Secondary Marketing:
Sales = Service

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Agenda

- The link between Privacy Trust, Reputation, Service, Sales and Marketing
- "Sales" is "Service"
  - The Business' Challenges
  - The Regulators' Perspective
  - The Consumer Reaction
- The value of trust in increasing sales

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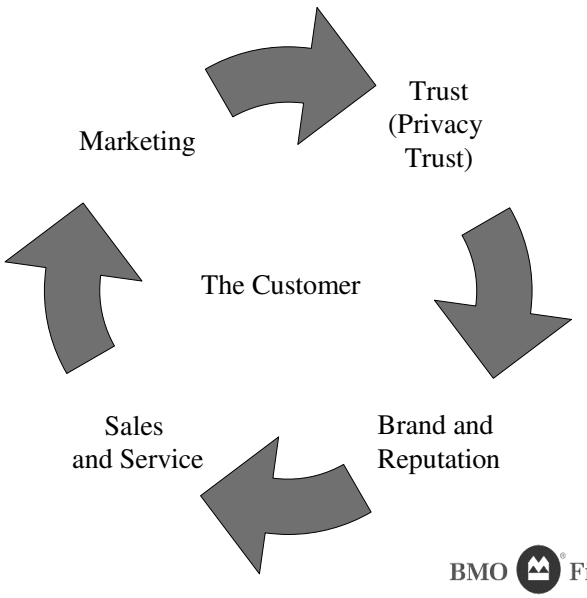
Making the Link



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Accrued Trust Supports Reputation

- Reputation, the organization's most important asset, must be invested in and, most importantly, must be safeguarded
- Judgments about privacy are based on consumers' perception of overall brand, reputation or trustworthiness
- Trusting consumers are more willing to forgive mistakes

However…

"A good name, like good will, is got by many actions and lost by one."

-Lord Jeffrey*

*Jeffrey, Francis (Lord Jeffrey) 1773 – 1850, Scottish critic and judge. Founder and editor for the Edinburgh Review, which printed his critical essays

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How Consumers feel about Privacy

- Canada's Most Trusted Companies for Privacy* - BMO in the top five
- Previous studies have indicated
  - Over 75% of consumers felt that privacy and security of their personal information was important to them
  - About 50% stated that they would move their business if they lost confidence in a company's ability to protect data
  - Companies with the best information management practices are the most likely to see a withdrawal of support in the event of a breach

**2006 Canada's Most Trusted Companies for Privacy Study* conducted by the Ponemon Institute LLC

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Privacy and the link to Reputation

Poor privacy practices can have a negative impact on the reputation of the organization

- Business success depends on client confidence in the relationship
- Relationships built on foundation of trust
- Poor privacy practices can shake foundation
  - Need effective incident and complaint management practices
- Restoring trust in the organization can be difficult
- When reputation is affected, damage can be irreversible

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The Business Dilemma

Is secondary marketing a function of sales or service?

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Marketing = Sales = Service

- **Service versus Marketing:**
  - A *service* is a proactive or reactive activity taken by an organization to assist the consumer in completing some form of action required in relation to their dealings with the organization.
  - *Marketing* is an activity to expand the consumer's relationship with the organization.
- **Primary marketing**: Marketing or offering existing features or new enhancements for the existing product.
- **Secondary marketing**: Marketing of products and services from the suite of products that the organization (legal entity) provides as well as the products of other legal entities.

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The Business' Challenges

- Competition for customers
  - More customers
  - Greater share-of-wallet
- Competitive pressures on costs
- The "*sales is service*" strategy that is prevalent in most industry sectors
  - SINCE sales = service, THEN market, market, market!
- Cultural values and organizational structures can be barriers

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Regulators' Perspective

- Paying more attention to marketing
  - Statement insert ruling (OPCC)
  - National Do-Not-Call list
- Examining the concept of "reasonableness"
- Other regulatory provisions impact:
  - Sales and service strategies
  - Structure of product offerings
    - E.g.. banking vs. insurance

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Consumer Perspective

- Like beauty, marketing is in the eye of the beholder
- Service is;
  - Expected → Demanded → Accepted
- Marketing is;
  - Accepted or, an Invasion of Privacy
- Level of privacy trust impacts tolerance for marketing
- The key is to determine at what point the consumer perceives an invasion of privacy

