



trbo

WHITEPAPER _____

Zero-party data as basis for personalization

How to gain zero-party data
in your webshop

”

“Developing a first-party data strategy is essential given the limited tracking options available from third-party vendors. Collecting zero-party data on the website becomes even more important if you want to offer your customers the best possible user experience through personalization. However, it is also essential to evaluate which users need greater attention so that they too have a positive experience and ultimately become loyal to the brand.”

Felix Schirl, CEO, trbo GmbH



ABOUT TRBO _____

trbo is the leading technology provider for dynamic onsite personalization, optimization, and testing. trbo’s AI-driven onsite personalization platform allows users to customize website content, A/B and multivariant test, and serve recommendations down to the individual level using machine learning. trbo’s self-learning algorithm analyzes user behavior based on 50+ visitor characteristics, creating highly personalized, unforgettable website experiences for their customers. Incredibly agile and easy to use, trbo’s toolset allows users to make changes in real time and serve their customers’ needs right away.

Major global brands across all industries such as L'ORÉAL, WeightWatchers, Eddie Bauer, Ecco, Zwilling, Porsche Design and many more rely on trbo’s comprehensive services.

trbo was founded in 2013 by CEO Felix Schirl with global headquarters in Munich, Germany, and US headquarters in Miami, Florida.

Since 2023, Chatchamp is part of the trbo organization and complements the broad offer with Guided Selling and Chatbot solutions.

INTRODUCTION _____

There are four major challenges brands face today when it comes to collecting data:

1. **Customers' need to protect their data**
2. **Browser and operating system restrictions**
3. **Data privacy regulations such as the GDPR and the California Consumer Privacy Act**
4. **The emergence of new walled gardens¹**

While Google has once again pushed back the timeline for banning third-party cookies from its Google Chrome browser, marketers and website operators should not consider this a reason to sit back and relax. On the contrary: the development and introduction of a zero-party strategy has now become one of the most important tasks.

The focus should now be on building purposeful connections with customers and delivering hyper-personalized user experiences that drive growth. 77% of CEOs are aware that their companies need to develop new ways to interact with customers and build relationships.²

As zero-party data is imperative for this level of personalized customer experience, a strategy needs to be developed on how to collect and use zero-party data correctly. However, many companies are unsure how to obtain this data in the first place. To convince customers to share their data, companies need to offer them value in return.³

In this whitepaper, we show you 12 ways to obtain zero-party data in your webshop in compliance with data protection regulations.

¹ Forrester: The Data Deprecation Challenge and the Promise of Zero-Party-Data

² <https://www.accenture.com/dk-en/insights/technology/adobe-personalization-privacy>

³ Forrester: The Data Deprecation Challenge and the Promise of Zero-Party-Data

ZERO-, FIRST-, SECOND-, AND THIRD- PARTY DATA

For a consistent understanding of the different forms of data, the four types of data are defined as follows.

Data type	How is data collected?	What is the data needed for?	Examples
Zero-party data	Data that customers intentionally and proactively share with the company	Zero-party data forms the basis for a personalized CX strategy	Personal data, purchase intent, communication preferences
First-party data	Data generated from customer interaction with the online shop	First-party data can be used to optimize the user experience	Interactions with website, user behavior on website, app or email, purchase history
Second-party data	First-party data acquired from trusted partner	Additional information to fill gaps in own data	See first-party data
Third-party data	Data from third-party vendors that do not have a direct relationship with own customers	Data used to improve marketing campaigns	Demographic data such as age, gender, occupation, marital status, income

Table 1: Different types of data¹

The distinction between Zero- and First-party data was defined by Forrester. However, there are several sources that use these data types synonymously.

¹ based on: https://www.onetoone.de/daten-im-marketing/db/oto_daten_im_marketing.540374bma.985658bma.html

The most common way to obtain users' personal data is undoubtedly the user registration process. Of course, the consent of the user must be obtained so that the data provided can be used for a personalized approach and other marketing purposes. However, there are numerous ways to make this data collection more convenient for the user.

For example, there is the option of actively prompting the user to register, e.g. via a small information box next to the customer account icon. The registration phase can also be designed interactively with questions about preferences, allowing the user to benefit directly from the data submitted with suitable product recommendations after registration.

The user should always be greeted personally after registration, whether by displaying their name in

their customer account or on the welcome page after registration. Thus, the user feels personally addressed and develops a personal involvement.

To generate more registrations, online shops can test offering the registration option as the primary option in the check-out process and only offering the guest order as a second option. However, close attention should be paid to the conversion rates and the legal requirements for data minimization should be followed. A/B tests are best suited to check how this kind of change affects the performance of the shop on a sample basis. Should the sales figures decline when the guest order is presented less prominently, it can be further tested which registration masks are particularly appealing to the user and accordingly trigger a high number of registrations.

