

MARKETING

COVID-19 eased techlash, data privacy still an issue: AMA

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Seventy-eight percent of consumers say that as a result of the pandemic, online shopping is easier now. Image credit: Ogury

By KATIE TAMOLA

Consumers' feelings regarding "techlash," resentment against large technology companies and their products, have improved during the COVID-19 pandemic.

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A new [report](#) from the [American Marketing Association-New York](#) notes that 78 percent of consumers consider online shopping easier as a result of the pandemic. Techlash still looms however, as several consumers and retailers continue to identify privacy as a prominent issue.

"High-income consumers are most likely to say that the new marketing tech will improve their shopping experience," said Craig Charney, CEO of [Charney Research](#) and AMA-NY board member, New York.

"They're almost unanimous that it will make shopping easier, quicker, more informative and, above all, fun," he said. "This underlines the opportunity for luxury marketers.

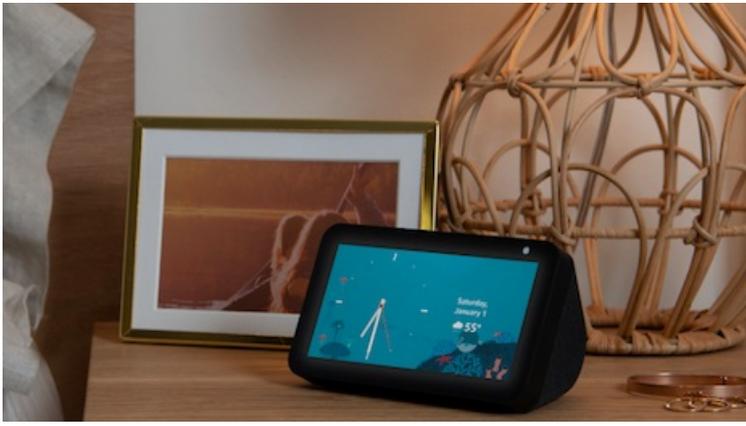
"However, the opportunity digital marketing offers with luxury consumers comes with a risk as well: the perception of deception will be fatal for brands with high-income customers."

The 2021 Future of Marketing survey included 506 consumers and 411 marketers in the United States, conducted by Toluna and Charney Research in August 2021. The 2019 survey, conducted by YouGov and Charney, included 500 marketers and 500 consumers.

Techlash improves but still exists

COVID-19 ostensibly propelled shoppers to be more reliant on technology and ecommerce than ever before. As retailers and brands worked to make their online offerings accessible and positive, techlash was reduced.

As 78 percent of consumers say shopping is now easier, 75 percent also say it is quicker, 75 percent say it is more informed and 73 percent say it is more fun.



Many consumers still have privacy concerns regarding smart devices that are "always on." Image credit: Amazon

Views on technological personalization including retailers' use of tailored ads, augmented reality, virtual reality, artificial intelligence assistants and more have also noticeably improved.

Consumer views on personalized ads, VR/AR, internet-connected appliances, AI assistants, micro-influencers and smart speakers have all improved 16 points on average.

Respondents also rated smart speakers, such as Amazon Alexa and Google Home, as the top "martech" products, having grown in favorability by 30 points since 2019, from 44 percent to 74 percent. However, smart speaker adoption only increased by 16 points, indicating that several consumers still have privacy concerns, including that devices are "always on."

About three-quarters of respondents worry that martech use will mean customers lose privacy, while 76 percent are concerned that they will feel that consumers are under constant surveillance. Seventy-seven percent say falsehoods, hackers and bots will spread misinformation.

Privacy remains a top concern for consumers, though there is a comfort level with certain types of data collection email addresses at 66 percent, ages at 55 percent and names at 44 percent.

Less than 30 percent were comfortable with data collection of internet browsing history, internet purchase history, religion, sexual orientation or political party affiliation.



Personalization is key, but brands should be transparent about consumer data use. Image credit: Shutterstock

As consumers continue to express apprehension about having their personal details shared, only 24 percent of marketers say consent should be required to share consumer information.

Seventy-one percent of consumers are less likely to buy from firms that sell their data without their consent, and 51 percent also say they would not sell their own data even if they were offered compensation.

Personalization vs. privacy

Retailers and brands are continuously expected to maintain a balance of implementing personalization while not infringing on consumer privacy.

As expectations for personalized, entertaining and consistent brand content increases and production expands, it is crucial that brands thoroughly evaluate their content strategies.

According to a recent report from brand templating platform Lucidpress, brands believe personalized, consistent

content could increase their profits by nearly 50 percent on average. About four in 10 professionals said the majority of their customers expect personalized content ([see story](#)).

While ecommerce and social shopping are accelerating, consumer confidence in the privacy and security of omnichannel payments is low, according to provider of data security and compliance solutions Semafone.

In a spring 2021 survey, Semafone found that 27 percent of consumers felt most secure when completing in-store payments at big box retailers such as Walmart and Target, followed closely by online marketplaces such as Amazon at 21 percent. Four in 10 consumers agreed that the increase in customer care agents working from home has impacted their trust in the security of their personal payment information ([see story](#)).

AMA's findings indicate that consumers are wary of too much of their data being collected, noting that seven in 10 consumers have refused cookies, installed ad blockers, deleted apps or dropped social media accounts over privacy concerns.

Ultimately, brands must be cognizant and transparent of the way they use consumers' data.

"Consumers with the income to buy luxuries have become the most willing and easiest to be reached via martech but companies had better treat them with respect for their privacy and honesty about their influencers," Mr. Charney said.

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