

# How to Align Data Collection with Customer Engagement

THE CUSTOMER

Field Testing  
Fully-Permissioned  
Customer Data

A Special Report from TheCustomer

Did the consumer change or are brands tripped up by the buzzword of the moment & the jargon du jour? It's a leading question, of course. But ask yourself this –

Was your organization pursuing zero-party data before last year? Was your organization leveraging your first party data to the fullest? Were you buying someone else's customers or attempting to leverage second party data? Did you enhance all your data with third party compiled data attributes? Do you have a handle on where your data comes from? Was it ethically sourced?

How you obtain your customer data, and how you subsequently use it, is becoming increasingly important to your customers. From the information age to the reputation age, consumers continue to take control of the relationships they maintain. The degrees of transparency implied by the various data types (zero, first, second, etc.) are telling a story of consumers' mounting awareness of the value of their own data and their increasing intolerance of its misuse.

If you listen to the popular voices on the topic, zero party data is somehow better than first party data, and first party data is somehow better than second party data and so on in a successive series of data "grades".

“ In theory, that kind of openly obtained data would produce deeper consumer insight, allow for deeper levels of engagement, and would ultimately enable brands to serve their customers more effectively.

But what if your customers *volunteered* their data to you out of their own free will? What if that data didn't need to be cajoled or pried away, but instead was offered up as part of a transparent value exchange between both parties where the consumer and the brand engaged in a collaborative, progressive, permission-based exchange? In theory, that kind of openly obtained data would produce deeper consumer insight, allow for deeper levels of engagement, and would ultimately enable brands to serve their customers more effectively. And what if there existed a mechanism that made this feasible and economically practical for brands – at scale?

## Why is This Important? Why Now?

Back in 1999, Seth Godin coined the term “permission marketing”. According to Godin, “permission marketing enables companies to develop long-term relationships with customers, create trust, build brand awareness, and greatly improve chances of making a sale.” Permission-based data, by extension, is data an organization has earned from an individual, based on continually demonstrating trust and transparency, and freely given as part of a promise to provide value in exchange for their engagement.

For many organizations, it's become increasingly clear that the usual forms of engagement are less productive and are producing decades long decline in response rates. These organizations are learning the hard lesson that the current way they engage audiences is not sustainable. The market has also tried to move to a more “personalized” 1:1 approach; but there's still the question - are these “personalized” communications sufficient to create a healthy, positive response when that messaging is nothing more than a monologue delivered at a higher volume?

**The answer for many marketers is no.**

# Consumers Changed Because We Forced Them To

Surveillance, intrusive advertising, and over-fishing have led to a completely new kind of consumer backlash. And while this is occurring, legislatures around the world are listening and taking action.

Over the past two years, marketers have been reigned-in (rightfully so, in many cases) by sweeping legislative changes that touch on, and seek to control, the entire spectrum of customer data. Yes, we're speaking of GDPR, CCPA, the proposed NYPA, etc., and there are hundreds more that are currently in process.

So, brands began a slow progression to move closer to the source of their customer data – to move closer to their actual customer.

“ In the end, we marketers need to be accountable and own up to the reckless targeting and frequency that has resulted in prohibitive legislation and compliance. We did it and we need to own it.

- Ron Stoupa, CMO, the largest arts and crafts retail chain in North America

## Finding the Source of Truth

3radical is a global customer engagement partner to large international brands operating in a wide array of verticals. They approached TheCustomer to discuss their planned North American entry and ways of telling their story, specifically around their Voco platform, to our audience. 3radical has enough enterprise history to know that its platform could deliver transformative results in the form of fully-permissioned, collaborative data collection, but they were concerned about the amount of noise in the martech space – particularly in North America.

This report explores the premise that permissioned, earned, and self-declared customer data obtainable by brands is far more valuable than traditionally captured (first party) and acquired (second, and third party) data. It is the result of a months-long study undertaken to objectively understand the engagement mechanics and the value of the data they produce through a series of real-world use case evaluations – one of them executed right here at TheCustomer.

