

Use Permission and Trust to Keep on Tracking

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Are you among the 68 percent of consumers who object to having your online activity tracked?

Or is tracking okay with you because you count yourself among the 51 percent who “like the idea of getting offers tailored to my needs?”

As identified in a recent University of Pennsylvania study, those two juxtaposed groups represent an increasing bind and a key challenge for marketers.

With the adaptation of digital technology promising hyper-segmentation and targeting, marketers have forgotten a core principal of marketing in the age where consumers have “control and a platform to make their opinions known” – that’s first asking permission. There’s a real difference between what I would describe as implicit profiling versus explicit profiling. Implicit profiling is really what consumers are objecting to.

Most consumers know about “cookies” - tiny text files containing unique ID tags saved onto one’s computer via a Web site, which in turn store information that was voluntarily entered to the site - but they are not totally aware of how online tracking works despite published privacy policies. The engine behind this personalization algorithm is basically a mathematical model that determines which messages and offers should be served to individual Web surfers based on their browsing behavior. So when asked how they feel about this type of tracking, consumers naturally react negatively. It feels vaguely like being a victim of voyeurism. People don’t like any nameless, faceless “other” watching what they are doing.

However, as the study pointed out, consumers see real value in getting relevant offers, and providing relevant information is the core of great marketing. I think the problem is that marketers have done a poor job of explaining this process and have not been incredibly transparent about the data they are collecting and why they are collecting it.

In my mind, the solution is for marketers to do a better job of asking permission. That’s what I mean by explicit profiling. It’s directly asking consumers: “what do you like, what do you want, what can we offer you?” Ask them a little bit about themselves. It’s a quid pro quo - if value is being delivered, consumers are willing to provide increasingly more information. There are dozens of examples of this working very, very well. For instance, Pandora Internet radio creates highly personalized music channels targeted directly to consumers based upon its listeners’ continuous feedback. Zappos also engages its customers by encouraging feedback, and in turn, customizes each of their sites based on their preferences. There are few consumers who will be upset if you ask them what they want and then deliver on that promise. In fact, they might even feel flattered that you asked!

So it all comes down to trust. Trust between brands and consumers is the new currency in marketing effectiveness. The more open and transparent you are, the more trust there is in that relationship. Asking permission gives marketers license to improve new product development or marketing campaigns through genuine dialogue. The brands best at being open and honest are succeeding in the marketplace.

If you’re not transparent, someone’s going to find out, and it’s not going to be pretty. With social media exploding, transparency is key in that environment because the moment you are not transparent the word gets out and it spreads like wildfire.

Whether it’s surfing behavior or collecting data directly from consumers, marketers need to be even more explicit about what they’re doing with the data.

Finally, if we don’t implement transparent policies and police ourselves then the government’s going to do it for us. And I can’t imagine that’s a scenario any of us would find appealing.

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