

NEW CONSUMER RESEARCH INSIDE

Rise of the responsible marketer

New research-based report into the imperatives for taking a more customer-centric approach to marketing



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INTRODUCTION

Building trust with customers through responsible marketing is central to retention, life-time value, and optimizing investment in sales and marketing.

Brands must therefore put data stewardship at the heart of their marketing efforts not only to reassure consumers but to build the long-term meaningful relationships that drive loyalty.

The explosion of ecommerce, brought about by the Covid pandemic, which has seen record growth in new cohorts of shoppers coming online, is good news for brands, but comes with a number of new challenges around consumer expectations, the capabilities of current technologies, and the limitations of processes built for a more permissive marketing environment.

The imperative is for more responsible marketing that will enable brands to meet their regulatory responsibilities as well as reach and sell to consumers more effectively.

The **explosion** of **ecommerce**, brought about by the pandemic, has seen **record growth** in new cohorts of shoppers coming online.

The key to enabling responsible marketing is putting the customer at the center of everything a brand does, both in its communications to the wider world but also to each and every customer.

This depends on having the data that reveals each customer's behaviors and preferences as a platform for personalized communications, whilst ensuring you are ahead of compliance and regulatory changes.

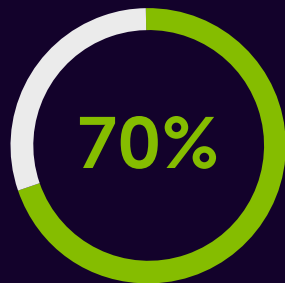
Being responsible in your marketing efforts, and future-proofing your data and privacy through best practice, is good for your business and good for the customer. It is a win-win – the business operates responsibly, and shows care and respect for the data they hold on customers, while the customer receives a more rewarding experience, powered by personalization, to grow loyalty and lifetime value.



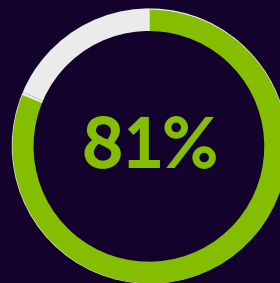
TRUST MOVES UP THE AGENDA

Marketing to consumers only works if they trust you. And trust in brands has risen to the very top of the agenda, second only to price.

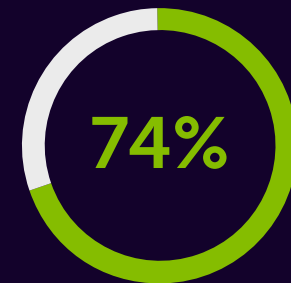
The 2020 Trust Barometer from **Edelman** says trust is the make-or-break difference for brands.



of the respondents in its survey said that trusting a brand was more important than ever, and that was broadly common to all age groups, genders, and income bands.



said personal vulnerability (around health, financial stability, and privacy) was a reason why brand trust had become more important.



said the extent to which they trusted a brand also depended on that brand's impact on society.

These findings link to Edelman's 2021 findings reflecting on a year of Covid. Consumer trust took a beating generally in the flood of misinformation from governments, NGOs, media, and business.

Trust declined in information accessed through search engines, traditional media, owned media, and social media between 2019 and 2021.

However, the good news is that of the four groups, business is the most trusted and seen as both ethical and competent.

[Salesforce](#), in its report State of the Connected Consumer, spoke to 12,000 consumers and 3,600 business buyers to discover that over half don't trust companies. This is concerning in the context of how important trust has become – 82% of consumers up from 73% in 2019. However, the report did show a way ahead, advising retailers to “[embrace transparency and cultivate more authentic connections](#).”

In thinking about these connections, Deloitte in its 2020 Global Marketing Trends report elaborates by saying increasingly digital communications need to be balanced by authenticity and a more human connection. Although this must always be considered alongside the fact that there is a growing acceptance of robots and AI to perform tasks where human intervention is not required or indeed helpful.



