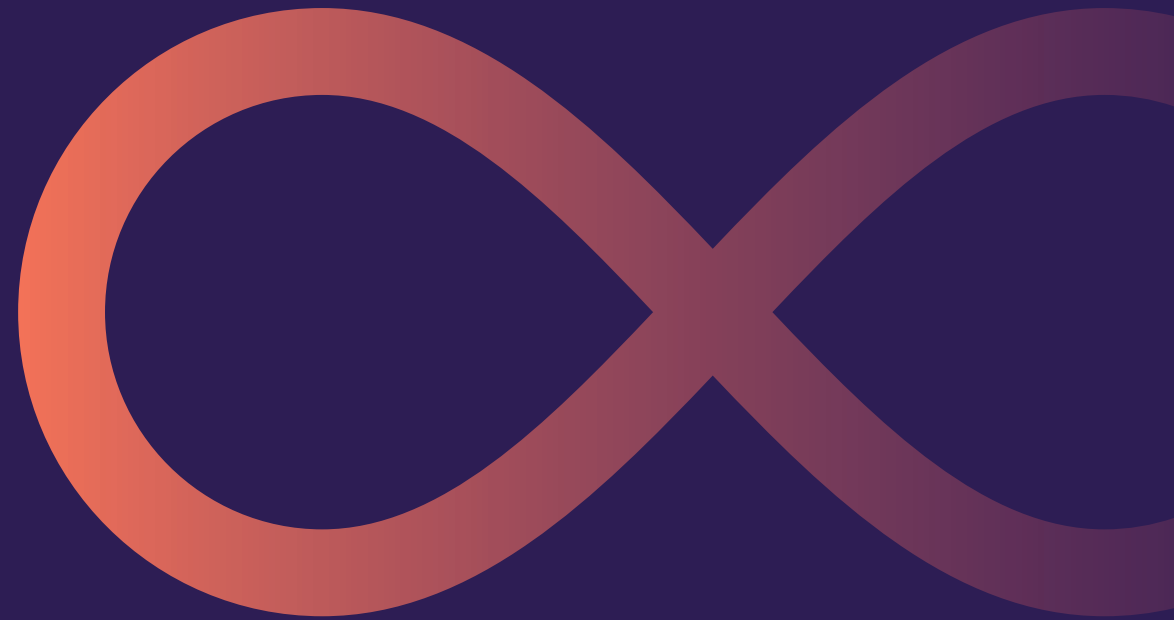


Personalisation vs Privacy

How can your organisation achieve the perfect balance?



What is Personalisation?

In a marketing context, personalisation is: Tailoring an individual's experiences to meet their unique set of requirements and expectations.

This is achieved by leveraging personal and behavioural information provided by an individual to ensure that their experiences are timely and relevant.

Personalisation increases the effectiveness of communications and has also become an expected part of any B2C relationship.

Here's what the research says to support it:

- A Salesforce study showed that 51% of consumers expect that companies will anticipate their needs and make relevant suggestions before they make contact.
- McKinsey found that most respondents (80%) to their study on retail personalisation want personalisation from retailers.
- 72% of consumers will only respond to personalised marketing messages, but over 58% say that companies send them offers they don't want.
- A Forbes article of 50 stats showing the power of personalisation, including that "80% of consumers are more likely to purchase a brand that provides personalised experiences".

What is Privacy?

In a marketing context, privacy is: How an individual expects the data that it shares, either directly or indirectly, with an organisation to be handled and used.

Individuals increasingly require an equitable value exchange with an organisation for the data that they provide. However, regardless of the value, they derive from their data, individuals expect it to be kept secure and used appropriately.

As research shows, it's just as popular as personalisation:

- 79% of internet users around the world feel they have completely lost control over their personal data
- 67% of internet users worldwide are more concerned with their online privacy than they've ever been
- In 2019, there was a 53% increase in the number of online users concerned with internet privacy issues
- 93% of Americans considered it important to be able to control who could access their personal data
- Slightly more consumers would share data in exchange for seeing no ads (55%) than for personalised experiences (53%) or free online services (39%)

How can you achieve the right balance?

