Executive Summary
Guarding and growing personal data value
Tim Cooper and Ryan LaSalle
Businesses collect massive volumes of data from individuals, using it to personalize customer offerings, innovate products and diversify into new markets. But increasingly customers are concerned about who is doing what with their data. Governments are rewriting the rules to protect privacy. And watchdogs are stepping up their scrutiny of data practices. How can organizations preserve and even increase the potential of personal data? Accenture believes five principles of corporate digital responsibility—stewardship, transparency, empowerment, equity and inclusion—can turn potential risks into opportunities for business differentiation and growth.

Why personal data is business critical

The use of personal data is a mainstream business activity. In an Accenture survey of nearly 600 businesses around the world, 79 percent of respondents said their companies collect data directly from individuals (through online customer accounts, for example) as well as from commercial or data-sharing partnerships (42 percent), connected devices (33 percent) and third-party data suppliers (33 percent). Businesses are using multiple channels to gather personal data due to the benefits it generates for them and their customers. Chief among these advantages is the ability to deliver better customer experiences (identified by 77 percent of respondents), enter new markets (52 percent) and make products more innovative (50 percent).

Business use of personal data at risk

Despite the benefits, there is a growing challenge to the business use of data from changes unfolding among businesses’ key stakeholders, including customers, regulatory bodies and watchdogs. Our research has identified a number of changes that are particularly important for organizations to understand if they hope to respond effectively.

There is a crisis of trust in data security: Customers will not do business with companies they do not trust with their data. The problem, though, is that customers’ trust in data security is weak. In Germany, for example, 71 percent of consumers are not confident in the security of their personal data. In addition, more than half of our survey respondents agree that their businesses are not doing enough to build trust with customers over the use of their data—a finding that applies to technology and non-technology companies alike. Poor data security can mean organizations lose customers, but that is not the only risk: fines, litigation costs, reputational damage and even a drop in share price can all accompany a data breach.

Customers are acting on their privacy concerns: Customer actions to protect their data could compromise the amount and quality of personal data that businesses can use. Seventy-nine percent of our survey respondents believe that their company’s customers are more aware of data privacy, and 67 percent believe that their customers are taking measures to protect that privacy (through moves such as changing passwords more frequently and opting out of some services). Moreover, many customers will avoid businesses that do not protect their privacy.

Customers are demanding a data dividend: Individuals are finding ways to gain greater benefits from allowing companies to use their data. Nearly 60 percent of our survey respondents from products and manufacturing companies report that their customers are actively monetizing their own data (for instance, by selling it to data intermediaries). As this practice becomes more commonplace, the era of universally “free” data collection could end and businesses will need to rethink their data-collection strategies.

New technologies and startups are helping more people go “off grid”: Growth in new privacy-enhancing technologies could reduce the quality of customer data as well as the speed at which businesses can analyze it. For instance, DuckDuckGo is a search engine that users can access anonymously. In early 2013, it handled about 1.7 million queries per day—by early 2015, that figure had reached more than 7 million.

Regulation is changing the rules of data collection: Governments are stepping up their regulatory response to concerns over data privacy. However, while our survey respondents agree that more stringent regulation will be disruptive, 72 percent of them believe that regulation can also help ensure clarity regarding the appropriate use of personal data.

Watchdogs are increasing the scrutiny of business data practices: A number of organizations are now scrutinizing the way businesses manage personal data. Fair Data in the United Kingdom and the Electronic Frontier Foundation in the United States are two examples. Such organizations are helping to draw a clearer distinction between companies that manage data ethically and those that do not, thereby influencing customers’ purchasing decisions.
Five principles for progress

How can businesses manage these threats? Accenture’s five principles of corporate digital responsibility provide a roadmap for action. However, our survey findings suggest that there are significant gaps between the importance businesses attach to these principles and the action they have already taken to implement them.

1. Digital stewardship: Ensuring that management of personal data is consistent with the expectations of those providing it. Identified as important by 90 percent of the businesses represented in our survey—with 74 percent also taking action—leading strategies here include upgrading the security of IT systems, establishing robust accountability structures across the company and working with supply chain and industry partners to drive higher standards.

2. Digital transparency: Demonstrating openness in how businesses use personal data. Eighty-five percent of the businesses represented in our survey view transparency as important, yet only 65 percent report taking any action here. To get started, businesses can proactively show how they are using data internally, embrace industry-level self-regulation schemes and seek out independent accreditation.

3. Digital empowerment: Giving customers greater control over their data. Eighty-one percent of our survey respondents recognize this as important, yet only 55 percent say their businesses are taking action. Leading strategies include letting customers update any data held about them, strengthening customer controls over data sharing and proactively pushing data to help customers make better decisions (such as which foods would be healthiest for them).

4. Digital equity: Clarifying and potentially increasing the benefits customers get in exchange for sharing their data. Seventy-two percent of the businesses in our study see this as important, but just 50 percent are developing strategies in this area. To implement this principle, companies must shift from a one-way data-collection mindset to a two-way transaction or “fair value” exchange mindset. They can foster such exchanges by providing consumers with monetary rewards for sharing data as well as enhancing service functionality.

5. Digital inclusion: Using personal data to multiply positive societal outcomes. Though this principle is relatively nascent, nearly 62 percent of participants in our survey view it as an important strategy for enhancing their company’s reputation for responsible data management. Half report that their businesses are taking action already, with leading companies addressing challenges in such areas as public health, urban planning and food wastage.
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