Accenture Interactive

See people, not patterns.

Leading brands are using data to humanize their customer relationships and learning where to draw the line between invasive and inventive.

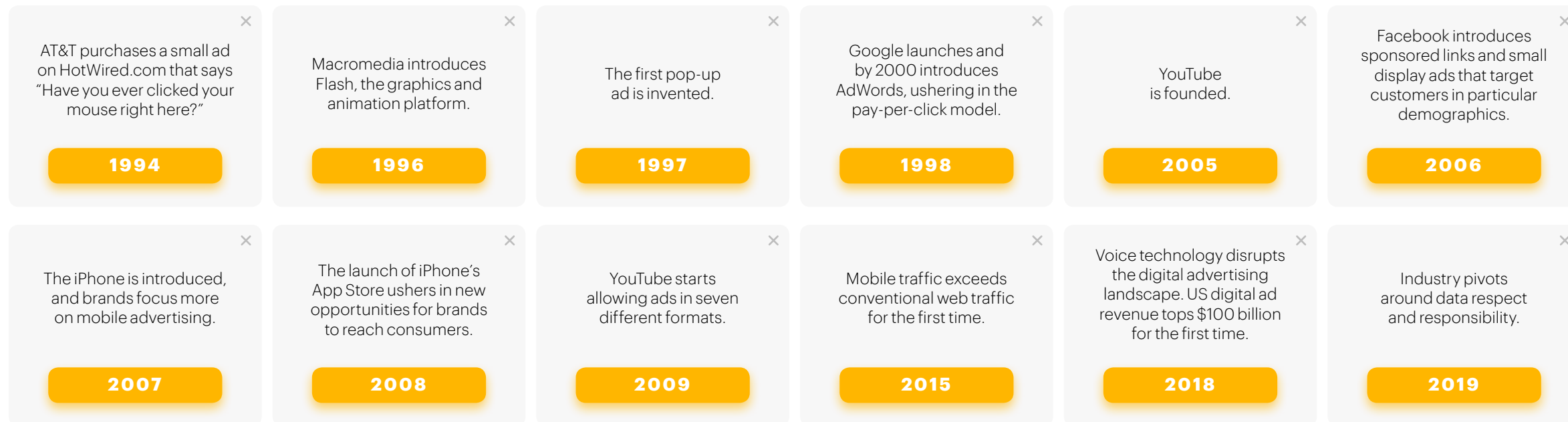**Accenture Interactive's 2019 Consumer Pulse Survey**

Lessons from the front lines of digital advertising on how to use data respectfully and responsibly.

Contents

Milestones in digital advertising

MANY CONSUMERS FEEL BRANDS don't know them well enough to serve them in a way that makes them feel special, but when those brands seem to know too much—and act on that knowledge—they can quickly lose consumers' trust. That push and pull between consumers' desire to be known and their wish for privacy has increasingly become an issue for brands. As we mark the 25-year anniversary of what has been celebrated as one of the first digital banners, digital advertising plays a bigger role in the cultural conversation than ever before.

AT&T purchases a small ad on HotWired.com that says "Have you ever clicked your mouse right here?"

1994

Macromedia introduces Flash, the graphics and animation platform.

1996

The first pop-up ad is invented.

1997

Google launches and by 2000 introduces AdWords, ushering in the pay-per-click model.

1998

YouTube is founded.

2005

Facebook introduces sponsored links and small display ads that target customers in particular demographics.

2006

The iPhone is introduced, and brands focus more on mobile advertising.

2007

The launch of iPhone's App Store ushers in new opportunities for brands to reach consumers.

2008

YouTube starts allowing ads in seven different formats.

2009

Mobile traffic exceeds conventional web traffic for the first time.

2015

Voice technology disrupts the digital advertising landscape. US digital ad revenue tops $100 billion for the first time.

2018

Industry pivots around data respect and responsibility.

2019

Sources:
https://business.linkedin.com/en-uk/marketing-solutions/blog/posts/infographic-of-the-week/2019/Infographic-of-the-Month-A-Look-Back-at-25-Years-of-Digital-Advertising
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This year Accenture Interactive conducted a consumer pulse survey to gain an understanding of how brands are creating paths to success with their digital advertising campaigns. We surveyed 8,000 consumers in Canada, France, Germany, Italy, Spain, Sweden, the UK and the US to find out their answers.

Consumers increasingly expect brands to know and understand them at a time when first-party data, gained from consumer interactions, is taking hold.

