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THE FUTURE OF ZERO-PARTY DATA COLLECTION:

BECOMING A CUSTOMER-CENTRIC COMPANY

By Jeff Jarvis, Senior Vice President of Strategy & Consulting

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

Introduction

To date, much of the conversation around an enterprise-wide system or platform for collecting, maintaining, and utilizing customer data has focused on justification for budget, early-phase implementation and outcomes from individual brand or channel initiatives. Understanding the power of a comprehensive customer profile across all departments and systems is something that has recently begun taking hold. We saw this most prevalently with the concept of "preference management," where customers can proactively select topics of interest, communication channels, and frequency of communications.

In fact, the phrase "preference management" itself was almost nonexistent in the marketing analysis and media vernacular prior to 2010. Today, it is an accepted and even expected element of customer experience and engagement planning. Forrester Research, a leading voice in marketing and customer experience technology, declared that "enterprise preference management builds customers' trust by providing customers with meaningful marketing choices and some control over how a brand communicates with them."

Shortly thereafter, the concept of consent began to spread with global regulations such as GDPR. Soon, preference and consent were aligned as part of a customer's overall profile, but only a part. As companies collected this data about their customers, alongside other third- and first-party data, they began to realize the customer has more to provide: their feedback, opinions, and insights unique to them and their customer journey. This is referred to as "zero-party data:" any personal insights that a customer proactively and deliberately shares with a brand.

Today, marketing and customer experience decision-makers recognize the critical role that gathering customer insights play in customer acquisition and retention. And while any number of resources are available to help companies get started, little in the way of research or recommendation has been devoted to the future of collecting customer zero-party data or how it might function as part of a fully mature enterprise marketing technology ecosystem. This paper will offer practical observations and recommendations for companies beyond the early adoption phase and considering the broader implications of customer zero-party data across the enterprise.

These include:

- **Customer data collection, management and use must be more than a marketing initiative.** In fact, maximizing value from customer data can challenge the traditional separation of powers between CMO, CIO, CTO and others. Customer data management requires cooperation across key groups within the organization, often enacted through a cross-functional governance team, to be successful.

- **Proper customer data management should impose order on an increasingly chaotic marketing technology landscape.** The cohesive management of customer data empowers smart investment decisions and drives strategic thinking in an area where it is sorely needed. By its centralized nature and requirement for tracking, customer data management serves as a control for preventing the introduction of unnecessary new technologies and storage of sensitive data in unapproved data silos.

- **Analysis, maintenance and interpretation responsibilities for zero-party data must be ongoing.** Simply building the ability to listen or collect customer insights isn't enough – enterprises must commit to a culture of learning from customers and prospects. Zero-party data provides insight into the complete customer experience, conversion, attrition and true customer interests and intent.

- **Data management leaders must recognize that best practices change as quickly as technology and customer adoption of new channels.** Creating a flexible model that supports new channels and marketing strategies, with an eye toward maintaining compliance with marketing regulations is key to avoiding expensive technology investment, government oversight and litigious customer action. Customer data management should focus on early wins to enhancing the customer experience with a long-term view to strategic company plans.

More Than a Marketing Initiative

Maximizing the value of customer zero-party data challenges the traditional separation of powers and responsibilities between CMO, CIO, CTO, compliance officers and others.

The collection and management of customer data may be primarily driven by one of these groups, but to effectively define, implement and capitalize on a holistic solution, cooperation is required across key groups within the organization. It is only with this strategic cross-company cooperation that a data management implementation can be truly successful and effective.

Customer data management is best facilitated through a cross-functional team that is responsible for defining the new nurture-campaign approach (commonly established as a governance team). This team should be comprised of cross-service, cross-functional representatives that work together to accelerate knowledge sharing and expedite decision-making.

At an enterprise software company, this team might include representation from marketing, sales, product support, compliance, digital services and more. Led by members with budgetary and personnel control within their departments, the work of the team would likely be managed day-to-day at a staff level through shared planning and collaborative identification of challenges, goals and dependencies.

This team is crucial to guiding the evolution of customer touchpoints and creating internal definitions of content and delivery mechanisms. For example, the enterprise must have a single definition of the term "e-newsletter" understood by marketing, sales, support and anyone else with the power to produce outbound, customer-facing content. Without such definitions, it can be difficult (if not impossible) to manage communication flow, obtain and sort customer feedback, and honor preferences and consent across the enterprise.

Once in place, a governance team can establish and guide the evolution of customer and prospect touchpoints. For example, the team might recognize that while email may be the channel of choice for certain communications today, there is no guarantee that will still be true in three years. But what's next? How should the company pivot? When?