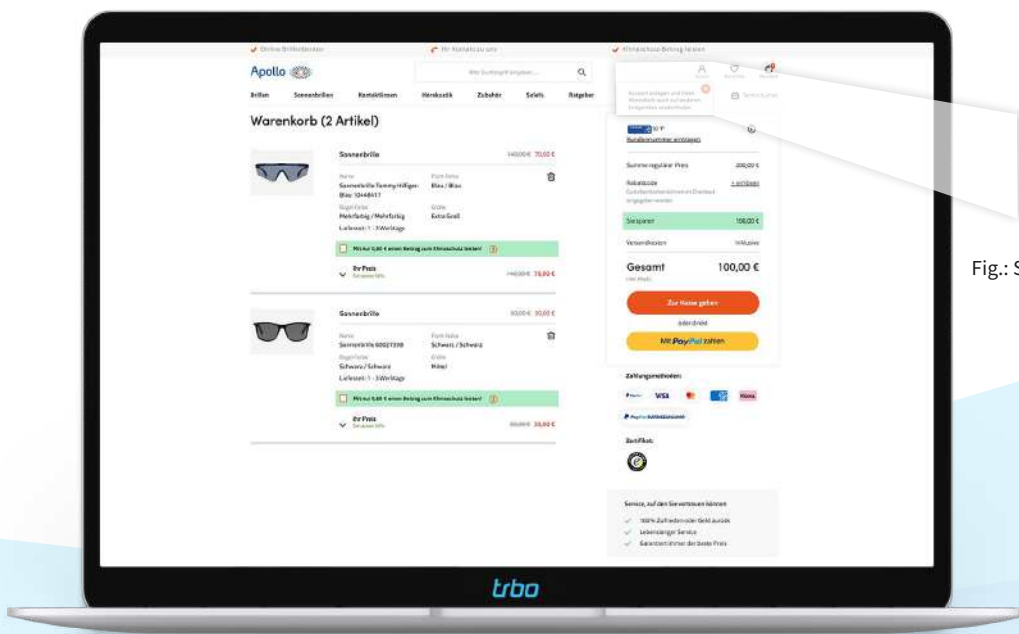


Fig.: Small window next to the customer account icon which prompts for registration: "Create an account to access your shopping cart on other devices" (Apollo)

02

EMAIL OPT-INS

Another frequently used way of generating zero-party data is through newsletter registration. In return for their data, users receive valuable information. Newsletter registration can be combined with an interest query, if necessary, so that users only receive the information they are interested in. To ensure that this information is not only used for communication, but also for improving the user experience in the shop, it is essential that data is exchanged between the shop system and the CRM – presuming that the user has consented to this transfer and use of their data.

The most effective way to motivate users to sign up for a newsletter is to offer a discount or a free product addition to their next order.

Further methods of obtaining registrations for communication measures are, for example, pre-registrations for certain promotions, such as exclusive access to certain articles or discounted prices before non-registered users. These are widely used, especially in the context of key e-commerce events such as Black Friday.



Fig.: Newsletter registration with a 10% discount code, tailored to the interests of the users (women/men) ([DRYKORN](#))

03

PREFERENCE CENTER

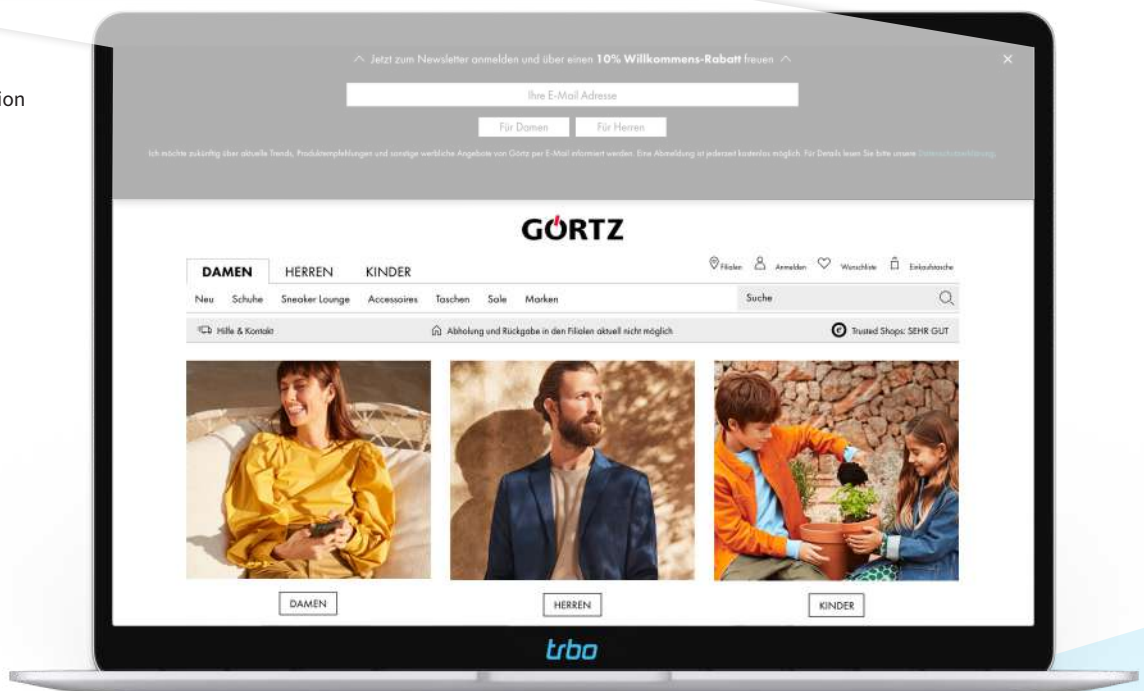
Nobody enjoys being flooded with irrelevant emails and newsletters. In the worst case, this results in a complete opt-out from all communication measures, leaving online shops with no opportunity to contact users directly. Especially if retailers use a variety of communication measures, preference centers where recipients can define their personal communication preferences are advisable. Thus, they can define their individual brand

experience and receive only relevant and useful information. Possible selections can include preferred topics/product segments, frequency, and preferred channel of communication.

