The 4 types of customer data

and what they can do for you

Want to know more about your customers?

Yes ✓

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Brands have been over-reliant on data tracking technologies for years, using them as an easy way to justify and/or pivot their marketing strategies to fit (assumed) customer behaviors.

But with privacy policies growing more strict and major browsers like Chrome phasing out third-party cookies, brands are scrambling to rethink their strategies. Luckily, this shift is nothing to sweat— it's actually a good thing. By relying more on other types of data, like zero-party and first-party, you can drive engagement and get clearer, more actionable information from your customers.

We'll break down the landscape for you—starting with an explanation of each type of customer data—so you'll be better prepared for the cookieless future.

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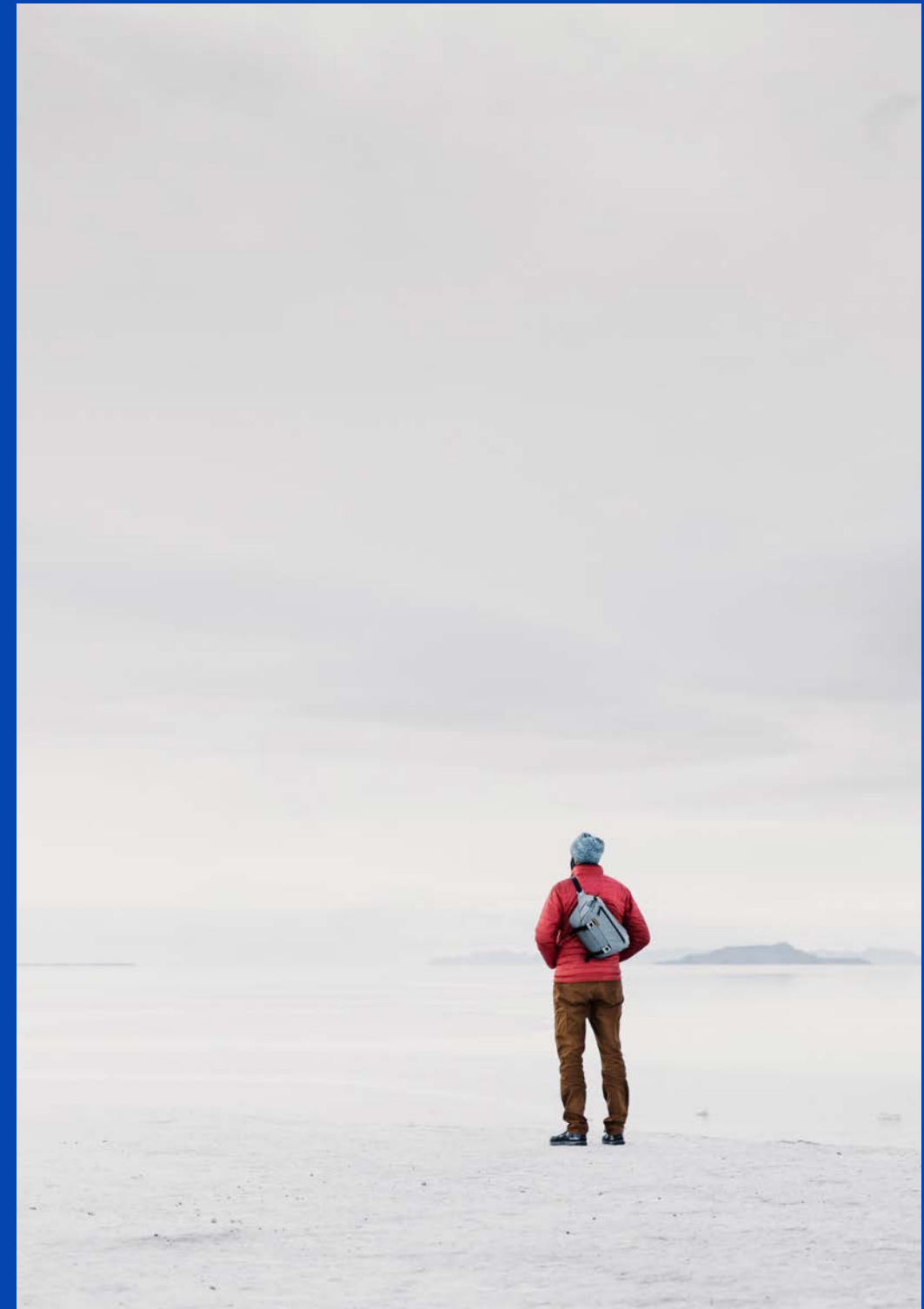
1
Zero-party data: straight from the source

