



# SnowShoe

WHITE PAPER

## How Retailers Can Emerge Victorious in the Data Privacy War

Avoid the Crossfire and Deliver  
Privacy-Protecting Experiences  
that Help Your Customers

# Privacy is the new battleground.

Apple and Facebook are fighting and small retailers risk getting caught in the middle of their firefight.

This material provides an overview of this technology, as well as some tips on how small retailers can avoid the crossfire and deliver privacy-protecting experiences that help your customers.

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# The Data Privacy War

Is your data private? If you're a regular online user, you've probably experienced that creepy experience of seeing a private preference expressed in advertising that "follows" you across many websites and tracks your behavior to predict shopping habits. One of the most famous examples is "early pregnancy detection."

Targeted advertising works like this: a small piece of information, (such as a preference for hot dogs), has been married to your name, your location and your browsing history. Then whenever you are near a small business that has hot dogs for sale, you'll receive advertising specific to that preference and location. This has been nirvana for hot dog vendors. And for tech companies. In fact, Google and Facebook made their initial billions from planting small bits of code ("cookies") on websites and gathering information on users based on that clandestine data collection strategy. Information targeting is today worth hundreds of billions of dollars.

Today, that business model is rightly under threat. Consumers are no longer willing to just hand their email or phone number to anyone. Furthermore, the idea of being tracked by a bevy of anonymous internet companies has led to a severe social media backlash — just check out movies like The Social Dilemma for a pointed critique of the new world of targeted advertising.

The cold war of data privacy turned "hot" when Tim Cook of Apple attacked Facebook CEO Mark Zuckerberg for building a business off of information that Apple believes should be protected for all consumers. Apple planted the flag of prioritizing privacy. Facebook struck back by "warning" their businesses that Apple's new data privacy philosophy would potentially "hurt" small businesses' ability to track users and deliver targeted advertising.





# The Data Privacy War Continued

But Apple meant business: in 2021, they rolled out a new App Tracking Transparency feature on all iOS devices, which restricted the right of most companies from gathering background data about consumer activities. There were consequences. Many consumers used this feature to turn off data tracking, making themselves essentially “invisible” to apps that wanted to track location, activity or preferences, location or contact information.

In recent weeks, we’ve seen mobile advertisers shift their investments towards Android’s platform in an attempt to compete with the privacy protections of Apple. However, Android has now also instituted a new privacy dashboard, shutting down many tracking apps on that platform.

Data privacy laws have now been enacted across the country in states like California, Nevada and Virginia. Colorado has also passed a data privacy law that will go into effect in 2023, and New York is also making progress towards a privacy act. According to the National Retail Federation, retailers will see the impact of data privacy laws immediately on their loyalty programs, as customers opt-out of data sharing and move away from sharing with retailers.

## Ask the Right Questions

What’s a small or mid-size retailer to do?

If you collect private information such as email addresses and phone numbers or even track an online shopper’s location through cookies on your website or your shop menu, are you violating consumer privacy? Do you have to choose the Apple approach or the Facebook way? Which team do you join?

Fortunately, it’s not a binary choice. While retailers need to collect data to advance customer experiences, remain competitive, and offer enhanced promotion and loyalty programs, you can do so while preserving a consumer’s right to data privacy.

## Here’s How to Do It

First, start by asking the right questions:

- **Define Your Goals:**  
What is your goal in collecting information about your customers?
- **Clarify the Data you Need:**  
What kind of customer data do you truly require to provide the best customer experience?
- **Choose the Minimum:**  
What is the minimum amount of data you need to collect in order to provide that customer experience?
- **Give Customers Choice:**  
Can you let customers choose what data to give you?
- **Communicate Your Plan:**  
Can you clearly communicate your data collection parameters and safety protocols to your customers?
- **Gracefully Degrade:**  
For customers who choose to share less data with you, is there a way to “degrade” your experience in a positive manner, so that customers still have a good experience?
- **Use Better Alternatives:**  
Look at options to gain insights into your customers without using background cookies and private information (more on these options opposite)/

# Best Alternatives to Creepy Tracking

## 1. Go Beyond Facebook

Many retailers have married their online presence to Facebook, which includes all sorts of tracking capabilities and plants tiny cookies on your customer's web browsers. Some retailers even just set up a Facebook store, and don't set up a separate website. This is a mistake.

In a matter of minutes, you can get your business online and own your own online destiny. With today's easy-to-use website creation tools, you can easily get up and running with your own stand-alone website without any coding required. This allows your business to stand on your own two-feet, without relying upon Facebook's tracking cookies to bring you business.

This first step removes some of the Facebook creepy factor. This also means that any data provided by your customers about their preferences is actually owned by you, not by Mark Zuckerberg.

Three of the best options in online tools for small retailers are SquareSpace, Wix and Shopify.

## 2. Use Zero Party Data

Secondly, many retailers are beginning to use something on their sites called "zero data." This sounds like a snazzy high-tech solution. But it's really not.

Zero Data just means directly asking your customers what they want to do, what their preferences are, and if they want the brand to use these things about them in advertising and promotions.