Most importantly, the information collected does not end up in data silos, but is shared with other relevant entities, which in turn can use it to provide users with an optimal shopping experience.



Fig.: Newsletter registration with welcome discount ([Görtz](#))



💡 WHAT ARE THE BENEFITS?

- Shop operators gain insights into the communication preferences of their target groups
- Total opt-out rates decrease as users can select the communications that are relevant to them

04

HELPING WITH SIZE SELECTION

Anyone who has ever made a purchase online knows: Not all sizes are the same. At the POS in the shop, retailers are able to suggest suitable products in the correct size by asking for size information and taking the shopper's own assessment into account. Online, user data such as height, weight, age, body shape, preferred fit, etc. can be requested via small questionnaires. This data can in turn be used to make recommendations with the right size. Here, too, it should be tested how willing users are to disclose this data.

Should users be reluctant to provide this information, they can also be asked, for example,

which sizes of certain brands usually fit well – thus again, personal data and preferences can be collected without making users feel that they have to reveal too much about themselves. It is important to point out the benefits to the user, for example, by motivating them to avoid unnecessary returns. In this way, users can be persuaded to disclose their data for two good reasons – they find a suitable product and contribute to the environment.



 chatchamp

Fig.: Size consultation for ski brand Alpinski
([Chatchamp Demo Shop](#))

As mentioned at the very beginning, zero-party data is based on an exchange of values. Users are more likely to disclose their data if they feel understood. Conversational pop-ups are suitable for establishing such a dialog. The difference to conventional pop-ups is that they do not just offer a generic discount code, but build up a kind of conversation between the shop and the user. This enables zero-party data to be collected in return for the desired coupon code.

The first step is thereby asking a relationship-building question, for example, what kind of

products are currently being searched for. As an incentive, the prospect can be told that there will be a discount code for the corresponding products. At this point, the users can select the option that suits them best. The next step involves collecting user data based on their interest, i.e., asking which email address the coupon code may be sent to. Finally, in the third step, personalized product recommendations are made according to the information provided in step one. These products can then be purchased directly by redeeming the voucher code.

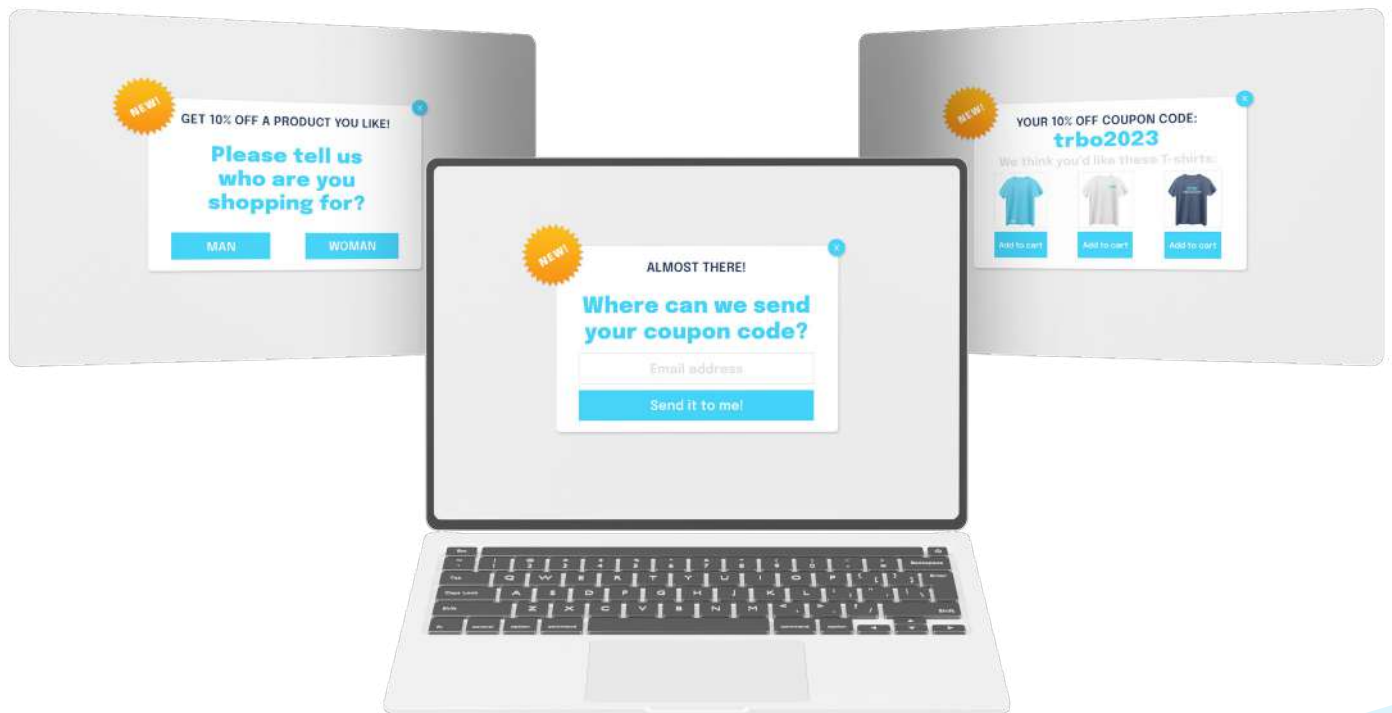


Fig.: Personalized discount code after query of interests
([trbo Demo Shop](#))

💡 WHAT ARE THE BENEFITS?

