THE GREAT CUSTOMER EXPERIENCE RESET

Why earning data trust should
top your to-do list

acXIOM

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WHY TRUST HAS BECOME THE AUTO INDUSTRY'S ESSENTIAL SELLING POINT

Love and trust go hand in hand. It's difficult (if not impossible) to have one without the other. To maintain love, you must see trust as a continuous work in progress. Drop the ball on trust just once, and the climb to reclaim love is uphill and rocky.

The **Great Customer Experience Reset** is an essential three-part series from Acxiom that explores the link between data trust, brand loyalty, and the connection people have with the brands and experiences they love. That matters a lot in the automotive industry. After all, where is trust more tenderly forged than with car, SUV and truck buyers? A person's relationship with his or her vehicle is nearly as intimate as a lifelong friendship.

Earning trust, without a doubt, should be atop any to-do list for companies working in the business of moving people from one place to another. Consider this: the public's trust in the automotive community has dropped five percentage points since 2020. It's not been a smooth run for automakers and dealers over the past two years, and there are many factors to point fingers at. Recent supply chain issues and microchip shortages have shaken people's confidence in the automotive industry. Headlines trumpeting price hikes and even special mark-ups haven't helped.

Furthermore, there is "legacy mistrust" to overcome. Historically, people have taken a dim view of the car-buying process, settling into the stereotypes of the "pushy salesman" and the "juiced-up markups." As a result, people have increasingly removed the dealership from the equation, conducting their own research and even buying and financing online before heading to the showroom.

Gaining and maintaining brand trust is an auto industry challenge that is not for the squeamish. Forward-driven steps must be taken now. Fortunately, the window for opportunity is wide open. The core of this opportunity lies with establishing data trust.

If the internet is a highway, then data is the fuel – and it's growing in influence. The global electric vehicle market is expected to reach $957 billion by 2030[1]. The connected car market is expected to reach $345 billion by 2030[2]. The mobility-as-a-service (MaaS) market should exceed $230 billion by 2025[3]. All these trends are connected by personal data, a commodity people have become increasingly dedicated to protecting. Are the players in this connected future of mobility ecosystem prepared to safeguard and value people's data, and build the trust and love people crave from the brands they admire?

In this installment of the **Great Customer Experience Reset** we discuss the importance of building brand trust through the proper use of data to help the auto industry understand why data trust is central to the customer experience. It provides real-world examples of how building data trust produces tangible results. The report, among several in a series, provides a unique roadmap to uncharted territory – a world where personal data is king, and earning people's trust is the ultimate reward. Read <u>part one</u> and <u>part two</u> of the Great Customer Experience Reset series.

TRUST IS UP FOR GRABS RIGHT NOW

Disruption caused by the pandemic is driving a "Great Customer Experience (CX) Reset" with brands rethinking their approach to delivering exceptional customer experience in a rapidly changing world. And nowhere is this more evident than with brand trust.

Trust is the invisible currency of commerce. No sustainable business can create value without it. Brands exist to signal trustworthiness, and they die when that signal fails. That's why companies spend so many millions of dollars building, promoting, and defending their brands.

Pandemic-related turbulence has accelerated trust erosion across the globe. According to the 2021 Edelman Trust Barometer, this is fueled by an "*epidemic of misinformation causing widespread mistrust.*"[4]

The specific impact on brand trust varies depending on each brand's response to the crisis, as well as its role in supporting customers through challenging times. Established assumptions are being overturned and the trust balance is more easily swayed in any direction.

As Forrester reports, "*trust is up for grabs right now.*"[5] So brands need to make sure they are gaining and not losing it. Brands that succeed will be those that can swim against the rising tide of misinformation and mistrust, and become a dependable ally for customers and prospects alike.

But as they take on the task of building trust to improve CX, there's an additional factor to consider. Today, brands need to earn a different kind of trust – one that brings a whole new set of challenges and opportunities.

It is known as data trust.

More ebooks in The Great CX Reset series:

❯ **Part 1:**
An unexpected opportunity to build brand love

❯ **Part 2:**
Why the best CX moments rely on your brand's memory

INTRODUCING DATA TRUST: A NEW DYNAMIC

The statement, "I trust Coke (or Canon or Converse)," used to mean, "I trust this product will perform as expected, with a consistent level of quality and safety."

Today, it must also mean, "I trust Coke (or Canon or Converse) to use what it knows about me wisely, ethically, and in my best interest." And this trust – or lack of trust – is amplified in the social sphere, as people share their experiences across social platforms and review sites.

This is a new dynamic and a critical new imperative for every brand. It's a whole new kind of trust.

"Top drivers of purchasing consideration and trust in a brand are both functional and emotional, with good value for the price, protecting personal data and making high quality products of greatest importance."

