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While negotiating the trade-offs between data protection and the business value of data, companies should remember that trust is the underlying issue.

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AsianScientist (Mar. 23, 2015) - By Rebecca Tan - "We live in a quizzical time where people are worried about the privacy of their personal data and yet expect that companies should know about them from prior transactions," said Professor Steven Miller, Vice Provost (Research) and Dean of School of Information Systems (SIS) of Singapore Management University (SMU).

"This expectation rests on the assumption that the personal information known by companies will be handled in a trusted way, making trust the crux of the issue," added Professor Miller, addressing the crowd at the SIS panel discussion titled Protection of Personal Data in the Age of Big Data.

Held on 10 February 2015 at SMU, the free public event organised by SIS featured a talk by Mr Adam Tanner, a fellow at Harvard University's Institute for Quantitative Social Science, and a panel of distinguished speakers representing business, individual and government perspectives on big data and its usage.

Other speakers and panellists included Ms Lisa Watson, Chairman of the Direct Marketing Association of Singapore; Ms Aileen Chia, Commission Member of the Personal Data Protection Commission and Assistant Chief Executive of the Infocomm Development Authority of Singapore (IDA); Dr Kwong Yuk Wah, Chief Information Officer of the National Trade Union Congress (NTUC); and Mr Yap Chee Yuen, Executive Vice President, Corporate Services, at Genting Singapore PLC.

The good, the bad and the ugly of big data

Drawing from his book *What Stays in Vegas: The World of Personal Data—Lifeblood of Big Business—and the End of Privacy as We Know It*, Mr Tanner started off his talk by sharing his experience on being followed by ten East German secret agents while researching a travel guide shortly before the fall of the Berlin wall in 1988.

While the dossier containing the records of his activity over the course of a single day spanned some 60 pages, Mr Tanner reminded the audience that these days, similar amounts of information could easily be collected from each person with much less effort, simply by tapping into their mobile phones. A

nd this personal information can be very valuable, he added, particularly to businesses. However, there are both good and bad ways to handle personal data, and Mr Tanner stressed how seeking consent and maintaining transparency are essential to ensure that a company is trusted.

Citing the example of loyalty programmes at casinos, where spending patterns are tracked to identify high-value customers, he showed how collecting data could lead to a win-win situation for both the company and the consumer. In exchange for information on their preferences, loyalty card-carrying customers receive personalised service and special privileges. This strategy has allowed companies such as Caesars Entertainment to retain their most valuable customers even in the face of stiff competition along the Las Vegas casino strip and beyond.

He also gave examples, however, of companies operating on less positive business models at the borders of legality, such as a website that collected personal information on high school students under the pretext of helping them find college scholarships. This information was then sold to third parties, the proceeds of which fund the scholarship search arm of the company. Worse still are websites that post photos submitted by jilted lovers and charge people for taking them down, an entrepreneurial but ethically problematic use of personal information.

Negotiating trade-offs

In the Singaporean context, the government has recognised the need to protect the individual while at the same time ensuring that companies have fair access to data which could help their businesses. To this end, the Personal Data Protection Act was passed in 2012, and came into effect in 2014.

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In the year that has elapsed, companies have made adjustments to their marketing strategies. Representing the industry perspective, several members of the panel pointed out that there have been substantial costs involved, including resources to check through the Do Not Call (DNC) registry, a list of people whom companies are not allowed to directly call for marketing purposes.

However, there have also been positive outcomes. Panellist Ms Watson said that although compliance with the DNC registry has led to drastically reduced marketing opportunities, the return on investment for telemarketing has gone up. She explained that this is because the people who do not sign up on the DNC registry might actually enjoy receiving such marketing calls, and are much more likely to lead to actual sales.

An opportunity to build trust

As demonstrated by the example of telemarketing, better protection of personal data not only benefits the consumer but can also improve the productivity of marketing efforts by making them more selective. Mr Tanner also suggested that being seen as a trustworthy data gatherer could be a factor leading consumers to choose one company over another, especially as consumers become more aware and cautious about how their personal data is being used, by whom and for what purposes.

The changing legal and social landscape can thus be seen as an opportunity to build trust rather than an onerous impediment that must be addressed, he said. After all, Ms Watson said, trust is ultimately the most important business currency one can have.