



 POSSIBLENOW™
Preferences, Consent, Insights, Compliance

TRUST
Be Human

ENTERPRISE LEADERS
REVEAL THEIR APPROACH TO
ZERO-PARTY DATA

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We empower the individual's voice, so trust is built, and relationships are enriched.

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About PossibleNOW

Introduction

As multi-channel marketing and personalization matures in an environment of increased regulation and consumer awareness regarding privacy and use of customer data, PossibleNOW commissioned a study to better understand how companies approach the implementation of systems, expertise, and policies to support the collection and maintenance of **zero-party data**, which includes any personal insights, preferences, and consents that a customer proactively and deliberately shares with a brand.

This research was conducted with Fortune 500 companies across a spectrum of industries, to include financial services, real estate, healthcare, technology services, and consumer product goods. A common thread among these organizations is their complexity. They have multiple business units, large technology stacks, a multi-national footprint, and engage with customers and prospects across a wide range of channels (in-person, websites, telephone, email, direct mail, text).

This report recaps patterns uncovered during qualitative research with key decision-makers within these organizations about the selection, implementation, use, and future plans for managing customer zero-party data: including customer insights, preferences, privacy, and consent.

How Organizations Research Potential Solutions

We first sought to identify the sources of information organizations rely on to select foundational systems to introduce into their technology ecosystem for the management of customer zero-party data. While a few outliers emerged within the research, the majority of companies followed a similar path to selection of a solution.

1. Companies begin their discovery process with existing internal vendor relationships.

Complex enterprises rely on a wide range of vendors and outside consultants to provide them with the expertise and capabilities they need to address data concerns, implement new technologies and approaches, and react to changing regulation. Zero-party data is a unique data set that informs other data storage systems and should be approached as such. Relying on guidance from existing relationships presents risks when the vendor views customer insights, preferences, and consent data in a similar way to other data storage systems found across the enterprise – customer relationship management, marketing data, or customer profile for example. Organizations that start and stop with existing vendor relationships to address customer zero-party data needs should consider the following:

Advantages:

Vendors already embedded within the organization have an understanding of the complexities for standing up a cross-enterprise system within the organization. Much of the challenge in starting and successfully deploying a zero-party data management project lies in mapping what customer information exists in what systems while keeping an eye toward the overall customer journey.

Risks:

Zero-party data is special data. It's data that has been directly and proactively provided by the consumer, and includes information about their privacy, preferences, and consents. It requires a different approach that is more robust than merely a centralized database or adding the collection to a marketing tool designed for an alternate purpose. It's not merely about the storage of customer data, but also the collection, management, consumption, reporting, and disposition of that data in line with customer expectations, to support key stakeholders across the enterprise and to comply with changing regulations and requirements.

If a vendor views zero-party data as the same as other stored data without fully understanding the depth of the data's reach and the requirements for storage and consumption, they may advise an organization on the use of an existing system (e.g. CRM, ESP) which will fall short of the overall need and result in a false start or future replacement date of the system installed.

2. Organizations look to industry analysts and outside experts

As part of the decision-making process, enterprises with existing analyst relationships include the analyst in their assessment. Depending on the area of coverage of the analyst, one or more features and functions of a system to manage customer zero-party data are deemed “important”.

To address the problem fully, an organization must keep an eye to all these areas of concern and include consideration for the customer experience. Analyst guidance should be considered through the optic of their coverage area when talking with recommended vendors about their capabilities to address preference, privacy, and consent concerns.

Organizations also look to other “experts” in their field – like organizations or innovators within their industry as a guidepost. Because each organization arrives at the selection of a solution for different reasons and varying compelling events, consideration must be given by the evaluating organization that the solution in use will address their pressing needs and future requirements.

Key Motivations and Drivers

Improve Customer Experience: Providing customers a consistent experience across channels where choices are honored and shared across the enterprise improves experience and allows the company to act on these choices wisely.

Address Compliance Issues: Growing government regulations regarding consumer rights and privacy require centralized record-keeping and control of zero-party data, including preference and consent data.

Centralize Control Across the Organization: Centralize data and marketing tools across the organization to improve efficiency, limit risk, and drive overall ROI for tools implemented.

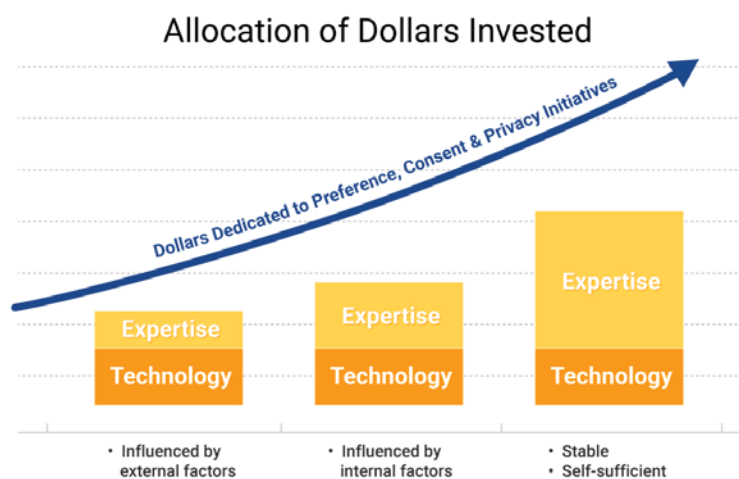
Mitigate List Attrition: Without options that allow the customer to correct the conversation, the only choice is to completely “opt-out,” resulting in a reduction of addressable customers for outbound customer engagement.