Our research focused on three areas:

What are consumers' experiences with digital advertising?

What are the drivers of consumers' online purchases?

What are the most effective data-driven marketing efforts and challenges?

Just because you can doesn't mean you should

WE FOUND THAT MANY CONSUMERS feel the automated techniques brands are using to serve them are not effective. The algorithmic recommendations brands make to them, based on their demographics and past behaviors and purchases, don't accurately reflect their intention. A salesperson in a store asking thoughtful questions to figure out what a shopper might like to buy is typically much more effective. But often, digital advertising behaves in a way that suggests a brand does not know the shopper at all. Or a brand collects data without having a clear purpose for doing so. That practice can create many risks and is no longer acceptable to consumers or regulators.

The good news is that there is a big opportunity for brands to take a more mindful approach to data collection and to design a holistic customer experience while doing so. Consumers do want a better, more customer-focused experience, with 65% willing to share more personal data in return. Amazon is a good example. Many consumers are willing to hand over personal data to the giant e-commerce retailer because of their level of trust in how this information will be used and the high level of service they will receive in return.

Brands that treat data collection and data strategy as part of the consumer experience can benefit from greater consumer willingness to share information. For instance, Accenture Interactive found that 73% of consumers are willing to share more personal information if brands are transparent about how it is used, up from 66% in 2018. Providing consumers with value for their data, ensuring that the brand won't lose or abuse their data, and recognizing consumers in a way that puts them at ease are all part of a better experience.

This approach requires a human and humane approach to data. Think about typical personal interactions. People expect someone they've met before to recognize them—and they expect someone they've never met not to recognize them. The same logic applies digitally. Forward-thinking brands are finding ways to approximate how humans behave, in a humane and ethical way.

Top 5 creepiest advertising techniques as cited by consumers:

1 **Receiving an ad for something you talked about near a voice assistant but never searched for (73%)**

2 **An ad that follows you across devices (69%)**

3 **A chatbot that has access to your past online shopping (not just purchases) (66%)**

4 **An ad on a social media site based on a recent shopping visit on another site (66%)**

5 **A chatbot that has access to your past customer service interactions (64%)**

Data gathering, within reason

CONSUMERS INCREASINGLY EXPECT BRANDS' digital advertising to show they are known and recognized, as long as there is transparency around what the brands are doing with their data. Accenture Interactive found that 87% of consumers think it's important to purchase from brands or retailers that understand "the real me."

When digital advertising was new, a brand's advertising team had a lot of latitude to experiment, and consumers weren't as vocal about privacy worries. Today, however, as we mark the 25th anniversary of what the industry has cited as one of the first digital banner ads*, digital advertising is part of everyday life. Consumers have current preferences for how they want brands to interact with them digitally. Their tolerance for the way most data is collected may vary with demographic factors, such as their age, gender or even geo-localization. Regardless, they don't want brands to go too far and violate their privacy when delivering a custom-tailored, 360-degree experience.

71%

Among consumers who said a brand had communicated in a way that was too personal, 71% said that it was because the brand had information about them or their family that they didn't share directly.

* https://www.thedrum.com/news/2019/06/14/one-banner-ad-global-industry-digital-advertising-25-years

One central task of leaders in this environment is to limit data gathering to information they have a right to know, and they must provide value in exchange for that data. With 76% of consumers saying they are uncomfortable with data collection via a microphone or voice assistant, providers of these devices will have to make clearer the value exchange when they do collect this data, or there will likely be a backlash. Handling data responsibly is a fast-emerging component of corporate accountability. As the executive who comes closest to owning the brand experience, the CMO plays a pivotal and fast-evolving role, with 90% of decision-makers agreeing that the CMO should be the internal advocate for their customers, according to research by **Forrester Consulting and**

Accenture Interactive*. And, as other C-suite leaders and board members start to share this accountability, the CMO will play a key role in bringing all parties together to make decisions that affect the future of the brand.

A new conversation must take place among C-suite executives and boards to make sure they get this right. Companies face real risk if they don't, including regulatory risk, reputational risk and bottom-line risk. Those who find the right route to success by truly listening to and knowing their customers will have a tremendous opportunity with consumers.

* https://www.accenture.com/us-en/insights/digital/connecting-collaborating-crushing-it

What consumers want from digital advertising

WHAT MANY CONSUMERS ULTIMATELY WANT is for digital advertising to have the same social intelligence as a familiar salesperson in their favorite store—one who can tell from the expression on their face that they're in the mood to splurge or that they're in a hurry because it's a Tuesday night and they need to get home to dinner. That salesperson has the social intelligence to avoid certain missteps, such as suggesting the consumer might need a new bathing suit for an upcoming Hawaiian vacation that the salesperson overheard the consumer mention.

