

The word "upshot" is rendered in large, white, 3D block letters against a vibrant red background. The letters are slightly angled, giving them a sense of depth and movement. The lighting creates soft shadows beneath the letters, enhancing their three-dimensional appearance.

SOCIALEXPERIEMENT
ONLINE PRIVACY VS. PERSONALIZATION PARADOX

A small red circular icon containing the word "upshot" in white lowercase letters.

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Upshot

Online privacy is attracting a lot of attention at the moment, most of it negative. Representatives Rick Boucher and Bobby Rush are both talking up their versions of an online privacy bill, while Senator John Kerry has weighed in with his own ideas for legislation. Add a constant drum beat from the blogosphere and alarmist articles in just about every newspaper and you could be pardoned for thinking this is a toxic issue for marketers.

Apart from the legislative proposals, what first got everyone riled up was the furor over Facebook's privacy settings, which ignited a firestorm of media criticism about the potential exploitation of people's private information by marketers. Exploitation is an emotive word and it got us wondering if people were really as concerned as the politicians and pundits

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would have us believe. Our interest wasn't just idle curiosity because we work in the online space. We suspected all the negative publicity is scaring off a lot of marketers, who otherwise would be looking to offer new, better personalized online services.

We initiated a Social Experiment—rather than a conventional survey—to find out how people really felt about the issue. Why? Apart from Disraeli's adage, "There are three kinds of lies: lies, damned lies and statistics," the hype around online privacy, exploitation and financial security made it difficult to cut through the clutter to what people actually thought. And, we're always trying to find new ways to understand what makes people tick.

Privacy vs. Personalization Social Experiment

We developed three service concepts that used people's private online information to provide a (we hoped) useful service. We designed each of the services to be believable but to be just beyond what's available on the web—at least when we started. Our intent was to explore consumer reactions to three new services.

Concept 1::Personalized Deal Finding Alerts

Consumers provide their favorite brands, authors, vacation spots, etc., and the service uses their profile and online behavior to automatically create a list of things it thinks they'll like.



Concept 2::Cash Rewards for Using Green Transit

Users wear a GPS tracker for the service to track transit activity and rewards for reducing their carbon footprint.



Concept 3::Virtual Personal Shopping Experience, In-Store

A personal shopper smartphone app connects to store loyalty/credit cards to analyze purchase history and create a personal product list—with product discounts and recommendations.



BrainJuicer

We enlisted BrainJuicer®—a world leader in innovative online research—to field our Social Experiment and to test our three service concepts. Their research used a sophisticated approach to test people’s response to ideas, BrainJuicer’s FaceTrace® methodology, which asks people to select a face showing an emotion to gauge their reaction to any idea. In total, BrainJuicer surveyed over 600 people aged 18–64 with broadband access, who own/use a laptop or a smartphone.