- Higher interaction rates than classic pop-ups
- Win-win situation: Users not only receive recommendations for suitable products, but also a matching coupon code, and the online shop receives data about the user

Should shops wish to gather more information than can be generated, for example, via the conversational pop-ups mentioned above, surveys become an attractive option. These can be integrated directly in the form of a pop-up, for example. Another option is to advertise participation in the survey via emails, provided the shop already has the users' contact data. This survey can be used to ask about customer needs and preferences. In addition, the shop can encourage responses by offering a voucher code at the end of the survey. When linking the

data to the customer account, it is extremely important that the users are informed accordingly and are not led to believe that the data is merely processed anonymously.

Of course, surveys can also be conducted at the local store – however, care must be taken to ensure that the results can be linked to the customer account and that the respondents give their consent to this, e.g. by requesting their email address.

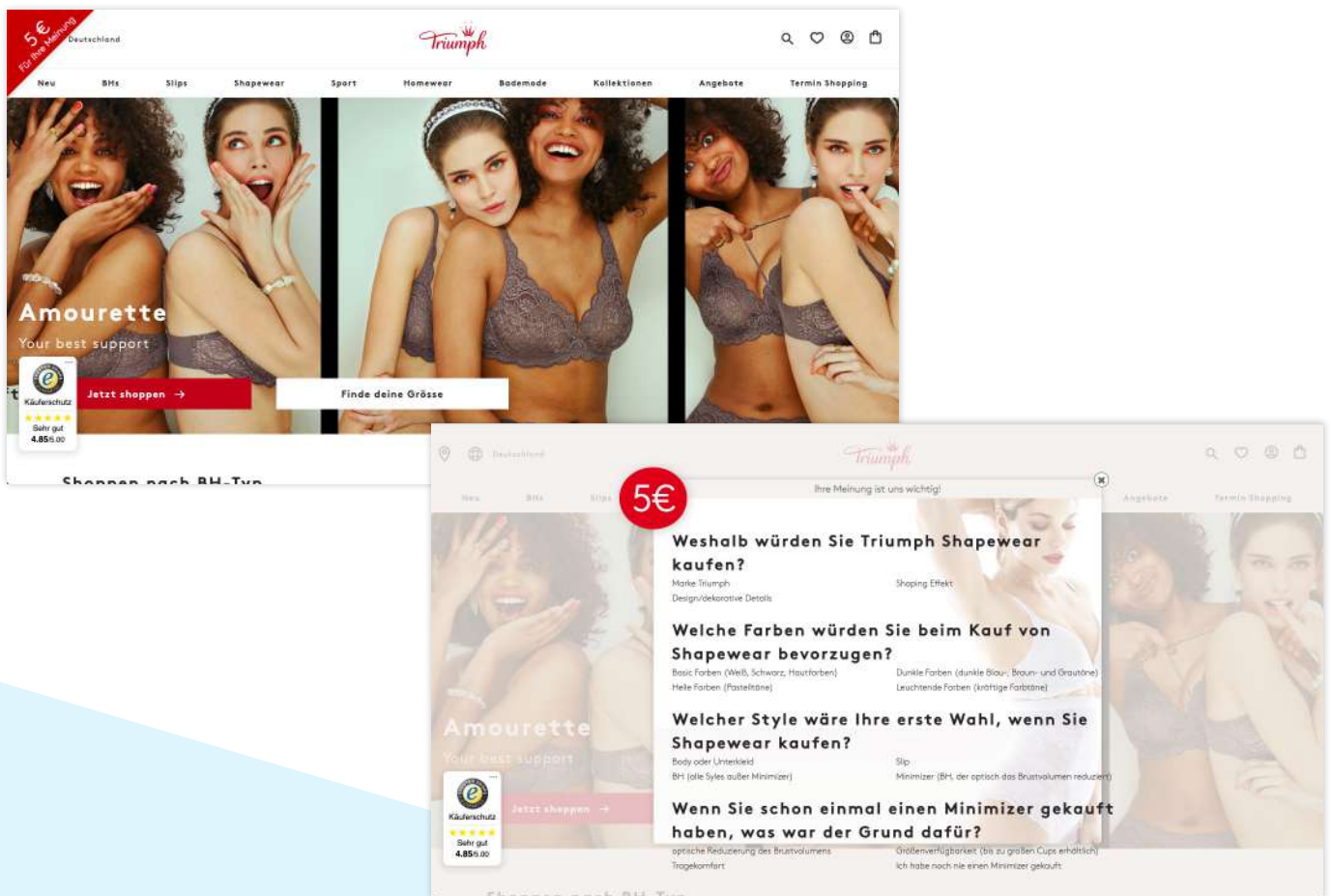


Fig.: Collecting customer wishes and preferences through a survey (Triumph)

In physical stores, sales assistants have the opportunity to give targeted product recommendations by asking the customer questions. With guided shopping, this advisory service can also be implemented in the online shop. The benefit is that in the course of this process, users provide all the information needed to make personalized recommendations. To find suitable products, the user is guided through the consultation process by means of targeted questions. With each answer, the range of suggested results can be narrowed down further.

