



Preference, Privacy, And The Internet Of Things

by *Eric V. Holtzclaw* . Chief Strategist . *PossibleNOW* | May 12, 2016

While Internet-enabled devices are flourishing in modern homes, on consumers' wrists, and even in backyard gardens, the phrase "Internet of Everything" is only gradually making its way from savvy marketing lexicon to everyday conversation.

The Internet of Things, which includes networking of everyday physical objects via embedded sensors, software, and connectivity, allows these objects to collect and share data. I've noticed that those who usually self-identify as technologically averse are jumping on board, too, primarily thanks to the convenience, automation, and personalization these new devices promise. In fact, Forbes estimates 75 billion connected devices will already be in use by 2020.

I have a few such devices, like the Amazon Echo, a voice-powered personal assistant that can tell me about the weather, allow me to order from my shopping list, and answer basic questions when called upon; or my Apple Watch that tracks my activity and brings up my preferred apps based on my location. These days, refrigerators can track your groceries to suggest re-orders and potential recipes based on what's inside; cars can alert you to upcoming traffic in real-time; even smart homes can control for lights, music, and temperature.

Yet each of these devices requires the owner to make some choices. What personal information to share with each device, considering which devices to link with one another, determining what these devices can track, listen to, or do becomes a challenging jigsaw puzzle of preferences and privacy concerns. These questions are equally important from the product marketing perspective.

Preference and privacy built effectively into these connected devices is the only way to unlock the powerful marketing intelligence and engagement promised by this new wave of devices. Just as with other customer engagement channels, it's the importance of listening and adjusting to the customers' wishes that is the difference between success and failure.

That's why marketers and customer experience professionals must embrace three key principles when it comes to the Internet of Things:

1. Transparency: It's impossible to predict every potential privacy hazard a device will encounter, but it is possible to explain how a device gathers and utilizes information from its owner and/or environment. Being clear and transparent about those details fosters credibility and sets certain brands apart from the competition.

2. Dialogue: Note that I didn't say feedback, a word that suggests a one-way communication model of response and reaction. Dialogue means true engagement, an ongoing conversation between your customer and these connected devices. An open conversation between customer, company, and device about the implementation benefits as you learn about the risks and rewards of these new devices in the real world.

Quick Take

- *The importance of listening and adjusting to the customers' wishes is the difference between success and failure.*
- *Preference and privacy need to be built effectively into these connected devices.*
- *Establish a clear path for customers to opt out of data collection, messaging, and in-context preferences.*

3. Trust: Establishing a clear path to opt out of data collection, messaging, and in-context preferences is essential to earning the trust of your customers. Once established, that trust will enable greater levels of personalization and device optimization, keys to long-term use and evangelism.

The Internet of Everything means that we're now living in a world where seamless recognition is possible between tools and screens, but between smart home technology, wearables, and other gadgets, we see vast opportunities for intelligence gaps and overlaps. For example:

- Which device should confirm my identity to allow me through the front door at the end of the day?
- Should my thermostat adjust for my health, my comfort, or for my budget?
- Should my Amazon Echo (that is constantly listening) inquire if it thinks it hears an altercation or potential intruder?
- What level of offer do I want or expect when I visit my favorite store or restaurant regarding special offers or my usual order?

Tough questions. But if manufacturers and consumers can align with each other through transparency, dialogue, and trust, we'll find the answers together.



Eric V. Holtzclaw is chief strategist at PossibleNOW and the author of "Laddering: Unlocking the Potential of Consumer Behavior."