It's clear that governance teams are crucial not only in the taxonomy of communications (defining different types of messages) but also in evolution (determining the standard by which the company changes the ways in which it engages with customers).

Leverage this team to set best practices, define content types, determine standards and priorities and evangelize the goal of delivering customer-centric experiences.

Technology Governance

The technology landscape for marketing has grown exponentially in recent years. The combination of easy-to-purchase technology, growing consumer channels and a desire to get to market quickly has created a complicated web of tools and platforms across enterprises.

For example, marketing automation for tracking leads and conducting campaigns, ESPs, MSPs and CRMs often result in unique data silos and systems to manage. A mature zero-party data management program must address this technology bloat and can do so through a series of proactive steps.

First, create an enterprise-wide communication map to understand how to organize and ultimately display feedback and insight opportunities to customers that are representative of engagement occurring across the organization. The map should identify all the means by which the company interacts with customers, the content types used for interaction, and relationships that trigger (or halt) further engagement.

Some companies have found significant benefit by representing this information in a graphical format, almost like an actual geographical map. Others have solved it through careful categorization in a document or database. Regardless, the map should reveal how the company talks, listens, stores information and makes decisions about how and when to interact with customers.

Second, take an inventory of all outbound customer engagement including nurture, campaign, servicing and others. This inventory provides a baseline guide for initial preference or trust center design, optimal customer insight collection points and an understanding of where zero-party data is stored and how it can be shared.

Third, examine the overview of company-wide communications and find the gaps and redundancies. Consider whether or not your technology portfolio can be stretched to cover the gaps and what tools should be shut down to eliminate unnecessary noise.

Having taken these steps, the governance team can now make informed decisions about technology implementation, management and retirement. Armed with empirical data on company-wide communications, they can make swift and accurate determinations about adding an ESP, sunsetting an SMS tool, and optimizing contact center performance. Moreover, these decisions are informed by customer feedback, opinions, and insights, shifting control of the conversation to the party best positioned to guide it.

Analysis, Maintenance & Interpretation

Analysis

Maintenance

Interpretation

Simply building the ability to listen or collect customer zero-party data isn't enough — enterprises must commit to a culture of learning from customers and prospects. Zero-party data provides insight into the complete customer experience including conversion, attrition, and true customer interests and intent. Effectively managing customer insights includes a responsibility to interpret that data and react accordingly.

For example, preference management can reveal that customers don't want billing reminders via text message. The obvious (and correct) response is to honor that preference and send reminders through another approved channel. The less obvious, but equally important response, is to consider the temporary dominance of the desktop for bill-paying and financial management. If customers prefer to see reminders and pay bills on their desktop computers, how can you leverage that information to enhance their experience? What steps should be taken to prepare for the eventual decline of the desktop?

The customer-centric company understands that what they provide to their customer is well beyond the product or service that they sell. In many cases, it's a relationship that touches multiple aspects of their lives including social, financial, professional, and more. This reality makes it all the more important to view customers as customers, not merely an aggregation of transactional data. This approach empowers companies to offer experiences that align with customers' needs and goals.

Consider the average American car buyer. Once the decision has been made to enter a relationship with a seller, engagement and outreach must shift to identify the customer as a car owner whose needs and goals have shifted dramatically. Over time, those needs and goals will continue to shift, from optimization and best use to maintenance, repair, and eventually resale. Without customer data interpretation, the automotive company only reacts to facets of the customer (buyer, bill-payer, repair-seeker, seller) without considering the whole. But when the dots are connected to view the customer as a person, customer experiences and engagement can surprise, inform and exceed expectations.