Guided shopping can either be fully integrated into the shop or offered as part of an interactive chatbot at any time during the purchasing process. Shops can also achieve targeted cross-sell and upsell opportunities by displaying matching products. At the end of the consultation process, other marketing actions such as newsletter registration or a social sharing function can also be connected.

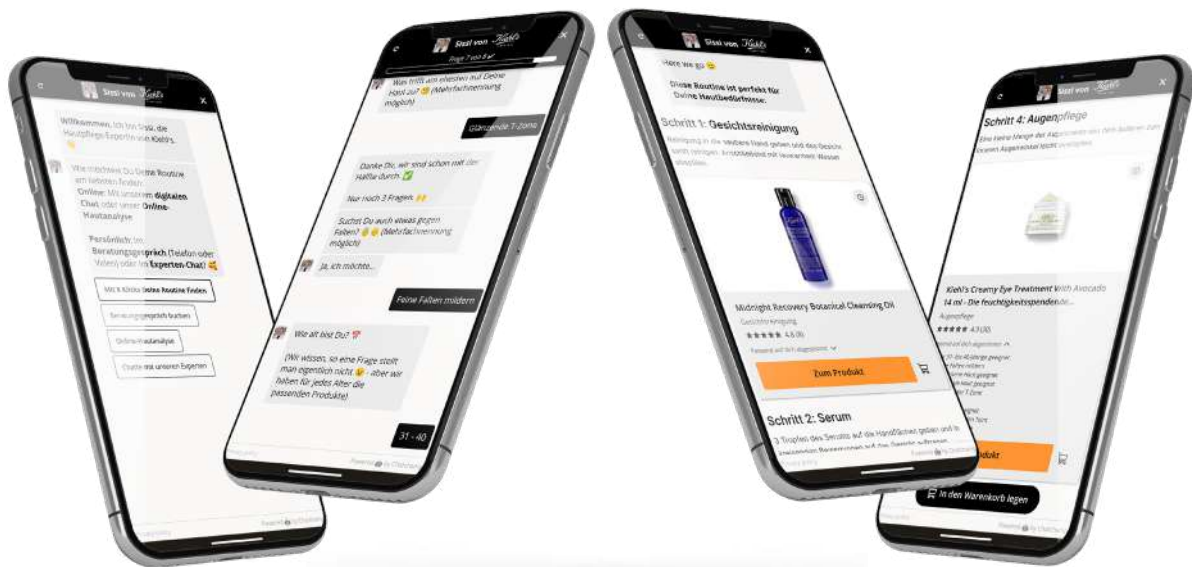


Fig.: Chatbot guides the user through a series of questions to find their own perfect skin routine (Kiehl's)



WHAT ARE THE BENEFITS?

- Integration across the entire product range, e.g. as part of gift advisors
- Advice on products that require explanation or niche products
- Improvement of shop KPIs such as conversion rate and average order value
- Can be linked to other marketing measures

08

SOCIAL MEDIA POLLS

Polls in social media are a simple and fast way to find out about the preferences of your target group. For example, they can be used to query preferred content, products, or wishes for future product developments.

However, it must be kept in mind that primarily people who already have a high level of commitment to the brand or the shop will respond to this. First-time or occasional buyers can hardly be reached with this kind of survey. Also, this type of poll cannot

guarantee representativeness, since the target group cannot be specifically selected.

Nevertheless, social media polls are certainly suitable for an initial mood and impulses, but also to make the “heavy users” feel involved. Ideally, the data from the social media channels are transferred to the shop's CRM and linked to the user profile – however, this is not always possible on an ad hoc basis and interfaces are required for data transfer.

