

**INFORMATION  
INTEGRITY  
SOLUTIONS**

**OPTUS** *yes*

**VISION 2014**

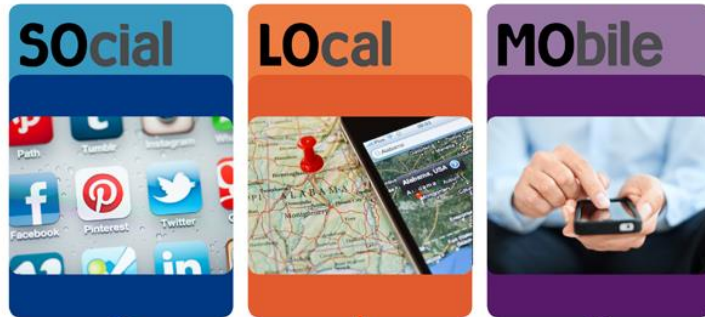
# How to build your customer's trust in the digital economy

**Malcolm Crompton**  
**Managing Director**  
**Information Integrity Solutions**  
**Optus Vision 2014**  
**Sydney, 18 June 2014**

# What does privacy have to do with customer experience?

# Big data is like Big Oil

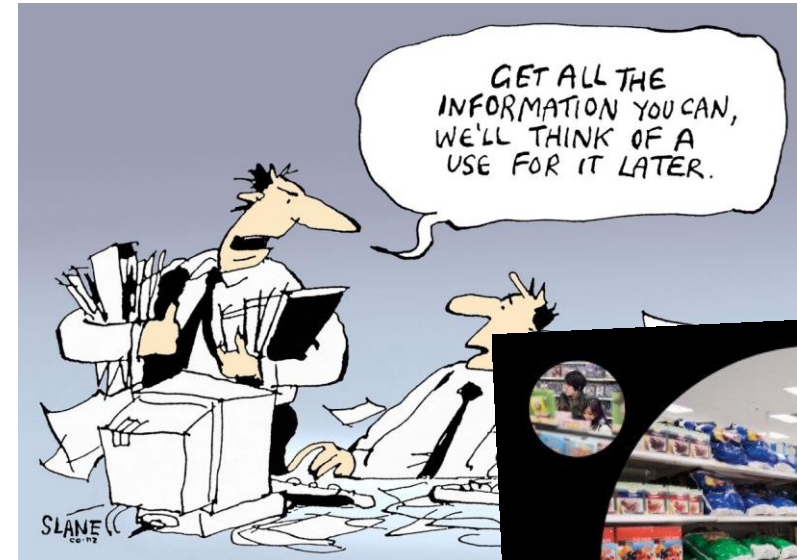
## Enormous value



Uber raises \$1.2B at a record-breaking \$17B valuation — & it plans to raise \$200M more



## And enormous risks



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# Look what happened to:

ING DIRECT

Spend your life well



- Launched pilot using customer spending patterns to enable companies to offer discounts
- Public outcry on social media
- Government and Privacy Commissioner asking questions
- Pilot shelved and extensive explanation required



<http://www.zdnet.com/privacy-outrage-causes-bank-to-ditch-plans-for-targeted-ads-based-on-customers-spending-habits-7000027422/>

<http://www.nltimes.nl/2014/03/10/ing-data-sharing-angers-mps-consumers/>

<http://www.ing.com/About-us/ING-and-the-use-of-customer-data.htm>

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# “It’s all about the value proposition”



- Necessary but not sufficient:
  - “There is a business case for \_\_\_\_”
  - “We have the ability to build \_\_\_\_”
  - “\_\_\_\_ is not illegal (strictly speaking)”
  - “\_\_\_\_ will provide value to our customers”

## Late Breaking News:

### The Privacy Paradox, a Challenge for Business, New York Times 12 June 2014

<http://bits.blogs.nytimes.com/2014/06/12/the-privacy-paradox-a-challenge-for-business/>

### EMC Privacy Index: our willingness to trade privacy for convenience

<http://www.emc.com/campaign/privacy-index/index.htm>



<http://www.oaic.gov.au/privacy/privacy-archive/privacy-reports-archive/2004-community-attitudes-towards-privacy-in-australia>

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# Privacy in a nutshell

- Privacy is more than secrecy
  - Privacy includes a relationship in which sharing is possible and desirable
- Privacy is more than security
  - Not just about keeping data safe, but also using it in the right way
- Privacy is more than compliance
  - The law may not tell you whether something is a good idea or not