— Morning Consult[6]

A COVENANT BETWEEN BRANDS AND PEOPLE

Data trust is a subset of brand trust, and earning it is vital for your brand to navigate this (or any) turbulent time. This is especially true if you're investing in understanding your customers and delivering exceptional CX.

Data trust is the individual's feeling that your brand will use their data to do valuable things for them. That you will use it to deliver great experiences. And that you will do so wisely and securely, sensitively, and ethically.

As a brand steward, you haven't had to earn this kind of trust before. But now you do. And if you do, you'll open up a new landscape of opportunities that will be slammed shut for brands who shrink from the challenge.

When you earn data trust, customers don't just accept the idea that you're collecting data about them. They explicitly want you to and they value it. They want you to know more about them because they know they will benefit.

> "**64% of consumers are at least somewhat willing to share personal information with an app in exchange for more relevant, personalized, and/or convenient services.**"
>
> **— Entrust**[7]

THE SIX CONVICTIONS OF DATA TRUST

Achieving data trust depends on convincing people that six specific things are true. Your brand has earned data trust when people believe:

1 **Your intentions are good.**
You want data for good reasons and have no hidden agenda.

2 **Your data practices are sensible.**
You're only collecting data they'd expect you to collect.

3 **You will use their data to deliver value.**
You'll improve your products, services, processes, experiences and offers.

4 **You will be transparent.**
You'll honor people's choices and be open about how collecting and using their data will add value.

5 **You won't misuse their data.**
You won't sell or share data without the right to, or collect data you don't need.

6 **You will keep their data secure.**
You'll protect them from data leaks and identity theft.

Critically, people will only believe these six things if they prove to be true. Data trust must be earned, not simply claimed, requested, or assumed.

THE CX DIVIDEND OF DATA TRUST

> "Higher trust levels are correlated with higher CX quality and drive loyalty behaviors such as retention, enrichment, and advocacy."
>
> — Forrester[8]

Brand trust remains at the core of all marketing and customer experience. It increasingly sits on the balance sheet as a strategic asset, contributing to the company valuation and share price.

As data becomes more critical to every aspect of the brand experience, data trust becomes a vital contributor to overall brand trust. It's all about being authentic, consistent, reliable, respectful, and responsive, while offering good value, driven by the insight that data brings.

Data is now at the heart of almost everything a brand does for each customer and prospect. **So earning data trust is arguably the single highest priority for brands focused on delivering relevant marketing and great customer experience**.

And it's only getting more important. Research shows that less than 40% of Gen Z internet users trust brands to protect their information once they opt into data collection – the lowest proportion for any generation.[5] With this demographic just entering the market, brands will need to work particularly hard to prove they are worthy of data trust.

Get it right and you'll find yourself in a virtuous circle where data trust increases data availability, which improves customer experience, which generates more trust.

DATA VALUE GOES WAY BEYOND REACH

The big stories about marketing data tend to focus on reach. On helping brands develop more precise audiences so they can be sure they are talking to the right people.

That's a massive benefit but it's only a small part of the value of data to CX, and a fraction of the data trust dividend. When you earn data trust, you create a strategic asset for your entire business that enables you to:

Improve customer-facing disciplines
Marketing, sales, and customer service all dramatically improve when you understand the interests and preferences of customers and prospects. You can anticipate their needs and make experiences more relevant and personalized.

Make customer-fixated decisions
With access to the right data you can ensure all decisions are made in the interests of the customer. From product, pricing, and distribution to creative and media, you can optimize your strategy based on what customers really want.

Enrich customer engagements
Use data to inform all customer engagements, whether online, offline, or multichannel. Deliver recommendations, offers, and experiences that meet the unique needs of each customer, across a variety of touch points.

Deepen customer relationships
By consistently delivering transparent value in every interaction you can improve customer satisfaction, gain lasting loyalty, and increase lifetime value.

Delivering great CX is about doing things for and with the customer, not to and at them. Brands that get this right – that earn data trust and activate it intelligently – are positioned to run circles around brands that don't.

But when it comes to data and trust, it's impossible to ignore the elephant in the room…

DATA TRUST IS ALREADY UNDER ATTACK

Data as a force for good

Those who work with data every day know it dramatically improves everything from healthcare, science, and humanitarian work to travel, hospitality, software, shoes, and showerheads. When vaccines are developed in record time to tackle global pandemics? That's thanks to data.

Every discipline in every industry is being transformed by the evidence-led approach that data makes possible. And as we've seen with the CX dividend, data is incredibly valuable for enabling exceptional customer experience. The vast majority of companies are using data to understand customers and make their lives better through better products, solutions, and experiences.