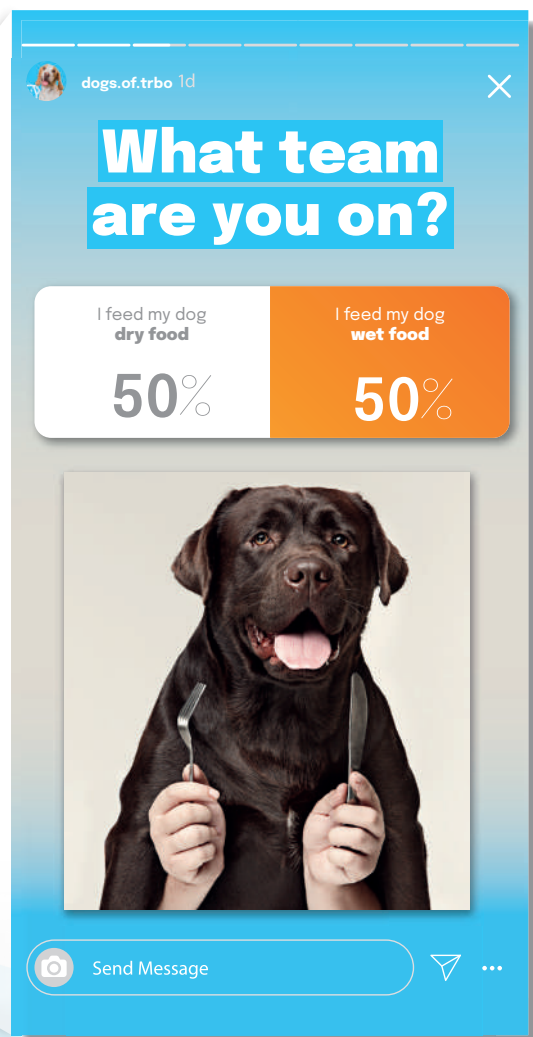


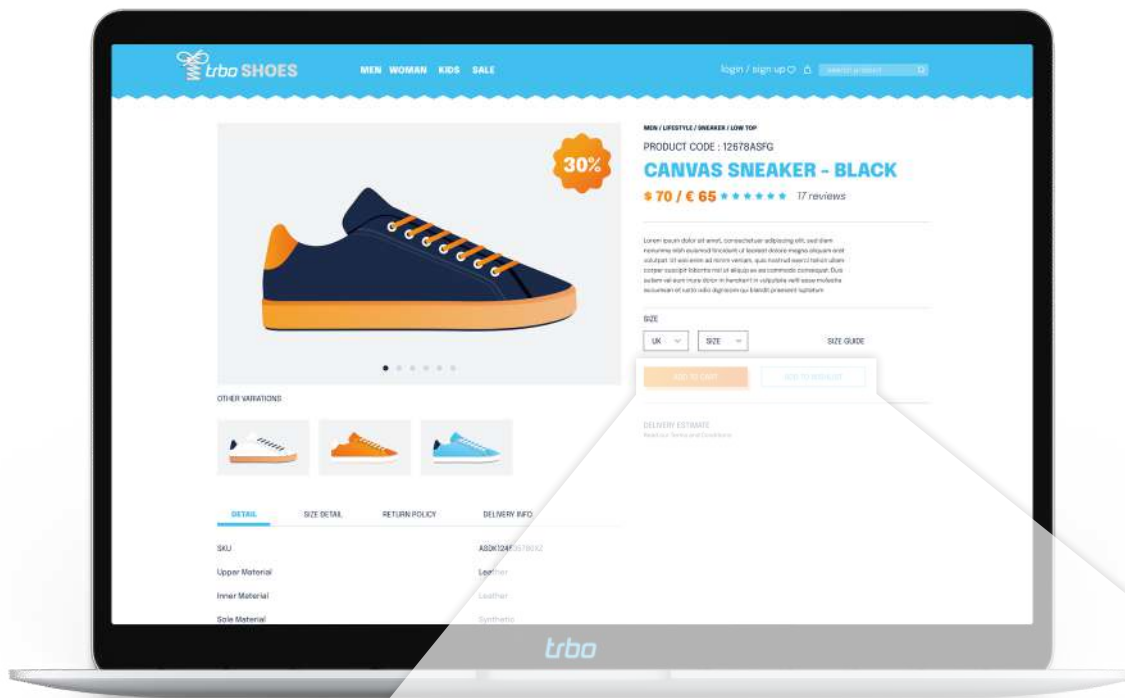
Fig.:
Social media survey:
dry dog food vs. wet dog food
([trbo Demo Shop](#))

FAVORITES AND WISH LISTS

Online shops have one big advantage over brick-and-mortar retailers: shoppers can compile their personal favorites and add items they have their eye on but are perhaps not quite ready to buy to their wish lists. Combine these favorites and wish lists with the users' personal accounts, and preferences can be derived for further product recommendations or even personalization of the products displayed on the home page. This information can, of course, also be used for further

marketing measures such as targeted emails and offers for these products and product categories.

If an article is out of stock, users can also be offered to be placed on the waiting list. Should the item not become available again, similar products can be recommended to motivate the user to make a purchase.



ADD TO CART

ADD TO WISHLIST

Fig.: Displays the options "Add to cart" and "Add to wishlist" on the product detail page ([trbo Demo Shop](#))

10

LOYALTY PROGRAMS

Another proven measure for generating zero-party data involves loyalty programs. These follow the simple principle of "data for benefits". Customers collect points with every purchase, which can then be redeemed for discounts or bonus products above a certain total value. Alternatively, certain products can be offered at a discount for participants in the loyalty program or can be purchased exclusively. By linking purchases to the customer account, a unique

profile of the user is created. Through targeted communication measures, such as birthday promotions, the customer loyalty is strengthened and the customer lifetime value is increased.

Another advantage is that loyalty cards can also be used to link purchases from brick-and-mortar stores with the online customer account, thus providing a more comprehensive view of the customer.

