

First, Second & Third-Party Data - What is the difference?

A major element of what is changing in the world of online marketing relates to the source or owner of data that is being used to target consumers. Below outlines the three types of data that are used to help target consumers online.

First-Party Data

This is data that you collect on your customers, prospects, or residents, either by them visiting your website, applying for/renting an apartment home, or making an offer to buy a home. This data can live in the systems you use to:

- Track your website traffic (Google Analytics)
- Your customer relationship management software (CRM)
- A resident portal
- A Survey tool that you use to get customer feedback
- Application Screening Tools
- And more

Oftentimes the terms around the information you collect are outlined in your website's privacy policy and/or terms of service for any other tool you use, such as when a consumer consents to you checking their credit history as they are applying for a rental home. First-party data is considered to be the highest quality because you collect it directly from its source.

Second-Party Data

This is first-party data collected by another company that you buy or license directly from them.

Examples of when you may be leveraging second-party data include:

- When you send out an email blast to a news outlet or listing site's subscriber list.
- When you run banners on a news outlet's website only showing to people that have read their real estate section.
- When you target your ads on a listing site based on the neighborhoods a prospect is searching for.

Second-party data's quality is tied to the reputation of the site that is providing it. From the advertiser's point of view, the company they are buying the data from needs to prove that their data set and the targeting they infer as a result is as accurate as possible.

Third-Party Data: Third-party data is information that you buy from outside sources, but they are not the original collectors or source of that data. These companies aggregate data on consumers from multiple different sources to try and create a better picture or understanding of any given prospect.

This information can include insights into:

- What other websites/apps you use frequently or have installed on your devices.
- Things you like or follow on social media
- Recent purchases you have made
- Places you have visited or traveled
- Your Address, Age, Sex.
- And More

Oftentimes third-party data is collected without the consumer being directly aware of it happening, as it's powered by a 3rd party's tracking pixel that is on the websites you use to give the site owner insight into its customers based on how they interact with their app or site. This third-party data is what is under the most scrutiny now, and major industry players are taking steps to curtail the tracking of this third-party information.