### Our Caveat

When we are approached, as we occasionally are, by a solution provider who wants us to see their latest offering, take a cursory look at it, and then put out a positive review on their behalf, we are obligated – by our mission statement – to evaluate the provider with a critical, objective, and almost a cynical viewpoint.

# 3radical's Proposition: Adaptive Insight Capture Through Earned Data Mechanics

The consumer, customer, student, member, volunteer, and business owner, in all of their interactions, gets to decide what, how, and how much of their personal data they are willing to offer up in any transaction. If, in return, organizations can create engaging experiences that are valuable and rewarding, then an equitable exchange has been created. That much is self-evident.

But what is less obvious, and potentially much more valuable, is the degree to which that freely offered-up data can lead to deeper and much more productive engagement.

We were told by 3radical that the firm's Voco platform creates immersive engagement across a variety of audience types, which, in turn, consistently generates long-term value and differentiated results for the brands they work with. We heard terms like:

- Digital transformation
- Customer engagement
- Loyalty
- Value exchange
- Self-defined loyalty and redemption

We were given examples from their international client base – two of which are illustrated below – a top 50 global bank and a large cultural UK restaurant chain. While the results are compelling, we still needed more proof. We needed to understand more about their individual and aggregated data capture. So, we launched our own program using the 3radical Voco technology.



“ In order to deliver experiences that truly make consumers’ lives better, we need to know more about them. We believe that gathering that information through a direct relationship - a digital dialog - is not only the most authentic way to learn more about our consumers, but also the best way in which to build trust with those consumers.

Creating this mutual value exchange with our customers enables us to guide them toward solutions that make their lives better.”

- Marc Rosenstock, Head of Marketing and eCommerce, FKA Brands Ltd.

# Business Case 1 – Digital Banking

One of the largest banks in APAC had invested heavily in its digital transformation journey to fundamentally change how it attracts, retains, and engages with customers to create longer lasting relationships and provide more value to the consumers they serve.

## **The Challenge: Sub-par Digital Migration**

Although the bank had implemented a high-quality range of digital solutions, it was lagging behind its competitors in actively migrating customers over to its digital channels. Employees were either unsure or simply did not know how to help customers use its digital solutions.

## **The Solution: Simplify & Incentivize Engagement**

3radical created a personalized interactive training journey, which encouraged the bank's employees to embrace digital initiatives by informing and engaging them with the content necessary to support customers in migrating from physical to digital transactions.

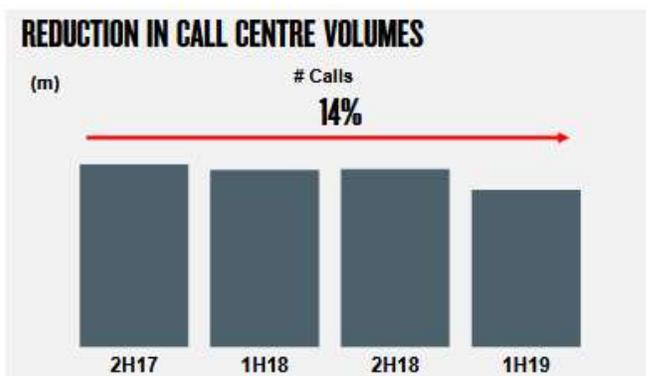
Employees were challenged to engage with bite-sized content comprised of interactive videos, customer scenarios, and follow-up assessments. All of which were themed around its digital offerings and best practices to build the confidence of their employees and encourage them to converse with customers about the bank's digital offerings.

# The Result: Improved Engagement & Record- Breaking Returns

The solution was rolled out to bank employees across Australia and promoted via business leaders and divisional communications. While the experience was voluntary, the training journey has now been accessed by over 7,000 employees with an 88% completion rate.

Through the Net Promoter Score measurement framework, the bank has seen the number of their Digital Advocates (promoters) grow from 9% to 59% of the bank associates, with overall confidence increasing by 77 points. Feedback from employees reflected a highly engaging and unique experience not previously before achieved with online training on these topics.