Think of "zero-party data (also known as "declared data" or "explicit data") as the purest, highest grade data you can mine—the kind that details crucial personal insights into your customers.

With zero-party data, you get insight from your customers directly, without needing to make assumptions about who they are, what they like, or how they behave.

You can gather helpful zero-party data from your customer through things like quizzes, customer surveys, polls, or feedback reports. These avenues allow your customers to express themselves willingly and intentionally – and grow engagement through the process as well.

As Forbes noted in a recent article, a margin of error still exists in self-reporting methods. But, generally speaking, the information customers give freely is worth much more—and says a lot more about them—than other, less direct data.

Keep in mind, zero-party data is more unique and specific—and therefore more difficult to scale. A Customer Relationship Management (CRM) partner will help streamline this process, so you can manage zero-party data as it accumulates.

If the thought of data management is making you wary, we've got you covered. The Typeform and HubSpot integration syncs leads' responses, so your data (i.e. Typeform responses) is automatically populated and organized in the HubSpot CRM.

System Font

Where is your dream destination?

Your answer...
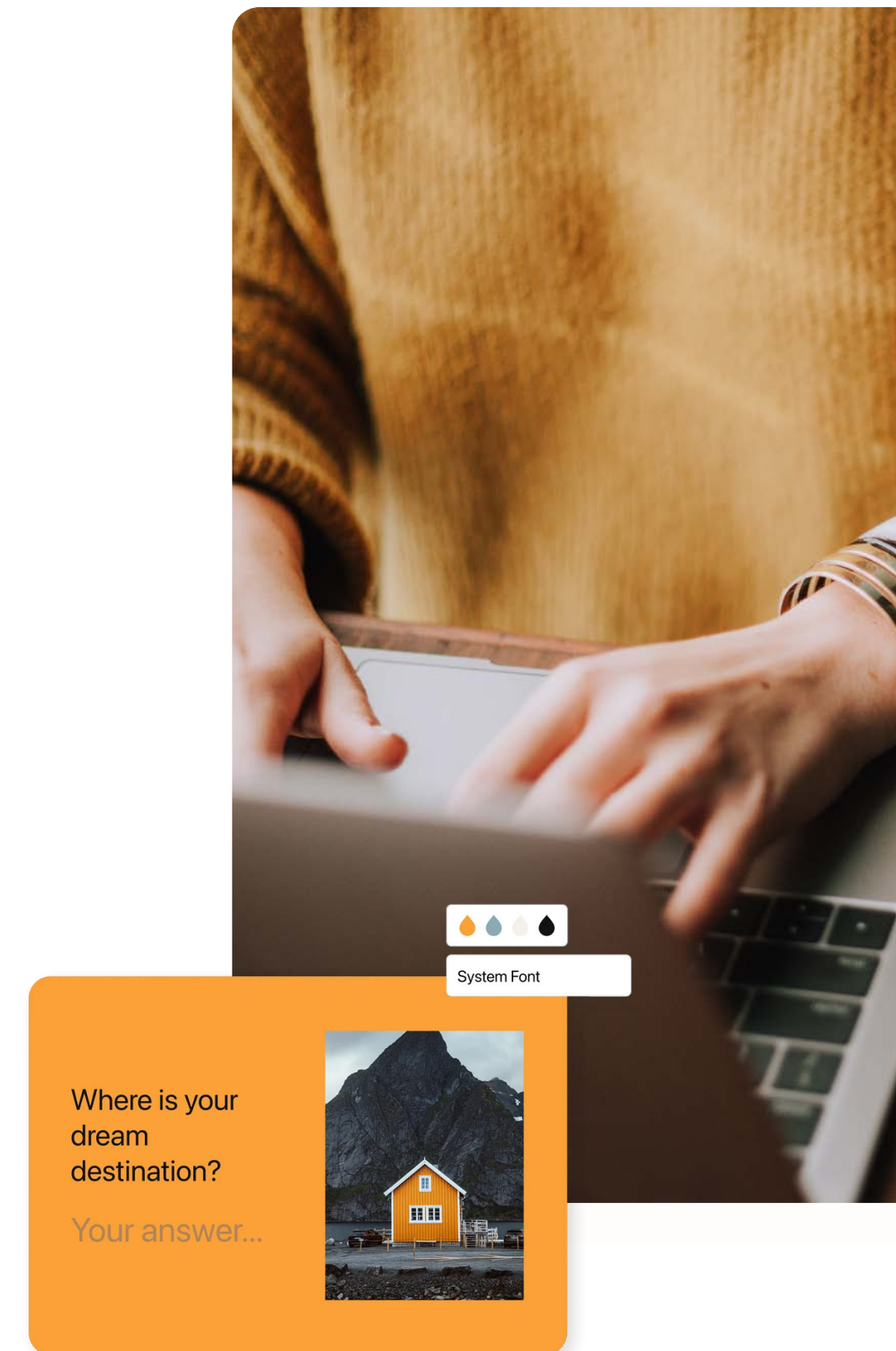
Zero-party data is a customer telling you what they think, want, and believe—with the added benefit of engaging them directly in the process.