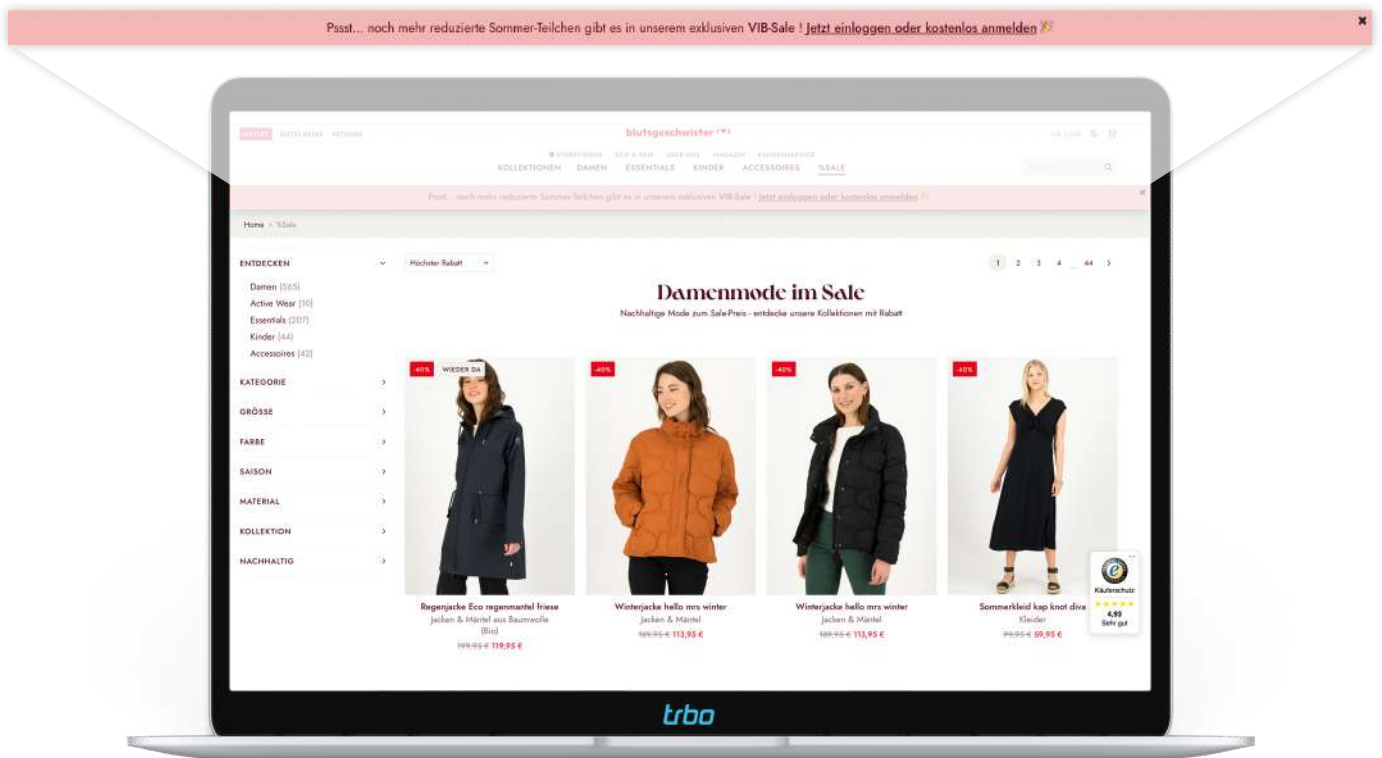


Fig.: A banner overlay displays an exclusive sale for VIB club members ([Blutgeschwister](#))



WHAT ARE THE BENEFITS?

- Increase in retention rate and customer lifetime value
- Connection of online and offline purchases
- Low-threshold action to generate zero-party data

11

FREE PRODUCT SAMPLES

Free product samples can be used at several touchpoints in the customer journey. Ideally, the user has a selection of different products to choose from.

On the one hand, they can be offered to first-time users to familiarize themselves with the product range and convince themselves of the quality of the products. The advantage for retailers is that they directly receive initial information about the user, such as contact details and preferences, and at best gain a new customer.

On the other hand, free product samples can also be offered as an add-on to the products in the

shopping cart when the purchase is completed. Based on the user's selection, the shops can also generate insights about personal preferences as well as take advantage of cross-selling opportunities.

A third option is to offer the free product samples in return for opt-ins. This allows communication measures around the selected sample to be triggered directly after the selection and motivates the user to actually buy the product.



A detailed view of the shopping cart interface. The cart title is 'Shopping cart'. It lists two items: 'Notebook \$1000.00' and 'Wireless Headphones \$175.00'. Below the items is a 'Check out' button. A horizontal line separates the cart items from the offer. The offer text reads: 'Register now and receive an exclusive welcome gift!'. There are two options for the gift: 'Anti-virus Software 3-month subscription free' and 'Computer Magazine 6-month subscription free'. The word 'or' is placed between the two options. At the bottom of the offer is a 'Register now' button.

