



First-party data enables brands to deliver hyper-personalized customer experiences and marketing campaigns.

Unlocking the full potential of first-party data with composable CDPs

Integral to building rich, detailed customer profiles that lead to a competitive advantage is the ability to integrate first-party data with additional consumer insights. Demographics, preferences, and behavioral data acquired from diverse sources, such as Google Trends, analytics, and compliant third-party data providers, help build a comprehensive view of the customer journey. To fully capitalize on these insights, however, CMOs must take strategic steps to organize, unify, and activate this data for marketing purposes.

This is where a composable infrastructure, such as composable Customer Data Platforms (cCDPs) and data clean rooms, becomes indispensable.

With a cCDP, marketers can integrate data from multiple data sources, creating a consumer 360 embedded in the data foundation like BigQuery, Google Cloud's fully managed, serverless data warehouse. BigQuery also provides data clean rooms that allow organizations to securely collaborate on data analysis without sharing sensitive information. These clean rooms provide controlled environments that enable further enrichment of the data while ensuring a robust data governance framework and privacy-compliant data sharing. When integrated with tools like BigQuery and Vertex AI, cCDPs can centralize and enrich first-party data, including data from unknown users. This real-time integration enables brands to analyze data, extract valuable insights, and optimize customer interactions across channels, from personalized messaging to tailored product recommendations.

Ultimately, first-party data is the fuel that powers this infrastructure. With clean, centralized, and actionable data at the core, marketing leaders can fully activate the potential of automation, advanced segmentation, and generative Al.



Building a strong data foundation for Aldriven marketing and cloud automation

First-party data is an invaluable asset for marketers looking to harness Al to deliver more effective and personalized campaigns. By leveraging real-time customer insights, marketers can create highly relevant content, segment audiences with precision, and power recommendation engines that enhance customer engagement. Al technologies can also streamline data analysis and automate routine tasks, allowing marketing teams to focus on strategic initiatives and make data-driven decisions that lead to measurable results.

However, the full potential of AI is only realized when fueled by clean, consolidated data—both structured and unstructured, from first-party and third-party sources. To capitalize on this, brands must invest in robust data governance frameworks and technologies that ensure data integrity and compliance—critical for successful Al integration.

As businesses scale their use of firstparty data, cloud innovation and Aldriven solutions become indispensable. These technologies enable companies to efficiently collect, process, and analyze vast amounts of data in real time, driving impactful, data-driven strategies that fuel growth. This is applicable not only to B2C enterprises such as Retail and Banking but also to sectors that may not have historically sold directly to consumers, such as CPG and Automotive.

Considerations for building a first-party data and Al foundation

Data quality: Generative AI is only as effective as the quality of the data it receives. Clean, centralized data ensures accurate and relevant outputs.

Data challenges: Brands often struggle with collecting, centralizing, and enriching firstparty data due to fragmentation, unstructured formats, or disintermediation.

Unstructured data: Even with centralized data, managing large volumes of unstructured information presents significant challenges as it requires advanced tools and techniques to extract meaningful insights.

Agency challenges: Agencies have historically lacked access to raw data and faced challenges in securely handling personally identifiable information (PII). **Data privacy and ethics:** The importance of data privacy and ethical considerations cannot be overstated, especially when dealing with PII.

Data governance: Implementing robust data governance frameworks is crucial to ensure data quality, security, and compliance with regulations.

Al infrastructure: Building a solid Al infrastructure, including hardware, software, and cloud platforms, is essential for effectively leveraging first-party data and Al capabilities.

Data integration and

harmonization: Integrating data from various sources and harmonizing it into a unified format is often a complex task that requires careful planning and execution.

Expert guidance: Seeking guidance from strategic partners and technology experts can help refine data strategies and accelerate implementation. In a world where consumers are increasingly mobile, less brand loyal, and harder to reach, your connection with customers becomes your true competitive advantage. Al can allow you to unlock these connections, but Al is only as powerful as the data it's built on."

Sonia Fife, Managing Director, Consumer Packaged Goods at Google Cloud

Powering transformation with firstparty data and Al-driven marketing

Across industries, the integration of first-party data and Al-driven marketing strategies is reshaping how businesses engage with their audiences, optimize operations, and drive growth. Below, we explore three key use cases that highlight the transformative impact of these strategies.

Creative and content generation

Deloitte Digital research revealed that business demand for content increased 54% in 2023 from the previous year—but marketers could only meet that demand 55% of the time. Deloitte's CreativEdge[™] platform, built on Google Cloud, closes the gap with an in-house content production solution that delivers audience-specific, brand-compliant content with the click of a button.

