



HOW THIRD-PARTY DATA POWERS MARKETING ANALYTICS

Increase reach and personalization at scale, improve ROI on paid campaigns,
gain a richer understanding of your customer and more



CHAMPION
GUIDES

EBOOK

TABLE OF CONTENTS

- 3** Executive summary
- 4** Third-party data is a marketing analytics imperative
- 5** Shifting from basic to advanced marketing analytics
- 7** Exploring new data-driven use cases
- 8** The challenges of third-party data
- 9** How Snowflake Marketplace helps solve third-party data challenges
- 10** Conclusion
- 11** About Snowflake



EXECUTIVE SUMMARY

Data is critical to the success of any marketing organization. While first-party and third-party data each play a key role in helping marketers move toward a 360-degree view of the customer, challenges in sourcing, maintaining and using third-party data have limited marketers' ability to realize its full potential. Regulatory requirements such as GDPR and an increased focus on consumer privacy and data governance put additional conditions on how organizations can extract value from third-party data.

Platforms such as [Snowflake Marketplace](#) are addressing these challenges by allowing marketers to use third-party data to realize the following:

- Gain a richer, more robust understanding of the consumer
- Uncover more-granular, micro-level insights about their audience
- Increase their reach and personalization at scale
- Improve ROI and return on ad spend (ROAS) on paid media campaigns
- Embark on new use cases—including strategy, planning and attribution—with data-backed confidence

THIRD-PARTY DATA IS A MARKETING ANALYTICS IMPERATIVE

In the world of digital marketing, data is king. Behavioral data, demographic data, clickstream data, purchase data and attribution data are important sources of insight for marketers. All this data serves a purpose: powering advanced analytics to obtain a real-time, 360-degree view of customers. With a deeper understanding of real-time customer needs, preferences and intent, marketers can drive better business outcomes.

Most data sets that power advanced marketing analytics fall into one of two categories: first-party data and third-party data. First-party data is what a company collects directly from its customers or users. It includes CRM data, email databases, subscription data, website behavioral data and analog data such as event attendance or surveys completed at a retail location.

Third-party data is collected and managed by organizations that do not directly interact with an organization's customers or the business data consumer. It includes data sets that come from governmental, non-profit or academic sources (for example, weather data and public demographic data) as well as data that is collected from various apps, platforms and websites and aggregated into data sets. Third-party data is often shared or bought and sold on data marketplaces or exchanges.

Both first- and third-party data are critical to marketers' success but are even more powerful when combined. Third-party data is one of the most cost-effective ways to enhance your first-party data, and it enables finer segmentation, personalization and greater scale and audience reach.

This ebook describes the ways third-party data can help marketers power advanced analytics and shares strategies for managing the challenges that come with bringing third-party data into your systems, including these key points:

- Sourcing and integrating trusted third-party data sources
- Maintaining third-party data pipelines as business needs evolve
- Extending value from third-party data investments to new use cases and teams
- Protecting private data and managing customer consent as data is stored, maintained and shared

SHIFTING FROM BASIC TO ADVANCED MARKETING ANALYTICS

By enhancing a company's first-party data, third-party data can play a large role in achieving the goal of getting a 360-degree view of customers. For example, a retailer may have a customer's email address in its CRM system, but doesn't know what other websites they browse, the kind of music they like or the brands they regularly purchase. Third-party data can provide this additional detail, helping make the customer view more robust.

SHARPENING THE FOCUS ON CUSTOMER BEHAVIOR

Companies can also use third-party data to better understand customer buying intent, gain visibility into changes in buying trends and improve campaign ROI with richer metrics. Third-party data allows marketers to move from a broad, macro-level understanding of their customers to a more personalized, micro-level understanding. They can slice and dice their audience with greater precision, creating dynamic, moment-in-time segments that leverage propensity to buy and intent signals instead of relying on static segments. They can cross-reference online purchase behavior with third-party demographic data to better understand the age and income of groups that made purchases on the company's website or identify specific behaviors that resulted in abandoned shopping carts.

For categories such as financial services, automotive or home care where people move in and out of the market, having access to third-party data about which customers are in-market at any given moment greatly reduces wasted ad impressions, ensuring your message reaches the right people.

USING THIRD-PARTY PURCHASE DATA TO IMPROVE AD TARGETING

Ibotta, a **Snowflake Marketplace provider**, has the largest collection of online and offline purchase data in the U.S., including UPC, product, category, price, quantity, brand and basket total price data. Ibotta ties all purchases back to an individual through registered email addresses and a targetable mobile ad ID (MAID).

A company that markets a major household cleaning brand leveraged a one-year "lookback" of Ibotta purchase data to identify consumers who had bought the brand's products before the COVID-19 pandemic but not since. After seeing that many of its lapsed customers had shifted to purchasing online, the company leveraged Ibotta's data to build new audiences and target them with relevant ads touting the online availability of their products. The company saw an increase in ROAS, a 30%+ conversion among lapsed buyers and a more than 40% increase in the average basket size per transaction.



