

A man and a woman are sitting on a grey couch on a wooden floor. The woman is using a laptop, and the man is looking at the screen. A small dog is sitting on the floor between them. The scene is dimly lit, with a blue tint.

CONSUMERS, DATA, AND CONTROL:

Driving Loyalty and Trust Through a Strong Value Exchange

Introduction



The future of digital advertising - and how brands interact with consumers - will largely rest on the data privacy practices that are emerging today. Consumers want more transparency and greater control over who can use the information collected during their online activities. Legislation like GDPR and CCPA have established industry standards around consumer consent, while Google's plan to eliminate the use of third-party cookies from its Chrome browser by 2022 will effectively change the way advertisers can activate data for targeting and measurement.

This March, Fluent surveyed 14K+ US adults to better understand consumer attitudes

toward data privacy – and what motivates them to share personal information with brands. The findings reveal the prominent role a value exchange will play as digital advertisers set out to form direct relationships with their customers – and build out a strong first-party data asset – in a post-cookie world.

In this report, we explore:

- Incentives consumers expect from brands
- Channels where consumers are most likely to engage
- Types of data consumers are willing to share with advertisers

Key Insights

01

Consent matters, but brands must work to gain consumers' trust

Opt-in consent does not always guarantee trust. **71% of consumers believe it is important for brands to ask permission** before sending communications, but just over half (51%) trust that a brand will protect their personal information once they opt in.

02

Discounts and free trials go a long way toward incentivizing opt-ins

Consumers across all age groups are willing to share their information with brands in exchange for something of value. For both email and SMS, consumers cite **free trial offers and discounts as the top factors** motivating their decision to opt in (behind a combination of different incentives).

03

Relevance is key to winning Gen Z's loyalty

Gen Z expects brands to deliver value through tailored content and experiences. Compared to other generations, **Gen Z is 123% more likely to cite a lack of relevance** as the number one reason for opting out of brand communications.

01

Data Privacy Concerns and the Case for Consent

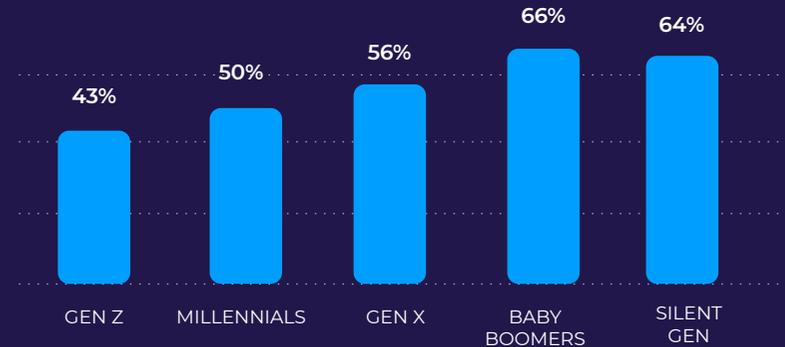
In preparation for the loss of third-party cookies, digital advertisers are seeking out new avenues to collect opted-in insights and build out their first-party data assets. At the same time, consumers recognize the immense value of their data and have become more wary of the ways in which brands use and collect their personal information.

59% of consumers are concerned about the ways companies use the personal information they collect from them.

71% of consumers believe it is important for brands to ask permission before sending communications.

US Consumers Concerned With the Way Companies Use Their Personal Information

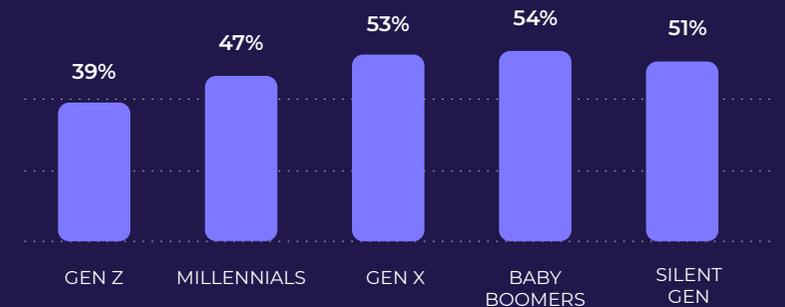
% of respondents, by generation



Compared to other generations, Baby Boomers are 20% more likely to express these concerns, and 53% more likely than Gen Z in particular.