What became abundantly clear was that bank associates embracing digital transformation as part of an overall strategy resulted in very compelling outcomes. What is more, the bank had anemic results prior to coordinating the digital transformation efforts with its off-line channels. Once coordinated, the bank saw over-the-counter transactions decline by 23%, call center volumes decline by 14%, and digital consumer product sales achieve 64%+ of target.



Because bank employees were able to better educate customers on ways to digitally open accounts and conduct certain transactions online, the bank's call center volume dropped by a meaningful 14%.

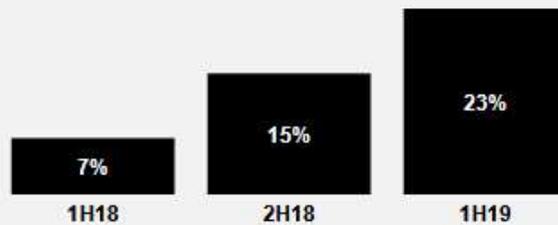
**SIMPLE CONSUMER PRODUCT SALES VIA DIGITAL<sup>1</sup>**

Simple consumer digital product sales steadily increased resulting in greater revenue and forecasted improvements

Branch transactions were reduced by as much as 23% as consumers moved more activities on-line.

**OTC TRANSACTIONS DECLINING**

% Reduction in over the counter transactions (since Sep-17)



“ By moving half of their customer base online this dramatically reduced manpower and mailing costs while providing 24/7 accessibility to customers. It has also provided an alternative banking channel which has proven invaluable to customers during this global pandemic.

- Marc Shull, Owner and Chief Consultant, Marketing IQ

“ True loyalty and engagement today are about creating an authentic mutual value exchange between the organization and the customer. Customers expect that when they provide their data voluntarily the organization will use it appropriately at **every touch point** to deliver value to them based on their expressed choices.

- Terrilyn Tourangeau, Enterprise Loyalty  
Architect & Consultant

## Business Case 2 – Fast Casual Dining

Zizzi is a popular restaurant chain, but waning margins and heavy competition put increased importance on long-term engagement, customer loyalty, and the need to maximize customer lifetime value.

### **The Challenge: Translate Brand Affinity into Frequency**

In the casual dining sector, in particular, it is incredibly difficult to achieve high-levels of customer loyalty when there is so much choice.

Zizzi sought to increase engagement frequency in their restaurants while obtaining behavior and preference data from their customers. Collecting this self-reported, “earned” data would allow Zizzi to engage their customers with more relevant and personalized messages, specifically designed to drive repeat restaurant visits, more engaged customers, and an increase in long-term relationships.

### **The Solution: Gamified + Engagement Mechanics to Create an Equitable Value Exchange**

Zizzi utilized the 3radical Voco audience engagement platform to create an entertaining and responsive web ‘Board Game’ for the entire family to play, while encouraging specific behaviors. To foster game play, customers were offered an opportunity to win instant prizes and vouchers, which could be redeemed at any Zizzi restaurant.

# The Result: Reversed Curve, Created Up- Trending Spend Metrics

Customers who engaged with 3radical games stayed engaged with the Zizzi brand 32x longer than those that did not engage. The strategy was especially effective at driving traffic to Zizzi locations at off-peak hours and Q1, enabling revenue growth during their least profitable hours and times of the year. All earned data collected allowed Zizzi to improve future marketing message personalization along the customer journey, build stronger brand loyalty, increase customer retention, and improve lifetime value, all while offering an entertaining and rewarding family-friendly board game.