EXPANDING MARKET REACH

Third-party data also helps marketers increase their reach. Often, the first-party data a company holds on its customers is limited to what can be collected through direct interactions. Take, for example, a washing machine manufacturer that sells products through big-box retailers. Encouraging customers to register their purchase to activate a warranty is one way for the manufacturer to gather information, but they will only get data from those who respond—which is likely a small portion of their full customer base.

By augmenting their first-party data sets with third-party data, marketers can grow their database overall, adding new high-value prospects to campaigns. And through the use of look-alike modeling, marketers can identify the attributes of their “ideal” customers and target more people like them. They can also append third-party data, such as purchase data from retail locations where their products are sold, to help make their view of the customer more robust and close the loop on their marketing efforts.

With an enhanced and expanded view of its customers, a company can begin gathering near real-time insights to inform messaging, packaging and pricing and to optimize future campaigns. Improved targeted segmentation means marketers can personalize their efforts at scale and drive higher ROI.



EXPLORING NEW DATA-DRIVEN USE CASES

The rise in the amount and types of third-party data and the emergence of new technologies—including AI—is inspiring a host of new marketing analytics use cases. Part of this proliferation is driven by the increased accessibility of third-party data sets. Snowflake Marketplace, for example, includes more than 2,100 data products from over 480 partners (as of July 31, 2023), ranging from SafeGraph’s location data and Weather Source’s climate data to S&P Global Market Intelligence’s financial data.

With live, ready-to-query data sets and the ability to try out data sets before purchasing, marketers have the flexibility to explore new use cases such as:

- Dynamic creative optimization based on weather (for example, promoting grilling tools on sunny days and indoor entertainment when it rains)
- Highly personalized email communications
- Data clean rooms for secure data sharing

Marketers can also use third-party data to enlarge the data sets used to inform the machine learning and AI algorithms that optimize product recommendations, promotions, offers and content for specific customers. With interest in AI on the rise—adoption of tools or platforms in the Snowflake Data Cloud that power AI and machine learning is up 15.5% year over year, according to Snowflake’s [2023 Modern Marketing Data Stack](#) report—third-party data will be a vital data enrichment component as marketers explore the potential of large language models (LLMs) and generative AI.

Strategic planning initiatives are another expanding use case for third-party data. For example, a CPG company could use foot traffic data to build a more accurate demand model for its retail outlets and help the company optimize its inventory strategy and marketing spend allocation. In a different use case, a card-linked offer platform could use point of interest (POI) data to provide more-accurate attribution of in-store visits and inform a strategy to improve customer loyalty.

By identifying high-value sales prospects and speeding up competitive intelligence and market research, B2B marketers can leverage third-party data sets to accelerate the sales cycle.

THE CHALLENGES OF THIRD-PARTY DATA

While the benefits of third-party data are known and celebrated, they do not come without challenges. Three primary challenges of dealing with third-party data are delayed time to value, the ongoing cost of maintaining data integrations and data governance and security.

LENGTHY TIME TO VALUE

Traditionally, data vendors stored data in different formats and platforms across a mix of public and private clouds. Setting up the initial data integration of third-party data with this first-party data is a heavy lift for marketers, and often requires engineering resources and the involvement of IT security personnel. APIs, FTP transfers and other legacy data transfer processes are painful to set up and manage to ensure proper functionality.

Legal and procurement processes can further delay time to value. Each third-party vendor has its own requirements, contracts and licenses, necessitating its own review process. Onboarding a new data source can take weeks or months, since internal legal, IT and compliance teams must review each supplier's specific and detailed requirements for how data will be shared, stored and securely monitored.

Finally, third-party data is only as fresh as the last time it was updated by the vendor and imported to the system, which often means that it's stale for marketers' intended purposes, resulting in waste and inefficiency (consider how often you continue to see ads for a pair of shoes you have already purchased). When data is refreshed by a vendor, the process of transforming, moving and integrating the new data requires time that delays the potential impact of insights the data can provide.

INCREASED COST OF MAINTAINING THIRD-PARTY DATA PIPELINES

With typical data integrations, managing the data requires ongoing monitoring and effort. Far from a "set it and forget it" type of structure, moving data results in increased complexity and costs over time. This is due to the complexity in managing data security, privacy and regulatory compliance for an increasingly large data set. Significant investment is required to maintain these processes and extract the greatest value from the data. Without proper data flow, the data sets will be stale, incomplete and far less valuable.

In particular, FTP data transfer processes require ongoing resource commitments and typically result in data sets that are the stalest. Extract-transform-load (ETL) processes are an improvement, but they face challenges when a company needs to change a data type, frequency or use case.

DATA GOVERNANCE AND SECURITY RISK

With increased concern about data privacy and regulation, many businesses are sharpening their focus on data governance and building their own systems for securely managing first- and third-party data. The act of moving, copying and storing data in a company's system presents additional cost and risk.