For example, if you just ask a customer if they like hot dogs, and then follow up with "would you like us to send you a coupon when hot dogs are on sale?", the customer feels more of a sense of control and insight into the process. They also feel better about the results. You've turned the creepy off, and turned the friendly on!

It turns out that when you directly ask people about their preferences, and people voluntarily share information, they feel better about the results.

*You don't have to choose to be either Facebook or Apple. There are three clear alternatives.*

# Best Alternatives to Creepy Tracking Continued

## 3. Get Location Without Tracking

One of the creepiest aspects of today's technology is that background information — such as location and behavior — are tracked without the customer knowing about it. So if I get hot dog advertisements only when I'm near the hot dog stand, it feels like magic. But it also feels creepy (especially if the data revealed about me to the app is considerably more private, like personal hygiene or pregnancy!).

As customers return to in-store shopping, retailers are working to bridge in-person and mobile loyalty offerings, with safe and secure customer data collection as the missing link between the two systems. To address the issue, retailers are leveraging new solutions, which do not require any of the creepy GPS tracking used by other mobile authentication and check-in solutions for loyalty programs.

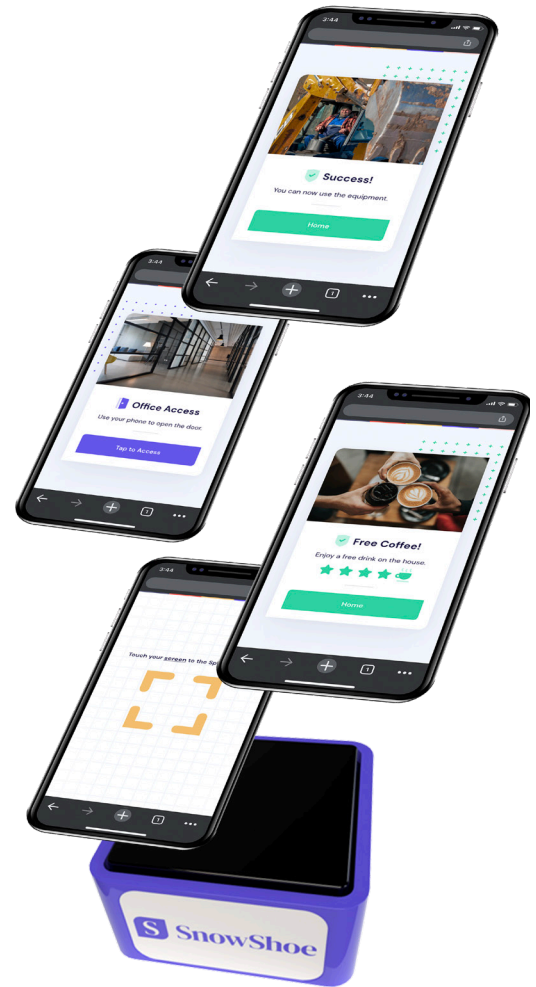
One example of a privacy-friendly solution for retailers is SnowShoe's new Spark Tap™ device. This is a hands-free check-in device that accelerates loyalty redemption for smaller retailers.

Unlike solutions that require active GPS tracking, Spark Tap is a passive solution. It requires explicit buy-in for the applications it uses and does not store or transmit any personally identifiable information. The way it works is that a customer taps their phone on the device to prove they were in the store or at the location in your store you specify (such as your purchase register). The customer doesn't even have to enter their phone number or their email address to collect loyalty points. This new approach helps to safeguard consumer privacy and prevents exposing personal information to you, the retailer.

This simple new Spark Tap technology uses the existing phone to just register a location and stores that location check-in on your system and on the customer's phone.

The technology is free to begin with from SnowShoe, and you're billed only as much as customers use the tool.

**As a retailer, you just ask the customer to do something in the store to show their interest: this is merely an extension of the natural act of shopping, and customers love it!**



# Safeguarding Customer Privacy

To sum up, you can still build customer loyalty, even without tracking customers in a creepy manner. The options listed above still return important data that retailers like you use to inform business and sales strategies. By tracking customer engagements through direct action, retailers can still get valuable information about consumer habits, frequency of visits, loyalty and foot traffic.

To recap — first, ask the right questions: understand why you're collecting data and tell your customers what you plan to do with that data. Second, don't force your customers to use Facebook. Instead, try to get your own online presence set up and own the data you collect for your own business purposes.

Finally, there are alternatives to using creepy tracking. Ask your customers what they'd like and try to give them options that aren't creepy. You might be surprised by their level of engagement! If customers know what they are doing, and why the data is being collected, they are happy to provide you with information about their preferences

# How SnowShoe Can Help

SnowShoe provides world-class presence solutions that pinpoint business locations, lock in customer loyalty, and protect your physical perimeter. We protect and promote real-world interactions with a system that matches every environment with a sophisticated and secure solution. SnowShoe's innovative IOT-based event marker bridges the last mile between digital identity and physical presence.

Through our proprietary Spark® technology, we deliver the world's trusted location platform.

## ***SnowShoe's solutions can help your business:***

- ***Lock in Customer Loyalty***
- ***Know Your Customer's Activity***
- ***Protect Your Business Site***
- ***Verify Employee Hours and Location***



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