SEARCH

A woman in a light blue shirt is holding a smartphone. Overlaid on her face is a digital mesh of white dots connected by lines, representing facial recognition or data tracking. The background is blurred with teal and red tones and some geometric line patterns.

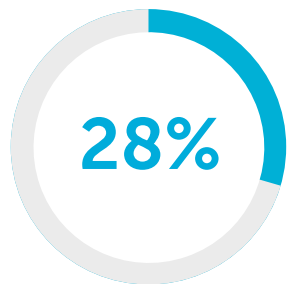
WHAT DO CONSUMERS THINK ABOUT TRUST?

We undertook our own research
in March 2021 to get closer to
understanding consumer attitudes
to personal data.

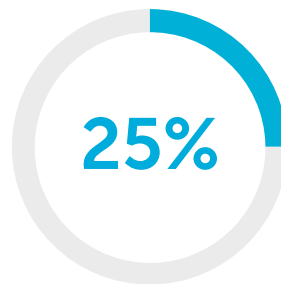
CONSUMERS SHARE DATA BUT THEY ARE UNSURE ABOUT HOW WELL IT IS PROTECTED

44% of US consumers trust brands to store their data safely when they have to give their personal data to the brands they buy from. However, **25%** still didn't trust that brands would store their data safely.

Digging deeper, we found that:



said they didn't feel their data was kept securely and their privacy was compromised when they gave personal data to brands.



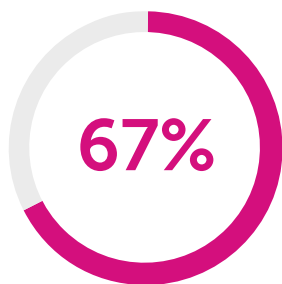
felt that brands didn't have the security systems or processes in place to sufficiently protect their data.



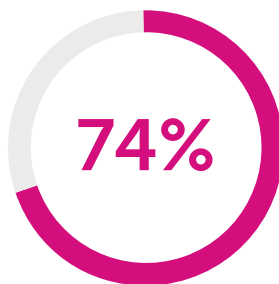
OLDER CONSUMERS WERE MORE WORRIED ABOUT DATA THAN YOUNGER ONES

Two thirds (**66%**) worried that their data would become compromised when giving personal information to brands

This concern was more keenly felt among older shoppers: just **51%** of 18- to 24-year-olds raised this as a concern, **25%** less than those in the 55-64 age range, of which **76%** said they were worried their data would become compromised.



were concerned their data would get hacked when passing it on to brands they shop with – again, this fear was more acutely felt by those in elder demographics.



of those over 45 said this was a worry compared to **55%** of 18- to 24-year-olds



**CONSUMERS FEEL BRANDS COULD DO
MORE TO PROTECT THEIR DATA**

How levels of trust change is of some concern. When we asked U.S. consumers in March, **75%** felt brands could do more to ensure the safety of their personal data they entrust to the brands they shop with.

This is significant in the context of continued data breaches making headlines, particularly as **63%** of US consumers also said they have become very wary of giving out personal information or data to brands.

COVID HAS MADE CONSUMERS LESS TRUSTING

56%

said they had become more mistrustful of how companies use data over the last year.

51%

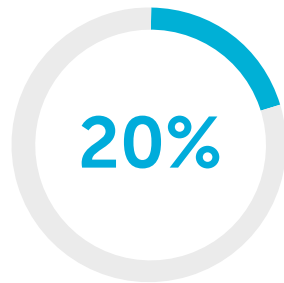
said they had become more aware of how their data was used by brands as they had been shopping online more often.



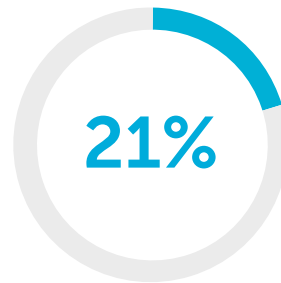
TRUST IS LOST WHEN IT GETS PERSONAL

However, much of this concern is generalized as long as 'it doesn't happen to me,' and once it becomes personal, trust becomes a critical issue.