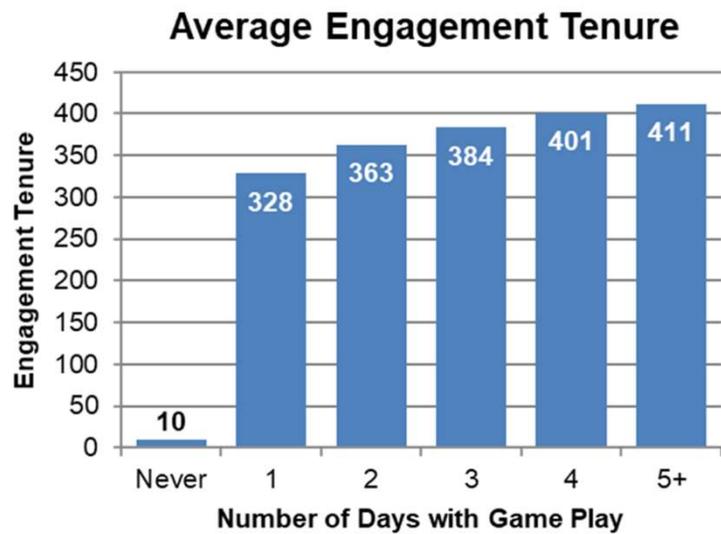
## If what you're saying is true, what does your data in aggregate tell us?

Every marketer, at one time or another, has chased a shiny, must-have object that hasn't quite delivered on the value promised. We call it "shelf-ware" because it usually goes out of style as quickly as it came in. But insights that drive results never go out of style. So we asked 3radical for a deeper look at the data they had collected during their efforts. We wanted to know things like:

- How often did consumers return and give data?
- What frequency did they exhibit?
- What device were they on, how many devices?
- Mechanics leveraged and at what frequency?
- Relationship tenure – with Voco engagement and without.



On average, when audience engagement mechanics are not deployed, we see considerably shorter consumer involvement with the brand at about 10 days. When engagement mechanics are deployed, and refined progressively, we see significant increase in consumer attachment, i.e. 411 days.



Customers are willing to engage when you make it relevant, interesting, and there is a clear value exchange. Our analysis of customers in the restaurant vertical shows 30-40% of the audience that engaged with 3 radical mechanics continued to do so 24 to 36 months after the original engagement. Not surprisingly, this had a positive impact on customer retention, visit frequency, and lifetime value.

- Marc Shull, Owner and Chief Consultant, Marketing IQ



When engagement is everything, let your customers sit in the driver's seat. Earn their trust and you earn their data and ongoing relationship.

## Business Case 3 – TheCustomer.net

**Editor's Note:** We've seen hundreds of martech platforms and heard their compelling value propositions. And in many of those cases, we've even had hands-on experience operating them. That doesn't necessarily make us experts in all things martech, but it does help us to know what to look for when we're digging around under the hood.

We engaged 3radical with no financial commitment and asked them to show us their Voco platform in action. TheCustomer had just launched [The CxO Report: The Road to Customerization](#) to bring an instructive guide to a drastically changed customer landscape. We were also embarking on a program strategy designed specifically to build our audience and generate reader value in a completely organic fashion. We didn't buy one name or spend any money on advertising.

The interactive journey we created through 3radical's Voco platform began to deliver some very interesting insights. Customers willingly provided:

- Preferences on what they wanted to learn more about
- Ratings of priority preparedness / effectiveness
- Their confidence level of how their organization is preparing for, or implementing standards around data privacy, personalization, consumer trust, and data transparency
- Answers to a survey around their customer acquisition efforts

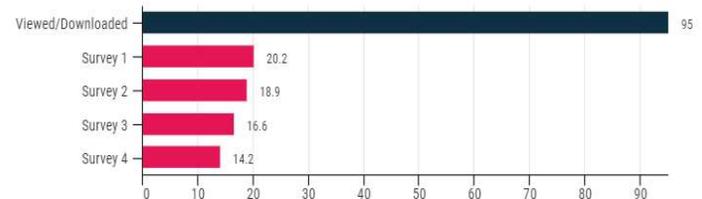
# The Result: Extraordinary Engagement Metrics, Deeper Customer Insight

Visitors were given the choice of downloading / viewing the report, or participating in the engagement journey and contribute their thoughts. TheCustomer did not provide a specific offer, no incentive, and no other call to action; we simply asked for their input.

