

THE KREHBIEL LETTER

Dear Friend,

Skimmable. That's the word for this month. Following the lead of my friends at Kiplinger, I've refreshed the design of the letter and made this month's issue skimmable. If you're in a hurry, just read the words in bold. But I hope you read the whole letter!

If you would like to be added to the distribution list, please contact me at greg@krehbielgroup.com. Also, I'm available at 240-687-1230. (But you might have to leave a message.)

Best,
Greg Krehbiel

CDP use cases your customers will love

Our ability to collect and use data about our customers is skyrocketing, but consumer expectations can seem contradictory. **How can we craft a data strategy that's beneficial to our brands and to our customers?** Read on to find out.

On the one hand, many consumers don't want websites to collect their data. On the other, they want us to show things that are relevant to them, and not show ads for the boot they just purchased. Both require that we collect their data.

We can't expect consumers to understand the technology that goes on behind the scenes, but we can **keep track of what they consider creepy and what they consider cool** and create a user experience they will appreciate and enjoy.

This calls for a change of attitude. Instead of thinking about data as a way to increase sales, **think about data as a way to create an amazing customer experience**. Set aside your KPIs for a minute and ask how consumers want you to use their information for their benefit. Make it your ambition to **earn the right to store customer data by using it in a way the customer likes**.

After reviewing customer surveys about creepy and cool marketing, I've come to the following **general observations, which can help you create CDP use cases that your customers will love**.

Creepy

Using location data. E.g., "Hey, you're close to our store. Come in now for a free gift." This is too much like stalking.

Apps that listen to what you're saying. I don't know if this happens in the real world, but there's a perception that if you talk about getting a new pair of sneakers, and your phone is nearby, you'll get lots of sneaker ads. I'm pretty sure this is just confirmation bias, but it's good to keep in mind that people find that sort of thing creepy. If that tech is or becomes available, stay away from it, or anything that reinforces that sort of impression.

Using third-party data. People have a decent idea of what personal information they've given your site and your brand. When you use information that's been collected from other sites, that's creepy. I know you don't want to hear that because 3rd party data can be valuable to sales and marketing. It's also creepy.

Potentially annoying

Inferring a habit from a single transaction. It's easy for marketers to assume that if someone purchases a cat toy, they probably have a cat. But **people also give gifts**. It might be wise to **hold off on your conclusions until you have a little more certainty**. One swallow doesn't make a spring.

Along those lines, delay making too many conclusions based on limited user behavior. After a user has visited your site for a while, it's reasonable to customize their experience based on that data. They know you're tracking what they're doing, but if you customize too soon, you can get it wrong, which becomes annoying. I don't know exactly where to draw that line, but this perspective deserves a place in your deliberations.

Cool

Recommendations based on usage or past purchases. Think of Amazon, Netflix, and Spotify. "People who bought/viewed/listened to this also liked this other thing." Such recommendations can be very helpful. I love it when Spotify tells me about other artists I might like. However, this use case might only apply to situations where there is a very large catalog. It's not so helpful for a site that only has a small number of products.

Loyalty programs. They're not just for airlines anymore. Loyalty programs have become more common for all kinds of products and services. The basic idea is that you **reward people who are good/repeat customers**.

Points and rewards. I don't like point and reward systems, but I'm a focus group of one. The majority of people do like this sort of thing, so you should consider how it might apply to your business. However, what will you do with the people like me who don't like them? If 70 percent of your visitors like something, and 30 percent hate it, it might be prudent to allow people to opt-out. If you don't, it moves your point system to the "annoying" category for that 30 percent.

Personalized service. Along the lines of the previous bullet, **people want you to treat them as individuals** – but only if they've volunteered the information that allows you to do that! Don't take liberties. **Personalize the experience based on first-party data you've collected**. Make them feel known, valued, and appreciated as an individual.

Discounts. You can tie in your discount program with points and rewards. Provide better discounts to people who are more loyal and engaged.

Customized coupons and free gifts. "Customized" means you have enough data to make the right inference. Remember the cat toy that was given as a gift by the non-cat owner? Don't offer that person free guides on cat care.

Contests. People enjoy free gifts, but they enjoy them even more when they feel they've done something to earn them – like winning a contest. If your business lends itself to this sort of thing, **think of ways you can collect first-party data when people enter a contest**.

Exclusive and early access. If you produce timely content, **early access for loyal members is a big benefit.** If your content is not as time-dependent, reserve some of it as exclusive access for your best customers.

Communicating in the channel they prefer. Some of your friends and family respond to texts, some to emails, some to Whatsapp, and some even pick up the phone. There are many options for messaging, and people have their preferences. **Allow your customers to choose how you will contact them.**

Abandoned cart reminders. I don't like these, but a lot of people do. Try them, but make sure to allow people to opt out of abandoned cart reminders without opting out of any of your other emails.