In the research:



of respondents said they had experienced issues with data security.




had reported having their data hacked.

And this happened more frequently with younger consumers, mainly because they are more likely to be digital-first and more vulnerable to attack.

Personal experience of data abuse has implications that can threaten trust in brands longer term. **68%** worried that their data would be passed on to third parties for marketing purposes, while a further **69%** were concerned that their personal information would be passed on to other companies without their consent.





Perception is one thing, reality is another, and trust can be further eroded. **86%** of U.S. shoppers reported having received unsolicited texts or email messages from companies they'd not provided their data to. And **36%** said they'd continued to be marketed to by brands, even after they had asked to be removed from the database.

TRUST IS NOT JUST ABOUT REPUTATION BUT ABOUT REVENUE

45%

of U.S. consumers had unsubscribed from a brand's mailing lists because they received too many marketing messages.

37%

of U.S. consumers had unsubscribed from a brand's mailing lists because they had received irrelevant marketing messages from the brand.

This behavior then translates into commercial action; **72%** of U.S. shoppers would be less likely to buy again from a brand that they felt hadn't been responsible with their data – this rose to **86%** of over 65s, compared to **56%** of 18- to 24-year-olds.



53% said they would not return to a brand that had acted irresponsibly with their data in the immediate future, but may consider going back if they liked the product enough. **65%** would actively discourage family and friends from buying from a brand that had handled their data irresponsibly.



UNDERSTANDING WHAT CUSTOMERS WANT IS KEY TO BUILDING THEIR TRUST

However, new customer expectations are making it harder and more expensive to trade.

Because of a rise in commerce transacted online, a growing cohort of digital natives are manifesting behaviors that are harder for brands to both read and act on.

Consumers now have much higher expectations as to how their brands should behave.



They want brands to demonstrate good citizenship

Research by Kantar shows that sustainability is more important to global consumers since Covid, while **65%** of respondents to a survey by Ipsos Mori stated that climate change needs to be prioritized after Covid. In our research, **20%** wanted to hear more about how a brand was supporting charitable causes, while **23%** wanted to know how a business was trying to be more sustainable in their operations.



They want personalization and they want privacy

[Euromonitor](#) has coined the phrase private personalization to embrace the paradox of people wanting content and communication to be relevant to them and accept that there is a trade-off in sharing private information, and yet they still want their privacy guarded. In our research, 40% said they wouldn't mind giving up data if it made the online experience more personal.



They want personalization with added benefits

With growing concerns over physical, spiritual, and mental health, consumers want products and services tailored to their needs. In our research **39%** of U.S. consumers said they didn't mind giving data to brands as long as there was a value exchange and they got something in return

41% said they didn't mind giving their data to brands if it was used to improve their customer experience or online shopping experience – however **29%** still said this wouldn't be enough to make them feel comfortable handing their information over.



They are more impatient

Already short in their attention span as a result of instant gratification through mobiles, Forbes suggests that consumers' familiarity with digital channels has made them less tolerant over delays and disruptions in service and delivery. **41%** of customers say slow and unresponsive service characterizes bad customer service. [Forbes](#) goes on to define the concept of the "now customer" in 2021.

TRUST IS EASILY LOST

There are many reasons why we - or - customers lose trust in a brand.

Negative
experience of the
product or service
– quality, price,
value

Negative
experience of the
experience

Negative
reviews

Aggressive
or inaccurate
marketing

Bad behavior by
the brand that
directly affects the
customer e.g. data
breaches

The brand's
perceived negative
impact on the
environment

Late, inaccurate
no-show deliveries

Poor or lacking
customer service

Inaccurate
online listing

THE BENEFITS OF WINNING AND MAINTAINING TRUST

It is well established that lost trust translates to lost business, both at the point of loss and in the longer term, but Gartner has recently put a value on that loss; its research shows that 81% of consumers refuse to do business with a brand they find untrustworthy.