US Consumers That Trust a Brand will Protect Their Information Once They Opt In

% of respondents, by generation



Over half of consumers (51%) trust that a brand will protect their personal information when they opt in. Compared to other generations, Gen Z is 25% less likely to believe that brands will handle their data responsibly.

Insight

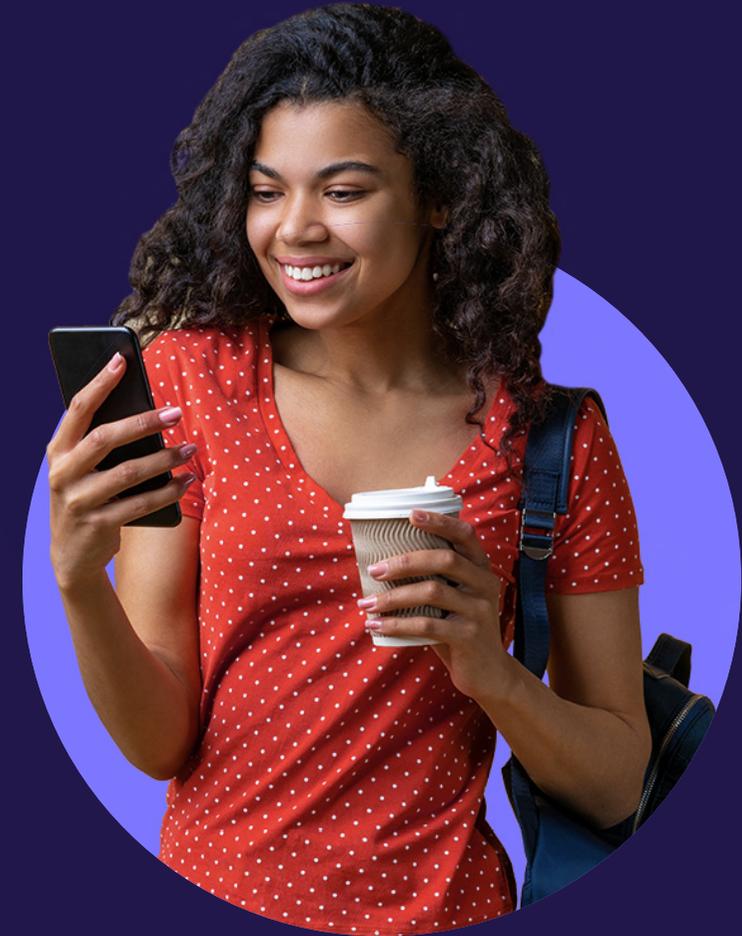
When it comes to sharing information with a brand, Gen Z is aware but unfazed by the potential risks while Baby Boomers are wary but willing to trust.

Compared to Gen Z, Baby Boomers are 53% more likely to express concerns around the ways companies use their personal information. While both age groups say that marketing permissions are important, Baby Boomers are more likely than their younger counterparts to trust that brands will handle their data responsibly once given permission to use it. Gen Z exhibits a healthy dose of skepticism on this front – they are least likely to trust that a brand will protect their data, but also recognizes that the more data a brand has, the more relevant and personalized their online shopping experiences will become.

Actions for Marketers:

Transparency and trust sit at the foundation of a strong value exchange. When asking consumers to share their information, be sure to:

- Provide clear notice and choice, explaining what data is being collected and how it will be used.
- Capture consent, securing the consumer's permission to use their data for the intended purpose.

