



Aptitude 

Guide

First-party data: Time to pivot from firefighting to strategy

Seven must-have subscription management capabilities in a first-party data world

Introduction

Despite Google's decision to delay ending support for third party cookies until 2023¹, there is no doubt that the eventual 'death of third-party cookies' remains hugely significant for the publishing industry – disrupting the established advertising model that has long accounted for the lion's share of revenues, although those revenues have been in decline in recent years.

Naturally, the sheer scale of the challenge, and the urgent need to adapt to a future without cookies created its own ecosystem of coverage, commentary and fledgling solutions – almost all with a singular focus on finding new ways to harvest audience data.

Given the commercial importance of advertising revenue to the industry, and the challenges associated with an impending reliance on first-party data – chief amongst them the inability to identify and monetize unregistered users – that's understandable.

But it also misses a crucial point. History is littered with examples of businesses that were unwilling or simply too slow to adapt to market disruption – and the consequences of clinging to old models in the face of a true paradigm shift can be disastrous.

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¹ Read this article online at chromium.org

Postponed cookie deadline offers time for strategic response

The fact that third-party cookies won't be killed off for a further two years – with [Google's support now set to end in late 2023](#) – is good news for many publishers. In fact, recent research lays bare the industry's overall lack of preparation for the biggest change in decades – in April 2021, just 13% said they were very well prepared for a first-party data world².

But the delay doesn't just provide more time. It also gives publishers a vital opportunity to switch from that sole focus of simply harvesting data, to take more holistic, strategic first-party data business models that drive value and sustainable revenue.

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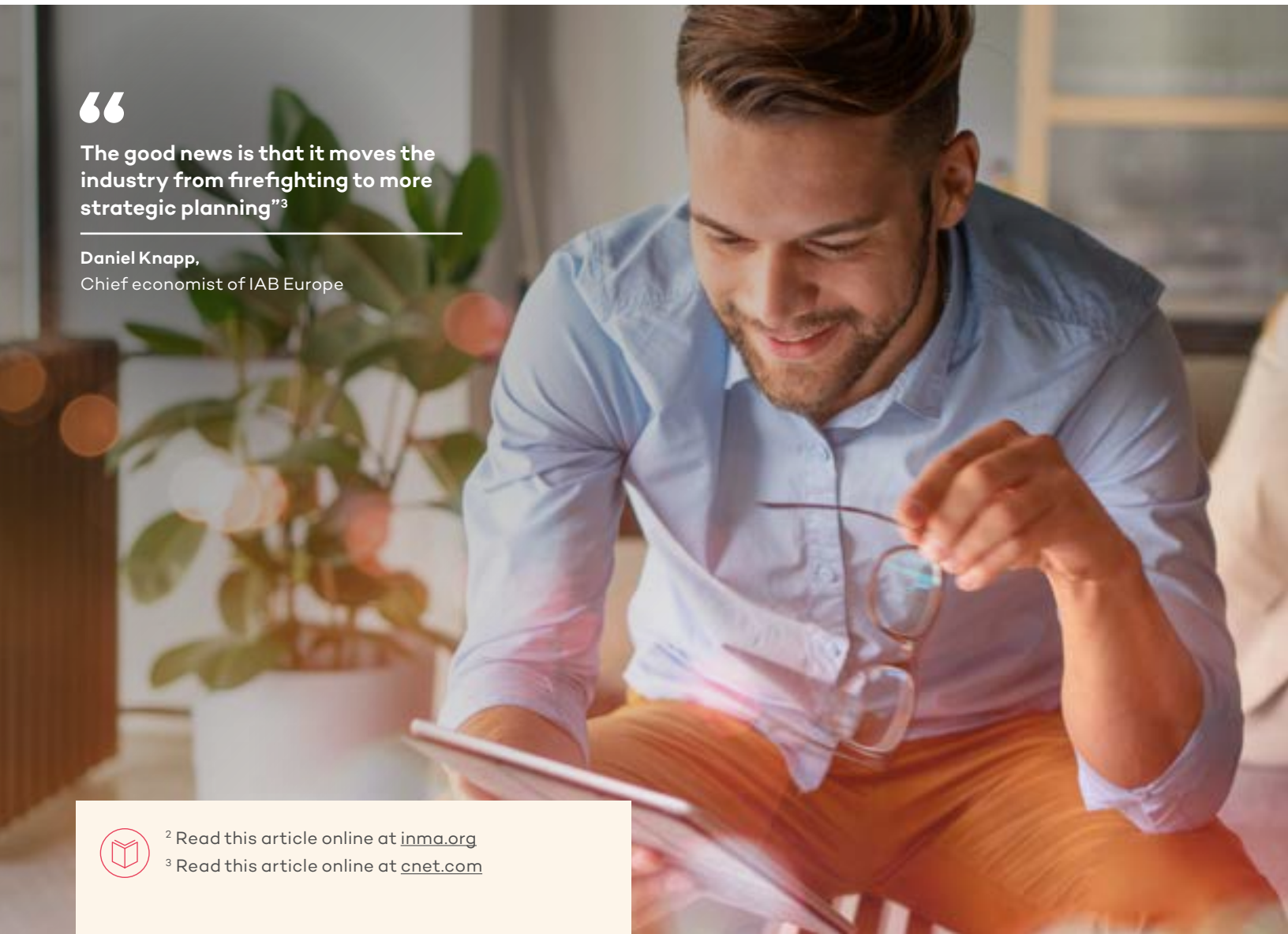
The good news is that it moves the industry from firefighting to more strategic planning”³