**Cultivate relationship, earn trust**

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# How to build trust



1. Categorise your **data**
2. Consider the **context**
3. Exercise **leadership**
4. Redefine **customer-centricity**
5. Establish **ethical framework**
6. Maintain **accountability**
7. Manage **risk** throughout
8. Prepare for **failures**

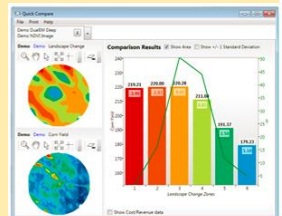
# 1. Categorise your data

High

Level of individual awareness

Low

Provided	Observed	Derived	Inferred
<ol style="list-style-type: none"> <li><b>Initiated</b> <ul style="list-style-type: none"> <li>Credit card purchase</li> <li>Medical history</li> </ul> </li> <li><b>Compelled</b> <ul style="list-style-type: none"> <li>Certain application forms</li> </ul> </li> <li><b>Transactional</b> <ul style="list-style-type: none"> <li>Inquiries responded to</li> <li>Bills paid</li> </ul> </li> <li><b>Posted</b> <ul style="list-style-type: none"> <li>Social network posts</li> </ul> </li> </ol>	<ol style="list-style-type: none"> <li><b>Engaged</b> <ul style="list-style-type: none"> <li>Cookies on website</li> <li>Location-enabled device</li> <li>Fitness tracker</li> </ul> </li> <li><b>Not anticipated</b> <ul style="list-style-type: none"> <li>Sensor technology in modern cars</li> </ul> </li> <li><b>Passive</b> <ul style="list-style-type: none"> <li>Facial images from CCTV</li> <li>Wi-Fi station</li> <li>Call logs</li> </ul> </li> </ol>	<ol style="list-style-type: none"> <li><b>Computational</b> <ul style="list-style-type: none"> <li>Credit ratios</li> <li>Average purchase per visit</li> <li>Risk of developing disease based on genetic marker</li> </ul> </li> <li><b>Notational</b> <ul style="list-style-type: none"> <li>Classification based on common attributes of buyers</li> <li>Medical condition based on diagnostic tests</li> </ul> </li> </ol>	<ol style="list-style-type: none"> <li><b>Statistical</b> <ul style="list-style-type: none"> <li>Credit/insurance score</li> <li>Life expectancy</li> <li>Crime hotspots</li> <li>Traffic patterns</li> </ul> </li> <li><b>Advanced analytical</b> <ul style="list-style-type: none"> <li>Risk of developing disease based on multi-factor analysis</li> <li>... ??</li> </ul> </li> </ol>



Source: Martin Abrams, [‘The Origins of Personal Data and its Implications for Governance’](#) (2014)

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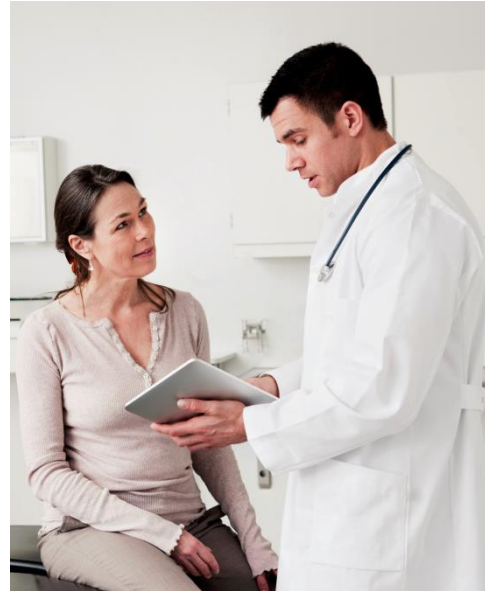
## 2. Consider the context

➤ Should I do \_\_\_\_\_ ?

- *It depends*
- Highest concern for passively collected/generated data

➤ What if it's not strictly speaking PI?

- Same considerations should apply!



Hello!