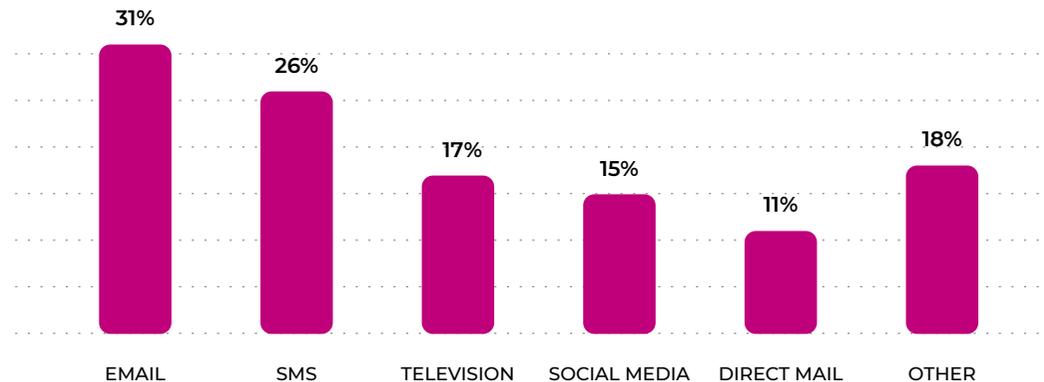


Defining the Brand-Consumer Value Exchange in 2021

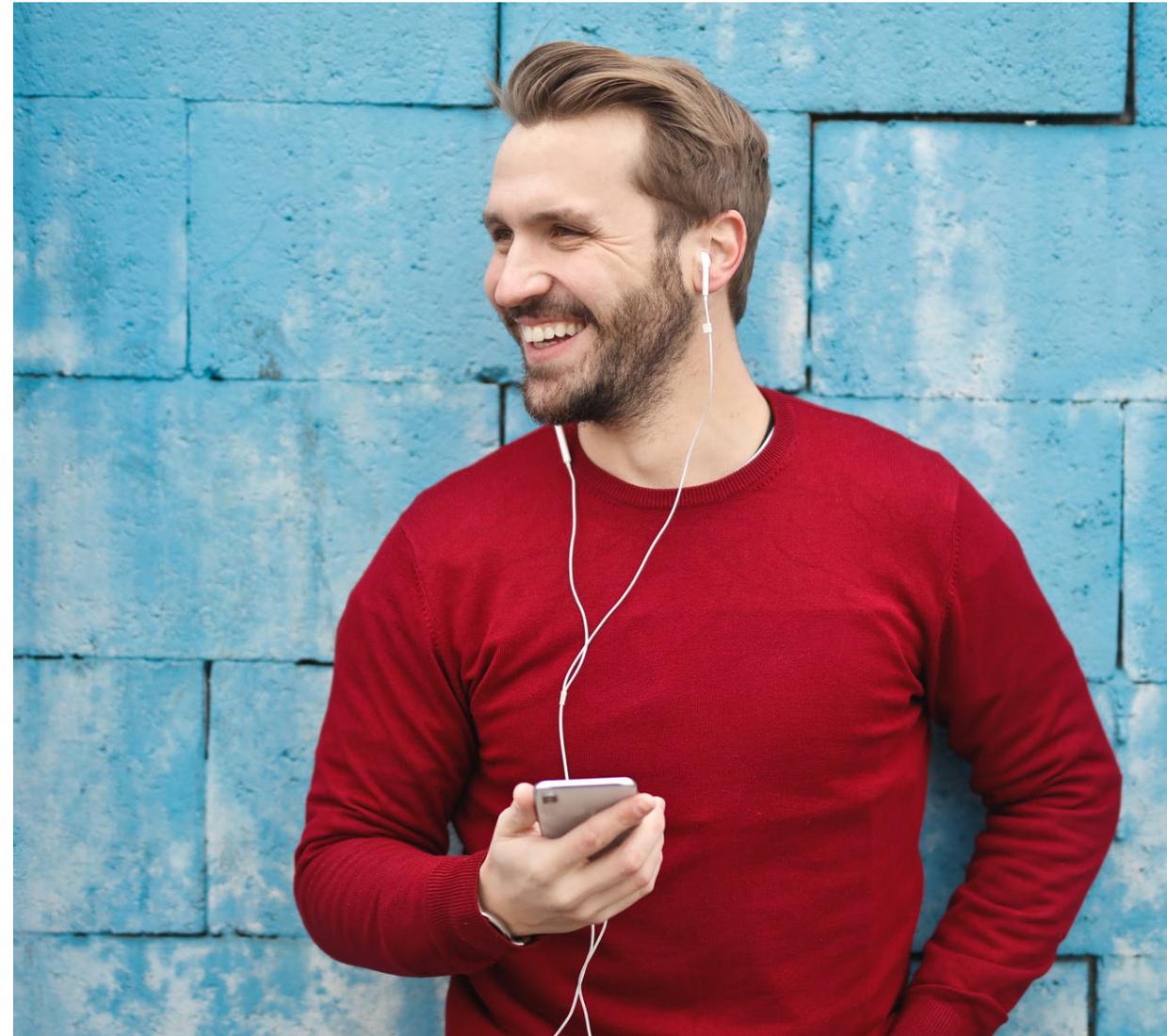
Despite data privacy concerns, 36% of US consumers still believe that the benefits of sharing their personal information with a brand outweigh the risks. This finding is consistent across generations, proving that while Baby Boomers and Gen Z hold varying sentiments when it comes to data privacy, both age groups are willing to share information with a brand if they are promised something of value in return.

