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The Risks of Knowing Your Customer

By Emma Warrillow, Emma Warrillow & Associates

Over the past ten years, database marketing pioneers have spoken frequently on the elusive market of one. Marketers have been striving to understand individual customers better and talk to the right customer at the right time, through the right channel.

With this end goal, we have been building databases and collecting information at every client interaction. We have refined our communications and are getting more and more targeted. We feel we *really know* the people we are talking to.

But are we missing the point?

There is no question that effective targeting and appropriate messaging will win sales; but is all targeted messaging appropriate? *Should* we collect and use everything we can?

Permission does not have a “Yes/No” answer

Privacy regulations and the advent of SPAM have meant more and more marketers are asking customers for permission to use their information for future marketing. While these are admirable attempts, I believe that permission isn't clear cut.

Let me explain. Just before the birth of my second child, I received a direct mail package from an infant formula company. As an advocate of leveraging data, I appreciated how well targeted it was; it spoke to me as an “experienced” mother, who had used infant formula before. In fact, it came with a free can of formula (valued at approximately \$10).

However, I did not buy the product, or even try the sample; I was so put off that I gave the sample to a women's shelter and never considered the brand when feeding my new child.

So what went wrong? In this case, the customer data was accurate but the use of it was inappropriate. I expect I willingly provided all the information that they used to target

me - likely via a survey at a maternity store - and even gave permission for the contact. But such intimacy requires more than just access and permission to use the information.

The communication came from a company I have no prior relationship with and they used information that I consider of a personal nature. The customization left me feeling violated, rather than understood.

Consider now, instead, they had sent me an innocuous mailing with a formula coupon; still using the data to target the right customer at the right time but not making it so obvious that they know; I expect I would have accepted it willingly, would have read about the benefits of their new formula and considered it for my new baby.

Remembering *for not about*

Advocates of one-to-one have talked about “remembering for” the customers. Effective one-to-one may involve “remembering *for*” a customer, but many marketers instead have been “remembering *about*”.

The online grocer who keeps a “shopping list” of my frequently purchased brands, and keeps my address and credit card on file, remembers *for me*.

The financial services company who sends me a reminder that my foreign content is low is remembering *for me*.

The clothing store that remembers the shade and style of my past purchase and recommends complementary items, is remembering *for me*.

The formula company, on the other hand, like many marketers, was remembering *about me*.

The difference is in the benefit to the customer; remembering *for me* helps me, speeding my transaction time, offering me relevant products and services. I already knew I was having a baby and would need to use formula – telling me that was of no benefit to me. It just made me ask how *they knew*.

Maintaining customer data is a privilege and a responsibility. As database marketers, we need to ensure that we are using it for our customers’ benefit, not to show how clever we are.

Even when we really do know something, as a colleague recently put it, “sometimes we have to dumb it down.”