Learn more about the simple way to avoid conflating good and bad data use from our CMO, Jed Mole.

❯ **Read the article**

Data as a four-letter word

But this positive view is being swamped by the other data story. A story of data abuse, data leaks, manipulative scams, and identity theft. A general lack of understanding, combined with inaccurate or inflammatory media coverage, is fueling an environment of fear and mistrust.

There is a misconception that data is dangerous, and therefore the companies that use it must be dangerous, too. The good actors are conflated with the bad, and no distinction is made between the ethical use of non-sensitive data to serve people, and the misuse of sensitive data to harm them.

The resulting backlash from well-intended regulators, politicians, and commentators should come as no surprise. But it should trigger concern. Because if society equates data with dirty dealing, everybody loses.

As they must, regulators are moving in to protect people from data abuse. GDPR, CCPA and the next wave of legislation are positive steps toward rebuilding data trust. Equally, Google's withdrawal of third-party cookie support and Apple's App Tracking Transparency (ATT) privacy framework are positive and well-intentioned moves.

But despite the best of intentions, these developments can have unintended consequences :

They signal data is a toxic substance – creating or reinforcing suspicions that brands are using data unethically.

They elicit a compliance mindset – in which following the rules becomes the goal, instead of creating trust-based relationships.

In this environment, data trust is increasingly hard to earn.

But businesses do have a head start. The 2021 Edelman Trust Barometer compares business, NGOs, government, and media, and reveals business is the most trusted of these four institutions.[4] It is also the only one seen as both ethical and competent.

This situation puts businesses and brands in a strong position to demonstrate how they are using data positively and ethically to serve their customers, and earn genuine data trust.

> **"While the world seems to be clouded by mistrust and misinformation, there is a glimmer of hope in business."**
>
> **— Edelman[4]**

CRACKS IN THE DATA STACK

The data ecosystems behind most brands aren't helping the case for data trust. In fact they are getting in its way and damaging customer experience at the same time.

Data is fragmented across dozens of apps, channels, platforms, and systems of record and engagement.

Identity is obscured, forcing brands from a people-based approach to a device or cohort-based one.

Processes are broken, preventing insight creation and deployment at any kind of scale.

Privacy is at risk because siloed and uncoordinated data means it's harder to apply rules, processes, and permissions that reflect people's choices.

This kind of infrastructure diminishes the value of data and makes gaining data trust all but impossible. Indeed, disjointed experiences frustrate people and erode trust as people question a brand's competence in data stewardship.

One of the most damaging disconnects for brands is the divide between offline and online activities – as reflected in the separation of adtech and martech. The high-value experiences that feed data trust depend on a unified view of each customer. This means knowing that the customer who is in the shop (or on the phone) right now is the same person who abandoned a shopping basket earlier today, or interacted with your ads online. It sounds simple, but it demands a unified data layer within the marketing stack.

One thing is clear. The most successful brands in this new era will actively seek to close the data trust gap for themselves by addressing their data ecosystems, rather than wait for the regulators to take action.

THE NEW DATA TRUST STACK

Earning data trust starts with gaining a unified view of each customer, built on sound data management and stewardship – all guided by a clear, customer-first data strategy.

By unifying data, technology, and ethics you can create a solid foundation – a data central nervous system that gives you the customer intelligence to earn trust by treating customers as they expect to be treated.

Unified data helps brands understand the customer and curate better experiences. But it can also guide campaign creative and media strategies. Creative and media agencies can leverage the deeper customer understanding that data trust enables, and minimize the fragmentation created by marketing silos. With unified data, creative, media, and strategy all work together to serve the customer.

CORE ELEMENTS OF
THE DATA TRUST STACK

A unified data trust stack allows you to understand people, build strong relationships, and ultimately deliver great customer experiences. Core elements of a data trust stack are:

Comprehensive data
Access to accurate, scalable, and ethically sourced data allows you to understand, reach, and engage billions of people, in real conversations, in a privacy-conscious way.

Real identity resolution
Customers want to be understood for who they are. That's real people – not devices or browsers, cookies, or clicks. The latest identity resolution solutions are purpose built for your brand, using first-party data, artificial intelligence, and machine learning to help you connect data from multiple sources and bring a real person into focus, all while protecting their privacy. And of course, identity resolution in a world without third-party cookies is more important than ever before.

Customer intelligence
Data management solutions bring together and transform data into customer intelligence that is accessible, privacy-compliant, and integrated across the martech and adtech ecosystem. Use this insight to power data-driven marketing and deliver connected, relevant and engaging experiences throughout the entire customer journey.

Smart media
A smart media strategy allows you to reflect audience understanding and deliver exceptional experiences wherever customers are in today's complex digital world. By connecting insight with execution you can build trusting relationships and create real value for your customers.

