Data *privacy* & marketing

How to balance both for
maximum effectiveness

Exclaimer

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01 —— Introduction

Data privacy is a hot topic. Companies are increasingly aware of the risks associated with collecting and storing customer data. 84% of customers[1] will actively abandon an online purchase if their data is sent over an insecure connection.

At the same time, customers don't want to give their data to companies that won't provide a personalized experience tailored to their needs.

So marketers must find new, more efficient ways to engage with them and engender trust in their brand.

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84%

of customers will actively abandon an online purchase if their data is sent over an insecure connection.

02 — Data privacy *challenges* for marketers

With data privacy concerns increasingly taking center stage, there's no room for error around obligations to protect personal data.

This has understandably left many marketers worried about their data privacy obligations and how this will affect their promotional activities.
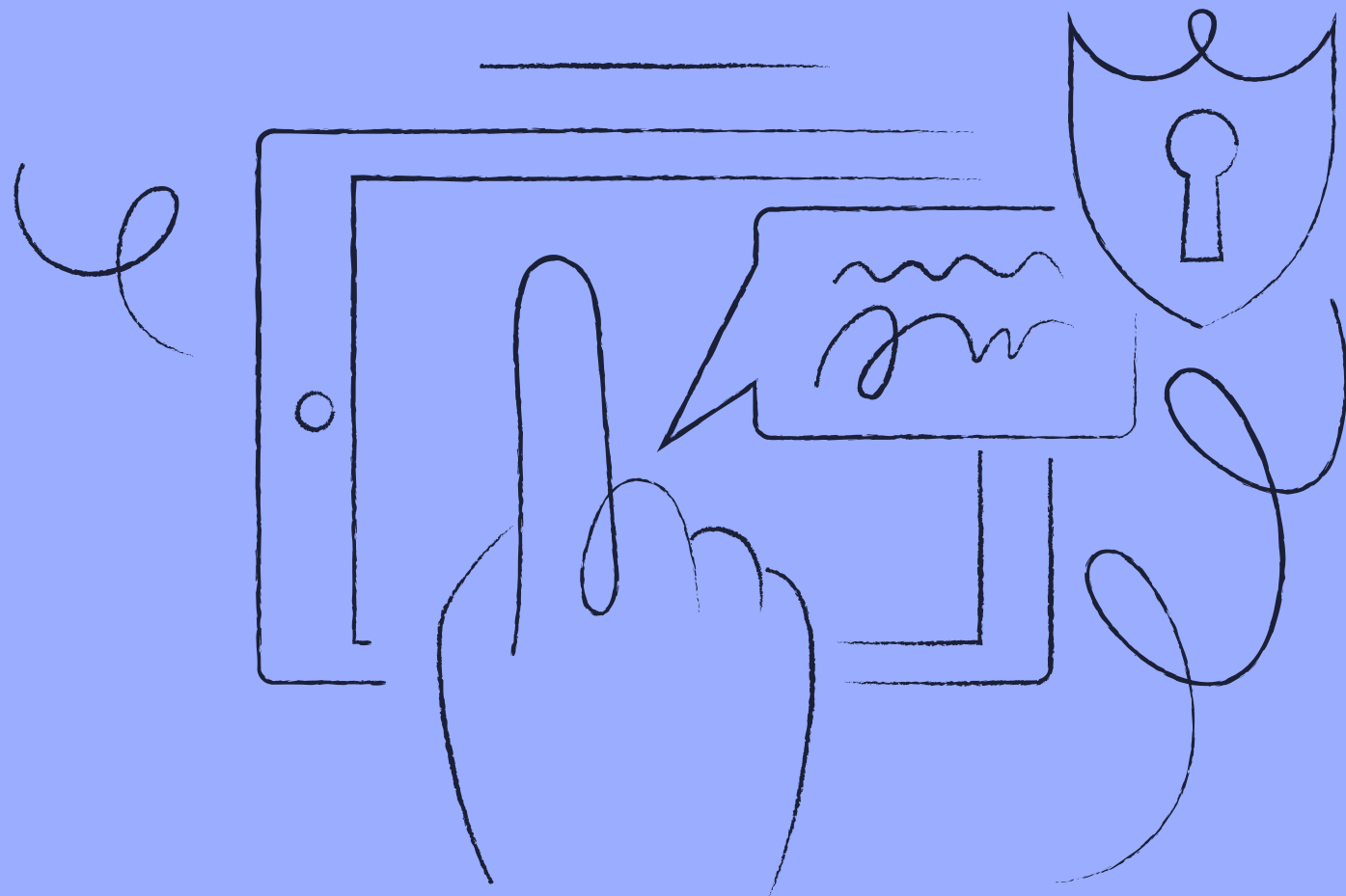
Comprehensive regional and international data privacy regulations

Data privacy laws such as the European Union's General Data Protection Regulation (GDPR) and the California Consumer Privacy Act (CCPA) have imposed strict data collection rules. Consumers no longer want to risk businesses using their data in ways they're unhappy with.

They want total control over their data and full *transparency* on how it might be used.

