

Are Consumers Warming to Personalized Marketing Services?

July 26, 2016

As digital technology becomes more sophisticated, retailers and other brands are collecting and analyzing more customer data. This data is being used to microtarget campaigns and offer a “personal touch.” But even as consumers become more aware of these efforts, they are not always pleased. Some well-intentioned attempts at personalization still come off as creepy and intrusive—and consumer opinions have been slow to change.

Key Insights:

- Consumers still find many types of personalization services to be creepy, but marketers appear to be making some headway in their acceptance.
- Shoppers are more likely to have favorable views of personalization services that save them money. They look less favorably on services that attempt to sell them things based on their behavior.
- In order to break down resistance to personalized marketing services, companies must convince consumers they are using personal data in responsible ways.

Some Progress Since Last Year

As merchants refine their use of technology and customer data to personalize a variety of retail services, they appear to be moving the needle when it comes to boosting public opinion about them.

A May 2016 survey by shopping personalization platform [RichRelevance](#) asked US internet users whether they found specific in-store technologies to be creepy or cool. The firm had fielded a similar study in April 2015. This year’s findings were directionally consistent with last year’s. Both found the highest favorability for features that were not directly related to a person’s identity or purchase behavior. For example, 78.6% of consumers polled said the ability to scan a product with a mobile device and receive reviews and recommendations for similar products was cool, up from 76.4% in 2015. Just 7.9% found it creepy.

At the other end of the spectrum, consumers were most bothered by in-store facial recognition technology that personally identified and flagged them to store employees as high-value shoppers. Just 13.0% of respondents in the 2016 poll said this was cool, down slightly from 13.3% in 2015, while 66.8% said it was creepy. On a positive note, however, this percentage was down from 74.6% in 2015, suggesting that while consumers don’t necessarily think this technology is cool, they may be less repulsed by the idea.

The 2016 study also found that the creep factor had decreased significantly in several other areas. In 2016, 41.9% of consumers viewed digital dressing room screens that showed complementary products as creepy, down from 54.8% last year. And 64.3% of respondents in 2016 thought personalized greetings from store salespeople triggered by their mobile devices

were creepy, down from 73.7% in 2015.

**Attitudes Toward Select Digital Retail Services
Among US Internet Users, May 2016**

% of respondents

	Cool	Creepy
You can scan a product on your mobile device to see product reviews and recommendations for other items you might like	78.6%	7.9%
Soon after you leave the store, you receive a digital coupon for a product you looked at but didn't purchase	51.8%	26.4%
When you check out, your print or email receipt includes product recommendations selected just for you	49.6%	20.4%
Digital screens in each dressing room show products that complement the item that you are trying on	41.5%	41.9%
Your location in the store triggers personalized product content, discounts, information and recommendations to pop up on your mobile device as you walk through the aisles	39.9%	37.3%
A salesperson makes more helpful suggestions because they can see what you've previously browsed and bought on their site and in the store	31.9%	45.2%
A salesperson greets you by name on the store floor because your mobile phone or app signals your presence	18.2%	64.3%
Facial recognition technology identifies you as a high value shopper and relays this information to a salesperson	13.0%	66.8%

Note: n=1,018

Source: RichRelevance, "Creepy or Cool? 2016 Consumer Survey," June 21, 2016

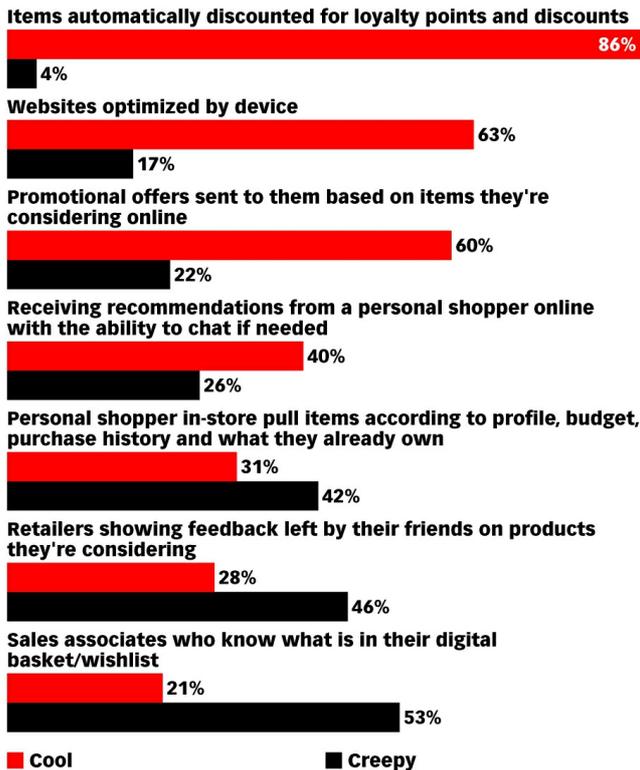
212865

www.eMarketer.com

A similar study of smartphone users worldwide, conducted in November 2015 by [Accenture](#), found that consumers—whether shopping in-store or digitally—tended to think services that would save them money or give them discounts were the coolest, but it found the creep factor highest for features that seemed to know too much about them. For example, 86% of US respondents thought automatically discounting items at department store checkouts based on loyalty points or coupons was cool. But 53% found it creepy for an in-store sales associate to know what was in their digital shopping cart or wish list.