Reduce Costs: The cost to send certain items - a printed welcome kit, for example - easily justify the expense of a system that allows customers to indicate their interest in receiving such content electronically instead.

Organizational Approaches to Implementation

Enterprise organizations approach the implementation of a customer zero-party data management system across a spectrum. Each side of the spectrum represents a unique mindset for selection and implementation of a solution and the group (vendor or internal) supplying the solution must understand what is driving the choice in order to achieve success. These drivers heavily impact the expectations of the solution's features and functions once deployed.

The spectrum that impacts solution selection is as follows:



Organizations that fall on the stable side of the spectrum are generally well-established, long-standing enterprises with few outside competitors. They pride themselves on the self-sufficiency, security, and stability of legacy systems that are internally built, enhanced, and maintained.

As you move across the spectrum, the decision to outsource preference, privacy, and consent is based on the impact of internal factors (reorganization, change in business strategy, entrance into new markets) or external factors (acquiring new companies, increased competition, shrinking market share). The focus of the organization is on growing the business – building a new system or learning a new subject area such as zero-party data management is not top priority.

When considering an enterprise approach to managing zero-party data, organizations that seek a comprehensive and centralized solution look for scale, up-time, ability to interconnect with any and all systems in the background. The solution is viewed as a utility and very little “tool-based” interfaces are expected or desired (administration or reporting, for example).

1. For stable organizations, the choice of an enterprise system working in concert with other systems that provide functionality and data across the organization is preferred.

The importance of the correct solution is understood as a wide sweeping technology that impacts and addresses needs across the organization. These projects are undertaken holistically with an eye toward transformational change and a long-term roadmap for the addition of features, functionality, and integration. The enterprise understands that this zero-party data management system will be central to other existing systems.

In general, organizations that view preference, privacy, and consent as a central enterprise-wide system also prefer managing and maintaining a few systems from a limited number of vendors. “Use all of the functionality and features of a few key systems through key vendor relationships” is the organization’s preferred approach. The value-add of external organizations is seen in their expertise and knowledge around the topics of zero-party data, including preference, privacy, and consent. The ability to provide an underlying technology is nice – a competitive advantage to other players – but ultimately less important because the organization believes customization will be necessary in order to meet specific technical or business needs. They have been down the road of onboarding or building new technology before and believe their problems are unique and must be addressed in a unique manner.

These organizations have a bias towards internally owned and managed systems, either because of legacy approaches, sensitivity of data, or desire for centralized control. Because these companies prefer to work with a limited number of vendors and want to ensure a high-performing, centralized system, internal build is a high priority at the onset and remains throughout the relationship.

“We want to work with a company that knows how to solve this problem for us regardless of the technology deployed. We want the best approach and look to outside vendors and consultants to provide us with industry best practices, expertise on regulation, and knowledge on customer experience.”

Even if the company brings in an external vendor to supply an initial customer zero-party data management solution, the long-term intent is to move to an owned solution to address perceived control issues and to take advantage of investments made in underlying infrastructure and existing resources (technical or human capital).

Overall budgets for managing zero-party data are large in these organizations and dollars are built into the annual plans for initial implementation and incremental improvement. However, because the environment surrounding these systems is changing rapidly – new technology and engagement processes to support, increasing government regulation, overall consumer awareness around privacy and consent – the functionality of these systems are commonly a few cycles behind what is available compared to what the business, compliance, or customer needs.

2. For organizations distracted by other internal or external factors, a point solution that solves an immediate marketing, compliance, or user experience need is the best route.

As the number of marketing technologies grows, the concept of specialization is well understood and embraced by enterprise organizations. In an attempt to solve a problem quickly, a solution that provides self-service functionality, compliant data storage, and ease of integration to existing point solution platforms is desired. This is especially true if the organization views itself as a group of companies, individual business units, or a holding company.

Companies that prefer specialized vendors expect that best practices, rules, and expertise are built into the platform. They want “self-service” – the ability to update the system, pull information out, and run reports – without reliance on an outside party. Because they look to point solutions to solve their problem, the number of features and the amount of functionality expected from any given system is limited.

The budgets for preference, privacy, and consent are limited and baked into other overarching initiatives. These organizations are very comfortable with outsourced implementations – so they are able to quickly take advantage of new features and functions, if they know they are available. Budgets are limited for engaging experts specifically for zero-party data projects. These organizations rely on experts from other areas with only a very basic understanding of preference, privacy, and consent collection and the requirements for collection, storage, and use. This is problematic because the purpose of this data and the way to present it is not considered when they deploy the solution. For example:

User Experience

Experts with limited knowledge of zero-party data work on the best way to present collection interfaces without thinking through the nuance of when data collection options should be displayed. Successful deployments consider the “moments that matter” for collecting zero-party data. Wholesale collection can place undue burden on the organization for use, reporting, and ultimately cause confusion for the user that may not understand what they are agreeing to when information is collected that is not related to a task at hand.