What better way to deepen customer relationships?

Read more

Want the full step-by-step approach to attracting, engaging, and retaining customers to your brand? Check out Typeform's blog post on customer success.

Read →

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Use our free customer feedback form template to start getting real answers for real solutions.

Explore template →

Plus, with our HubSpot integration, data organization and activation is a breeze.

Integrate with HubSpot →

2

First-party data: reading behaviors and demographics

First-party data is a close sibling to zero-party data, but includes other, passive data sets. There are clear benefits to this kind of information—for one, your company fully owns and controls it because it's pulled directly from your website and customer channels.

First-party data is pulled from behavioral actions of your customers such as:

Web activity (i.e. Google Analytics)
Demographic data
Email
Sales interactions
Purchase history

When it comes to storing that data, it's important to have a centralized data management platform to ensure all this useful information is standardized and stored in a uniform, consistent manner. This means scaling first-party data can be tricky and expensive—though the payouts are clear, especially with third-party cookies quickly disappearing.

| ∧ | 2.9x increased revenue |
| ∨ | 1.5x decreased costs |

Not only does it provide you with more specific insights, it also helps **build revenue for your brand.**

According to Forbes, a recent Google and Boston Consulting Group study found that those using first-party data for major marketing initiatives saw an increase in revenue of up to 2.9 times (compared to companies that didn't) and saved up to 1.5 times in costs.

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Prioritizing first–party data is an important first step in staying relevant and competitive as privacy laws become increasingly more strict.

Use this as an opportunity to build data sets as unique and varied as your customers.

Read more

Check out this CMS Wire feature to learn more about distinguishing between zero and first-party data, and how to use it to build personalization for your customers within your brand.

Read →

Try this

For even more helpful data tips, read Typeform's guide, "Customer Success: nearly everything you need to know." It covers a full spectrum of helpful info—from designing a customer journey to improving customer retention and loyalty.

