

SPOTLIGHT

GDPR
**AN OPPORTUNITY,
NOT A HEADACHE**



INTRODUCTION

You probably don't need us to tell you about GDPR. In May 2018, the General Data Protection Regulation will bring about the biggest changes in data protection for 20 years: doubtless you're all over it.

For many, GDPR represents a compliance issue, and also - if that issue isn't resolved - a risk: fines that could reach up to four percent of turnover are certainly enough to focus the mind. But GDPR itself isn't the problem. In fact, it's an attempt to address something that should concern us all: a lack of consumer trust in the organisations that gather, store and process our data, fuelled in part by a wholesale trade in personal information. GDPR is an attempt to fix a broken system, and rebalance it so that it works for brands and individuals alike.

We're not going to talk about GDPR compliance - at least, not here. Instead we're going to examine the way smart organisations should respond. At Thunderhead, we see GDPR as both a lens through which to re-examine the way you approach customer relationships, and the opportunity to create value - for brands and the customer - through a business model that puts customer engagement at its core.

In other words, GDPR is an opportunity to refocus the organisation on the customer, to the benefit of everyone. And if that sounds good, read on.



***GDPR is an opportunity
to refocus the organisation
on the customer.***

UNDERSTANDING GDPR

Like we said, you probably don't need us to tell you about GDPR, but if you do, here are some key points.

The General Data Protection Regulation:

- Comes into force on 25 May 2018
- Is an issue for any organisation that collects and processes information about people
- Applies to any organisation - EU-based or not - that deals with EU citizens
- Asserts that the protection of personal data is a “fundamental right”
- Requires that all living EU citizens' personal information must be protected, wherever it's sent, processed or stored.

In fact, the upcoming regulatory changes extend beyond GDPR itself to a revision of the broader privacy framework. In the UK a new Data Protection Bill is set to replace the 1998 Data Protection Act, bringing GDPR standards into UK law and addressing other issues which don't fall under EU law.

THE CUSTOMER DOESN'T TRUST YOU

Looking across today's turbulent digital consumer landscape with its increasingly data-driven business models, it's clear that the idea of serving the customer has been eroded.

GDPR is a big deal, but that's not the point we're making. The new laws only exist because previous attempts to regulate and control the use of personal data haven't kept up with the data-driven economy. At the same time that the technology used to track, analyse and target the consumer has leapt forward, brands have lost sight of customer interest: the result has been a failure to protect data, and often its misuse.

Peter Drucker famously said that the only valid purpose of a business was to 'create a customer', and that the primary responsibility of a business is to serve its customers. Brands today have access to an unprecedented amount of data about their customers and prospects, and an array of technology to optimise every interaction. Advances in data science and behavioural psychology give marketers and advertisers increasingly smart algorithms and tools, and thanks to the cloud, size is no barrier to the level of sophistication. But looking across today's turbulent digital consumer landscape, with its increasingly data-driven business models, it's clear that the idea of serving the customer has been eroded. The result is an implosion of trust.

For almost two decades the Edelman Trust Barometer has been monitoring the state of trust in institutions - business, government, NGOs and media - around the globe. In 2017, trust in all four institutions to do 'what is right' showed the strongest decline ever seen. The implications of this collapse are wide-ranging, but for brands it means that individuals are increasingly unwilling to share information about themselves - why should they?

So, business is on the edge of global distrust, but if brands can demonstrate that they are listening to their customers, and using shared information to deliver value through higher quality services, then we can rebuild a new relationship based on trust. Customers will be more likely to share privileged data if they derive real value from doing so - and if they can be sure that the information won't be shared with others who don't have their best interests at heart.

SEIZE THE OPPORTUNITY!

It's ironic that the business world has lost sight of Drucker's insight when we're supposedly in *the age of the customer*. Brands increasingly say that the customer relationship is their number one strategic priority - indeed, every leading global CEO and CMO survey over the last few years points to that. It needs to be: we live in a world where customers are more connected, free and fickle than ever.

The customer relationship is at the heart of digital transformation, and therefore the challenge to brands is to restore it back to its pivotal position at the heart of business. But how do you do this when you're operating at scale in a technology-mediated, real-time digital economy?

We believe that the answer is to genuinely return value and trust to the customer relationship. GDPR lays the foundations to restore consumers' trust in the institutions handling their data, but smart brands will see it as both a catalyst and an opportunity to move to a new type of business model that puts the customer - and a genuinely engaged, value-driven relationship with them - at the centre of everything the organisation does.

*The customer relationship
is at the heart of digital
transformation.*

EXAMINING ENGAGEMENT

This customer-centred model is the basis of our concept of the Customer Operating System (COS), a framework derived from the insights in the ***Thunderhead Engagement 3.0 model***.

