

PUT YOUR
TRUST
IN HYPER-RELEVANCE

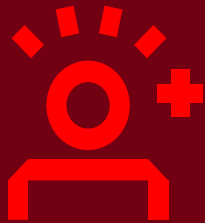
ROBERT WOLLAN | RACHEL BARTON | MASATAKA ISHIKAWA | KEVIN QUIRING

Thirty miles may not seem like a big deal to drivers of performance cars. But when you're trying to outrun a hurricane, a 30-mile head start can be a lifesaver. Just ask Tesla owners who live in south Florida.

As Hurricane Irma roared toward the state in September 2017, one Tesla owner from an evacuation zone contacted the company with a concern that the 200-mile range of his 60 kw Tesla Model S battery might be inadequate for him to reach safety. Tesla quickly responded by granting the owner temporary access to the battery's full 75 kWh of energy, which translated into an additional 30 to 40 miles of driving range.¹ Importantly, the company also proactively unlocked additional range for other Tesla owners in the area who might also need the extra boost to get out of harm's way.

TESLA DID A **GOOD THING THAT DAY.**

It also demonstrated:



A commitment to meeting an individual customer's need without hesitation.



The ability to use personal data to deliver exactly what customers need, exactly when they need it.



That the company is serving their best interests and is there when they need it most.

Together, these characteristics engender a new level of trust that will be the hallmark of business success in the coming years. Companies that master them may not save the lives of people running from disaster. But they may very well save their businesses.

INTELLIGENT **PERSONALIZATION** IS ON THE **MOVE**

Historically, companies have invested billions to personalize their customer experiences. Traditional investments have paved the way to the next level of personalization, which infuses tailored experiences with customer intelligence. Such intelligent personalization aims to address consumers' demands for tailored experiences. Accenture Strategy research shows, for example, that 48 percent of consumers expect specialized treatment for being a good customer.² Intelligent personalization also makes good business sense.

Thirty-three percent of customers who abandoned a business relationship last year did so because personalization was lacking.³ Retaining those customers with personalized experiences would generate a significant revenue boost.

Companies have a tremendous opportunity to distinguish themselves with a more personal touch. Today, only 22 percent of global customers acknowledge that the companies with which they do business tailor their experiences based on a deep understanding of their needs, preferences and past interactions.⁴

Leaders of forward-thinking companies are making their move. They know that as customer expectations evolve, so must the experiences that their companies deliver. In fact, 73 percent of CEOs acknowledge the need for products, services and experiences that are more meaningful to their customers.⁵ Some of them are already preparing for next-generation personalization. We call it hyper-relevance.

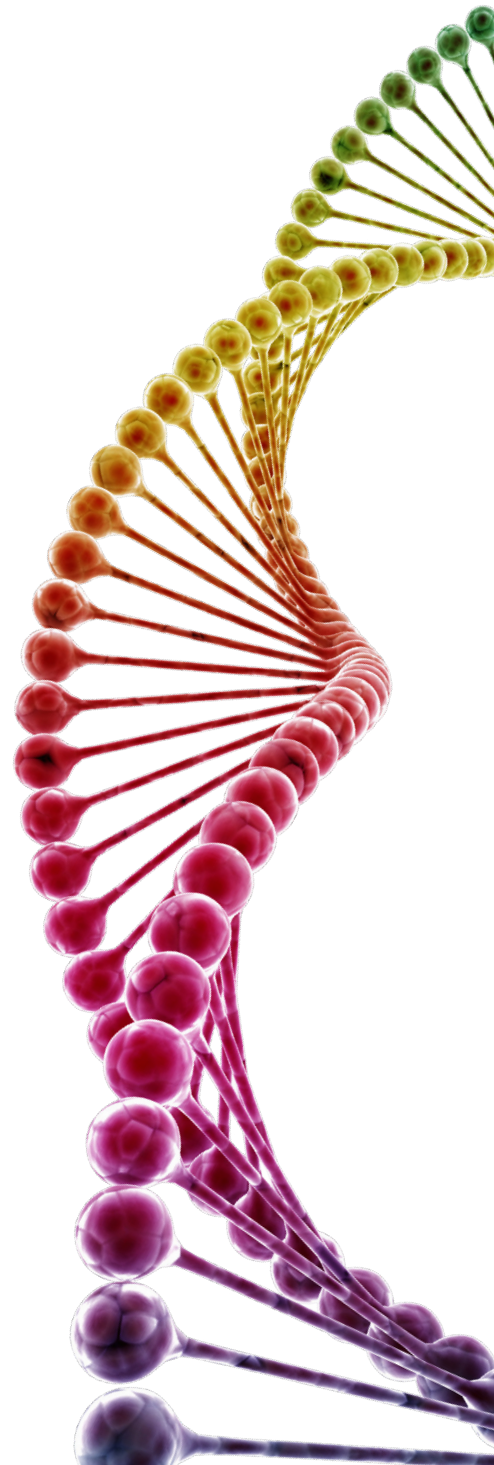
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HELLO, **HYPER-RELEVANCE**

