



Twilio Report Shows Consumers Want Personalization, But Don't Trust Brands With Their Data

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Report finds companies are struggling to meet consumer and regulatory demands for privacy

SAN FRANCISCO--(BUSINESS WIRE)-- Customers expect personalization during every brand interaction — but they don't trust brands to keep their personal data secure and to use it responsibly. That's the dilemma companies everywhere are currently facing, according to new data from [Twilio](#) (NYSE: TWLO) (LTSE: TWLO), the leading customer engagement platform.

The third annual [State of Personalization Report](#) 2022 found that 62% of consumers expect personalization, saying that a brand will lose their loyalty if their experience is not personalized — meanwhile, 49% will become repeat buyers if personalization is offered. Yet only 40% of consumers say they trust brands to use their data responsibly and keep it safe.

Twilio's report shows lack of trust is increasingly affecting consumer buying decisions: 60% of consumers say trustworthiness and transparency are the most important traits of a brand, up from 55% in 2021.

The personalization vs. privacy paradox

Delivering personalized experiences requires personal data, so changing consumer attitudes towards sharing data online creates a paradox for businesses.

First-party data, or data collected directly from customers with their consent, is optimal for privacy. According to the Twilio report, 63% of consumers say they are fine with personalization, as long as brands are using their own data and not data purchased or rented from third parties.

Consumer privacy is a generational challenge — and an opportunity

Companies have long "rented" customer relationships from advertisers and social networks. These companies collect behavior and demographic data and then resell it as targetable audiences. But sweeping privacy regulations — at both the government and corporate levels — are forcing companies to shift from renting to owning their customer relationships.

This pivot is not a simple one. Half of the companies Twilio surveyed said recent changes to data privacy regulations have made personalization more difficult. But with Google set to join Firefox and Safari in banning third-party cookies by the end of 2023, the shift to first-party data is no longer optional.

Many companies are already responding to these changes in consumer preferences, regulations, and technology, with 43% of business leaders embracing first-party data because it provides better privacy for customers.

Data and technology hurdles to personalization at scale

Technology remains a hurdle for many companies. Tech giants have fleets of data scientists and massive budgets to achieve personalization at scale, but Twilio's report shows the majority of businesses are still struggling to achieve omnichannel personalization, despite 6 out of 10 respondents reporting increased investment in personalization in 2022. The most common barriers include lack of technology, unclear ROI, lack of accurate data, and organizational impediments.

Technologies such as customer data platforms give businesses the tools they need to achieve compliance while managing first-party data for personalization. Customer data platforms collect first-party data at every customer touchpoint to create a single, unified view of the customer. Business leaders are embracing such technologies, with 53% investing in better technology to manage customer data. These companies are equipped to build deeper customer relationships.

"A customer data platform is the brain behind a company's customer engagement strategy," said Kathryn Murphy, GM of Twilio Engage. "The ability to act on first-party data in real-time empowers businesses to go beyond the surface level to deliver hyper-personalization at scale."

Twilio's State of Personalization Report is based on two surveys conducted by Method Communications between April and May 2022. A consumer survey targeted adults who purchased something online in the past six months. A business survey targeted B2B and B2C business managers and above who are familiar with their company's customer experience, marketing tech, or customer data strategies. There were a total of 3,450 respondents from Australia, Brazil, Colombia, France, Germany, Italy, Japan, Mexico, Singapore, Spain, United Kingdom and United States, with a minimum of 250 respondents from each country.

The full report can be downloaded [here](#).

About Twilio

Today's leading companies trust Twilio's Customer Engagement Platform (CEP) to build direct, personalized relationships with their customers everywhere in the world. Twilio's leading communications APIs enable companies to engage with their customers across voice, conversations, messaging, video and email. Twilio Segment, the leading Customer Data Platform, allows companies to create highly personalized interactions and automated customer profiles based on first-party data from multiple channels. Twilio enables companies to use communications and data to add intelligence to every step of the customer journey, from sales to marketing to growth, customer service and many more engagement use cases in a flexible, programmatic way. Across 180 countries, millions of developers and hundreds of thousands of businesses use Twilio to create magical experiences for their customers.



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Caitlin Epstein
press@twilio.com

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