The brands that approximate that human touch best (using automation) will stand out and win consumer loyalty. Brands that can't pull it off will feel sterile.

69%

Nearly 30% of consumers said a brand had become "too personal"—and 69% of these consumers would stop doing business with a brand or reconsider their relationship to the brand because of this.

So how can brands hit the mark?

Among consumers who left a retailer/branded website because of poor personalization, 51% think invasive ads are on the rise.

Comment:
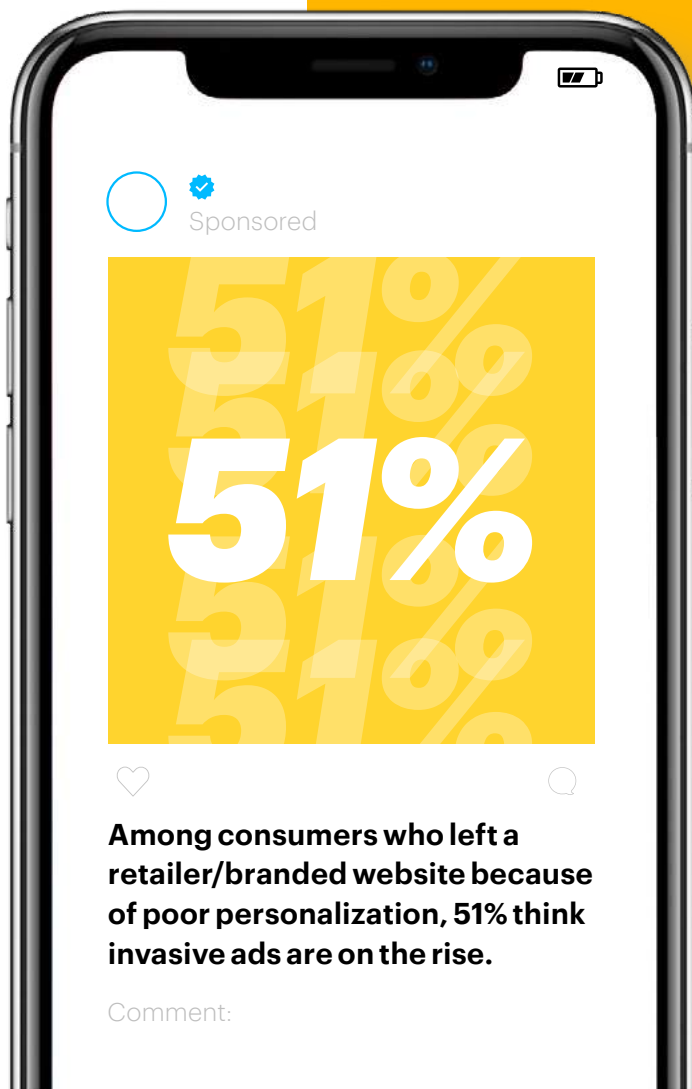
Effective strategies include:

Full transparency.
Many consumers are willing to share data if brands are transparent about how it is being used.

Smart use of walled gardens.
Even when brands rely on high-quality data sources such as Amazon, Facebook and Google, consumers' experience should be as consistent as possible across platforms.

Creating a cohesive experience.
The digital ad experience should be connected to the customer experience, whether on the web or in the store, though ads should be tailored to the channel where they appear.

Behaving like a human.
Human salespeople will only ask if you are interested in buying a shirt so many times before they finally stop trying to sell it. Similarly, capping the number of times someone sees an ad across all channels is important.

Correctly attributing the results of digital advertising.
Brands need to make sure their data collection helps them accurately determine which ads actually contributed to consumers' decision to buy.

Regulations take hold

CONSUMERS' EXPECTATIONS AREN'T THE ONLY FACTOR that brands need to consider when it comes to managing data. Brands need to pay close attention to the evolution of privacy regulations, such as GDPR and CCPA, as they make advertising decisions. What should and shouldn't be done in the current environment will be shaped by how rights granted under these two laws are interpreted.

Having a good handle on compliance will become increasingly important. With regulators starting to impose substantial fines to enforce GDPR, brands face the risk of negative publicity if their advertising practices are seen as out of bounds. Brands will also need to be aware of what their supply chain is doing, as this may be seen as their responsibility.