- 95% of traffic landed actually registered and downloaded/read the paper
- 21.3% of registration/download audience completed first round of feedback mechanics
- 93.4% of feedback 1 mechanics respondents then completed round 2 of feedback mechanics
- 87.7% of round 2 feedback respondents completed round 3
- 86% of round 3 feedback respondents completed round 4



**TASK COMPLETION**  
(% of Registrants )



## Key Findings:



### Data Activation

Over 65% of respondents scored their ability to activate customer data in their enterprise as 'three or less'.  
(Scale of 1 to 5)



### Return on Investment

Of those surveyed, only 36% rated their confidence in deriving value from MarTech/Cloud investments as 'four or five'.  
(Scale 1 to 5)



### Tech Complexity

More than 60% of people classed MarTech and AdTech platforms as 'too complex to manage effectively.'

“ What this shows is, at the end of the day, consumers are people, regardless of the context. They like to engage, to be heard, to be a meaningful part of a relationship. What’s more, by giving options for how deeply to engage, it maximizes engagement of the overall audience, not just the individual participant. By providing choices, each person can decide how deep they want to engage. The resultant increase in overall data capture and the percentage of the audience that participated significantly enhances insights and mutual value creation.

- Kevin Bauer, Founder & CEO, Kessel Digital Consulting

## How 3radical’s Voco Platform Works

The 3radical Voco audience engagement platform allows customers and employees to interact with organizations on their own terms. Voco’s real-time decisioning engine is able to combine game science theory, data accumulated from billions of interactions, and real-time self-reported data, resulting in the optimum blend of interactive content, rewards incentives and channel for each engagement. The earned data is willingly and transparently provided in return for a value exchange and can be used to foster engagement with the organization across all channels. [Learn more here](#)

The logo for 3radical, featuring a stylized orange '3' followed by the word 'radical' in a grey, lowercase sans-serif font.

# Outcomes of Our Evaluation

We reviewed multiple use cases. We asked for and received additional client feedback. We saw, and further analyzed, the resulting data. Then, to further prove the value behind the premise of earned data, we deployed 3radical's Voco audience engagement technology on our own behalf. Four compelling findings surfaced over the course of our efforts:

## **The real-world business cases produced some remarkable outcomes:**

- NPS improvement
- Cost decline
- Revenue growth
- Repeat engagement and long-term repeat engagement

Our own experiences with the technology on TheCustomer site showed how building an organic trust strategy, where we asked questions rather than simply promoted content, was very positive. We had very high-levels of engagement across all mechanisms that we put in place.

“

Ultimately, we found that transparently-earned customer data provides a value exchange that is much more conducive to creating engagements that are deeper and longer lasting. And the insights that are gained over the course of those relationships can be leveraged to serve the customer more effectively. We plan to continue to prove this premise at TheCustomer.

- Mike Giambattista, CEO & Publisher, TheCustomer

# Our Recommendations

- Build that trust to capture information that the consumer is willing to share. Help them to understand you are there to serve them by providing a meaningful value exchange.
- Make your marketing efforts bi-directional. How do you listen to what it is that you need to hear from your customer? How do you engage in a way that your customer knows that you've heard them?
- Communicate to your audience how you're capturing their information in such a transparent way that lets them know you are using it consistent with their expectations for the relationship.
- Incorporate consumer feedback into every step you want that consumer to engage with on the journey.

**Zero-party, first-party, second-party, or third-party data is irrelevant. What matters is how that data is earned and collected from the customer so that brands are prepared to serve their customer in the best possible ways – and the customer understands that.**

## The Last Word

The world is changing. The regulatory environment – GDPR, CCPA, NYPA – are no longer new considerations – they are expectations. We now have a very informed consumer landscape around the value of their personal data, opinions, and preferences. Aside from the regulatory and compliance challenges, the big question is - what are organizations going to do to address the need to be advocates for consumers and earn their data, which is driven by trust, emotion and sentiment, at a time when these concerns are most heightened?

# THE CUSTOMER

**TheCustomer** covers all of the disciplines within the customer engagement ecosystem, exploring the latest research, technologies and personalities driving the customer revolution. It's a low-noise / high-signal space where brands can hear from and interact with the best and brightest in our world.

[TheCustomer.net](http://TheCustomer.net)