Apple Mail Privacy Protection (MPP)

The Apple Mail Privacy Protection launched in September 2021 for iOS 15 and macOS 12 Monterey devices. The purpose of MPP is to stop senders from using pixels to collect a user's data. It also masks a recipient's IP address, making it impossible to determine their location or track other online activity. It changes how marketers look at email engagement and nullifies tracking the effectiveness of specific messages.

Google ending third-party cookies

Google has committed to ending all third-party access from its Chrome browser by 2024. About 80% of marketers still rely on third-party cookies[2] to reach prospects and customers online. With the death of third-party cookies, behavioral data will become limited, with performance measurement becoming less effective.

03 — Data privacy *opportunities* for marketers

With data privacy here to stay, marketers must evolve to find other avenues to target prospective customers. The days of personal data abundance are over.

However, data privacy can open up many new marketing opportunities, letting you focus on creating personalized, high-quality content to engage your target audiences.

Personalize customer experiences without relying on third-party data

B2B buyers are already 57–70% of the way through the buying process[3] before they meet with a sales representative. This means shifting from traditional lead generation to offering quality content at each stage of the buyer's journey to assist with their purchase decision.

With the effectiveness of third-party data ending, companies of all sizes must use first-party data to create personalized customer experiences. With first-party data, you can better understand your prospects and customers to make your personalization efforts much more effective.

Establish robust value exchanges for customer data

Customer value is the core component of any data relationship. 74% of consumers[4] are frustrated by irrelevant advertising and expect their data to be used for personalized experiences. They're happy to share their data if they get something out of it in return.

One good example would be a loyalty program with *exclusive* customer benefits.

It encourages repeat purchases, making customers feel understood and heard. Compare this with sending out generic email communications or ad hoc promotions. These aren't targeted and come across as insincere. They don't directly speak to customers and treat them as someone to be sold to rather than individuals with thoughts and feelings.

Build more profound and more meaningful relationships with customers. Customers no longer want to deal with faceless companies. 79% of Americans say brands must actively demonstrate "they understand and care about them" before purchasing. By building a relationship with your customers, you can:

Increase sales
It's much easier to sell to an existing customer than to acquire a new one.

Reduce customer churn
If you have developed a trategy to engage with customers, you will see reduced churn and increased growth rates.

Boost word-of-mouth referrals
If your customers are happy and have a great relationship with you, they'll tell others about their experience.

Improve employee morale
If customers feel valued and advocate for your business, it helps to develop a positive work culture for your employees.

**Increase customer lifetime value (CLV)**
If your CLV is low, you need to spend extra effort attracting new customers. However, if your CLV is high, you don't have to spend time and money acquiring them again.

Provide value
Your content should always be focused on audience engagement. 80% of it should be educational or entertaining. The other 20% can be used for promotional content that encourages a purchase.