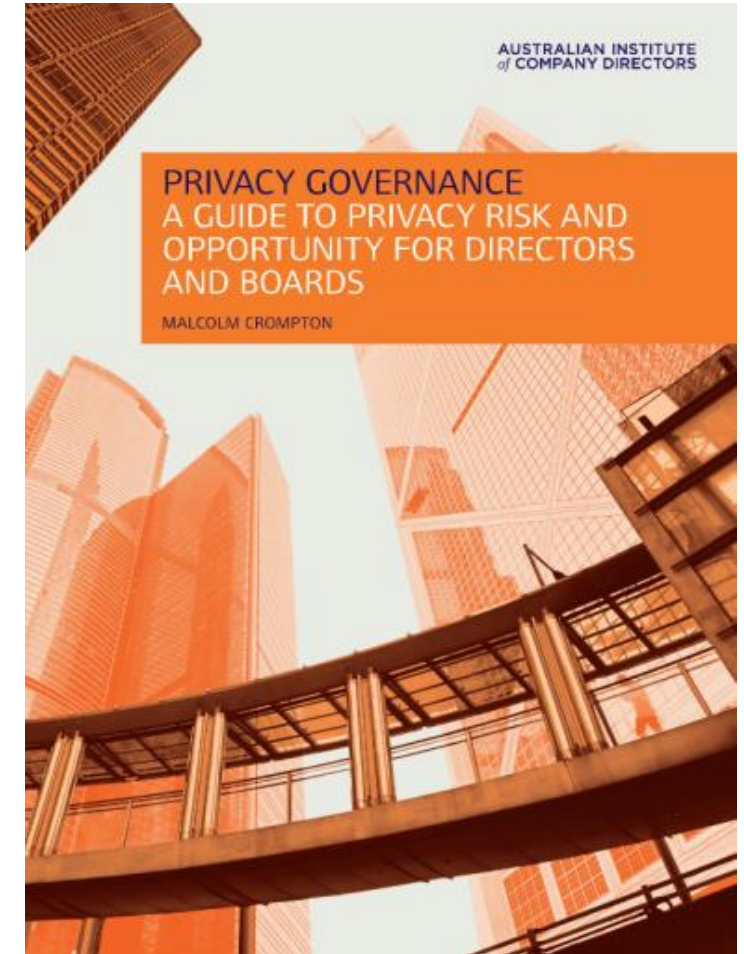
We use Euclid to measure customer traffic and improve our operations. This system detects the presence of Wi-Fi devices, but does not “see” anything personal.

To learn more or opt out, scan the QR code above or visit [euc.li/optout](http://euc.li/optout)



# 3. Exercise leadership

- The right culture and practices must begin at the very top
  - Governance of data assets
  - Privacy awareness
  - Privacy strategy
  - Senior-level responsibility and roles
  - Privacy as part of performance evaluation
  - Regular privacy audits
  - Partners and contractors



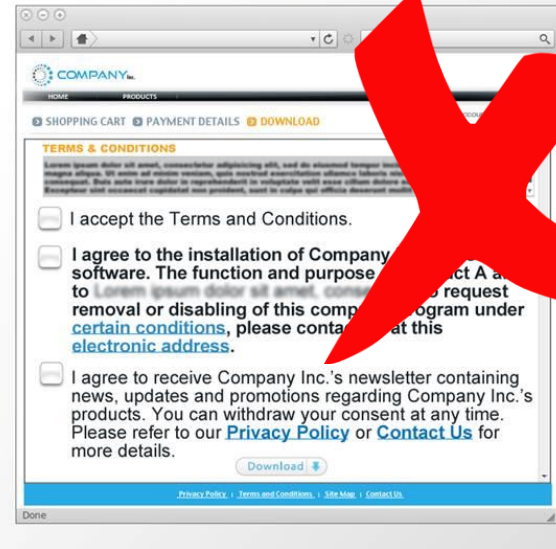
<http://www.companydirectors.com.au/Director-Resource-Centre/Publications/Book-Store/Privacy-Governance>

# 4. Redefine customer-centricity

## Privacy Policy

Thank you for visiting our web site. This privacy policy tells you how we use personal information collected at this site. Please read this privacy policy before using the site or submitting any personal information. By using the site, you are accepting the practices described in this privacy policy. These practices may be changed, but any changes will be posted and changes will only apply to activities and information on a going forward, not retroactive basis. You are encouraged to review the privacy policy whenever you visit the site to make sure that you understand how any personal information you provide will be used.

Note: the privacy practices set forth in this privacy policy are for this web site only. If you link to other web sites, these sites may have their own privacy policies.



like names, postal addresses, email addresses, etc. when you provide information you provide is used to fulfill your specific request. This request unless you give us permission to use it in another way.

technology depending on the features offered. Cookie and tracking information such as browser type and operating system, tracking the way how visitors use the site. Cookies can also help customize the user experience. Information not collected via cookies and other tracking technology, such as identifiable information, cookies may be tied to such information may be shared with third parties.

agencies or other companies assisting us in fraud prevention or detection or required by law; or (2) trying to protect against or prevent identity theft; or (3) investigating fraud which has already taken place. This information may be used for marketing purposes.

authorized employees, agents and contractors (including third parties) who are necessary for the operation of the site. We may also disclose information to other companies assisting us in fraud prevention or detection or required by law; or (2) trying to protect against or prevent identity theft; or (3) investigating fraud which has already taken place. This information may be used for marketing purposes.

