



From Big Data to Right Data

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1 The Treatment of Data

In the times of big data, a brand's customers have come to expect a defined stance on the handling of their information. As the privacy policy becomes an increasingly important point within the field of brand management, only brands that combine insight and sensitivity to their customer's needs are able to build both trust and a competitive edge.



A question of **balancing** the desire for more in-depth **information about customer needs**, and the preservation of **customer privacy**.

Big data — the collection and leveraging of customer data for the increased effectiveness and efficiency of one's marketing policy — has been on most marketers' agenda for quite some time. Understandably, the potential to use comprehensive data points to gain insight into a specific audience is compelling, as it enables the generation of more accurately targeted and recommendations-based advertisements. In marketing, data is becoming one of the most crucial commodities.

But there is a certain unease that follows companies' compulsive data collection that has only been aggravated by the NSA affair and other recent information leaks. Consequently, data security has become a priority issue for three quarters of consumers.¹ Companies are particularly mistrusted, with 87% of Germans

convinced that their data is used much more than is acknowledged.²

In this delicate ethical situation, correct handling of data has become a question of balancing the desire for more in-depth information about customer needs, and the preservation of customer privacy.

Consumers have increasingly come to expect an explicitly clear stance that goes beyond privacy policies' fine print. Marketers can no longer leave the issue up to the legal department, who would formulate a legally ironclad policy and leave it at that. The treatment of data is becoming an ever more important area of modern brand management as it affects a brand's fundamental capital: trust.

From Big Data to Right Data

Processing Data in Accordance with Brand Values and Customer Interests

The growing significance of data management also, however, offers brands an opportunity to differentiate themselves in the very formulation of their policy.

A clear and client-orientated policy can become integral to a brand's manifesto which is where brands must make the transition from a technologically focused, big data approach to a client-focused, **right data** approach. While the former places emphasis on information architecture and analytical algorithms, the latter focusses on a more meaningful interpretation of data that adheres to the brand values and places the customer in centre. Brands that master this transition strategically and operationally will be able to stand apart in the long-term.

How marketers determine the right data management lies in three pivotal factors: **transparency, value** and **participation**.

Gaining Trust Through Transparent Communication

It's essential that brands are transparent about what they are collecting data for and what degree of res-

ponsibility they take for it. Seventy-seven percent of Germans believe that they are not sufficiently informed about how their information is being used.³ This is why brands that are clear and open about their use of customer data and that invite a dialogue regarding their policies, demonstrate that they take their customers and their expectations seriously and thereby gain their trust.

Some companies take it a step further in **allowing their customers not only to view the saved information about them but, in some cases, even modify it**. One of the few companies bold enough to employ this approach as a trust-building device is Axciom, an American data company that collects data on 700 million consumers. The widespread and resoundingly positive media feedback illustrates the impact an open data policy can have on a brand image, and is sure to encourage the same approach in other brands.

Legitimizing Data Usage Through a Better Brand Experience

Customers expect a trade-off for their personal information. If not in the form of a direct reward — such as a discount — then at the very least a better brand experience, with the governing logic being that: if companies gather that much data, they should be in a position to offer an outstanding and personalized product or service experience. Hence the customer will only accept the collection of their data if it is perceived to serve a beneficial purpose. ⁴

wildfire, the question becomes why brands don't exercise more restraint in order to gain consumer trust and loyalty.

Brands that make their data collection **opt-out** as accessible as its opt-in, would illustrate their commitment to the privacy of their customers — an approach that would set itself apart from the negative examples like the regularly modified privacy settings of Facebook. While the permissions for Facebook and partner companies to access one's information are



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Brands such as Amazon succeed in giving their customers the feeling that the collection of their data goes towards improving and individualizing their user experience — which makes customers view the data collection as mostly positive. This sentiment was echoed by focus groups that showed that customers deemed Amazon's data practices to be fair and legitimate, while the same practices on Facebook were felt to be invasive. ⁵

Giving Customers the Right to Participate

In terms of data usage, brands can also distinguish themselves from the competition by empowering customers to define how much of their information is gathered. While many brands, particularly in the digital realm, admit to a degree of data collection — such as announcing their use of cookies — very few give customers a significant choice in the matter. As new services like PrivacyChoice and MyPermissions — that help consumers to regulate data collection through blockers and other barriers — spread like

granted automatically, changing the settings requires navigating a labyrinth of convoluted settings. This conduct has yielded consistent bad press and has led to Facebook being perceived in Germany as one of the least trusted of the IKT and internet companies. ⁶

Defining the Right Data As a Marketer

As a customer's expectation of transparency, value and participation is varied and context-dependent, marketers must first get a complete impression of their customers', or target customers', specific requirements before developing their privacy policy. Using segmentation of various stakeholder groups then allows a brand's communication regarding data usage to address a broader spectrum of customer sensitivities. In this way, a customer segment that is more critical of data collection can be provided with more information and opportunities to interact, while a more relaxed customer segment isn't unnecessarily bombarded.

3 Conclusion & Outlook

Right Data as a Future Element of Brand Management

Although many companies view big data from a technological standpoint, it is emerging as an equally vital element of brand management. Given the customer priorities of transparency, value and participation with regards to the gathering of data, brands have to develop a policy that corresponds to their brand image. The growing customer awareness of the extent and implications of data collection will force brands to make the transition from the faceless big data approach to the more qualitative right data approach. Like

ecological sustainability — which no serious brand can afford not to address — the commitment to data security will soon become the benchmark of a brand's manifesto. As much as data collection helps companies to better understand their customers, the handling of it will help customers better understand the company, so those that recognize and act on this challenge early, are more likely to win valuable trust and ensure their advantage over the competition.



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Sources

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