Explore the guide →

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3
Second-party data: power in partnership

Second-party data is accessed through a trusted partner or platform. Think of it as your company piggy-backing off of another source's data—one that you've vetted and know will be useful to your business in some way.

Make second party-data work for you by pulling from companies that are similar to yours and choosing partners whose data gathering practices you trust.

✓ Common places to get second-party data are from companies in the marketplace like Google, Facebook, or another platform you may be partnering with.

✓ The more vast your data stores become, the more difficult it is to sift through it. Start by prioritizing essential data for close analysis, then pull from secondary data stores at a later date.

✓ Keep in mind that this data isn't yours, and you'll only be able to access it for as long as your agreement or partnership with the data supplier lasts.

✓ Your team can still get helpful insights from these sources, but they won't be as personalized as data you collect and own.

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Let's admit it: sometimes it's nice to have someone else do the work for you.

And if this data set is truly applicable to your own brand, **second-party data can be a great option.**

Read more

Want to become a pro on market research before you decide what kind of data you need? Read up on Typeform's ultimate how-to guide.

Read →

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Learn more about first and second-party data strategies from the team at McKinsey's & Company.

Learn more →

4
Third-party data: quantity over quality

Last—and honestly, least—is third-party data. While this type of data has certainly had its heyday, customers and brands alike are moving away from this remote, often non-consensual type of information.

A recent McKinsey study reported that **only 33% of American consumers believe that companies use their data responsibly.**

[(McKinsey)](McKinsey)

Third-party data is aggregated and sold without the customers' knowledge or consent. It's great for gaining large amounts of information, though it's not as high quality as other forms of customer feedback.

Because of the vast nature of third-party data, it can be challenging to sift through for actionable information, bogging you down in data without a clear path to how it helps you or your customers.

When it comes to being a competitive, innovative brand, staying on top of privacy compliance is crucial. With distrust growing and third-party cookies disappearing, reliance on this kind of data can hinder your brand strategically and significantly weaken customer loyalty.
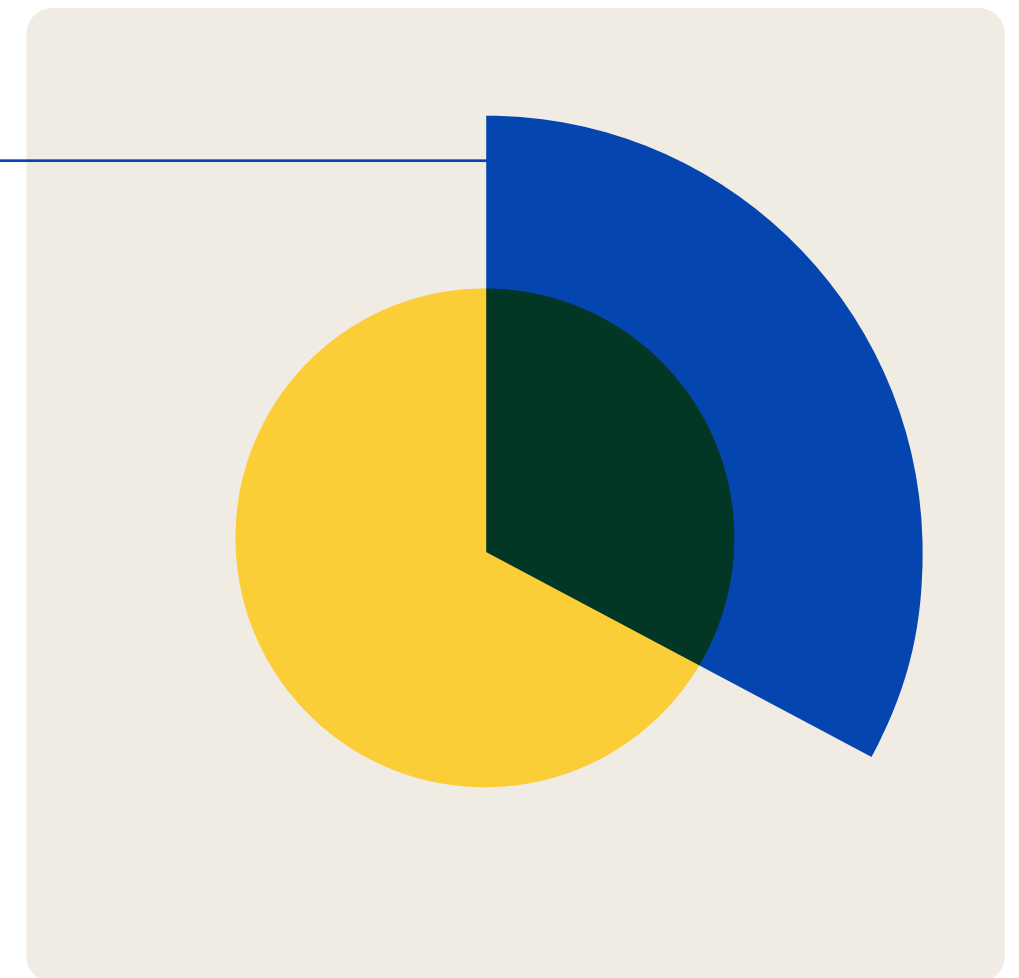
As brands strive towards personalization and deeper customer connections, **capturing customer data needs to shift in that direction too.**