## Expected Use



This website uses data it collects about you only as you actively allow or as you would reasonably expect given the site's service.



This website may use data it collects about you in ways you didn't actively allow or wouldn't reasonably expect given the site's service.

## Expected Collection



This website does not allow other companies like ad providers or analytics companies to track you while you're on their site, or actively notifies users of such third-party tracking.



This website may allow other companies like ad providers or analytics companies to track you while you're on their site and/or doesn't actively notify users of such third-party tracking.

## Requests For Data



This website complies with requests for user data only when the law requires it, or when reasonably necessary to prevent harm.



This website may comply with requests for user data even when not legally required to do so, or when not reasonably necessary to prevent harm.

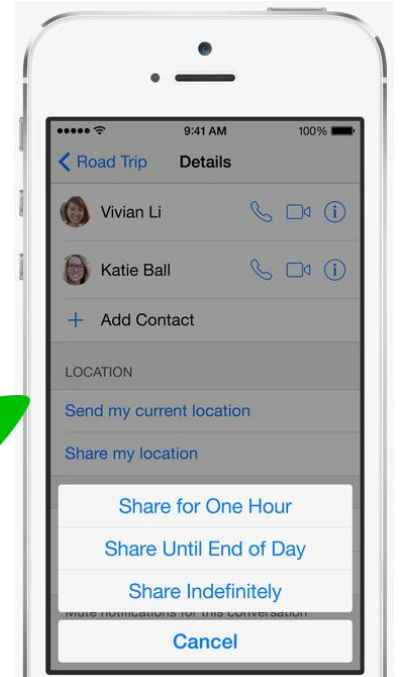
## Data Retention



This website keeps your data X months or less after the site provides the requested service, or removes your data within X months of deletion requests.

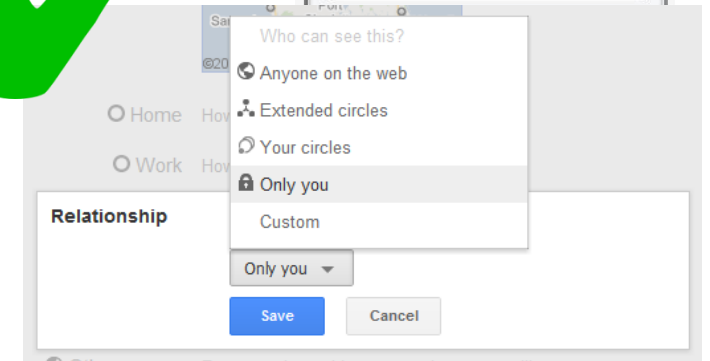
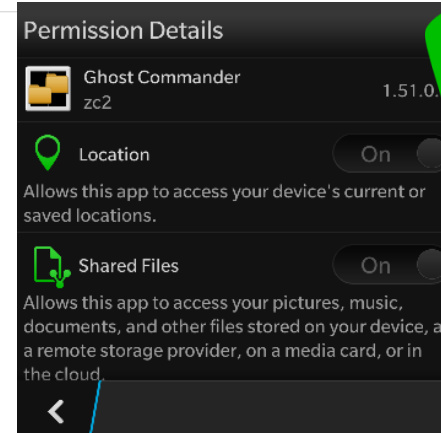


This website might keep your data indefinitely or has no data-retention policy.