Preferred Channel for Discovering and Interacting with Brands

% of respondents



Email reigns supreme as the preferred channel for discovering and interacting with brands, surpassing SMS and TV – traditionally a go-to channel for brand awareness campaigns.



Insight

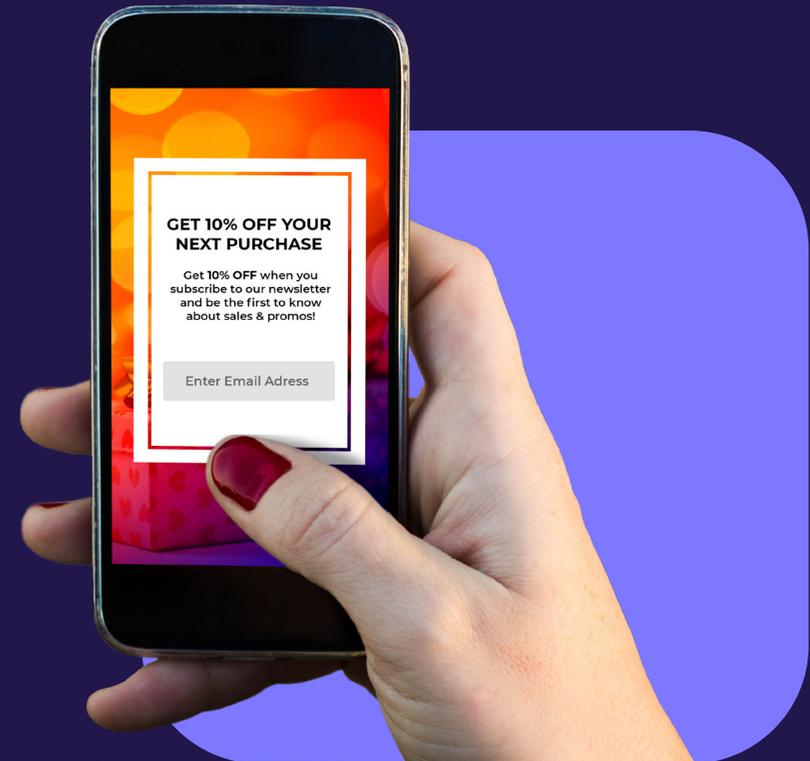
While consumers' willingness to opt in to brand communications varies across channels, the types of offers they seek out remain consistent.

Among our survey respondents, email and SMS ranked as the top two channels for brand communications, though, on average, consumers were 39% more likely to share their email address with a brand versus a phone number. For both email and SMS, consumers cite free trial offers and discounts as the top factors motivating their decision to opt in (behind a combination of different incentives). While all other age groups prefer a variety of offers, Gen Z is 189% more likely than other generations to favor discounts via email, and 153% more likely via SMS.

Actions for Marketers:

Incentives at the top of the funnel play a large role in relationship-building. When coupled with compelling offers like free trials and discounts, advertisers can leverage quizzes, sweepstakes, surveys, and other privacy-safe tactics to collect opt-in data from consumers. These strategies allow brands to:

- Secure explicit consent
- Gain insight into consumers' interests and preferences
- Deliver more personalized advertising experiences



03

When the Value Exchange Turns into a One-Way Street

Advertisers need a holistic understanding of customers' needs and interests in order to get the value exchange right. When a brand misuses a consumer's data or fails to deliver relevant experiences, the value exchange – and relationship with that consumer – can break down.