In addition, 89% of consumers would take action against a brand that breaches their trust.

Gartner has also put a value on keeping the consumer's trust. Its research shows that a high level of trust leads to a **40%** growth in brand preference and an **18%** boost in brand loyalty. Trust in this context has three elements – trust, authenticity, and dependability.



THE SOLUTION TO WINNING AND BUILDING TRUST IS RESPONSIBLE MARKETING

Understanding this mix of factors and also their relative importance to consumers is critical to building communications and campaigns that engender, earn, and sustain trust.

“Companies should build an infrastructure that protects what stakeholders value most, while proactively detecting threats in the domains of cybersecurity, data protection, regulatory compliance and reputation.” [Deloitte](#)

Without this infrastructure, companies risk the market value of their brand, a possible decline in customer loyalty, bad PR if data is used incorrectly, and an inability to serve customers. This last point (an inability to serve customers) leads to missed sales opportunities and lost conversions unless data and privacy are built into the entire sales process. Building data and privacy controls also mitigate the high cost of reacquiring customers.

And these days, this means acting responsibly and showing how you have acted responsibly to both consumers and regulators. GDPR fines rose by nearly **40%** between 2020 and 2021 according to research from global law firm [DLA Piper](#). Penalties reached **\$191.5 million**. The highest profile cases were against Google, H&M, British Airways, and Marriott. In a bad year for travel, the airline was additionally fined **£20m** for a data breach.



GDPR fines rose
by nearly 40%
between 2020
and 2021



THE CHALLENGES TO ACTING MORE RESPONSIBLY

Responsible marketing has always been a business imperative for any retailer looking to win and retain customers, but the bar has been set higher than ever because of a raft of legislation around...



GDPR and beyond

Since the introduction of the GDPR in May 2018, there has been development of further guidance across Europe and in the UK as well as high profile penalties issued against organizations. There has since been an ever-growing shift to consumer-friendly privacy laws across the world, including state laws in California and Virginia. All of these are designed to empower individuals and enable them to exercise control and choice.



Apple tracking

There has been a shift in consumer control around tracking. Apple's iOS 14 gave users for the first time the option to opt out of tracking in apps that monitor their behavior and share that data with third parties. And now, iOS 15 has gone further; the update brings with it a range of new privacy features, but there are two which will have a direct impact on marketers, and email marketers in particular. These are:

- Mail Privacy Protection provides anonymity to recipients receiving emails on iOS devices by preventing accurate tracking.
- Hide My Email provides recipients the ability to get emails without sharing their real email address with senders.

Apple's update is an opportunity for brands to build trust among its users. It's helping to increase people's awareness of data and privacy which, while initially troubling for marketers, will yield better results in the future, driving innovation and stronger customer relationships in the future.



Google opt-out

Google in 2020 enabled users to take control of ad settings to prevent their data being used by Google Analytics to make ads personalized.



Digital Services and Digital Markets Acts

Described by the European Commission as a single set of new rules applicable across the whole EU to create a safer and more open digital space, the acts are meant to provide a level playing field across the union.



Global privacy changes

According to [Gartner](#), 10% of global consumers are protected by modern privacy regulations. By 2023, that will have grown to 65%.

DOTDIGITAL RECOMMENDATION:

Embrace compliance & trust

The world is changing and the shift to consumer-friendly privacy rights cannot be ignored. Embracing these changes and ensuring compliance naturally fosters trust, which is the key for consumers to share their data with a brand.

If a consumer trusts a brand, then they will be engaged; the value of a relationship nurtured over time will increase engagement.

dotdigital promotes best practice that enables brands and retailers to become responsible marketers - where compliance, sustainability, data privacy and security are concerned - in the eyes of their customers as responsible marketers for data privacy, security, compliance, and sustainability.