## ➤ Notice and choice that is:

- Simple
- Contextual
- Just-in-time
- Fit for purpose
- By degrees



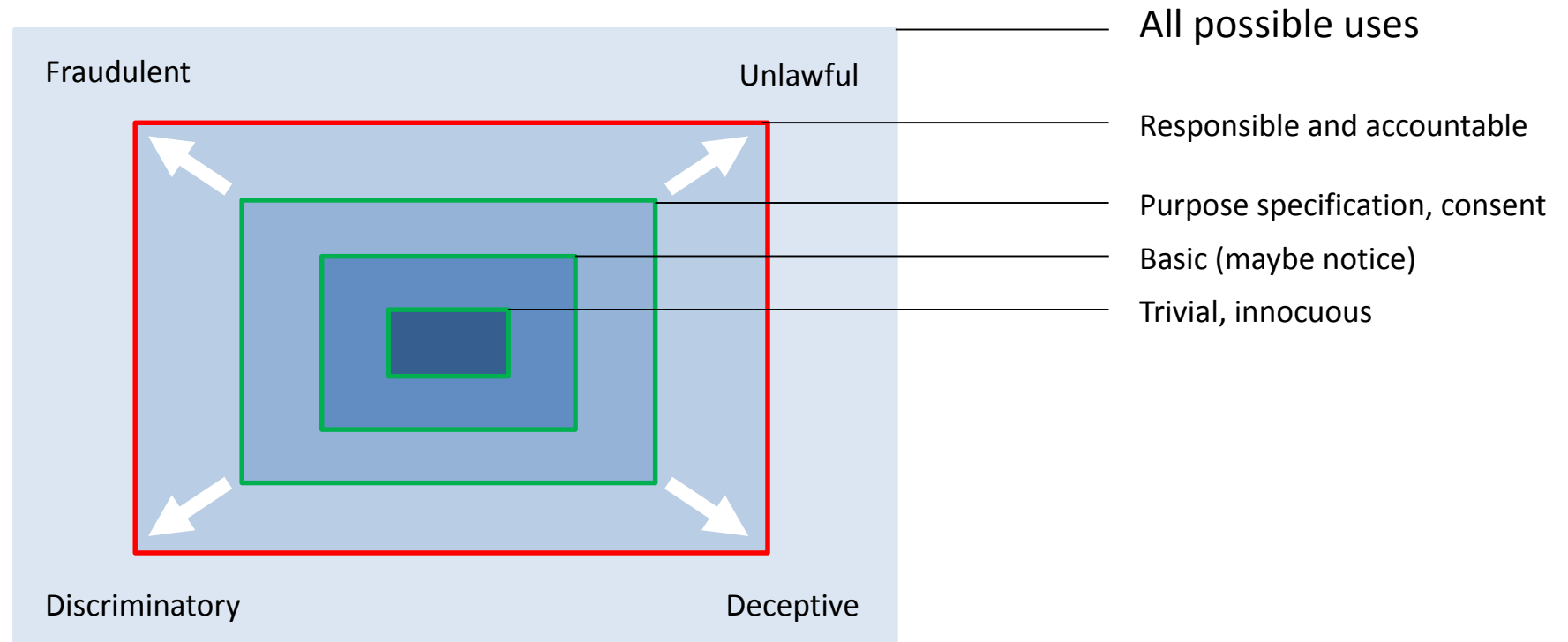
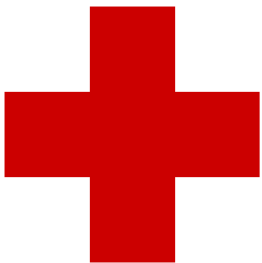
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# 5. Establish ethical framework

*First*



*Do No Harm*



- Credible decision-making processes and safeguards expand the scope of permissible uses
- Governance is key

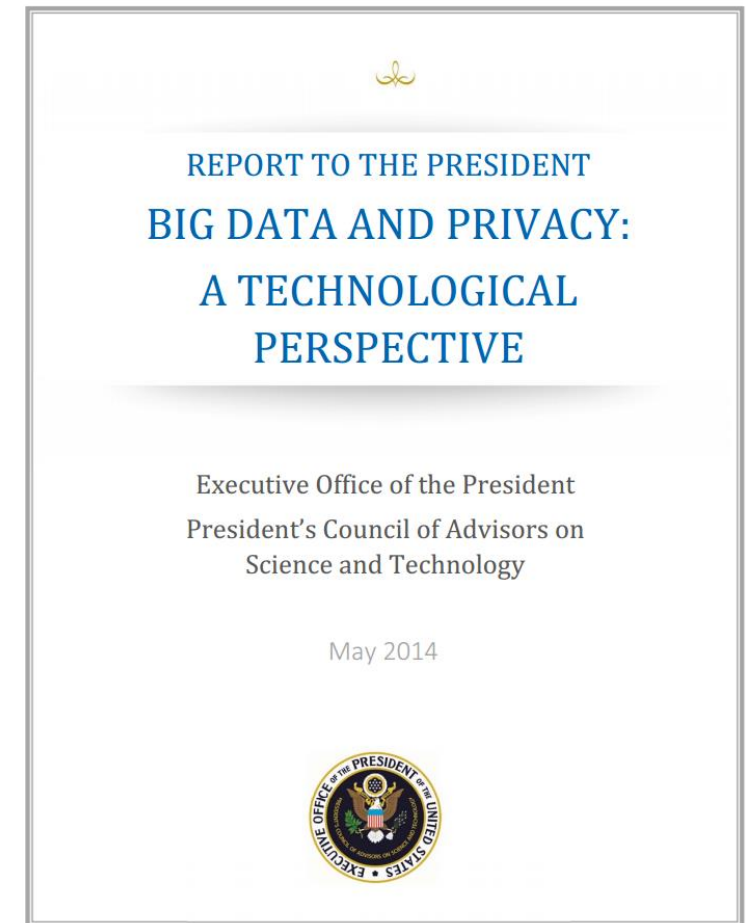
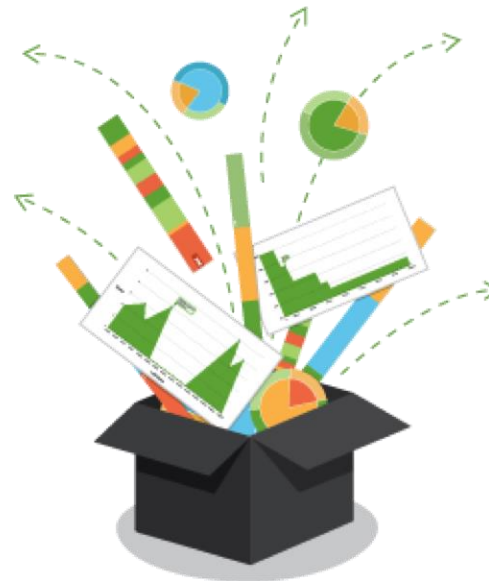
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# 5. Establish ethical framework

