

Spr^o/_utTM

Performance *by* iKineo

***Transparency
in Data Collection***

HELPING YOUR CUSTOMER RELATIONSHIPS
& ADVERTISING GOALS

JULIA LANG

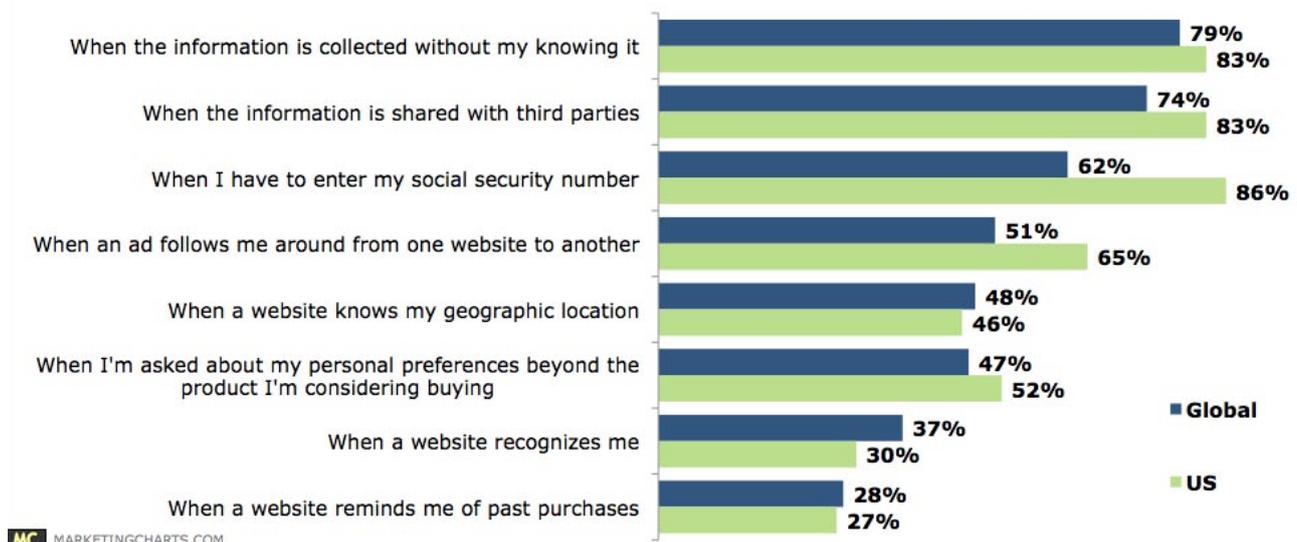
As a business, information about your customers is a very important and valuable commodity, and the collection of this data is nothing new. Businesses have always relied on information such as name, age, gender or address to know who they're selling to and where - from bakeries back in the '50s to an ecommerce website in 2014. However, the amount of data businesses collect is increasing exponentially with time as competition becomes fiercer, and new technology allows for more accurate targeting. As a result of this, the kind of data being collected has gone from basic information to interests, buying patterns, and how you like your coffee. This kind of personal information can give a business more ways to reach potential customers through advertising.

Businesses now have access to a wide variety of information about their customers, including personal information that is not always necessarily explicitly shared with them, or intended for their use. This brings about anxiety for internet users as they spend more and more time online. These users now have to worry about the digital footprint they are leaving and are concerned about the data that is available about them online, as well as their information being out in the open when there is a data breach.

A recent study by Annalect found that 31% of the internet users they surveyed increased their level of online security after the NSA surveillance scandal. Users are now increasingly prone to deleting personal data and changing their privacy settings in order to maintain as much anonymity as possible. The graph below indicates the level of concern about data collection. ►

Consumer Attitudes to Online Data Collection Practices

% of global respondents, indicating that this collection of personal information crosses the line from customization to invasion of privacy
June 2013



Source: Adobe/Edelman Berland

The above stats indicate that the main concern is data being collected without their knowledge, which raises the need for transparency in data collection

If you're an online business, whether it's Facebook, an ecommerce site or an app, users give consent for your company to access their data the moment they sign up for your service, and that's where it can get tricky. If users become suspicious that you are selling their data or doing something malicious with it, they may choose to change privacy settings or block tracking, which has a huge effect on targeted advertising.

Access to your customers' information is what makes it possible to create more relevant adverts, making sure that you push targeted advertising to the right people at the right time, in order to make a sale. As soon as your customers start clamping down on the information available to you, it impacts on your ability to advertise accurately. If your business is open and honest about how customer information is used, it's more likely that customers will not feel the need to hide their personal details from you.

But putting your customers at ease and avoiding secrecy, you also prevent the likelihood of them resenting your brand and opting out of buying from you.

A recent study by Microsoft found that users are aware that their data is valuable, and expect rewards if their data is used. They found that 59% of users are actually willing to sell their data for rewards. The same study found that customers are 65% more likely to buy from a business if they were given the option to update their privacy settings. ►

"Access to your customers' information is what makes it possible to create more relevant adverts"

The problem is that most organizations see their customers as being uninformed, and treat them as such, leaving the customer feeling devalued and disempowered. As a result, the customer is far more likely to search for an alternative that suits them better.

Instead, organizations need to be transparent about the collection of data, and what it will be used for. Transparency and honesty equals trust, and with it you can earn a reputation of honesty and valuing customers. This reputation will set you apart from the level of mistrust that currently plagues organizations. And not only that, but it will help your advertising in the long run by allowing you access to your customers information that they have explicitly given you permission to use. ■