Marketers seeking high-quality campaign images are turning to Imagen, Google's powerful textto-image generation technology on Vertex AI. Using natural language prompts, non-technical users can generate photorealistic, aesthetically pleasing images, plus text rendering in multiple languages to create images with accurate text overlays, text-to-video, and text-to-live images.

Media performance and personalization

By centralizing their data, marketers can boost media performance and deliver higher conversion rates, engagement, and ROI. With a unified data approach, they can power decision-making in real-time with AI-Powered Ads in platforms such as Google Performance Max to enable:

- Bidding to predictive engagement (lead forms for dealerships) or predictive values (e.g. LTV/churn)
- Prompt-based audience segmentation to improve customer acquisition targeting and identify cross-sell/up-sell opportunities
- Optimize bids, budgets, and creative based on real-time customer demand signals (e.g. stock availability)

Marketers can also use natural language prompts to create audiences from their composable CDP and generate personalized creative at scale. Deloitte CDP framework delivers a customized solution that prioritizes both usability and utility for marketers and is designed to be futureready: flexible, scalable, and sustainable.

Measurement and insights

Marketers can drive marketing insights easily by using natural language processing (NLP) with the latest Gemini models on unstructured data across YouTube or customer review sites. For example, you can combine reach and frequency data from YouTube with Google search data, which reflects organic interests, to optimize ad frequency and measure campaign success. You can also predict demand leveraging your own data alongside Google Trends using Vertex Al Forecasting.

With Google Meridian, marketers can understand the impact of their media and marketing spends on key performance indicators (KPIs) to identify which channels contributed the most to sales or revenue. Meridian also forecasts the potential revenue from marketing campaigns and activities, guiding smarter budget decisions and improving overall media effectiveness.



Plotting the course ahead: a checklist for CMOs

- Start small: Focus on key pain points and develop tactical plans that address low-risk use cases first. Start internally before expanding to more complex applications.
- Test and learn: Experiment with new approaches in a controlled environment for fast learning and improvements that you can apply to future initiatives.
- Collaborate across departments: Engage IT, legal, and other departments to ensure that technology initiatives align with bigger business goals and meet compliance standards.
- Use what you have: Drive immediate results by maximizing the value of your existing data assets, such as customer purchase history or website analytics.
- Minimize risk: Implement risk-reduction measures like IP indemnification and watermarking when integrating Al into marketing workflows.

Develop skills: Invest in skill development and continuous learning, and stay updated on the latest marketing technologies and best practices.

- Exercise caution: Don't rush into AI adoption without fully understanding your data's integrity and how AI will interact with brand assets. Get ready with the right foundation with AI Essentials.
- Form strategic partnerships: Partner with industry leaders and technology experts to address challenges and tailor solutions to your unique business needs.

By following this roadmap and embracing cloud innovation, CMOs can unlock the full potential of firstparty data, overcome economic challenges, and deliver highly personalized experiences that fuel long-term growth.



The path to growth with first-party data

To drive meaningful growth with first-party data, CMOs need a strategic roadmap that emphasizes starting small, fostering collaboration across departments, leveraging existing data assets, minimizing risks, encouraging a culture of learning, being cautious with Al adoption, and forming key strategic partnerships.

Ready to accelerate your growth journey?

For more information on how first-party data strategies can transform your marketing, contact your Deloitte/Google Cloud representative or read more about Deloitte and Google Cloud.

About Google Cloud

Google Cloud is the new way to the cloud, providing Al, infrastructure, developer, data, security, and collaboration tools built for today and tomorrow. Google Cloud offers a powerful, fully integrated and optimized Al stack with its own planetscale infrastructure, custom-built chips, generative Al models and development platform, as well as Al-powered applications, to help organizations transform. Customers in more than 200 countries and territories turn to Google Cloud as their trusted technology partner. cloud.google.com

About Deloitte

Deloitte provides industry-leading audit and assurance, tax and legal, consulting, financial advisory, and risk advisory services to nearly 90% of the Fortune Global 500[®] and thousands of private companies. Our people deliver measurable and lasting results that help reinforce public trust in capital markets, enable clients to transform and thrive, and lead the way toward a stronger economy, a more equitable society, and a sustainable world. Building on its 175-plus year history, Deloitte spans more than 150 countries and territories. Learn how Deloitte's approximately 457,000 people worldwide make an impact that matters at www.deloitte.com.

Google Cloud Deloitte.