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Respect Privacy and Maximize Value

- Privacy statement should address the consumer's marketing options
  - Ensure consumers understand their consent options and how they are applied
- Effectively manage consent to better serve your consumer
  - Customized consent
  - The "cranky customer"
- Effectively manage complaints
  - To satisfy consumer and sustain trust, brand and reputation

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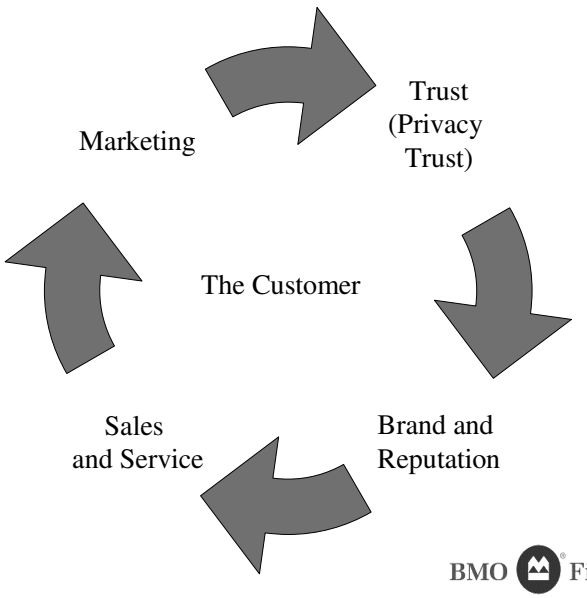
Maximize the Link



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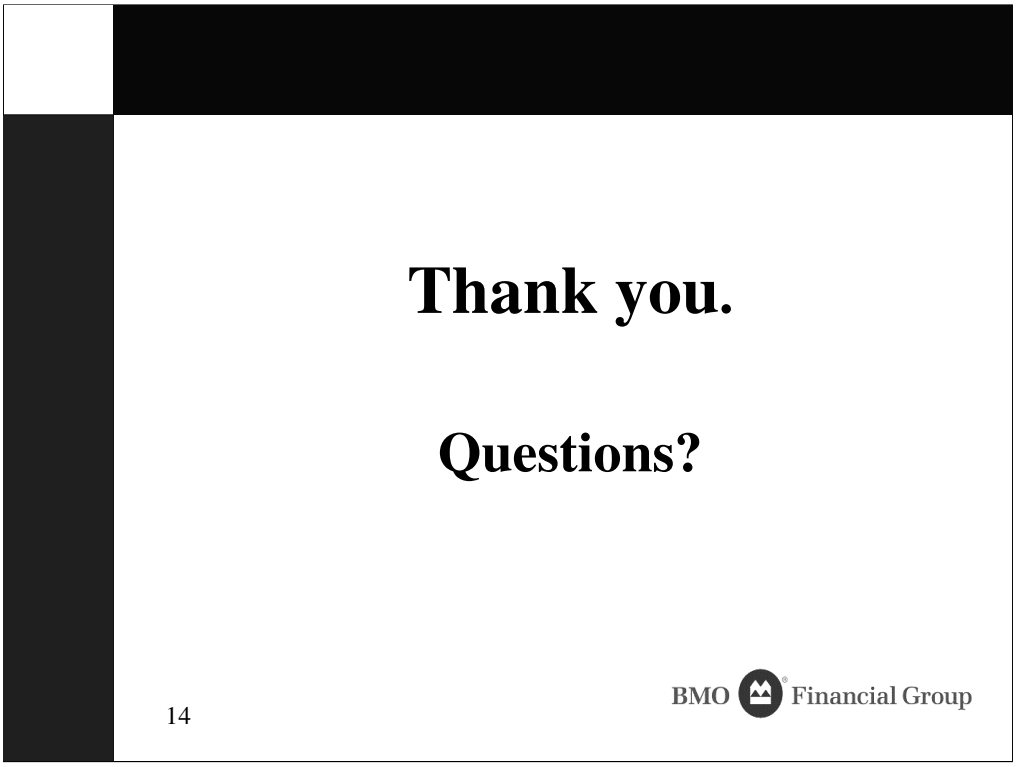
Thank you.
Questions?
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