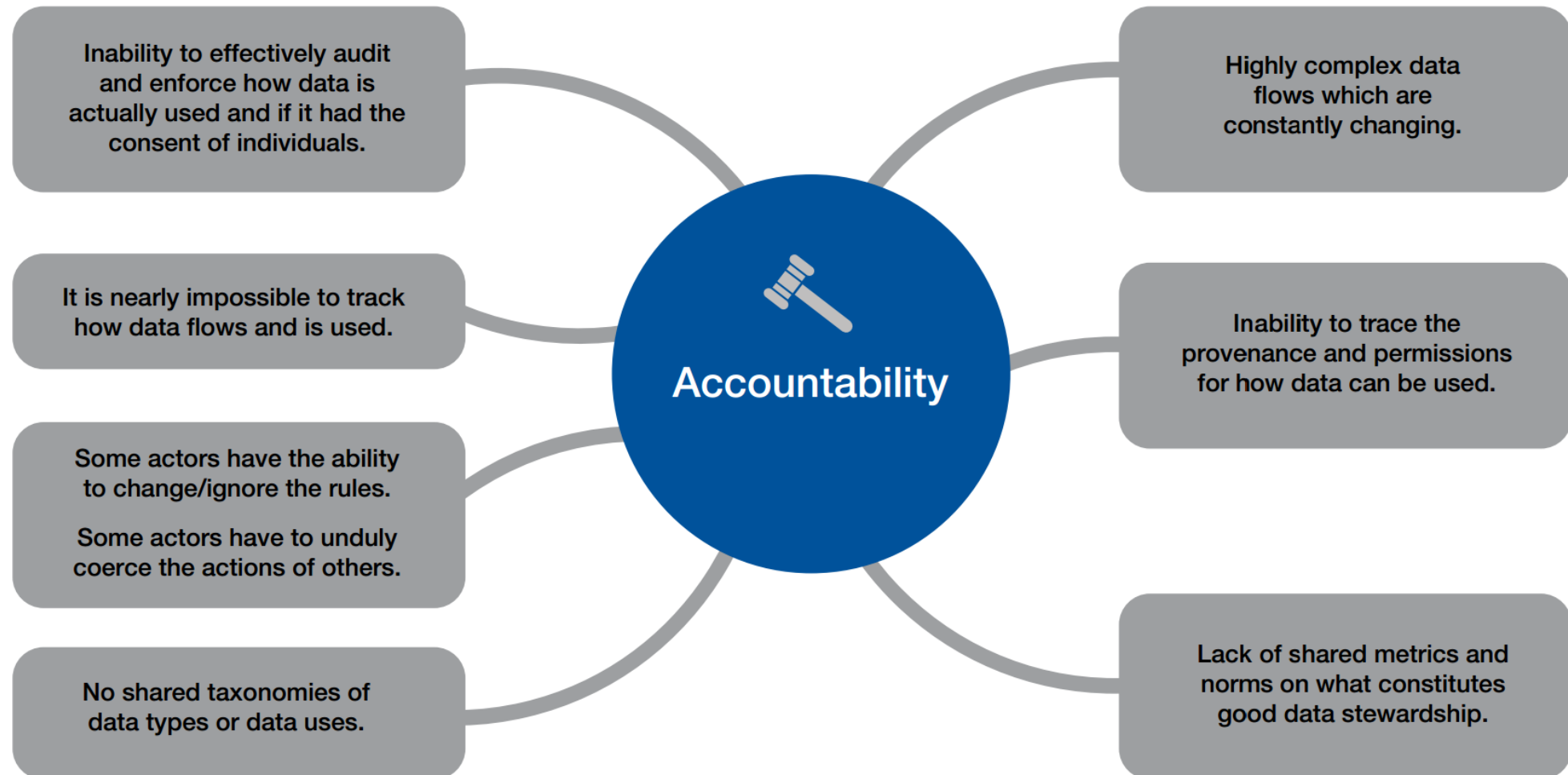
## ➤ Algorithms: the next flashpoint

- NOT objective, NOT value neutral
  - Correlation  $\leftrightarrow$  causation
  - Probability  $\leftrightarrow$  certainty
