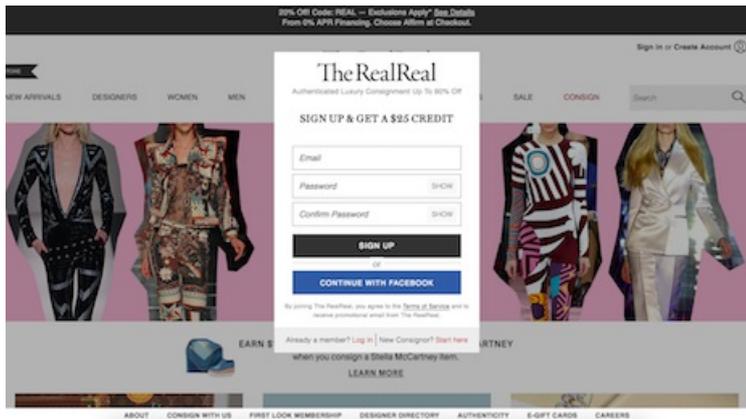


MARKETING

Luxury marketers must deal with data concerns after Facebook scandal

May 15, 2018



The RealReal asks for opt-in data immediately upon site entrance.

By BRIELLE JAEKEL

Repercussions surrounding Facebook's invasive use of data have extended far beyond those directly involved, causing luxury marketers to now be more concerned about their use of customer information.



According to a survey from Kelton Research and SheerID, two to one consumers want brands to request consent before using their personal data. Only 8 percent are comfortable with marketers looking into social channels for individualized information such as likes and activity for promotional purposes, including discounts.

"Based on the findings, brands have so much to be excited about, but only if they can earn and hold their customers' trust," said Jake Weatherly, CEO of [SheerID](#).

The survey asked 1,023 adults in the United States about their habits and feelings regarding online shopping and marketing.

Data exchange

Information regarding the consulting firm Cambridge Analytica and how it used Facebook targeting in regards to the president being elected came to light, causing outrage from many users.

After the scandal involving Facebook users' data privacy and the improper access and usage of that data by Cambridge Analytica, the platform's founder Mark Zuckerberg appeared before a congressional hearing on April 10 to speak about exactly what happened.

At the hearing, Mr. Zuckerberg was emphatic that advertisers and developers will never take priority over consumers' data safety. In response to the controversy, Mr. Zuckerberg announced that Facebook would strictly limit what consumer information advertisers would be able to access ([see more](#)).



Mark Zuckerberg spoke about how information is used on Facebook. Image credit: Washington Post

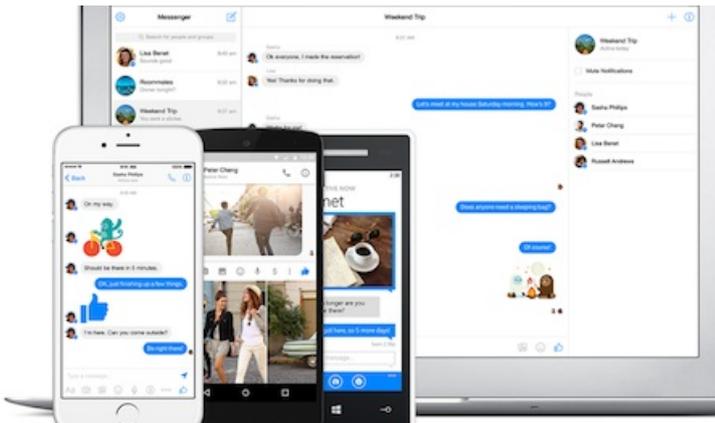
However, the damage in the eyes of consumers has already been done, extending to all marketers.

While information taken without consent seems off-limits to users, there is slightly more interest with a transparent policy.

About 13 percent of survey takers are open to marketers using information that consumers provide such as their birthdate. Another 17 percent would be ok with clickstream behavior from the brand's specific Web site.

Forty percent would rather have a submission form as soon as they enter the brand's platform.

Many consumers feel distrust for brands, with 73 percent believing that marketers take information without consent when customers redeem an offer.



Facebook taps data on a variety of devices. Image credit: Facebook.

The most popular type of data collection in the eyes of consumers is a form of consent, with 30 percent looking for an opt-in form.

Offers are another way to elicit consenting information from customers in a manner that excites them.

Eighty-four percent of shoppers would more likely shop with a brand if they received an exclusive offer, as a price match guarantee. Forty-seven percent of millennials claim that similar offers would attract them to likely make a purchase.

Tech in retail

Technology is making itself right at home in the retail industry.

With the adoption of new technologies such as artificial intelligence, machine learning and predictive analytics, retailers have the tools to improve and provide customers with the ultimate online shopping experience.

There are technologies in the market to help aid in personalization relating to brands knowing what products to show the consumers, how quickly you see a product on a page, and in what order to show certain products ([see more](#)).

"This is a wake-up call: as Americans insist on more transparency into how their data is used, it's incumbent upon brands to get the privacy piece right and establish more integrity in customer relationships, particularly when delivering highly personalized offers," Mr. Weatherly said.

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