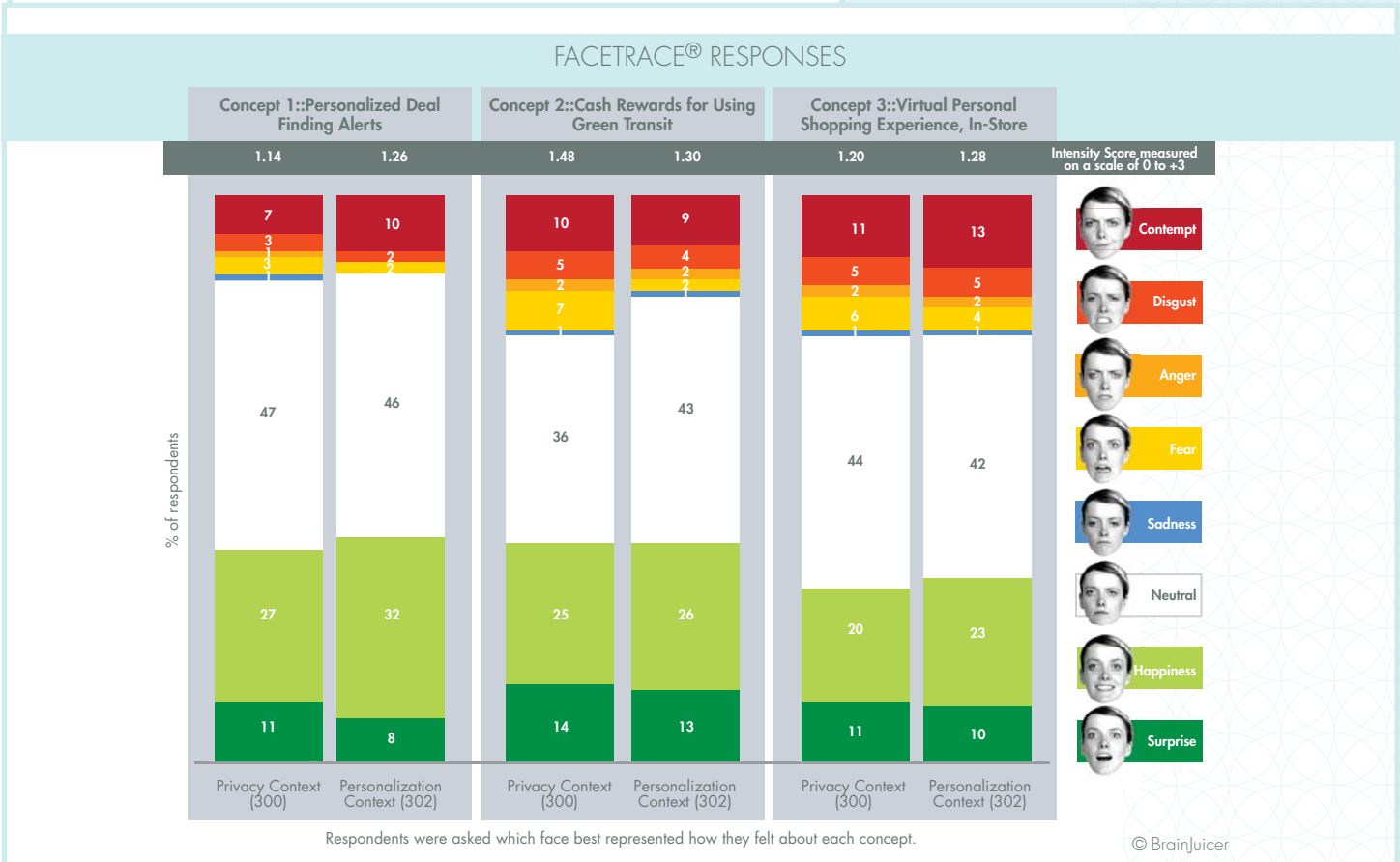
A Surprise—It Just Doesn’t Matter

Our hypothesis was that people’s reactions to our service ideas would be affected by the context of the research question—whether or not they thought about the ideas in the context of privacy concerns. So we divided the sample into two cells of 300 and introduced the concepts in different ways. The **first cell was exposed to the privacy issue** by discussing information privacy and the use of personal information to power new service concepts. The **second (control) cell asked people to give their opinions about** the concepts that offer users **a more personalized experience**. We expected the latter to get a significantly better reception. But that wasn’t what happened.