Brands must build the data architecture of enterprise systems in a way that reflects current regulations. Ultimately, brands must be respectful of the rights of consumers to get access to their data, be "forgotten" or request portability. This must be baked into their technology.

93%

of consumers agree it is important that every interaction they have with a brand is excellent, whenever or wherever they happen in the decision to purchase from a brand or retailer.

Brands can't rely on regulators alone to set the pace for their policies, however. While GDPR has improved the ad industry, leading to less fraud and higher-quality audiences, there are still undesirable practices that remain legal under GDPR. For instance, brands have the ability to listen to customers through their computer mics, but should they? Even though by law they can do this, is this the time to reflect and say "Have we gone too far?" As a result, until ePrivacy laws impose more order on what brands can do with "legal" data and activate it, brands must consider the ethical aspects of their choices on storing and using it.

The line in the sand

EVEN IF BRANDS FOLLOW REGULATIONS, it's easy to take things too far in their digital advertising, as noted earlier. Some discover they are inadvertently angering consumers when the damage is already done while others are, frankly, bad actors.

There's a price to pay if it seems like a brand is invading consumers' privacy. Brands need to develop a balanced data strategy to avoid that perception, while still making the most of consumers' desire to be known and recognized for who they are. The key to using any of this data is to use it responsibly and humanely.

There are ways to make third-party data more efficient, transparent and ownable. Accenture Interactive worked with a leading financial services institution to modernize its data strategy in the context of Facebook altering how brands may use data to identify and target audiences on their platform. Accenture Interactive built a plan to help the company take direct control of its relationship with its third-party data providers, bringing more transparency to their data costs and performance, and improving the institution's ability to launch and scale campaigns. And as a result, the institution improved its speed to market by four times.

So how does a brand set the right tone in its data usage?

There are several types of data brands can use to create a balanced data strategy:

Zero-party data:

You make your consumers want to tell you something by giving them value.

First-party data:

You are respectful about what you collect and only gather what you have a right to know and what will help you better tailor the experience to consumers' needs.

Second- and third-party data:

Using a humane, balanced approach to the data ecosystem (incorporating resources such as platform data and third-party platform matching), you can round out your view of consumers. For instance, the auto industry has embraced the use of third-party data to gain access to audiences based on factors such as car ownership or lease data, which isn't available otherwise.

The seamless experience

GIVEN THE MANY MOVING PARTS in today's digital advertising environment, it can be tricky to define a "better" customer experience.

So what do we know for sure?

Consumers are not asking for splashier banner ads. They want to be treated holistically and see the entire experience improve. As a result, brands need to focus on consumers' experience at every interaction in the customer journey, from websites and mobile apps to physical stores. The data brands gather and how they use it will curate customers' experiences. At the same time, opting out of collecting or licensing data should not have to be part of the consumer experience.

Although brands may wish to stitch every available data source together across business platforms in a seamless manner, that's not possible because platforms don't want brands to be able to do that. A more effective route to creating a great customer experience is building a respectful and empathetic data—and audience—understanding strategy that uses the best combination of rightfully, transparently available information.

To create a seamless experience, brands can benefit from:

• **Using fresh *opt-in* alternatives to track users, such as encouraging consumers to authenticate on websites and mobile applications**

• **Bringing ad-tech contracts in-house to access more effective, *transparent* data collection methods**

• **Building the data architecture of enterprise systems in a way that *reflects current regulations***