  - Generality  $\leftrightarrow$  specifics
- Ensuring fairness, transparency and due process will be key





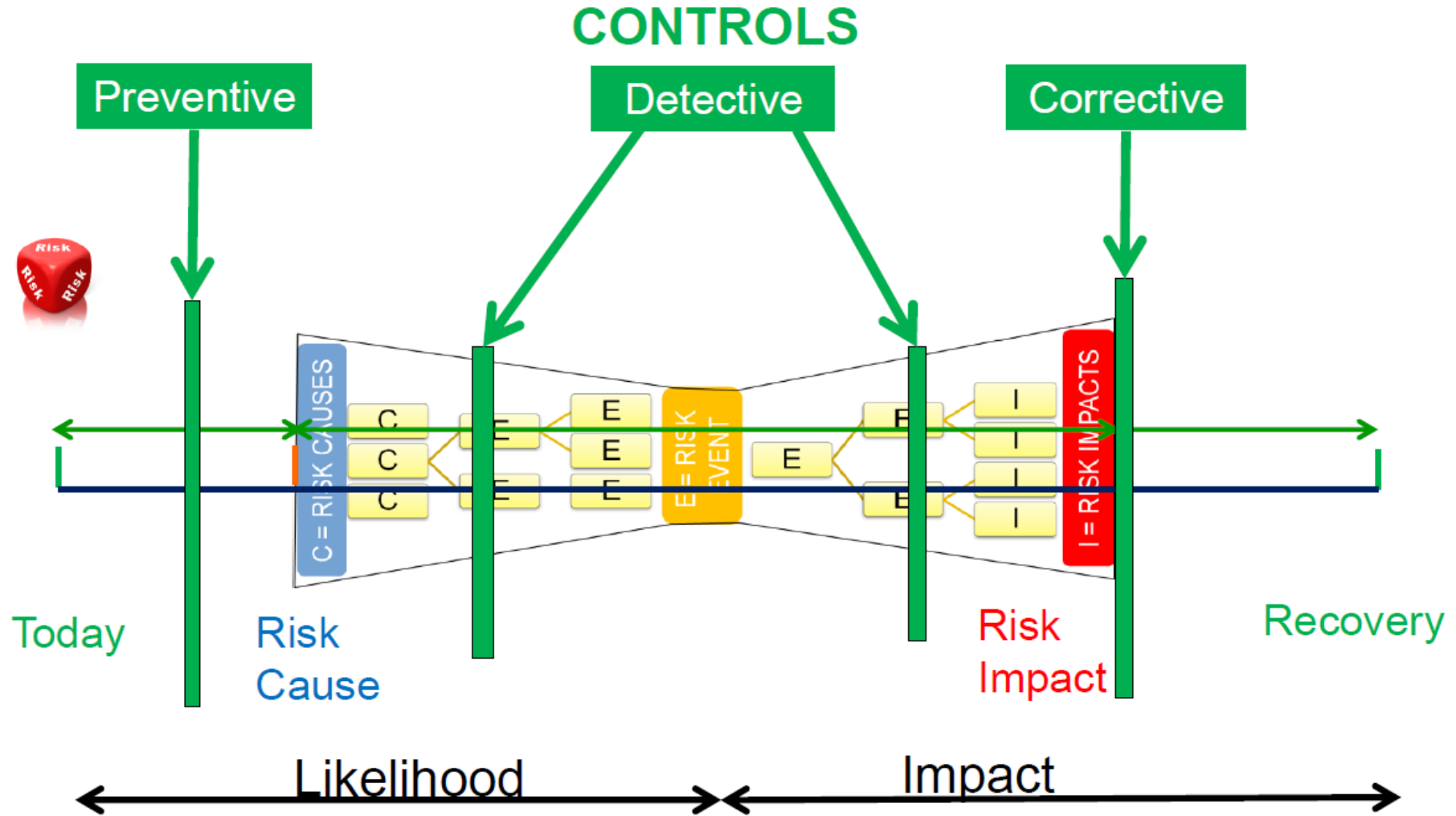
# 6. Maintain accountability



Source: World Economic Forum (2014)

