

Do brands know too little or too much about their consumers?

 By [Haydn Townsend](#)

3 Nov 2020

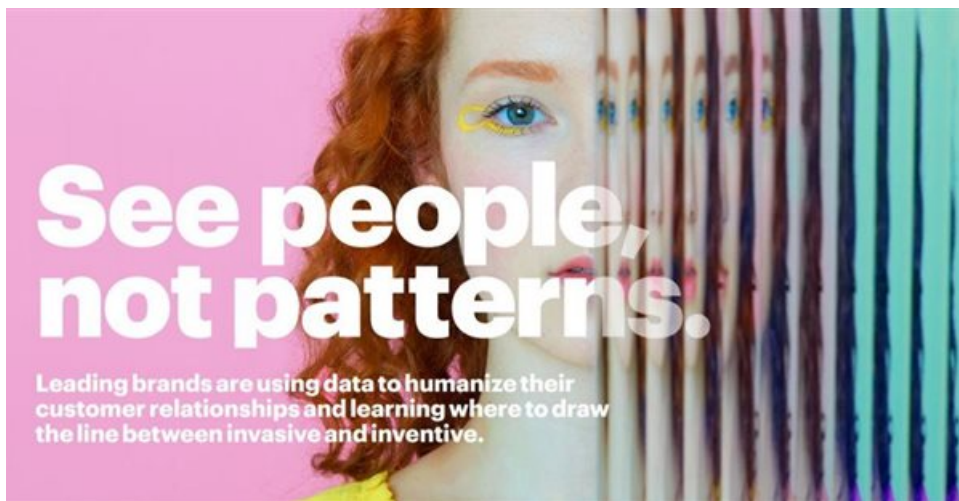
Many consumers feel brands don't know them well enough to serve them in a way that makes them feel special. But when those brands seem to know too much - and act on that knowledge - they can quickly lose consumers' trust.

This push and pull between consumers' desire to be known and their wish for privacy has increasingly become an issue for brands. Leading brands are now using data to humanise their customer relationships, while learning where to draw the line between invasive and inventive.

Often however, digital advertising behaves in a way that suggests a brand does not know the shopper at all. Brands collect data without having a clear purpose for doing so. This can create many risks and is no longer acceptable to consumers or regulators.

Data gathering, within reason

[Accenture Interactive's 2019 Consumer Pulse Survey](#) outlines the lessons from the front lines of digital advertising on how to use data respectfully and responsibly.



Many consumers feel the algorithmic recommendations brands make to them, based on their demographics, past behaviours and purchases, don't accurately reflect their intention. The good news is that there is a big opportunity for brands to take a more mindful approach to data collection and to design a holistic customer experience while doing so.

“ Of those surveyed, 65% are willing to share more personal data in return for a better, more customer focused experience, and 73% of are willing to share more personal information if brands are transparent about how it is used. ”

Furthermore, 87% of consumers think it's important to purchase from brands or retailers that understand “the real me.” Brands that treat data collection and data strategy as part of the consumer experience can thus benefit from greater consumer willingness to share information.



Mass personalisation - A targeting paradox

Isla Prentis 29 Oct 2020



Amazon users for example are willing to hand over personal data to the giant e-commerce retailer because of their level of trust in how this information will be used and the high level of service they will receive in return.

So how can brands hit the mark?

Providing consumers with value for their data, ensuring that the brand won't lose or abuse their data, and recognising consumers in a way that puts them at ease are all part of a better experience. In typical personal interactions, people expect someone they've met before to recognise them, and for a stranger not to recognise them. The same logic applies digitally.

“ *Forward-thinking brands are therefore finding ways to approximate how humans behave, in a humane and ethical way.* ”

Among consumers who said a brand had communicated in a way that was too personal, 71% said that it was because the brand had information about them or their family that they didn't share directly. One central task of leaders in this environment is to limit data gathering to information they have a right to know, and they must provide value in exchange for that data.

According to research by Forrester Consulting and Accenture Interactive, the CMO plays a pivotal and fast-evolving role, with 90% of decision-makers agreeing that the CMO should be the internal advocate for their customers.

As the executive who comes closest to owning the brand experience, the CMO will play a key role in bringing all parties together to make decisions that affect the future of the brand. A new conversation must take place among C-suite executives and boards to make sure they get this right.

Companies face regulatory risk, reputational risk and bottom-line risk if they don't. Those who find the right route to success by truly listening to and knowing their customers will have a tremendous opportunity with consumers.

Effective strategies include:

- **Full transparency** - Many consumers are willing to share data if brands are transparent about how it is being used, and the consumers' experience should be as consistent as possible across platforms.
- **Creating a cohesive experience** - The digital ad experience should be connected to the customer experience, whether on the web or in the store, though ads should be tailored to the channel where they appear.
- **Behaving like a human** - Human salespeople will only ask if you are interested in buying a shirt so many times

before they finally stop trying to sell it. Similarly, capping the number of times someone sees an ad across all channels is important.

- **Correctly attributing the results of digital advertising** - Brands need to make sure their data collection helps them accurately determine which ads actually contributed to consumers' decision to buy.

Regulations versus ultimate consumer experience

Having a good handle on compliance will become increasingly important. With regulators starting to impose substantial fines to enforce GDPR and CCPA, brands face the risk of negative publicity if their advertising practices are seen as out of bounds.

Brands must build the data architecture of enterprise systems in a way that reflects current regulations and be respectful of the rights of consumers to get access to their data, be “forgotten” or request portability.



However, until ePrivacy laws impose more order on what brands can do with “legal” data and activate it, brands must consider the ethical aspects of their choices on storing and using it.

Given the many moving parts in today's digital advertising environment, it can be tricky to define a “better” customer experience. What many consumers ultimately want is for digital advertising to have the same social intelligence as a familiar salesperson in their favourite store – one who can tell from the expression on their face that they're in the mood to splurge or that they're in a hurry.

The brands that approximate that human touch best (using automation) will stand out and win consumer loyalty, and brands that can't pull it off will feel sterile.

To create a seamless experience, brands can benefit from using fresh opt-in alternatives to track users, such as encouraging consumers to authenticate on websites and mobile applications. Bringing ad-tech contracts in-house to access more effective, transparent data collection methods, and building the data architecture of enterprise systems in a way that reflects current regulations can also prove more effective.

Brands should make sure the approaches they use extend throughout their advertising efforts. Ultimately, consumers expect companies to take note of all of the information about themselves that they've chosen to share, no matter where that takes place.

ABOUT HAYDN TOWNSEND

Haydn Townsend is the managing director of Accenture Interactive, He's a qualified chartered marketer who has worked across the FMCG and advertising industry, including Ogilvy Johannesburg, where he reached deputy managing director and as chief strategy officer at The Jupiter Drawing Room (TJDR). He was also CEO of sponsorship and activation company Sail Sport & Entertainment.

- Effective CX begins with optimisation of operations - 28 Sep 2021
- Customers are wanting personalised experiences from winning brands - 24 Mar 2021
- Do brands know too little or too much about their consumers? - 3 Nov 2020
- [BizTrends 2016] Open-sourced collaboration - 28 Jan 2016

[View my profile and articles...](#)

For more, visit: <https://www.bizcommunity.com>