Attitudes Toward Select Digital Department Store Services Among US Smartphone Users, Nov 2015

% of respondents



Note: ages 18+ who shopped both digitally and in-store in the past 3 months; among those who shop in department stores
 Source: Accenture, "Retail Customers Are Shouting—Are You Adapting?" Feb 2, 2016

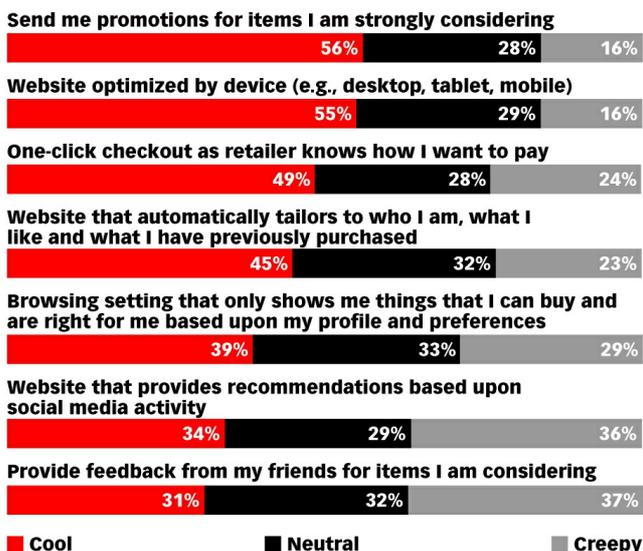
209403

www.eMarketer.com

In terms of digital retail services, the same study found that just 16% of respondents worldwide found it creepy to see device-optimized websites or to receive promotions for items they were strongly considering buying. However, those percentages rose significantly when social media activity (36% found it creepy) or recommendations from friends (37% found it creepy) were pulled into the marketing mix.

Attitudes Toward Select Digital Retail Services/Features Among Smartphone Users Worldwide, Nov 2015

% of respondents



Note: ages 18+ who shopped digitally and in-store in the past 3 months; numbers may not add up to 100% due to rounding
 Source: Accenture, "Retail Customers Are Shouting—Are You Adapting?" Feb 2, 2016

204663

www.eMarketer.com

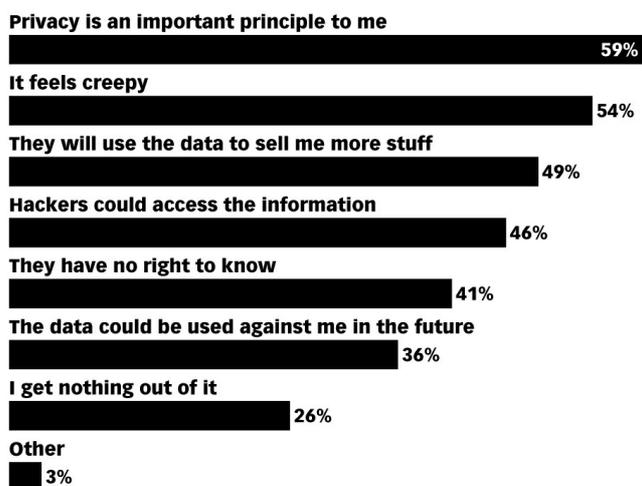
Consumers Wary of Targeted Marketing

Even as consumers become more comfortable with some types of technology, significant percentages are distrustful of data collection and take an adversarial view toward targeted marketing.

Many of these creepy vs. cool perceptions appear to be the result of overall consumer discomfort with personalized marketing in general. A January 2016 survey of US mobile phone users by [Mindshare](#) found that 49% of respondents said they were concerned about companies knowing how, when and how often they used products because the information would be used to sell them more products and services. Another 36% were concerned because they feared their data could be used “against them” in the future.

Reasons that US Mobile Phone Users Are Concerned About Companies Knowing How, When and How Often They Use Products, Jan 2016

% of respondents



Note: ages 18+; among the 57% of respondents who are concerned about companies knowing how, when and how often they use products
Source: Mindshare, April 29, 2016

211499

www.eMarketer.com

Results from these studies suggest that marketers are making some progress in helping customers understand targeted marketing, but they have their work cut out for them in terms of getting consumers to see the value in it. Rigorous education programs can go a long way toward helping build trust and acceptance of advanced personalization technologies.

For more in-depth information about consumer attitudes toward privacy and consumer data collection, see eMarketer’s July 2016 report, [“Best Practices for Consumer Privacy and Personal Data: Maximizing Value Without Getting Creepy.”](#)

—Victoria Petrock

Attitudes Toward Select Digital Retail Services Among US Internet Users, May 2016

% of respondents

	Cool	Creepy
You can scan a product on your mobile device to see product reviews and recommendations for other items you might like	78.6%	7.9%
Soon after you leave the store, you receive a digital coupon for a product you looked at but didn't purchase	51.8%	26.4%
When you check out, your print or email receipt includes product recommendations selected just for you	49.6%	20.4%
Digital screens in each dressing room show products that complement the item that you are trying on	41.5%	41.9%
Your location in the store triggers personalized product content, discounts, information and recommendations to pop up on your mobile device as you walk through the aisles	39.9%	37.3%
A salesperson makes more helpful suggestions because they can see what you've previously browsed and bought on their site and in the store	31.9%	45.2%
A salesperson greets you by name on the store floor because your mobile phone or app signals your presence	18.2%	64.3%
Facial recognition technology identifies you as a high value shopper and relays this information to a salesperson	13.0%	66.8%

Note: n=1,018

Source: RichRelevance, "Creepy or Cool? 2016 Consumer Survey," June 21, 2016

212865

www.eMarketer.com