Daniel Knapp,
Chief economist of IAB Europe



² Read this article online at [inma.org](https://www.inma.org)

³ Read this article online at [cnet.com](https://www.cnet.com)



A strategic approach: Big change, bigger opportunity

The truth is that big change demands a big, bold response, and that's why the focus on harvesting data is a concern. The response to the first-party data revolution cannot simply be about propping up the old model; it must be about forging more diverse, self-sustaining revenue models in which first-party data sits at the intersection between subscription and advertising income streams that work in tandem to drive growth across the business.

So, while harvesting first-party data is vital, the ability to act on that data is arguably even more important in the long term – especially as publishers will be the only part of the ecosystem to 'own' identity. That ability to act can enable publishers to drive growth in subscribers and registered users, gathering more first-party data to, in turn, strengthen the proposition for advertisers.

Rebalancing the advertising/subscription paradigm

In short, the 'death of the cookie' is not just a disruptive threat to the industry. It's also a once in a generation opportunity to think big in resetting relationships between publishers, customers and advertisers – to move away from a model that treats readers as eyeballs or impressions to be monetized and focus instead on driving sustainable growth based on deeper relationships with customers.

The good news is that this hasn't escaped the attention of publishing businesses. In a recent industry survey, 100% of respondents pointed to 'growing non-advertising revenue' as a top strategic priority – suggesting an industry-wide focus on revenue diversification⁴.

But achieving that rebalancing requires a mindset shift, not just a refocus on subscriptions. Advertising and subscription businesses can no longer be seen as competing priorities. In a first-party data world they must work together in a harmonious model that puts customers at the heart of value creation, and in which subscriptions and advertising work in tandem.

In turn, that means looking afresh at the entire customer data and identity ecosystem – across subscriptions and advertising – to put the ability to harvest and act on first-party data front and center.

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A catalyst for change: First-party data demands tech transformation

In our increasingly digital-first age, it goes almost without saying that technology will play a pivotal role in enabling this new diversified approach – in fact, it has profound implications for the entire publishing technology environment.

The days of separate, siloed infrastructures for subscription management and advertising are gone – to be replaced by flexible, agile and integrated first-party data ecosystems that enable publishers to progressively harvest data from registered users and subscribers – then act on it in driving further registration and subscriber growth, while developing first-party data propositions for advertisers.