A chance to win a prize. People love prizes, and they love feeling lucky. Your site visitors will hand over their personal information in exchange for the chance to win something.

Focus on retention. It's cheaper to keep a customer than to acquire one, so **ensure your use cases are geared towards pleasing your loyal and engaged customers.** The last thing you want to do is make it seem as if it's better to be a stranger than a friend.

Be proactive about access. If people are paying for your content, reach out to them if they're not accessing it. **Keep track of whether paying subscribers are opening your emails and logging in to your site.** If they're not, contact them. It's better to solve the problem now than to wait until they don't renew because they're not using your service.

Foster community. A shared interest is a pathway to friendship. If you run a specialty site, you have a great opportunity to create a community around that topic. But be clear-eyed about the commitment; it's a lot of work. Moderating the comments on a discussion board is time-consuming and expensive, but if you can create a community where people feel valued and welcomed, it might be worth it.

Don't neglect pure entertainment. Depending on your audience, you probably don't have to make everything serious all the time. Sometimes people want to play. **Games can be a great way to engage your customers,** and a great opportunity to collect first-party data.

Don't forget incognito browsers and ad blockers

Some of the ad tech that allows you to capture user data is thwarted by incognito browsers, security plugins, and so on. About 26% of internet users blocked ads in 2019, and that percentage continues to grow. Cheetah Digital reports a 50% year-over-year increase in the use of incognito mode.

You can't blame people who want to protect their privacy or get stuff for free. Some marketing techniques are obnoxious. Also, people like to find the secret entrance and avoid the ticket booth.

Don't make this a contest, or an adversarial relationship. If your business model requires you to charge people for access to your content, and visitors are trying to find ways around that, don't chide or accuse. **Explain your perspective in a friendly way.** "We know that some websites provide content for free. We've chosen a different model that allows us to provide personalized service to our subscribers. Please login [turn off your ad blocker, use a regular browser, etc.] to view our content."

Summing it all up

If I raise chickens, and you grow wheat, I have more chickens than I need, and you have more wheat than you need. It's in both our best interests to trade.

Think of data the same way. You have a service to provide. Your customers have information. **Make the exchange of your service for their data a fair trade that's beneficial to both of you. ¶**

Two e-newspaper formats contrasted

My wife and I recently **switched our long-standing newspaper subscription to the digital edition** (i.e., an e-newspaper). We both bring a tablet to the breakfast table. Here are some of our observations after a few weeks of daily reading.

The biggest change is that **we can both have the entire paper**, rather than one of us having the front page and the other having the inside section.

Our paper has **two different digital editions. One is more like a web page, and the other shows a replica of the print edition.** The web version is harder to scan, and the nav menu is a little confusing because it organizes articles differently than I'm used to. It also has a lot of ads, and the ads are far more intrusive on the web version. Also, it's harder to tell if any particular article is from today or sometime in the past. Things seem a little more jumbled together.

Generally speaking – like in the magazine world – I don't like “replica” editions. This is especially true for those with annoying skeuomorphs, like playing a sound when you turn a “page.” But in this case, **the replica edition works.** It preserves the print layout, which I'm accustomed to, but allows you to click into an article – which then shows up in a side window.

I prefer that version for two reasons. First, it's much easier to scan the paper, especially since I know what sorts of features are likely to show on what page. It gets confusing when they're all mixed up. Second, **I know that all the articles are from today without having to check the dates.**

Both e-editions are a little harder on the eyes, but since the wear and tear of screen use is a well-known problem, I hope Silicon Valley will solve that before too long. IOW, it's not unique to e-newspapers.

A print newspaper is easier to “navigate” than either e-newspaper version. It's tactile and physical, and that's the way our minds and bodies work. **The “replica” edition mimics that in a helpful way,** particularly when you're in landscape mode. Having a replica of the newspaper on the left and the text on the right is very easy.

My wife disagrees. She doesn't use the article view and actually reads the replica edition of the paper on her tablet. She also reads in portrait mode while I read in landscape – which makes it easier to keep the replica on the left and the article on the right.

Another benefit of the e-newspaper is that you can make the text bigger! It's also easy to share articles to social media (if you're into that sort of thing), and they have a “text to speech” function which is kinda cool. You can listen to Hal read the article while you're cooking your eggs.

The web format provides other opportunities the replica edition doesn't have, like the ability to comment on an article, do a Sudoku, etc. But I don't particularly care about those things. It also has links to their podcasts, which is a nice feature.

However, the web version annoyed me with a pop-up offer to subscribe to an e-newsletter I already get. C'mon people! Don't you have a Customer Data Platform!

Overall, I like the replica e-newspaper better than I thought I would, but since I don't have to go fetch the paper in the morning, it means some days I never leave the house! ¶

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