Advanced analytics
There is no single definition of great customer experience. It is a fluid concept as customer situations, needs, and motivations continually evolve. Predictive analytics and measurement capabilities allow you to identify and embrace subtle changes to ensure engagements are appropriate and welcome.

To make data use sustainable, all of these elements must be developed using a data-ethics-by-design approach, in a responsible data-use culture. All elements are readily available to brands that recognize the primacy of data trust. And they can all be used from where you are today: preserving tech investments and embracing processes and applications you are already using.

THE DATA EXCHANGE OPPORTUNITY

Accessing accurate, ethically-sourced data used to be a complex task. You've probably spent years downloading and bringing together data assets from multiple SFTP sites. But the emergence of cloud-based data exchanges – such as AWS Data Exchange or Snowflake Data Marketplace – simplifies the process dramatically.

A data exchange aggregates up-to-date information from multiple data types and sources in a single location. It makes it easy for you to securely find, subscribe to and use expansive, ethically-sourced data to fuel data-driven marketing. This information can be leveraged to make better business decisions and enhance customer experience.

Because data is available in the cloud, it is quick and simple to discover and deploy across a wide range of connected tools and applications. This accessibility increases agility and efficiency, enabling you to easily test out new ideas.

Key ways you can benefit from cloud-based data exchanges:

❯ **Get to know your customers**
Fill in any gaps in your first-party data and gain a holistic view of your customers across channels and devices. This process delivers a deeper understanding of behaviors, interests, and what your customers respond to, so you can deliver great CX.

❯ **Extend your audiences**
Increase scale and expand your reach beyond familiar audiences. You can identify prospects with similar interests or behaviors to your existing customers and deliver relevant engaging experiences that are sure to capture their interest.

DATA TRUST IN ACTION

Today, most brands still struggle with the basics of consumer data: finding audiences for offers and measuring impact to improve ROI.

But brands that have earned data trust are already doing amazing things – from delivering exciting new customer experiences to disrupting whole markets with entirely new business models. A few examples:

Uber   ◬ airbnb

Heathrow

Uber and Airbnb as data trust plays

The undeniably disruptive unicorns of urban transport and hospitality could only exist because people trusted them with data. Drivers and homeowners trusted them with huge amounts of information, some of it sensitive, including real-time location, destinations, travel plans, and bank details.

This trust wasn't given for free: it was earned by delivering new value and explicitly connecting that value to the data exchange.

Uber and Airbnb run on connected, integrated data layers – not a loosely-coupled stack of data silos.

Heathrow airport and the data trust dividend

Heathrow – one of the world's busiest airports – earned the data trust of travelers and turned it into mutual value.

They connected the data from the airport, parking, train services and retail operations to improve journeys and dramatically increase rewards membership, engagement and ultimately spend. All parties gain trust and value from an integrated data layer and transparent opt-in, with privacy at its core.

> **"By connecting our data with retailers, airlines, and other partners' assets, we are able to recognise, better understand and creatively engage the growing number of customers who visit Heathrow each year."[9]**
>
> **— Head of ebusiness and CRM, Heathrow**

DATA TRUST IS A CX NECESSITY

The Great CX Reset is a tipping point. Brands that get on board can look forward to a dynamic and exciting future, while brands that don't gradually fade away.

Building brand trust is a major part of the reset and – with data now at the very heart of customer experience – earning data trust will be critical. It's no longer enough to deliver quality and value, you also need to convince customers you'll use their data to better understand their interests, preferences, and needs to deliver exceptional customer experiences, and you'll do it transparently, safely, and ethically.

To unleash the virtuous cycle of trust, data, and CX, you must close the gaps in your data stack. Silos, opaque practices, and broken processes must be replaced by unified data, real identity resolution, customer intelligence, advanced analytics, and smart media, all underpinned by a responsible approach to data privacy.

Data improves all interactions across all channels and geographies. It informs all departments and disciplines and creates opportunities for experiences built from shared data.

But only if people trust you with their data.

As the great CX reset continues, earning data trust requires a place at the very top of your to-do list.

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ABOUT ACXIOM

Acxiom provides data-driven solutions that enable the world's best marketers to better understand their customers to create better experiences and business growth. A leader in customer data management, identity, and the ethical use of data for more than 50 years, Acxiom now helps thousands of clients and partners around the globe work together to create millions of better customer experiences, every day.

Acxiom also offers a full suite of strategy consulting, predictive and marketing analytics, and marketing measurement offerings to support all facets of the data-driven prospect and customer journey. We help brands evolve their data strategy, understand marketing impact, and better know their prospects and customers and predict behaviors.

Visit acxiom.com or email info@acxiom.com to get started.