The key points about engagement - and its fundamental pillars of trust and value - are:

- ***Engagement means an on-going, value-driven relationship between a customer and a business, which is consciously motivated according to the customer's reasons and choices***
- ***Engagement is built through the ability of both the customer and the business to create value from the relationship***
- ***Creating value over time builds trust, and the accumulation of trust, knowledge and insight leads to a stronger, more valuable relationship with the customer***
- ***Creating the optimal context for value creation at every touchpoint is ultimately reflected in the brand promise of the business***

By reframing an organisation based on the precepts of the Engagement 3.0 model, there are some important outcomes:

- ***Trust and meaningful value (in whatever forms it takes) become the key driver and metric of customer interaction and experience***
- ***Rather than the customer or business being 'in control', value is created by the alignment of needs in a mutually agreed way***
- ***The business focus switches from individual interactions to interactions over time - what we call the customer journey. This clearly requires visibility across all silos, devices and touchpoints***
- ***We understand that the dynamics of engagement are not limited to customers, but include employees, suppliers, business partners, and other stakeholders***

As engagement becomes the front line for all customer interactions, it becomes clear that the old tools for business have become blunt. For organisations built with an 'inside-out' focus - where data and the systems on which it resides are aligned with a functional, departmental structure - customer information is trapped in silos, never to realise its full potential.

Multiple systems, records and cross-functional barriers exist to block the free flow of information from and to the points of customer interaction with your brand. And if your old tools can't follow the customer journey, you can't use them to build a customer-focused relationship.

INTRODUCING THE THUNDERHEAD ONE ENGAGEMENT HUB

ONE moves the focus from discrete customer interactions to the customer journey.

Realising a customer-centred business model and seizing the opportunities presented by GDPR requires a new toolset. One that can effectively bridge departmental and technical silos, gather, record and act on data, and allow the brand to follow the customer on their journey across all touchpoints over time.

At Thunderhead, we realised that this requirement could only be satisfied by a new *engagement layer*, that integrates the functions of legacy enterprise applications, making them available at the point of every customer interaction: the result is the ONE Engagement Hub.

Built on a completely new layer of technology, ONE is based on the insights and outputs from Thunderhead's Engagement 3.0 model. As such,

it draws on the latest research and thinking on customer experience and engagement, and is founded in behavioural economics, concepts of value and value-in-use, and in marketing theory. It's been validated with industry experts, and is backed up with primary research in the UK and US.

ONE moves the focus from discrete customer interactions to the customer journey, where engagement is built over time. It gives organisations the ability to visualise, analyse and optimise the customer journey in real-time across all silos, devices and touchpoints. Importantly, ONE also enables a journey to adapt to the emergent behaviour of the customer, rather than forcing the customer to follow one of a number of prescribed linear processes.

***GDPR provides an opportunity
to address the erosion in
consumer trust.***

BACK IN THE GDPR

To recap, GDPR provides an opportunity to address the erosion in consumer trust, and smart brands will seize this chance by putting the customer at the heart of their operations. Doing this requires genuine customer engagement, across all touchpoints, silos, and devices, which in turn demands a new generation of engagement platform.

Thunderhead's Engagement 3.0 and the ONE Engagement Hub together provide a strategic platform for building customer engagement based on value and trust, and form a framework for addressing the key issues of consumer trust and value that underpin GDPR.

In particular:

- Trust and value provide tangible evidence to customers that the data they share is being used appropriately and to service legitimate values
- Growing trust and engagement will encourage the sharing of information, and put the consumer at ease in the context of consent and purpose
- ONE provides an identity graph and single view of the customer, enabling an organisation to have a coherent view of its customer base across all silos and touchpoints. This makes it far easier to proactively manage GDPR obligations
- ONE's focus on real-time context places much more emphasis on the factors shaping each interaction, and diminishes hugely the reliance on third-party data, segmentation, audience management and other key problem areas for data regulation and privacy.

Growing engagement and trust will encourage the sharing of information.

CONCLUSION

Every interaction and conversation with a customer can be appropriate, contextually relevant, and value-driven.

GDPR is the inevitable outcome of the failures of previous generations of technology, legislation, and corporate behaviour. To focus on it only as a compliance headache is to miss the point: GDPR provides opportunity and impetus for the business to place the customer at the heart of its operations, and a chance for brands and consumers to derive greater value from relationships built on trust.

In effect, then, GDPR mandates an outside-in, customer-centered view of the enterprise that spans all silos and touchpoints. Realising this requires a new generation of technology that can help brands engage with and understand the customer journey. The ONE Engagement Hub provides an enterprise-wide omnichannel platform, which means that every interaction and conversation with a customer can be appropriate, contextually relevant, and value-driven.

Far from being a compliance nightmare, GDPR is an opportunity to re-engage with the customer on more honest and valuable terms.

We'd love to tell you more about our tools and expertise that can help make it a reality.

*To discover more about ONE and what it can do, **please get in touch.***

LET'S GET STARTED

Thunderhead has developed the only truly light-touch, conversation-driven Customer Engagement platform. The ONE Engagement Hub effortlessly connects multiple information sources to create personalised experiences that customers love.

The technology exists to join everything together, and we'll help you every step of the way. With our clever stuff and your commitment to becoming a customer-centric brand – it's going to be a breeze.

Simple to deploy, easy to use – the ONE Engagement Hub is an intuitive cloud solution that helps you to really understand your customers, making every interaction more relevant for them, and more valuable to you.

See for yourself:

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