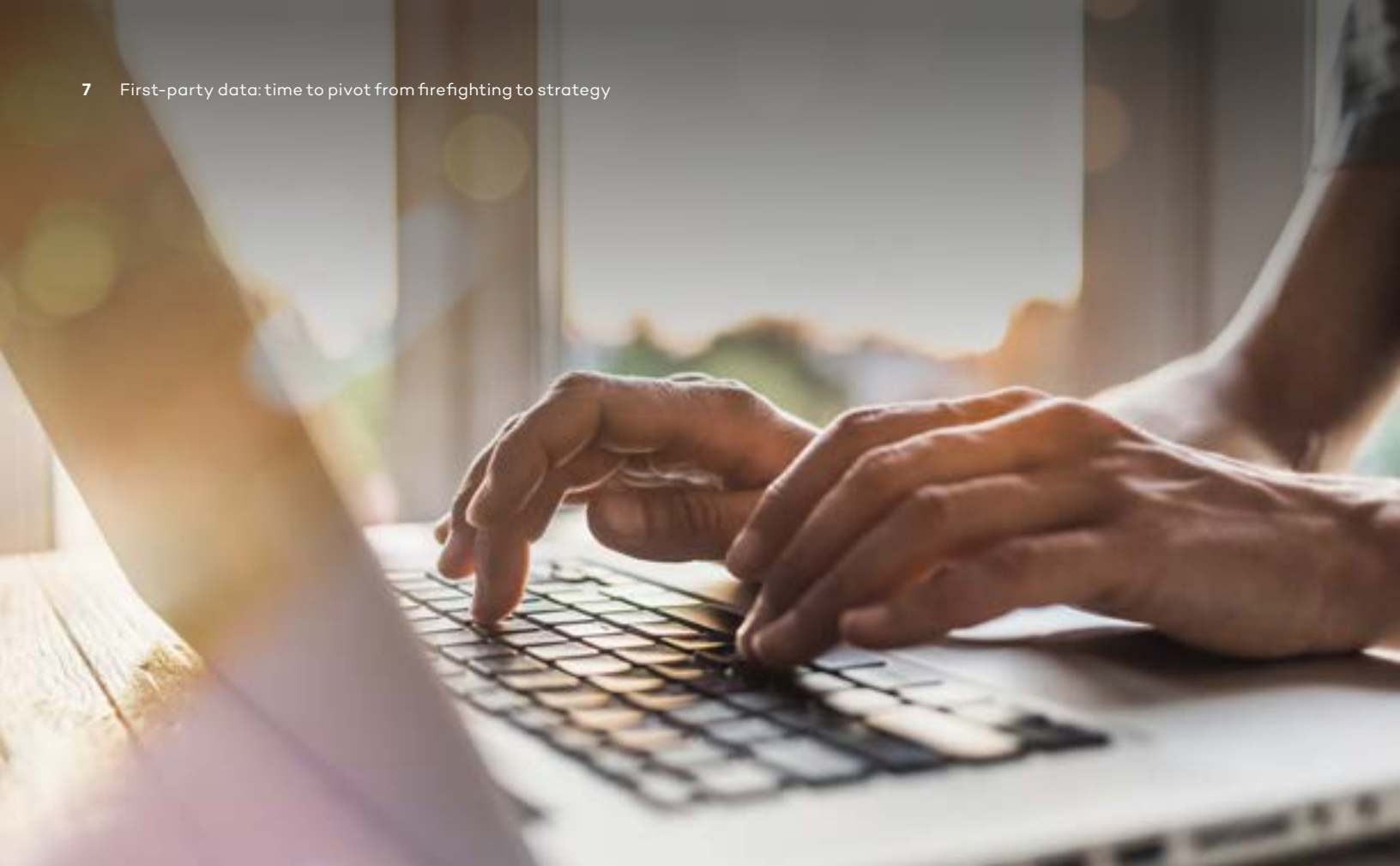
Agile, flexible subscription management solutions at the core

Given publishers' unique role as the owners of identity in the new first-party data universe, subscription management solutions will sit at the heart of that interconnected ecosystem.