Governance is a key challenge when third-party data is used to power advanced marketing analytics. Because third-party data may be used in a variety of ways across different teams to drive marketing impact, data is frequently copied and moved into different systems. These copies create significant obstacles to managing customer data.

As companies work to meet GDPR, CCPA and other regulatory compliance standards, managing personally identifiable information (PII) data across fragmented data silos can be expensive, time-consuming and risky. Deleting data, for instance, can require costly processes for searching and updating data sets and copies across an enterprise. Leading companies are increasingly working with providers who are certified in data security and regulatory compliance to limit this risk.

HOW SNOWFLAKE MARKETPLACE HELPS SOLVE THIRD-PARTY DATA CHALLENGES

Snowflake Marketplace was designed to address the traditional challenges of working with third-party data, including sourcing, integrating, and maintaining it. Data consumers no longer need to waste time hunting for and onboarding multiple vendors, verifying data sources and downloading potentially stale data. With Snowflake Marketplace, you can access live, up-to-date and ready-to-query third-party data, data services and [Snowflake Native Apps](#) (currently in public preview) from some of the world's leading companies—all in one place.

ACCESS FRESH DATA FASTER

Data sets in Snowflake Marketplace are always live. This reduces time to value exponentially, because whenever a data supplier makes a change to a data set, the data is immediately updated—and usable—in a company's environment. It also means every team is accessing the most recent data sets to guide their efforts, helping to reduce time delays and promote consistency across the organization. Marketers can rest assured that the insights they are using to inform campaigns are fresh and up-to-date.

DATA IS READY TO USE

All data accessed via Snowflake Marketplace is ready to query; it requires no transformation. Marketing operations and analytics teams can immediately build dashboards, join third-party data with their own data or, thanks to bidirectional sharing, easily share their data with data services companies for enrichment.

CONNECT TO THIRD-PARTY PROVIDERS EASILY AND REDUCE INTEGRATION COSTS

Snowflake Marketplace offers a central location for you to find, try, and buy data products. You can use self-service trial versions to evaluate data and apps before making a purchase. Snowflake Marketplace provides direct, secure access to third-party data, services and applications, so you can eliminate costly ETL, API or FTP processes and minimize the engineering resources needed to onboard and maintain third-party data sets. Simplify procurement with standardized service terms and transparent, usage-based pricing options directly billed by Snowflake.

STREAMLINE DATA GOVERNANCE

In Snowflake Marketplace, consumers don't move data. This helps simplify data governance, since the location of data doesn't change and you have less concern about multiple copies of data increasing your risk level. Keeping all the data in one system also helps streamline privacy compliance processes, as there is only one source of customer data to reference during audits or other checks. And when third-party data resides in the same system as an organization's own data, marketing teams can join data sets without having to copy and move data to other systems.

“ We use live weather data from Snowflake Marketplace to forecast demand, allowing us to ensure customers get fresh groceries delivered and reduce waste. Getting data from Snowflake Marketplace eliminates integration and monitoring processes, and has resulted in high reliability.”

—ILIANA IANKOULOVA,
Data Tech Lead, Picnic Technologies

CONCLUSION

Data is critical to the success of any marketing organization. By leveraging third-party data successfully, marketers can meet several objectives:

- **Sharpen their focus on customer behavior and buying intent**
- **Expand their market reach and grow their databases**
- **Improve ad targeting and optimize pricing and packaging campaigns**
- **Personalize email communications**
- **Inform the ML and AI algorithms that power recommendations and analytics**

Platforms such as [Snowflake Marketplace](#) offer solutions to the traditional challenges of sourcing and maintaining third-party data sets. Through a system that keeps live data products in one place, doesn't require data to be moved, and minimizes maintenance burdens, marketers can rest assured that their third-party data is always up to date and meets evolving data privacy and regulatory standards.





ABOUT SNOWFLAKE

Snowflake enables every organization to mobilize their data with Snowflake's Data Cloud. Customers use the Data Cloud to unite siloed data, discover and securely share data, and execute diverse artificial intelligence (AI) / machine learning (ML) and analytic workloads. Wherever data or users live, Snowflake delivers a single data experience that spans multiple clouds and geographies. Thousands of customers across many industries, including 639 of the 2023 Forbes Global 2000 (G2K) as of July 31, 2023, use the Snowflake Data Cloud to power their businesses.

Learn more at snowflake.com



© 2023 Snowflake Inc. All rights reserved. Snowflake, the Snowflake logo, and all other Snowflake product, feature and service names mentioned herein are registered trademarks or trademarks of Snowflake Inc. in the United States and other countries. All other brand names or logos mentioned or used herein are for identification purposes only and may be the trademarks of their respective holder(s). Snowflake may not be associated with, or be sponsored or endorsed by, any such holder(s).