Personalisation and Privacy appear to be entirely at odds with each other. Is it even possible to serve both at the same time? Fortunately, several risk-based approaches will help you get there:

- Conservative
- Balanced
- High Risk



02 How can you achieve the right balance?

1. The Conservative Approach

This tends to be favoured by risk-averse organisations such as government departments:

- First-party data must only be used for service and regulatory purposes.
- Nonservice or regulatory experiences must either be untargeted or use data that has been explicitly gathered for a specific experience and only for that experience.
- High levels of personalisation in experiences should be avoided due to the risk they introduce.

2. The Balanced Approach

A balanced approach provides a good equilibrium between risk and the benefits of personalisation:

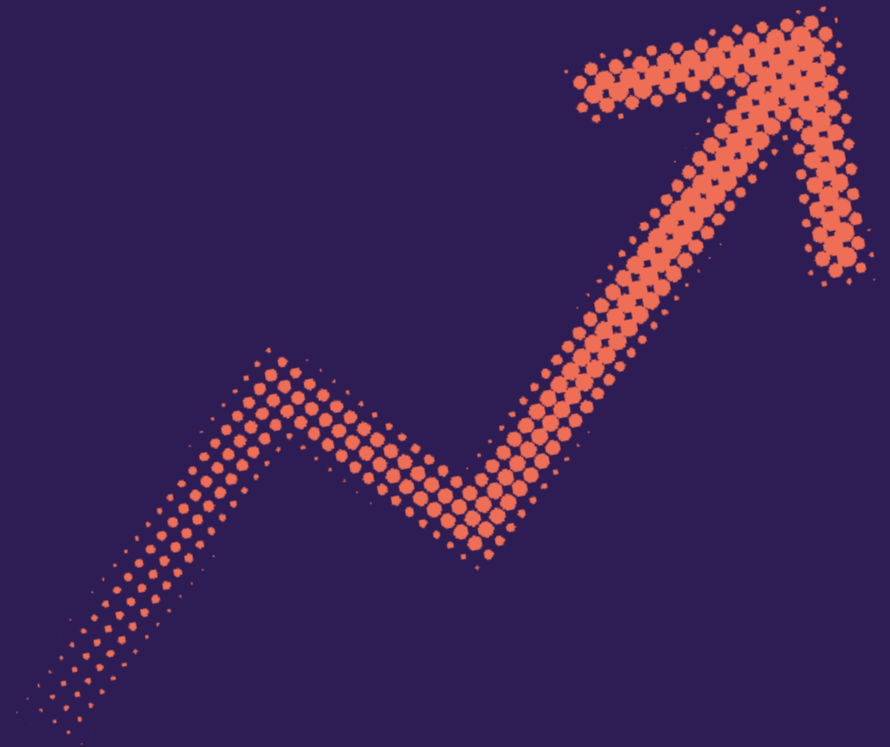
- Consent is obtained whenever data is gathered for it to be used in personalised experiences.
- The organisation adopts clear policies on when personalised experiences can be delivered and what data they can use - these policies are strictly enforced.
- The ability to opt out of personalisation at any time is clear and easy to access.

3. The High Risk Approach

Early-stage businesses usually use a high-risk approach either due to lack of understanding or to accelerate growth:

- Personalisation experiences can use whatever data is available to the organisation, regardless of whether explicit consent has been granted or not.
- It is difficult or even impossible to opt-out of personalised or indeed any experiences.
- Active measures are taken to work around or to skirt controls and personalisation restrictions imposed by external organisations.

So which approach is the best?



03 So which approach is the best?

It depends on your organisation's risk appetite. A balanced approach is best unless you're a highly regulated organisation, such as health or government. However, some early-stage organisations may decide that the reputational risk is worth the potential reward. Regardless of the approach, you should:

1. Understand what you want to achieve with your personalised experiences
2. Identify the type of experiences that will help you achieve those objectives
3. Determine what data you need for those experiences to be effective
4. Develop your data collection and management strategy
5. Design a robust ability for customers to manage their data
6. Implement and validate rigorously

Your checklist to minimise your organisational risk:

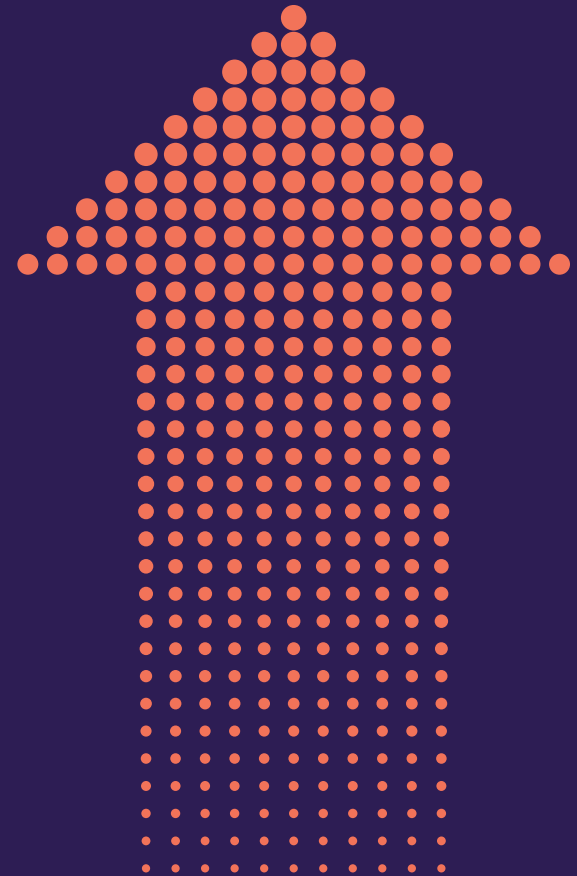
1. You should understand and make clear to customers
 - What data you are asking for
 - Why do you need it
 - What you are going to do with it
 - How you are going to handle it
2. Don't fall into the old-fashioned direct marketing approach such as the assumption that open rates are fixed, an increase in the size of the audience will not necessarily lead to an increase in results. Less but more personalised experiences delivered to those that asked for them is always better,
3. Make it easy to opt-out and /or manage data
4. Be familiar with the laws and regulations of the countries that you gather data in

Data Management is key

As a result of the changes in regulations and technology, there is a need for more data, not less, to deliver the levels of personalisation being demanded. As this data is increasingly first party and includes personally identifiable information, it is becoming more sensitive and therefore more protected. The ability for customers and companies to manage this data in a compliant way is becoming a key differentiator.

Traditionally data management has not been a marketing skillset. Managing data for experience delivery is not straightforward due to data silos, complex MarTech stacks, low marketing priority for data resources, lack of data skills in marketing, different channel priorities leading to experience inconsistency, distributed consent gathering and management.

The evolution of Customer Data Platforms



04 The evolution of Customer Data Platforms

Over the past five years, Customer Data Platforms (CDPs) have entered the MarTech landscape and have evolved into the ideal platform for these times. A good CDP can lower the data management burden by:

- Creating and maintaining a consolidated customer view for experience targeting
- Removing the need for custom MarTech channels
- Enforcing consistent segmentation across channels
- Centralising consent and personalisation data storage
- Providing a personalisation data audit trail

By building your marketing stack around a CDP, you can:

- See exactly what data sources and data is available for personalisation
- Enforce data access rules and segment defaults
- Ensure that the correct customers are targeted using the right data regardless of channel
- Be sure that no unauthorised data sources are being used
- Quickly trace any issues or complaints back to the source data

An enterprise-grade CDP focusing on data management has features focused on compliance, feed management, auditability, integration, consolidation, segment distribution.

Having features like these ensures organisations can personalise with confidence.

You can achieve better personalisation and experiences while meeting your regulatory and governmental requirements around privacy. However, you need to ensure you have clear personalisation objectives. Your organisation needs to understand and define its risk appetite, a balanced approach is recommended, but you need to understand your region laws and regulations. Remember that when you are gathering your data, only collect what you need to achieve your objectives. You can make it easier to manage your data and your customer's consent by centralisation everything into a Customer Data Platform. And lastly, it is essential to know the laws and regulations that apply to your organisation, industry and region.

Talk to us today to find out more about how a Customer Data Platform can help you achieve your personalisation objectives.

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