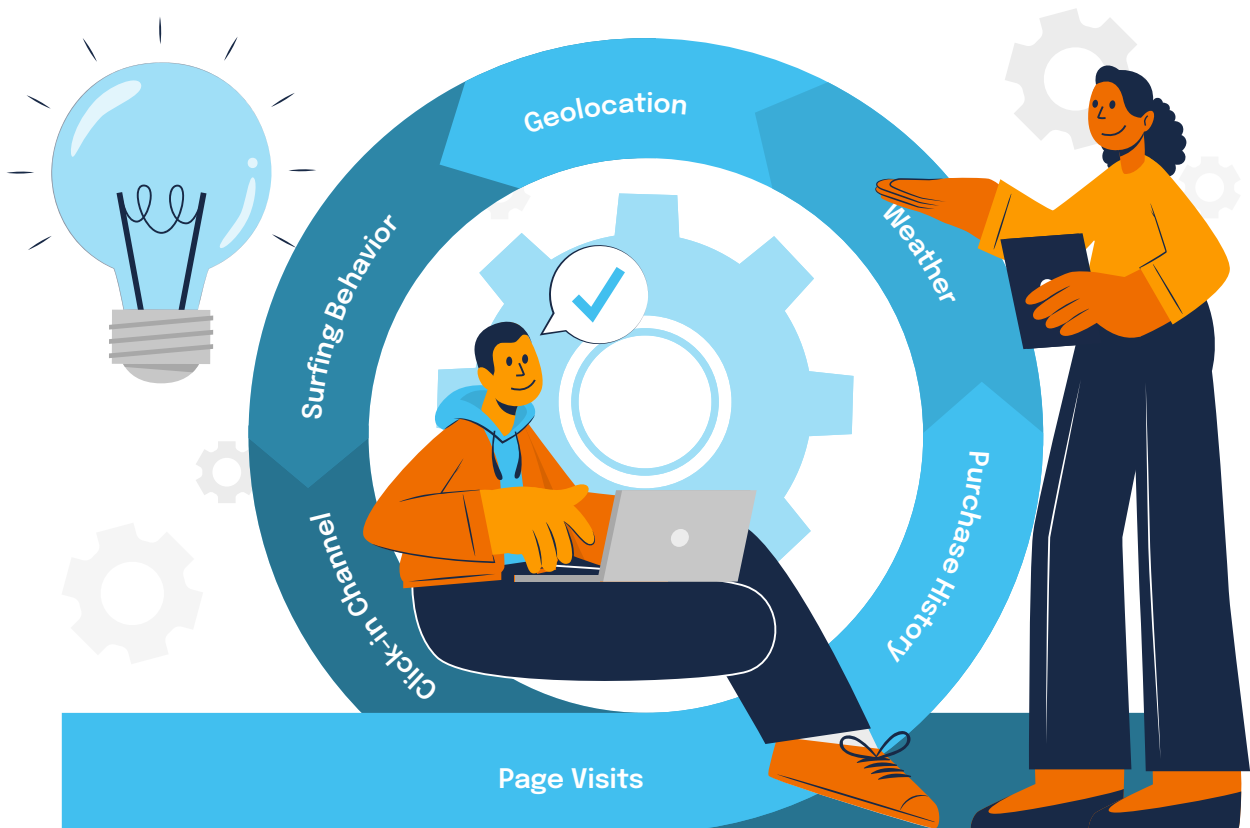
Fig.: A welcome gift offer in exchange for registering, displayed in the shopping cart ([trbo Demo Shop](#))

To be precise, the last tip falls into the category of first-party data. However, since the terms are sometimes used synonymously, as mentioned at the beginning, this topic should also be mentioned here.

The behavior of the user on the page provides a large number of starting points for generating insights. For example, it can be tracked how

users move around the site and what they are looking at. Or it can be checked whether certain click-in channels work better than others.

Ultimately, well-constructed tracking is essential for continuously evaluating the success of the measures described above and optimizing them if necessary.



WHAT ARE THE BENEFITS?

- Insights into the performance of different page types and identification of exit pages and thus optimization potential, e.g. in the case of aborted user journeys
- Identification of popular categories and brands
- Insight into frequently searched terms, thus allowing optimization of the site

CONCLUSION

Gathering and using zero-party data has many advantages for online retailers:

- Since the data comes directly from the users themselves and is not taken from third-party providers, the data is unique and can therefore represent a competitive advantage.
- Data quality is higher compared to third-party data because the information is provided by the users themselves and is not based on assumptions and attributions.
- The data is based on a relationship between the customer and the company, strengthening the bond – but conversely, customers expect absolute transparency in the processing of the data.
- **However:** The relationship has to offer advantages for both sides: If customers disclose their data, they expect to benefit from it in return.

There are a multitude of ways and means to collect the coveted zero-party data. However, the trend shows that customers are increasingly reluctant to provide their data in return for discounts etc. Therefore, it must be carefully considered which data really needs to be collected and what can be waived if there is any case of doubt.¹ But legal requirements and technical developments also make it essential to start thinking about a zero-party data strategy that suits the company as of today. Although many companies are aware of the urgency, e.g. 90% of companies say they will collect zero-party data in the next year, the benefits of this data are still underestimated in many companies and a strategy on how to make the most of this data is lacking.² Learn more about what a strategy for connecting and using data might look like in our whitepaper [‘Data strategy & personalization – a treasure trove of data for more customer centricity’](#).

¹ https://www.onetoone.de/daten-im-marketing/db/oto_daten_im_marketing.540374bma.983514bma.html

² Forrester: The Data Deprecation Challenge and the Promise of Zero-Party-Data

USING TRBO GIVES YOU THE FOLLOWING ADVANTAGES

- trbo offers a wide range of solutions for generation zero-party data on or for your online shop. With A/B or multivariant testing, several versions can be tested against each other to allow you to always identify the best option and implement it long-term.
- With trbo, you can use all actions for onsite personalization, optimization, and testing and always have 100% control over the success of your campaigns on our onsite personalization platform.
- The simple integration of trbo technology reduces your time – should further questions arise, your personal client success manager is available to help you implement your campaigns in the best possible way.
- trbo’s open, shop-agnostic platform architecture enables easy implementation as well as the connection of tracking systems, email providers and many more.



trbo

Would you like to use trbo for
A/B & multivariant testing or learn more about
measures that increase conversion rates and sales?

Feel free to get in touch!

We'd be happy to show you how your webshop can benefit
from trbo's onsite personalization platform.

Schedule your free, no-strings-attached demo now.

trbo Inc.

429 Lenox Ave

Miami Beach, FL 33139

Tel: 1-844-200-7222 (toll free)

Email: contact@trbo.com

Web: www.trbo.com