Top Reasons for Opting Out of Brand Communications

% of respondents

31%

Too Frequent

24%

Not Interested

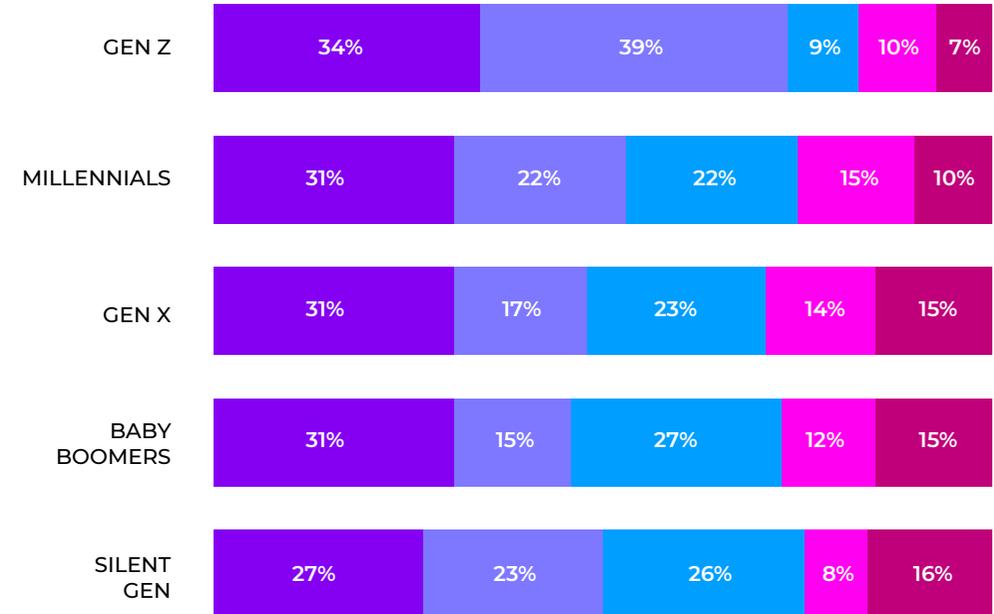
18%

Not Relevant

Consumers are most likely to opt out of communications when they become too frequent or lack engaging content. Overall, a shortage of attractive incentives ranked lowest among factors causing consumers to unsubscribe, proving that the brand-consumer value exchange need not rely solely on monetary rewards.

Responses by Generation

- Too Frequent
- Not Relevant
- Not Interested
- Lack of Offers
- Don't Remember Signing Up



Compared to other generations, Gen Z is 123% more likely to cite a lack of relevance as the number one reason for opting out of brand communications (this trumps frequency, the top reason for all other generations). This age group expects content that is tailored to their interests and will not hesitate to break ties with brands that fail to deliver a personalized experience.

Insight

Timing and relevance top the list of factors that can make or break the brand-consumer relationship, ranking above attractive offers and incentives.

As an advertiser, it's important to know which offers appeal to your audience and what value they expect to gain from your brand. When consumers feel like their interests are known and understood, and their privacy is respected, the brand-consumer value exchange works at its best.

Actions for Marketers:

The reasons people opt out or unsubscribe from brand communications can provide marketers with a clear list of do's and don'ts.