The Results

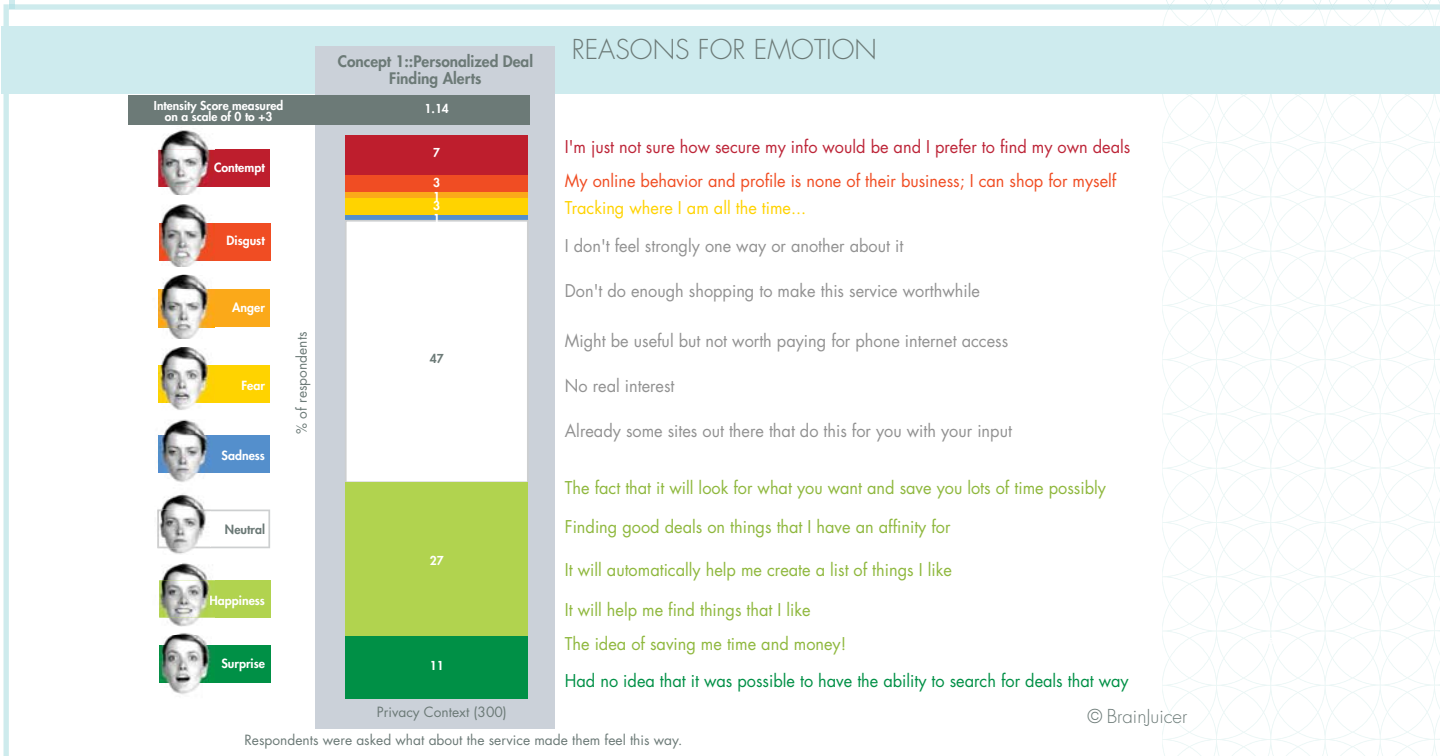
There was very little difference between the reactions of the Privacy cell and the Personalization control cell. While the service concepts engendered differing degrees of interest and enthusiasm the negative scores were low to very low. Despite all the hype, most people are quite open to new products that use private information to deliver a more personalized service.

...most people are open to new products...that deliver a more personalized service.