So, while third-party data might be easy and (seemingly) efficient, it's not doing much for your customers, and it's not providing them with a great experience either.

Read more

We think the current shift in data collection and attribution models is a welcomed change, asking brands to be more curious and engage more thoughtfully with their audiences than ever before. Read our blog post on the end of the data-driven age as we know it.
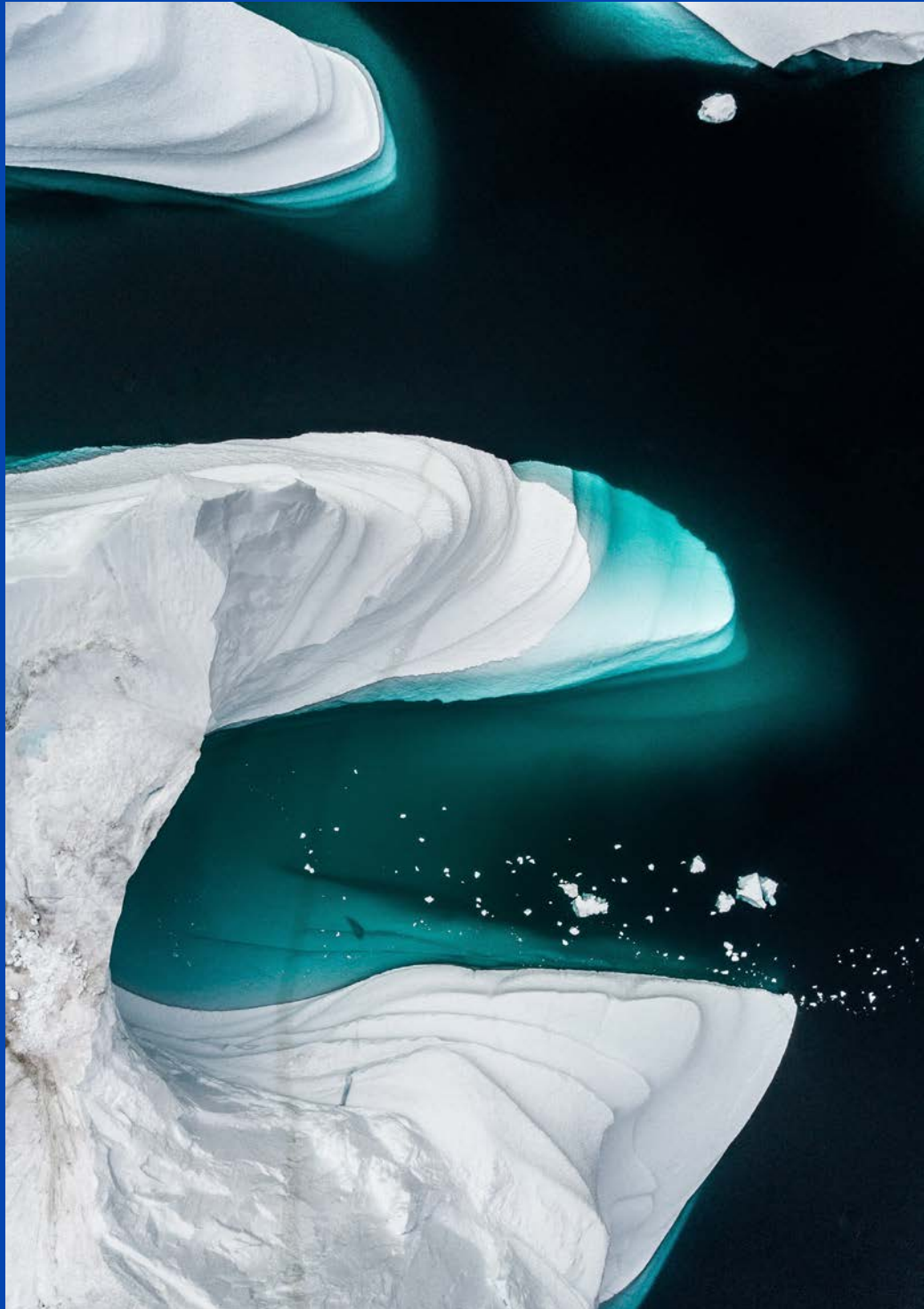
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Feel like third-party data strategy is right for you? Gartner has some thoughts on how to make the most of it for B2B customers.