Brands should also make sure the approaches they use extend throughout their advertising efforts. Consumers expect companies to take note of all of the information about themselves that they've chosen to share, no matter where that takes place.
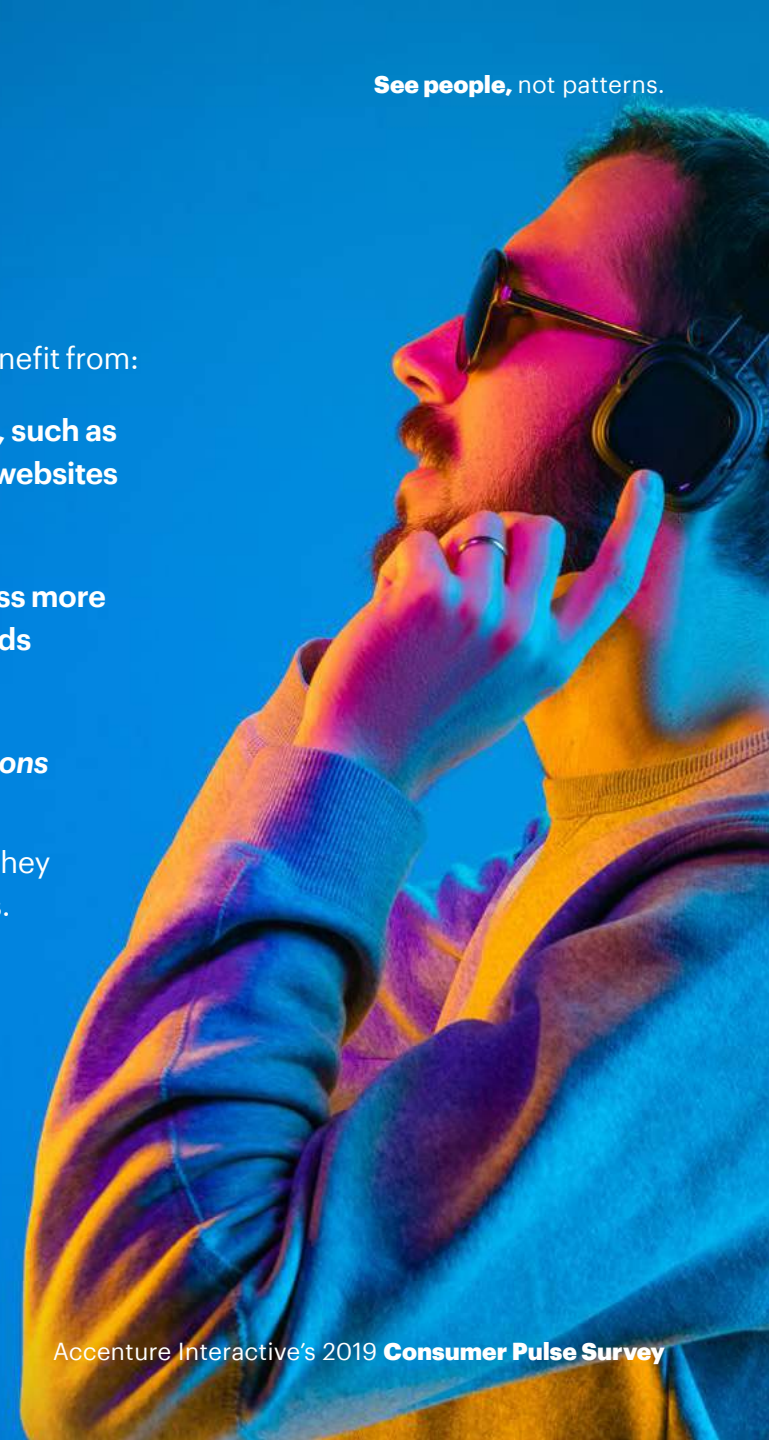
Methodology

ACCENTURE INTERACTIVE SURVEYED 8,000 CONSUMERS from North America and Europe about their digital advertising preferences when it comes to interacting with brands, retailers and service providers.

FEMALE
50.24%
(4,019 respondents)

MALE
49.76%
(3,981 respondents)

United States: 12.50% (1,000 respondents)
United Kingdom: 12.50% (1,000 respondents)
Canada: 12.51% (1,001 respondents)
France: 12.50% (1,000 respondents)
Germany: 12.34% (987 respondents)
Sweden: 12.66% (1,013 respondents)
Italy: 12.49% (999 respondents)
Spain: 12.50% (1,000 respondents)

CANADA

UNITED STATES

SWEDEN

UNITED KINGDOM

GERMANY

FRANCE

ITALY

SPAIN

Contact

To learn more about Accenture Interactive Programmatic Services visit accenture.com/programmatic or contact:

Scott Tieman

Programmatic Services and Personalization Global Lead—Accenture Interactive

✉ **scott.w.tieman@accenture.com**

Javier Pérez Moiño

Programmatic Services and Personalization European Lead—Accenture Interactive

✉ **javier.perez.moino@accenture.com**
🐦 **@jpmoino**

About Accenture Interactive

Accenture Interactive helps the world's leading brands transform their customer experiences across the entire customer journey. Through our connected offerings in design, marketing, content and commerce, we create new ways to win in today's experience-led economy. Accenture Interactive is ranked the world's largest digital agency in the latest Ad Age Agency Report for the fourth year in a row and was named a 2019 Most Innovative Company in Advertising by Fast Company. To learn more follow us **@AccentureACTIVE** and visit **www.accentureinteractive.com**

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