

Personalization & Privacy: Barter or Barrier?

Personalization & Privacy: A Symbiotic Relationship

Personalization “feeds” on personal information. Users interested in personalized service that depends on financial, medical, lifestyle, demographic, and product or service profile information must provide access to their private data.

At the same time personalization raises personal information concerns for users.

Each type of information carries a different level of user-defined risk:

- Intrusive/invasive use & collection of information
- Personal damage through misuse or fraud
- Loss of control in various aspects of life
- False data and discrimination based on it

TEG’s research has shown that users typically have the highest concern regarding financial and medical information. **Users also exhibit a concern for intrusive technology including:**

- Usage of databases & pattern information
- Tracking & identification
- “Snooping”/hacking

Privacy concerns Are Creating Barriers To Personalization

Privacy sensitivity raises barriers to personalization that must be overcome before a personalized service can be provided. The barriers include users:

- Re-evaluating their personal information as tangible property with real dollar value.
- Approaching relationships with caution
- Ending or limiting relationships to limit exposure to risk
- Restricting the disclosure of information
- Proactively developing alternate processes:
 - Tracking
 - Creating rules
 - Changing purchasing behavior
 - Falsifying
 - Culling

Key Factors Determining User’s Level Of Trust

- Company’s brand equity
- User’s experience with the company
- Company’s trustworthiness stated in policies and demonstrated in actions

How To Break Down The Barrier... Bargain With The User

To provide a personalized service a company must barter with the user, trading personalized service for the user’s information. This trade must be:

- Apparent to the user
- Controllable by the user
- Based on trust but backed by law or stated policy
- Beneficial to the user: provide relevant information or offerings, expand user’s choices & opportunities, save the user time or money & develop communication channels

...Build User Trust By Informing Them Of:

- What information is being collected/used
- When, where & how is the info being used
- Who is using their information
- What risks are involved
- What is the life of the information
- What policies & technologies are in place for protecting the user

... Manage User’s Information Respectfully:

- Ask only for the information needed
- Provide opt-in process
- Use information only within stated scope
- Provide only personalized and relevant info
- Control and inform about 3rd party usage
- Demonstrate honesty
- Provide access & openness for user review

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