Beware of the Dark Side of Personalized Customer Experiences via the Internet of Things

Presented at:

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Beware of the dark side of personalized customer experiences via the Internet of Things

Personalization has long been the holy grail of marketing. Simply stated, communicate the most relevant offer to the right person and you will increase sales. To achieve this, you must understand the individual.

Consequently, digital marketers developed many ways to gather and leverage customer information to deliver targeted experiences. Today, the Internet of Things (IoT) has accelerated our ability to monitor behavior, gather even more customer data and potentially deliver outstanding experiences.

Regrettably, as history demonstrates, there are countless examples of how this can go terribly wrong. Perhaps it’s time to learn from our mistakes.
Today’s Session

► A little history – How we got here
► Is Personalization Good or Bad?
► Tsunami of Data
► Using Personalization for Good
► Five things we can do
A little history: How we got here
Personalization automatically adjusts . . .
Is Personalization Good or Bad?
“. . . with great power there must also come – great responsibility!”

– Spiderman*
Hey Norm!

Where everyone knows your name . . .

Actor George Wendt as Norm Peterson
From TV Show Cheers

Short for Pony Tail?

vs.

Pony
Hey Norm!

Actor George Wendt as Norm Peterson
From TV Show Cheers

Where everyone knows your name . . .

Should Read: Amy

vs.

A-Me
When personalization effort goes wrong

- At least—customer is annoyed / put-off
- At worst – customer loses trust and does not come back
- Get my name wrong
- Stalk me with unwanted ads
- Never ending product recommendations based on a one time purchase
Premature Personalization

The moment a couple have a new baby, they are almost instantaneously barraged with offers.

How Companies Learn Your Secrets
Premature Personalization

The moment a couple have a new baby, they are almost instantaneously barraged with offers.

Target was able to find out that a teenage girl was pregnant and market to her before her father even knew about it.

How Companies Learn Your Secrets
Did you enjoy your Fishing trip to Beaver Falls?

What? How do they know this?
Tsunami of Data
Integration & Data Overload
A new study by Forrester, commissioned by SAP Hybris, websitemagazine.com Jan 2016
Now add an insane amount of IoT Data

According to Gartner, they estimate globally 26 billion units installed by 2020
Using Personalization for Good
Unfortunately, given the growing power of technology to remember individual level data, it’s hard for [_____] firms to avoid using customer information for the benefit of the company, instead of the customer.

Source:
Personalization and Privacy: Beware the Dark Side - Bruce Kasanoff
Adaptive Enterprise – creating and leading a sense-and-respond organization - Stephan h. Haeckel
Make & Sell vs. Sense & Respond

"Make and Sell" firms are driven by the products they sell, and they use technology to increase their ability to sell these products . . . “

“Sense and Respond" enterprises are focused on being able to adapt to meet the needs of each customer. They use technology to benefit the customer . . . “

*Personalization and Privacy_ Beware the Dark Side*
*Author Bruce Kasanoff*
Sense and Respond Example
Global Enterprise

“GEers are fond of saying, “We’re not smart enough to predict the future, so we have to get better at reacting to it more quickly.’ You couldn’t ask for a better articulation of the sense-and-respond imperative.”

Source: Adaptive Enterprise – creating and leading a sense-and-respond organization - Stephan h. Haeckel
Sense and Respond Example
Mid-sized Organization

“Make Managing Documents Painless, Simple, and Secure”

Customized One Button Scan

Intel® NUC platform IoT Gateway

Cloud Storage

Easy, Search and See - Open UI

Can Provide Recommendations:
- Workflow
- Manage Print costs
- Improve Service level

Can route multiple IoT sources not just Scan Device

• Search Data
• Types of Content
• Time of day
• Etc.
Five Things To Do
Increase Relevance - Add Value

Understand the Audience
Understand your Data
Limit Your Assumptions

Plan ahead for Father's Day

Father's Day weekend is coming up. Give him a break from the grill and take him out for a meal. Don't miss your chance to make his day extra special, be sure to book ahead!

Find a Table
That’s Too Personal – Don’t Be Creepy

Avoid making the customer ask: “how do they know that about me?”

GET $2.00 OFF
any one (1) package of Huggies® Little Movers Diaper Pants

SAVE $0.50
WHEN YOU BUY ANY THREE (3) PLUM ORGANICS® BABY, TODDLER OR KIDS PRODUCTS
Analytics are your best weapon for defining the best time, place and message to engage your app users.
Alert Customer to Personalized Experience

If you're providing personalized content suggestions, alert the viewer to it. No one wants to feel like they are being tricked.

Inspired by your shopping trends

- The Family Handyman's Best Organizing Solutions
  Editors Of The Family Handyman
  Paperback
  4 stars (52)
  $14.95 $12.83 Prime

- Best Weekend Projects
  Editors Of The Family Handyman
  Paperback
  4 stars (3)
  $14.95 $10.02 Prime

- Family Handyman 101 Saturday Morning Projects
  Editors Of The Family Handyman
  Paperback
  4 stars (37)
  $14.95 $10.02 Prime

- 100 Things Every Homeowner Must Know
  Editors Of Family Handyman
  Hardcover
  4 stars (76)
  Hardcover: $16.99
  Kindle Edition: $14.99

- The Complete Do-It-Yourself Manual
  Editors Of Family Handyman
  Hardcover
  4 stars (108)
  Hardcover: $25.41
  Kindle Edition: $17.99

Content Personalization: How Much Is Too Much? by Meghan Keaney Anderson September 2013
Communicate Opt-In / Opt-Out, Privacy

Privacy, Opt-in and other policies can reassure customers that they and their data are respected and protected.

How To Make Your Content Personalization Less Creepy relevance.com October 2013
Thank You

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