

Brands with a privacy-first culture tend to be governed by ethics

A new CMO Council report called *Exceeding the Requirements of the Trust Economy*, dives into how brands that lack a privacy-first culture are at risk of losing customer trust.



Image source: Gallo/Getty Images.

Customer trust and data privacy go hand-in-hand, but too many marketers don't understand what's involved in this digital handshake — nor what's at stake. A data breach can reduce a company's bottom line to shreds and tarnish its brand reputation for years.



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Growing need for customer trust

The sheer amount of personal digital data, from financial records to facial recognition, flooding corporate networks has customers ready to flee brands that lose their trust in keeping their data secure. According to the report, a majority of global marketing leaders (57%) believe the most critical demand of the modern customer is data security, privacy and accountability.

The report, produced in partnership with Akamai Technologies, points to the growing need for customer trust to influence every corporate decision and customer engagement across every digital and physical channel. It calls for marketing, IT, legal and operations to adopt a privacy-first culture.

There's little time to waste, too. Among the trends driving demand for a privacy-first culture identified by the report include:

- Emerging technologies aimed at personalising the customer experience, such as biometric scanners in retail and smart cities, increase the risk of data breaches
- Marketers needing real-time personal data to meet growing customer expectations lack an understanding of data

security, distribution and utilisation: Just 36% of employees feel very confident in their knowledge of how to protect sensitive company information, according to a Dell end-user security survey

- Customers are prioritising data security and privacy: 87% of consumer said they will take their business elsewhere if they don't trust that a company is handling their data responsibly, according to a PwC study
- Attacks on corporate data continue to proliferate: From January 2018 through June 2019, Akamai recorded more than 61 billion credential stuffing attempts and more than 4 billion web application attacks

Brands need to make it explicit that they are privacy-first

“Across all brands, a single truth emerges: Yes, there are hard process decisions that will require cross-functional teams and support, and even uncomfortable decisions that come with bigger price tags, but if conversations are not being held and new processes, policies and even platforms not being considered, the impact could be catastrophic,” notes Donovan Neale-May, executive director of the CMO Council.

Brands with a privacy-first culture tend to be governed by ethics, the CMO Council report found. For instance, a retailer today might have the ability to install eye-tracking cameras in its stores to better understand an individual's shopping habits but will first consider the impact to consumer trust before green-lighting such a project.

Conversely, laggards wait for regulations, such as the Global Data Privacy Regulation from the European Union, to push them toward privacy actions. But this is a dangerous strategy, the report found, since customer expectations concerning data privacy are often higher than the current regulatory environment.



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“Brands need to make it explicit that they are a privacy-first organisation, implementing the proper governance and distribution of data across brands, channels and touchpoints,” said John Summers, VP and chief technology officer at Akamai Technologies. “Fundamentally, customers want brands to treat them as an individual, knowing the value they deliver. In exchange, they will provide data in order to be met as an individual.”

The report is now available for download from the [CMO Council](https://www.bizcommunity.com). Findings are gleaned from deep-dive interviews with thought leaders at Akamai, AT&T Business, Bayer Healthcare, Bosch, Cox Media, Samsung and Samsonite.