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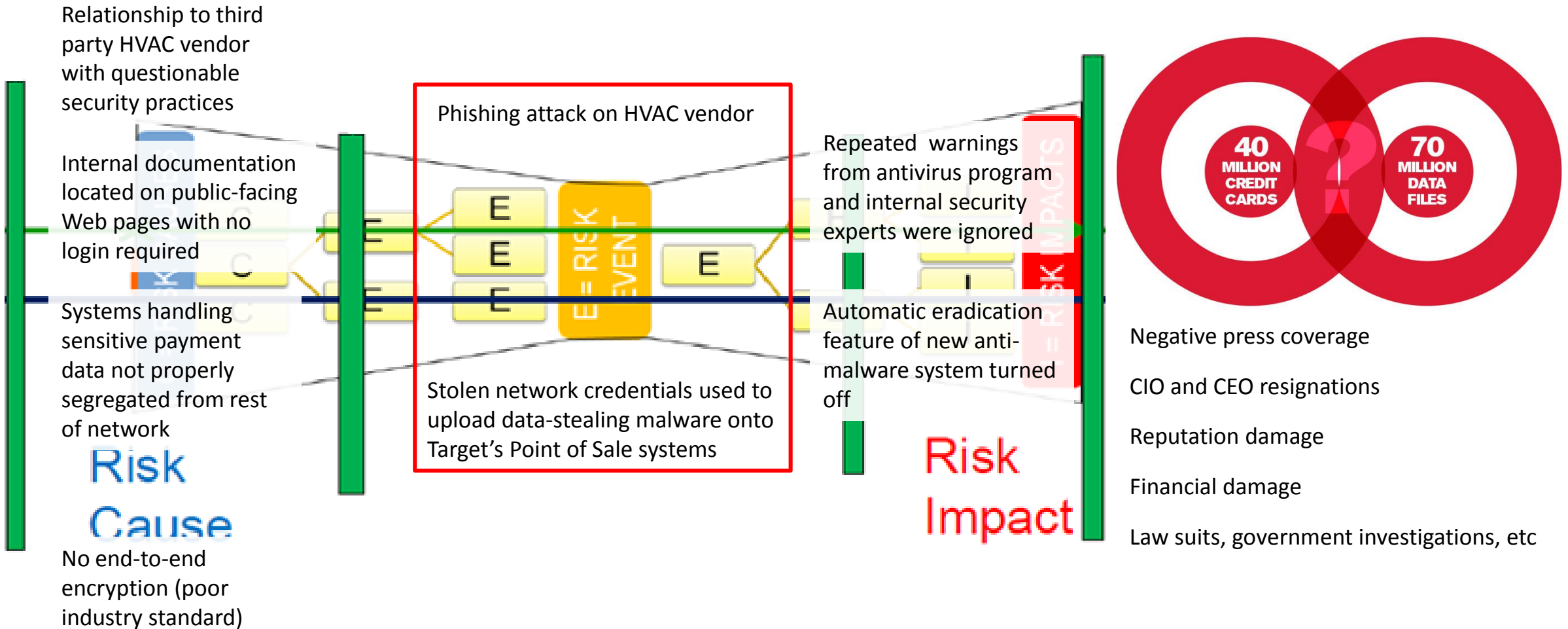
# 7. Manage risk throughout



Source: David Tattam, Protecht (2013)

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Source: David Tattam, Protecht (2013)

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# 8. Prepare for failures

## ➤ Who:

- Individuals
- Regulators
- Media



## ➤ What:

- Going 'above and beyond'
- Restitution and recovery, proper allocation of risk
- Independent review
- Maximise learning, minimise need for punishment

## ➤ How:

- Have plans and processes in place and follow them!
- Open, upfront, responsive, honest, decisive, cooperative



# Now is the time!



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# Questions?

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**Malcolm Crompton**

Managing Director

53 Balfour Street

Chippendale NSW 2008

Australia

**+61 407 014 450**

[MCrompton@iispartners.com](mailto:MCrompton@iispartners.com)

[www.iispartners.com](http://www.iispartners.com)