So, no matter where you are, and what regulations are changing around you, marketers have the best toolkit available in the market to stay on top of today's and tomorrow's expectations.



DOTDIGITAL RECOMMENDATION:

Use Apple iOS 15 to engage more meaningfully with customers

We're yet to know exactly what the impact will be. However, a well-educated guess implies that in the short term and from a functional perspective some key data points will be impacted for those recipients you send to using iOS 15:

- **You will not be able to correctly track what time an email was opened**
- **Location of email opens will be less accurate**
- **The number of opens will not be an accurate measure of success**

But this is nothing to worry about. There has been a flurry of conversations among marketers about the merits of open rates since the announcement. At dotdigital, this is nothing new. In essence, open rates are a vanity metric. Recipients flicking through their inbox may count as opens when in actual fact they haven't engaged and may have barely even looked at your email. It offers no insight into whether users are engaging with your marketing.

Open rates will still exist in some capacity, and when combined with clicks, purchase information, account log-ins, and replies this will all add up to a [more comprehensive view of customer engagement](#).

<https://blog.dotdigital.com/ios-15-what-you-need-to-know/>



WHY DOTDIGITAL IS THE PERFECT FIT FOR THE RESPONSIBLE MARKETER

We've always been strong advocates of responsible marketing at dotdigital.

As a result, we've anticipated changes to industry regulation and the needs of our clients, and have built a platform full of the tools that help to engage customers efficiently while building trust. We also recognize that it's our responsibility to look after the planet, and we're proud to be the world's first carbon-neutral marketing automation platform. That means we are the greener and more sustainable option for multi-channel marketing automation for growing brands.

CUSTOMER ENGAGEMENT : THE TOOLS

Marketers can create an unlimited number of marketing preferences providing infinite opportunities to enrich customer data, using surveys, forms, and preference centers. By encouraging shoppers to share as much information as possible, they can craft their own customized journey, and the data can be used to create relevant and targeted segments.

Double opt-in

Double opt-in is an automated confirmation email which asks the customer to confirm that they want to receive marketing, ensuring that the database is full of engaged contacts. Following the iOS 15 update, having an automated double opt-in process will ensure subscribers are fully informed about what they're signing up to receive.

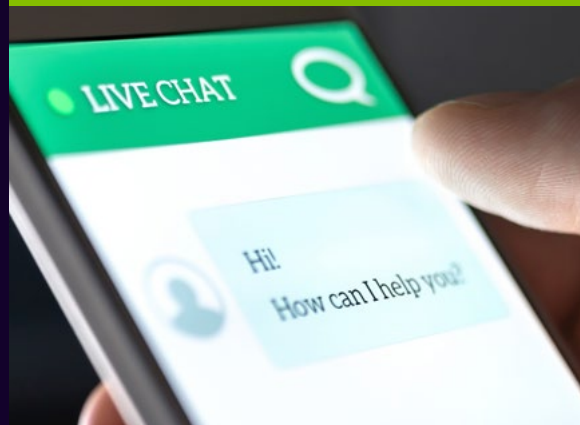
Live chat

Live chat is an essential channel to enforce the connection between the brand and its customers. As a channel, it promotes two-way conversations that can be used to form stronger connections with audiences. Also, like zero-party data, customers have made the first move, so they are in control of the relationship.

SMS

SMS is a marketing channel that has never relied on opens to measure success, and with read rates of 98%, its success is undeniable.

In light of the iOS 15 update, brands should be adding SMS to their marketing mix as a necessity. Using country-specific templates, all the relevant opt-outs for each region are included to ensure SMS campaigns are up and running quickly and responsibly.





Visit our website to speak to an expert on
how to nail your responsible marketing.

<https://dotdigital.com/trust-center/>

<https://blog.dotdigital.com/ios-15-what-you-need-to-know/>