Personalization today is often static and time-lagged, delivered at the point of purchase and in response to certain customer behaviors. Hyper-relevance—like today's digital consumers—is “always on.” It is much more dynamic, constantly changing and always available.

Rather than focusing solely on customers' purchasing behaviors and preferences or relatively fixed attributes, such as their address or number of children, companies that offer hyper-relevant experiences focus on understanding customers' needs in a given circumstance and the evolving context in which they make their purchase decisions.

Predictive analytics, artificial intelligence (AI) and machine learning manifested through devices such as digital assistants are all contributing to the shift to hyper-relevance. They make it possible for companies to achieve new levels of insight. Digital advances also enable new services and touch points that respond and evolve in real-time to a customer's changing circumstances.



TWO SIDES OF THE RELEVANCE COIN

To deliver hyper-relevant services and experiences at speed and at scale, companies need two things:

Data about their customers

Because the design of hyper-relevant experiences is based on a deep understanding of individual customers' motivations and contexts, traditional data gathered from website visits, social media posts or previous purchasing histories is no longer sufficient. What's needed is information that is much more personal in nature. Real-time health data transmitted via wearable biometric technologies is one example.

The good news is that customers are no longer surprised by companies' interest in their lives. Nearly one third of consumers expect the companies with which they engage to know more about them.⁶ And two-thirds are willing to share personal information with companies. But there's a catch. They will only do so in exchange for some perceived value.⁷ If that value exchange—or the trust upon which it is based—is broken, customers will walk.

Trust of their customers

Securing trust is a prerequisite to achieving the promise of intelligent personalization. It is built up over a series of interactions. Yet, it can be shattered in seconds. Companies must counter that risk by constantly presenting themselves as trustworthy, keeping their promises and upholding their end of the value exchange agreement.



As the number of interactions companies have with customers goes up, and as machines and digital assistants play a larger role in capturing data and delivering services, there's a greater chance that something will happen to cause trust to erode. Leading companies are taking preventive action by updating their data privacy and security practices. Regulatory agencies and governments around the world have also taken notice and are stepping in to ensure that companies adhere to proper safeguards (see sidebar on page 8).

Consumers have taken notice, too:

87%

believe it is important for companies to safeguard the privacy of their information.⁸

73%

find not being able to trust a company with the personal information that's been provided to be a top source of frustration.⁹

58%

would switch half or more of their spending to a provider that excels at personalizing experiences without compromising trust.¹⁰

Companies that heed their customers' concerns and shore up their trust quotient are more likely to persuade customers to share personal information. That, in turn, helps to inform the design of game-changing hyper-relevant experiences.

CONSUMERS IN **CONTROL**

In the aftermath of a data breach at credit reporting agency Equifax—which put personal data of 145 million consumers at risk—the US Congress is considering multiple bills that would require companies to be more transparent about security issues, notify customers of data breaches within 30 days, and freeze consumers' accounts to make it more difficult for hackers to use stolen financial information.¹¹

And on May 25, 2018, the European Union will officially enforce the EU General Data Protection Regulation (GDPR). This legislation strengthens data protections by empowering EU citizens to decide which brands can use their personal data and for what reasons. Penalties will be steep for those companies that fail to comply.¹²

Some business leaders will begrudgingly comply with government or regulatory directives. Others, however, view these actions as an opportunity to prove their commitment to data stewardship. They will use new rules to rethink their customer experiences and build a level of digital trust that will set them apart in a market hurtling toward hyper-relevance.