Frequency

DO be thoughtful about the cadence and purpose of your communications

DON'T inundate your subscribers with repetitive messaging

Intrigue

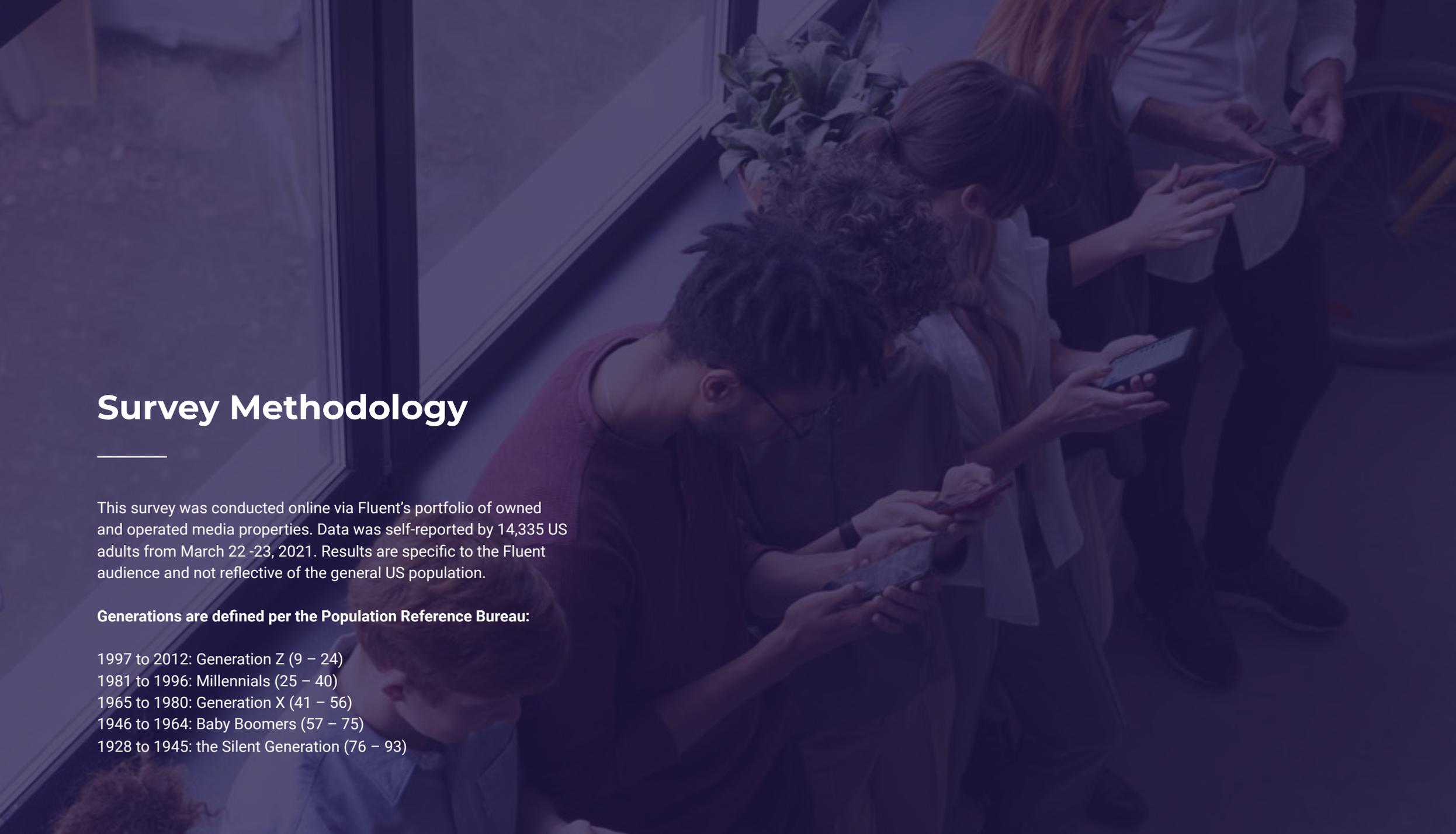
DO find ways to continue to surprise and delight consumers

DON'T use stale copy and creative that subscribers have seen before

Relevance

DO leverage your CRM data to deliver messages that are timely and tailored to the subscriber

DON'T send one-size-fits-all messages that disregard the actions the subscriber has already taken



Survey Methodology

This survey was conducted online via Fluent's portfolio of owned and operated media properties. Data was self-reported by 14,335 US adults from March 22 -23, 2021. Results are specific to the Fluent audience and not reflective of the general US population.

Generations are defined per the Population Reference Bureau:

- 1997 to 2012: Generation Z (9 – 24)
- 1981 to 1996: Millennials (25 – 40)
- 1965 to 1980: Generation X (41 – 56)
- 1946 to 1964: Baby Boomers (57 – 75)
- 1928 to 1945: the Silent Generation (76 – 93)



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