These solutions will play a key role not just as a primary source of first-party data, but also in offering the tools to act on it, driving registration and subscription growth. What's more, they enable secure, compliant data storage, processing and transmission to customer data platforms (CDPs) that are now emerging as key enablers for subscription management platforms such as eSuite and personalization platforms such as Zephr, as well as first-party data centric advertising solutions.

But subscription management platforms are not created equally, so what are the key capabilities that publishers must have in order to adapt and capitalize on the first-party data revolution?





Seven must-have subscription management capabilities in a post-cookie world



1. Robust security & compliance

The ability to collect, store, process and transmit first-party data securely and in compliance with data protection regulations – potentially across multiple territories with diverse privacy regimes – is clearly a fundamental requirement. Any solution lacking in terms of security, compliance and the ability to adapt to diverse privacy regimes will not only heighten the risk of damaging data leaks, but also leave publishers forced to compromise on the collection and use of first-party data.

Given the scale of subscription transaction processing, PCI-DSS Level 1 status coupled with GDPR compliance is essential, because publishers can be confident that the subscription management solution and vendor will hold both customer payment and personal data to the highest standards of security and compliance. That's an essential foundation on which the ability to collect, store, process and transmit payment and personal details must be built.



2. Custom data collection

Subscription management platforms can be primary sources of high value first-party data – a powerful combination of registration, payment, behavioral and contextual data that may not be available from any other source.

- Customer and anonymous visitor opt-ins.
- A variety of sign-up flows, from registration, survey, paywalls and content metering.
- Progressive customer profiling, for instance value exchange-based, in-content questionnaires.
- Registered user and subscriber context and behavior – from location to sign-in frequency and usage habits.
- What's more, it will have the flexibility to seamlessly and rapidly test and pivot between different collection methods – for instance rapidly customizing or switching between different registration and paywall models as best practice begins to emerge.



3. Detailed customer profiling

Collecting first-party data is one thing, but the ability to act on it in building detailed customer profiles is where the real action is – enabling sustainable, direct-to-consumer recurring revenue growth through improved customer acquisition, upsell and retention, and providing the basis for advertising cohort creation.

Modern subscription management platforms have the capacity to enable that process, by storing and attaching a wide variety of data points to customer profiles, including:

- Registered user or subscriber data such as name, address, email address.
- Transactional data – for instance payment method, payment frequency and renewal data.
- Behavioral data such as recently consumed content entitlements, sign-in frequency and habits.
- Contextual data like sign-in devices, referrer, location etc.
- Custom data parameters for any other data points – for instance lifestyle and preference data ranging from favorite football team to political persuasion.

At a time when the quality and depth of customer data is crucial, informing strategy, campaigns, advertising propositions and more, leveraging this combination of data points to paint a detailed picture of every customer can be a powerful differentiator.





4. Support for multiple data extraction methods

Having that detailed customer data within a subscription management platform is powerful in its own right – fueling subscriber acquisition, upsell and retention strategies. But its true value is revealed when shared across a wider first-party data ecosystem of interconnected solutions– from CDPs and identity solutions to personalization engines and email service providers.

With that in mind, a subscription management platform built on an open data framework is a must – since it opens the door to multiple data extraction methods, including:

- **Data lake:** Giving publishers the ability to directly access, analyze or extract all subscriber data into a wider data lake, CMP or visualization tool.
- **API integration:** Calling on REST APIs to retrieve data directly from the subscription management platform, on demand.
- **Webhooks:** Data connectivity to deliver event- based notifications, for instance notifying third party systems that new data is available, or that a change has occurred.
- **Pre-canned reports:** Using a series of pre-defined, out-of-the-box reports to generate data feeds, management information and financial reports.



