Brands Know They're Being Creepy

Personalization comes with known risks

ARTICLE

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Brands might be more self-aware than you think. Some 40% admit personalization is creepy—at least according to a December 2017 survey from InMoment, a customer experience provider.

US consumers felt even more strongly about invasive personalization tactics: Three-quarters of those polled thought most were at least somewhat creepy.

This disconnect between brands and consumers extended to the perceived effects of negative experiences. Brands were more likely to assume consumers would be frustrated (44% of brands vs. 34% of consumers) and disappointed (38% of brands vs. 20% of consumers), while consumers were more likely to say they get angry (23% of consumers vs. 12% of brands) or stop doing business with a company (23% of consumers vs. 6% of brands).

Retargeting ads that follow shoppers across sites and devices, asking for personal info and contacts when clicking on a Facebook quiz, or wanting an email in exchange for using "free" Wi-Fi in a public place can all fall under the "too creepy" umbrella.

A November 2017 Retail Systems Research (RSR) survey, sponsored by Esri, corroborates that companies are aware of potentially offensive

marketing tactics. For the US retailers polled, the second-most-cited barrier to using location-based analytics was the "creepiness" of tracking (47%), followed very closely by consumer privacy concerns (46%).

Leading Organizational Barriers to Using Location-Based Analytics According to US Retailers, Nov 2017
% of respondents

Barrier	%
Company's profitability model is based on standardized assortments and store layouts	59%
Business leaders are concerned about the "creepiness" factor in tracking	47%
Need more proof around ROI/business case	47%
Overarching concerns about consumer privacy prevent us from even considering these types of applications	46%
Technology seems unproven, don't want to be first	35%
Business leadership can't see value of location analytics beyond site selection	35%
Other omnichannel priorities take this off the table	32%

Note: respondents chose their top 3
Source: Retail Systems Research (RSR), "Location Analytics In Retail: Turning New Data Into New Intelligence" sponsored by Esri, Jan 24, 2018
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According to InMoment, a majority (51%) of consumers take some form of action as a result of personalization gone awry: More than two in 10 (22%) switch companies or brands, 21% tell their friends and 20% stop using the brand altogether.

This has real-world repercussions. According to an Accenture study, "poor personalization and lack of trust" had caused 41% of US consumers to defect from a company. The firm estimates this led to a $756 billion loss in brand and retail sales last year.