CAPTURING THE **VALUE** OF **HYPER-RELEVANCE**

Companies that win in the era of relevance not only maintain, but grow the returns on their investments in products, services and customer experiences. That's because they are able to continually change their experiences to keep pace with the "non-constants" and changing circumstances of consumers' lives.



TO PIVOT TO HYPER-RELEVANCE WE RECOMMEND COMPANIES **DO THREE THINGS:**

1 Look beyond the traditional customer journey

Companies that distinguish themselves with hyper-relevant experiences look beyond the traditional customer journey. They identify and prioritize those areas where hyper-relevance can deliver added value and quickly address the unexpected. What can we offer once we realize our customer has missed her flight? Received a job promotion? Been forced to flee a hurricane? In these situations, customers need different things and relevance becomes supremely important.

2 Rethink data

Hyper-relevant companies don't rely solely on descriptive analytics or traditional sources of information. They invest in predictive analytics, collaborate with an ecosystem of stakeholders to capture real-time snapshots of every consumer, and mine data in new ways to understand the customer journey that extends beyond core products and services and across channels. In addition, hyper-relevant companies redouble their data security efforts. They ensure customers have full control of their data across touch points. They eliminate duplicate requests for customer information and permissions. And they make sure all customer data is secure and visible to employees on a need-to-know basis.

3 Earn trust continuously

Trust must be a key consideration when designing hyper-relevant experiences, creating new customer value propositions, and serving as a critical resource when customers need them most. A company's commitment to delivering the experiences that were promised and meeting customers' expectations is paramount. Hyper-relevant companies understand their baseline level of trust, and eliminate issues or irrelevant offers that detract from the trust quotient. They make trust sustainable by establishing a rigorous process and a robust, cross-functional governance structure to continuously measure trust and hyper-relevant effectiveness—and act on their findings. Most importantly, they manage trust as the critical growth enabler it is.

CONTROL **GROWTH** BY CONTROLLING **TRUST**

In their pursuit of loyalty and growth, companies have pivoted from one-size-fits-all customer experiences to more personalized offerings and services. Now, leaders are going one step farther. They are using new data in new ways to achieve hyper-relevance. Along the way, they are finding that the digital trust consumers place in companies is as critical as the data itself.

JOIN THE CONVERSATION



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NOTES

- ¹ Justin Bariso, “A Tesla Driver Asked for Help to Outrun Hurricane Irma. Here’s How the Company Delivered,” Inc., September 11, 2017. (Note: All Tesla Model S 60 batteries were designed with 75 kWh battery capacity. But many owners opted to use just 60 kw, which brought the purchase price of the car down by thousands of dollars. Tesla no longer produces its dual-range battery vehicles since it found that most customers were willing to pay more for the additional power.)
- ² Accenture Strategy 2017 Global Consumer Pulse Research.
- ³ Ibid.
- ⁴ Ibid.
- ⁵ Accenture, C-Level Vitality Survey, 2017.
- ⁶ Accenture Strategy 2017 Global Consumer Pulse Research.
- ⁷ Accenture, Digital Trust in the IoT Era, 2015.
- ⁸ Accenture Strategy 2017 Global Consumer Pulse Research.
- ⁹ Ibid.
- ¹⁰ Ibid. (Q501, based on respondents that rated personalization with trust factor highest)
- ¹¹ Laura Hautala, “Equifax hack may shake up US consumer data laws,” CNET, October 20, 2017.
- ¹² <http://www.eugdpr.org/>

ABOUT THE RESEARCH

In 2017, Accenture Strategy once again conducted its Global Consumer Pulse research to gain an understanding of global consumers’ preferences, beliefs and behaviors. The goal was to identify how consumer sentiment is evolving – and how companies can capitalize on that evolution to achieve new levels of growth. Our Internet survey of 24,877 end consumers in 33 countries was conducted between June 1 and July 30, 2017. Respondents were asked to evaluate 11 industry sectors (up to four industries per respondent).

ABOUT ACCENTURE

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