5. Flexibility to tailor registration and subscription flows, entitlements, offers and more

In this new future without cookies, first-party data derived from registered users and subscribers will fuel every aspect of publishing revenue generation, from direct reader revenues to advertising. So, it goes without saying that using data to grow subscriber numbers is a win: win – generating vital revenue to replace or supplement advertising income in a diversified revenue model, and generating more first-party data along the way in a self-fuelling cycle of value creation.

Tapping into that cycle, however, demands the ability to act on first-party data at pace – using insight to drive acquisition, expand subscription revenues and reduce churn.

Today, modern cloud-based subscription management platforms are transforming publishers' ability to innovate and experiment with every aspect of the subscriber proposition. They provide the flexibility and agility to develop and launch everything from new offers and incentives, to innovative registration and payment flows, content bundles and entitlements, and much more – in hours or days, rather than weeks or months.

Further Reading

Read our detailed guides for more information on how publishers can leverage data to drive:

- **Subscriber acquisition**
- **Extend direct reader revenues**
- **Reduce churn**





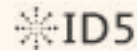
6. Seamless integration with first-party data ecosystem

Alongside acting on first-party data to directly innovate the registration and subscription proposition, publishers with flexible, agile subscription management platforms can also seamlessly integrate with a wide variety of 3rd party systems. They can share first-party data generated within the subscription management platform across the ecosystem, to elevate the overall subscriber experience – surfacing more tailored products, offers, pricing, and more.

For instance:



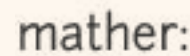
Integrating with customer data platforms (CDP) like Tealium to ingest and unify first-party data to deliver a single customer view across all channels – before making this data available across the technology ecosystem as the basis for enhanced marketing and to grow advertising, and subscription revenues.



Linking with identity solution providers like ID5 to maximize the value of first-party data and identity ownership by identifying 100% of users without the need for cookies.



Working with data marketing platforms like Mediarithmics, who offer both CDP and DMP capabilities, to interrogate and action data - collecting, segmenting and acting on data in one place to better target users in real time.



Sharing data with consulting firms like Mather Economics to inform econometric pricing analysis, content management systems to drive content strategies, email platforms to personalize communications, engagement platforms to tailor subscriber experiences, and advertising optimization engines to enable essential features like frequency capping.



7. Future-proofed adaptability

Finally, while the first-party data revolution is really in its infancy, a wide range of approaches to first-party data augmentation and identity resolution are already emerging – from fingerprinting and identity solutions, to collaborative clean rooms, edge solutions and Google's mooted replacement for third party cookies, which remains under development through the Privacy Sandbox project.

As a result, it seems inevitable that, following the dash to adapt to the end of third-party cookies, new best practices, regulations, solutions,

strategies and approaches will emerge – so there's a pressing need to build an element of future proofing into hastily assembled first-party data ecosystems, particularly where they intersect with subscription management platforms.

That means adopting subscriber management platforms that enable rapid, flexible integration with third party systems – to remove technology barriers to strategic change, and avoid the risk of being locked into 'betamax' solutions.

In conclusion: Panic over, but it's still time to act

There is a real risk that Google's decision to delay ending support for third party cookies will encourage some publishers to 'kick the can down the road', taking a 'wait and see approach' until Google's own first-party data solutions emerge.

After all, in April 2020, 85% of publishers still remained reliant on third party cookies to enable ad sales⁵.

While the 'death of cookie' does represent a disruptive threat, it's also an opportunity to reinvigorate an industry that has suffered declining readerships and revenues for some time.

The opportunity to build sustainable, self-fueling revenue models by truly engaging with the customer-first world that will emerge as first-party data comes to the fore is simply too significant to ignore – the publishers that take strategic, holistic approaches will derive lasting advantage over those clinging to old models.

So, while the need to adapt to the 'death of the cookie' might feel less pressing, the real world should start now. That means focusing, with urgency, on building out the systems, processes and strategies that will underpin a harmonious model that puts customers at the heart of value creation, and in which subscriptions and advertising work in tandem.

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