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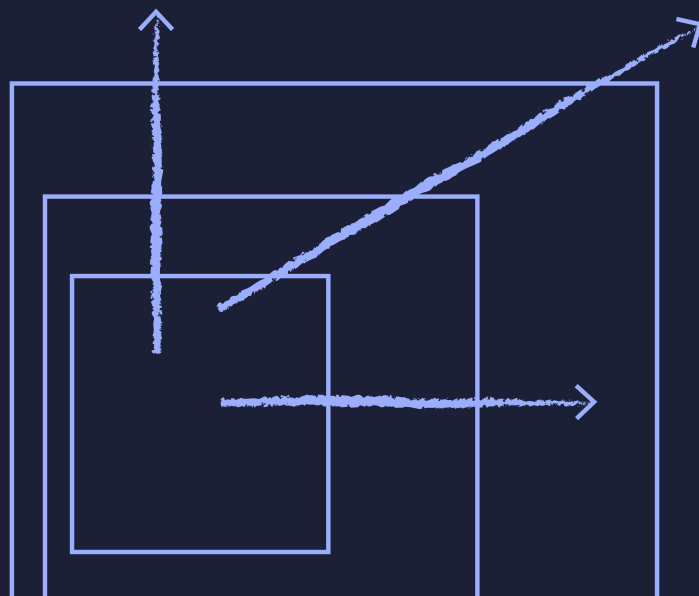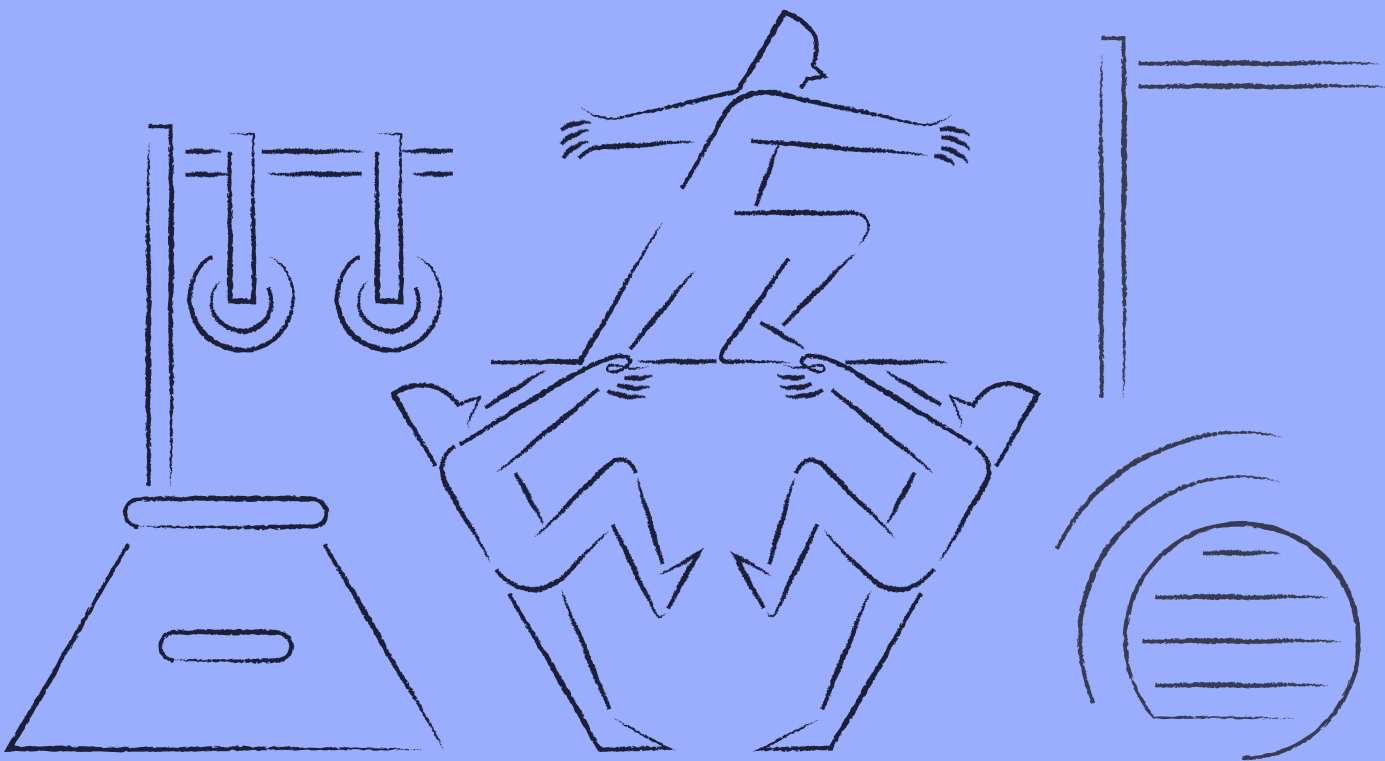
04 — How to ensure robust data *privacy* practices

Complying with data privacy laws and practices might seem like a burden on your marketing efforts.

However, by taking the time to build a robust data privacy policy, you'll go a long way to building trust with your audiences.

Be transparent about data collection and use

According to Google, collecting data responsibly is the best method for balancing data-driven marketing and privacy protection[5]. It also helps if you're transparent with your data usage policy.

If you say you're only collecting data for *research* purposes, you can't then use it for marketing campaigns.

Get explicit consent

Customers must give explicit consent via a positive action. For example, a contact has provided their data freely and of their own accord.

In some countries like Germany, it's best practice to use a double opt-in process. This occurs in two steps:

Step 1
The subscriber fills in and submits a consent form.

Step 2
A confirmation email goes to the subscriber with a link to click. This verifies their email address, which is added to your mailing list.

Keep personal data secure

If a person has willingly given your organization their data, it's your responsibility to protect it with robust data security methods. Being a trustworthy custodian of customer data is a marketing responsibility as important as lead generation and brand awareness.

Respect user privacy preferences

Digital marketing can't work without rich data and relevant customer information. However, if customers don't want you to use their data, you must respect their wishes.

This means offering options for *communicating* with them such as email, direct mail, or SMS, and clear opt-out measures.

Final thoughts

The old ways of advertising are no longer as effective as they used to be. Consumers have more control over their data and want to keep it private from businesses that don't offer a tailored service that meets their needs.

The focus now has to be on evolving your marketing strategies to deliver personalized customer experiences. So, build trust in your marketing communications, keep up to date with data privacy regulations, and develop genuine value exchanges with customers. You'll then build lasting relationships, engage your audiences through every stage of the buyer's journey, and offer a richer customer experience that leads to a better return for your business.

About Exclaimer

Exclaimer is the industry's leading provider of email signature solutions, empowering businesses to unlock the potential of email as a critical digital advertising channel. With its award-winning tools, organizations can simplify the management of email signatures to deliver consistent branding, promote marketing campaigns and company news, gather real-time customer feedback, and much more.

Over 50,000 organizations in 150+ countries rely on Exclaimer for their email signature solutions. Its diverse customer base includes Sony, Mattel, Bank of America, NBC, the Government of Canada, the BBC, and the Academy Awards.

For more information, visit www.exclaimer.com

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