As seen in this example, enterprises bear the responsibility to analyze and interpret data in order to deliver ongoing value — the key to building customer loyalty and trust.
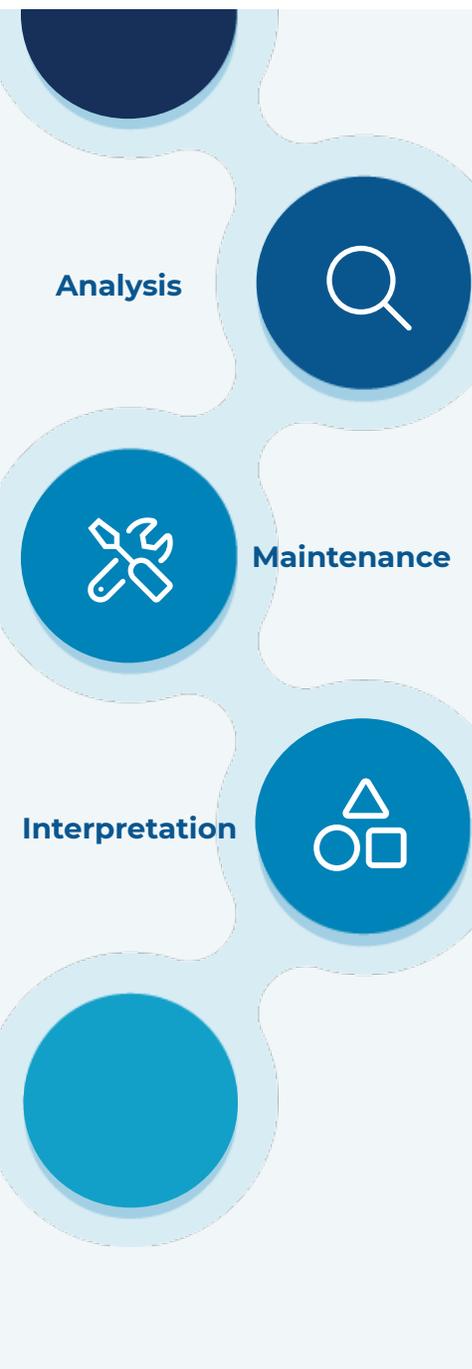
Understanding and Managing Change

Creating a flexible model that supports new channels and marketing strategies, with an eye toward maintaining compliance with marketing regulations is key to avoiding expensive technology investment, government oversight and litigious customer action. All customer data management should focus on early wins to enhancing the customer experience with a long-term view to strategic company plans.

If you've rolled out a method for zero-party data management in just one or two departments and now you are considering going enterprise-wide, here are a few things to consider.

1. Validate the inventory of systems holding customer and prospect data (including preferences, consents, and insights), including any third-party systems.
2. Prioritize the consolidation of data offering the highest financial and customer impact.
3. Create (or source) a solution for centralizing this data, ensuring mechanisms that can provide the following capabilities:

   - Real-time updates of new and modified data, regardless of the source (e.g., opt-out requests triggered from email, SMS and account updates), except in the cases where third-party providers make near real-time updates the only viable option.
   - An adaptable interface that customers and authorized cross-company, cross-functional employees can view and/or edit data with varying abilities based upon user groups.
   - The ability to add new data fields and modify or archive existing data fields through a limited or non-existent software development cycle.
   - The capability to utilize or export data by an authorized cross-company, cross-functional audience (e.g., segment data for the purpose of a delivering a marketing message).
   - Extend customer data records to consistently include preferences, feedback, or insights for key information (e.g., phone number type, SMS communication preferences).
   - Create and deploy an updated interface to identify new offerings and channels to customers and to cross-company representatives.
   - Set a standard preference or trust center that all appropriate customer communications will hyperlink to or otherwise indicate an interface capable of reaching the centralized data repository for customer data management activities.

Conclusion

Without a doubt, establishing a cohesive system for the management of zero-party data across the modern enterprise is no small feat. As described in the preceding pages, it is an effort that demands cross-departmental collaboration, the introduction of new research and interpretation capabilities and true organizational adoption on a level that few other initiatives would enjoy. Yet with all of that said, it is not impossible. In fact, it is imperative.

More and more enterprises have come to recognize that they exist in an opt-in world full of perpetually-connected consumers who expect to be understood as individuals and whose behavior blurs the lines between sales, marketing, support and service.

As a result, the siloed corporate structure of yesteryear is being challenged in new and interesting ways. The collection and management of zero-party data is the ultimate "crossover" initiative — one that often begins as a marketing project, gains traction through IT and finds great application in customer service and support.

Moreover, in its aim to unify the company's view of a consumer and make information available through a central repository, an effective zero-party data management program acts as a silo breaker inside companies, encouraging a holistic view of customer interaction and engagement.

Enterprises that embrace the new reality and push their zero-party data management initiatives beyond email or single-brand boundaries will reap significant rewards in loyalty, engagement, and marketing ROI. Those that don't will only find themselves falling further and further behind as the means by which companies and customers interact evolve at an ever-greater pace.

Achieving true customer-centricity on an enterprise scale can be a daunting challenge. But it's one that every enterprise must accept in order to remain relevant in a personalized, permission-based, and insights-driven world.

If you would like to discuss how zero-party data can be leveraged within your specific organization, you are invited to book a **30-minute consultation** with the author of this paper, Jeff Jarvis. Book time on his calendar here!

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
echnology deployments, and designing customer interfaces.

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

CONTACT
Contact Us

(800) 585-4888 or (770) 255-1020

email | info@possiblenow.com
visit | www.possiblenow.com