Emotional Reactions

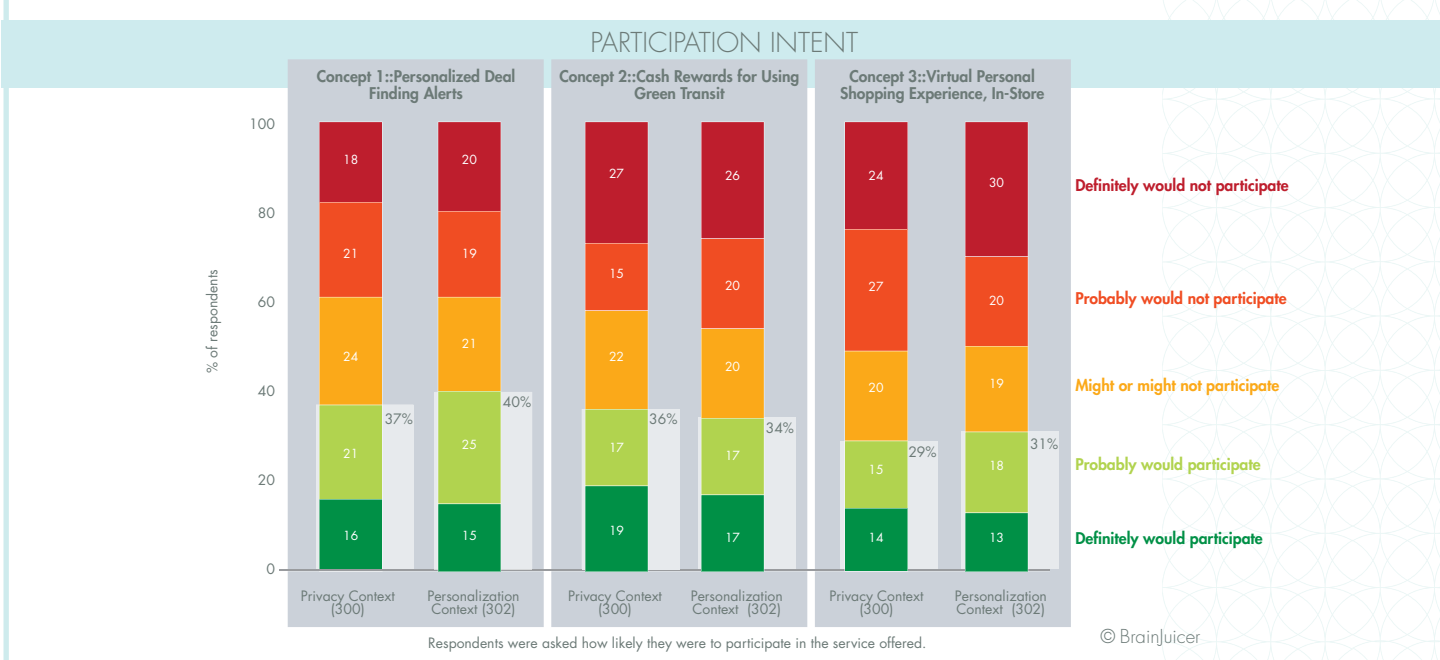
We also examined the reasons for consumers' emotional reactions to the services. The most important factor was the perceived relevance of the service, not concerns about privacy, as shown by this analysis of the personalized alerts idea.



Purchase Intent

We measured purchase intent, which again indicated that the key variable was the quality of the service idea, rather than concerns about the use of private information.

...the key variable was in the quality of the service idea...



The majority of those who weren't interested in buying the services gave reasons that didn't involve privacy concerns. Most just didn't see a need. Others felt such services were already available or they could get close to the ideas for free. Most recognized they could opt in or opt out of such services (that's a very familiar concept to most online users today), so very few had concerns about giving up control, as long as they got something useful in return. Most who did cite privacy concerns as a reason not to buy were worried about their financial security rather than about sharing general personal information.

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IMPLICATIONS FOR MARKETERS

Free your creativity.

When it comes to developing new online services, don't limit your thinking because you're worried about online privacy. Despite what politicians and pundits may say, people don't mind handing over personal information as long as they get something useful in return. If it's truly beneficial to them, they'll give you the data you need to make it happen.

Market the benefits.

Tell consumers what you're going to do for them and they'll determine whether it's worth sharing their information with you. People get the "quid pro quo," so focus your attention on providing (and communicating) a strong consumer benefit.

Be transparent, but not apologetic.

People are rightly concerned about their financial security (no phishing please), so let them know that you have their best interests in mind and will actively try and protect them from the bad guys that exist in the world.

Don't abuse their trust.

Consumers will let marketers into their lives if we can add value. Seems like a fair trade. Don't take advantage of that privilege and mess it up for the rest of us!

Lionel Knight is the Senior Vice President of Upshot's Planning Department that provides our clients with superior, actionable and valuable thinking, based on better insights into consumers' lives, behavior and consumption of marketing. They develop strategies, using quantitative and qualitative research, to inspire programs that move consumers from indifferent to engaged and to measurable actions.

Upshot strives to engage consumers through simple ideas brilliantly activated with a focus on brand, promotion, retail, regional and interactive marketing. Clients include Procter & Gamble, Crown Imports, Tremor, Wild Turkey and Kraft Foods to name a few. For more information, visit upshot.net.