Learn more →

But if you want to engage more thoughtfully with your audiences, check out Gartner's helpful guide on targeting audiences without third-party data.

Get the guide →

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Data isn't one size fits all— and that's a good thing.

Now that you're crystal clear on the different types of data and how they can work for your business, you can get to work gathering the kind that suits your needs.

Remember, data is vast and unique—just like your customers.

By paying attention to what it's telling you and organizing it in digestible ways, your brand—and the people it serves—will shine.

Visual table framework:

Data type	Sources (and examples)	Benefits	Drawbacks	Best for
Zero-party	Comes directly from your customers via quizzes, customer surveys, polls, etc.	It's the most trusted, actionable kind of data you can get from your customers.	Takes time to build up a vast store of this data, and can be more difficult to scale.	Any brand focusing on meaningful customer engagement and brand loyalty.
First-party	Comes from your customers' behavioral actions—like web activity, demographic data, email, sales interactions, and purchase history.	It's customer data that you directly own (in compliance with privacy laws) accurate and easier to control, and comes at a lower cost.	To accurately sift through this data, it's usually necessary to have a strong centralized data management platform, which can be expensive.	Getting ahead of the game in privacy compliance, increasing personalization and accuracy, and scaling more quickly.
Second-party	Comes from a trusted partner like Google, Facebook, or another platform you may be partnering with.	Outsourcing is faster, so you'll get access to larger data stores without much legwork.	It can be expensive and less reliable, and because this data isn't yours, your access only lasts as long as your agreement.	When you need a large store of data quickly, and want to tailor it to closely match your audience.
Third-party	Comes from data sets aggregated and sold without the customers' knowledge or consent.	Presents vast amounts of data at your fingertips, and can be easier to purchase.	It's quickly being phased out as privacy laws heighten, and though it's large in quantity, it doesn't deliver on quality or personalization.	Can be helpful to bolster your data sets if quantity is your main concern and customer engagement isn't your top priority.

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