Compliance

Privacy regulations are complex and constantly evolving. When an organization takes a shortcut to maintaining compliance by relying on an internal resource with other responsibilities and/or not tapping outside experts that are dealing with current and potential compliance issues on a daily basis, organizations are doomed to be in violation of regulations and are at risk for hefty fines, negative publicity, and consumer distrust.

“Our organization is complex and we don’t want to be seen as a roadblock to business units meeting their goals. If they propose a point solution to solve a marketing or customer experience problem, we are going to work to help them implement it.”

Potential Roadblocks to Success

Regardless of an organization's propensity to implement an enterprise-wide system or point solution, some universal findings exist across all organizations as they implement and use the system.

Lack of Owner

Zero-party data is not owned by one group or area. It may be managed or monitored by a specific group, but no one group is responsible for strategically creating a plan for the collection, storage, and use of a privacy and consent system. The result is one of consensus, where driving group(s) must persuade others to participate. This is a challenge because other groups don't work with or understand the nuances of customer insights, preferences, privacy, and consent data or the importance of additional functionality. Additionally, this centralized technology is rarely expanded to other groups or is many times poorly implemented.

Case in point: one group will understand the need and efficacy of collecting zero-party data along the customer journey only when appropriate, while another group will advocate and implement a one-stop collection approach where all zero-party data is gathered for a customer, often out of context and resulting in a negative customer experience.

Monitoring the Negative

While some organizations view zero-party data as a positive data set that can impact customer satisfaction, experience, and effectiveness of marketing, all organizations expect implemented systems to proactively send alerts when parameters are "out of bounds."

For example, knowing when a campaign results in a higher-than-expected unsubscribe rate or if a specific collection point achieves a lower-than-average customer conversion rate provides an organization the opportunity to fine-tune their data collection programs.

ROI and the Importance of Personalization

Organizations that are pursuing the use of zero-party data to personalize engagement understand at a high level that a holistic approach can impact the top and bottom line revenue for the organization.

However, in most cases they believe it's impossible to truly determine ROI and they don't believe that ROI will ever be enough to make the business case for initial implementation or addition of new features and functionality. Most are moving toward personalization using zero-party data in response to a competitive threat or perceived gap (real or otherwise) in their customer experience compared to their competition.

Implementation of Zero-Party Data Collection is Still an Early Adopter/Fast Follower Initiative

Because enterprises know that the technology for properly collecting, storing, maintaining, and using this customer zero-party data is still in its infancy, they look to outsiders (vendors and customer success stories) for best practices on what works and what does not. It is very difficult for a stakeholder within a company to have the proper depth of experience with customer insights, preferences, and consent data, much less the time, to create and maintain a holistic approach to implementation.

Other priorities delay solution implementation and impact efficacy.

For organizations impacted by internal or external factors, the path to a comprehensive solution is well intended, but other priorities delay the release and ultimately the success of the solution.

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“We are not focused on a specific ROI for implementing the solution – I am not sure you could even really track it. We are implementing a solution to stay ahead of our other competitors in the space.”

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Conclusion

In summary, providers of customer insights, preferences, privacy and consent must be in a position to offer two distinctly different solutions or choose to become experts focused in one:

An enterprise-wide system where the purchasing organization is primarily interested in the advice, counsel, and strategies needed to stay ahead of the curve. They tend to have the budget available for initial deployment and ongoing improvements. Over time, the organization will work to bring the solution in-house for centralized control.

A point solution that connects into numerous technologies in the marketing technology and enterprise infrastructure stack. Organizations interested in point solutions expect built-in best practices, reporting, and user-friendly interfaces for administering zero-party data presentation, collection, and use. The solution fades into the background as an ongoing “cost of doing business” and advocacy for moving across the organization must come from the outside or is based on internal word of mouth when other groups or business units must address similar problems.

PossibleNOW's technology, processes, and services enable relevant, trusted, and compliant interactions between businesses and the people they serve. We gain customer insights through qualitative Voice-of-Customer research to understand the expectations and emotions influencing customer behavior. We leverage that understanding when deploying MyPreferences to collect and utilize zero-party data such as customer insights, preferences, and consent across the enterprise, resulting in highly relevant and personalized experiences.

DNCsolution addresses Do Not Contact regulations such as TCPA, CAN-SPAM and CASL, allowing companies to adhere to DNC requirements, backed by our 100% compliance guarantee.

PossibleNOW's strategic consultants take a holistic approach leveraging years of experience when creating strategic roadmaps, planning technology deployments, and designing customer interfaces.

PossibleNOW is purpose-built to help large, complex organizations improve customer experiences and loyalty while mitigating compliance risk.

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