

# The Grand Awakening

Privacy is the new luxury good- steps toward digital sovereignty and what it means for luxury marketers

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Over the next 10 years, the  
Internet of Everything will  
generate \$19 Trillion in net  
economic value to society  
(Cisco 2013)

# It's getting personal!





# Illuminating the Individual

## TRANSACTIONS

Loyalty data  
E-Receipts  
Vouchering

## SOCIAL MEDIA

Likes/follows  
Brand reference  
Sentiment analysis

## CUSTOMER DATA

Online shopping  
Promotions  
Loyalty schemes

## RE-TARGETING

Products viewed  
Categories visited  
Tags/cookies

## DATA ENRICHMENT

Acorn/CACI  
Mosaic/Experian

## WEB USAGE

Sites visited on wi-fi  
Products viewed

## STORE VISIT

Frequency  
Dwell time  
Time of day  
Journey mapping

## QUESTIONNAIRE

Customer surveys  
Gamification

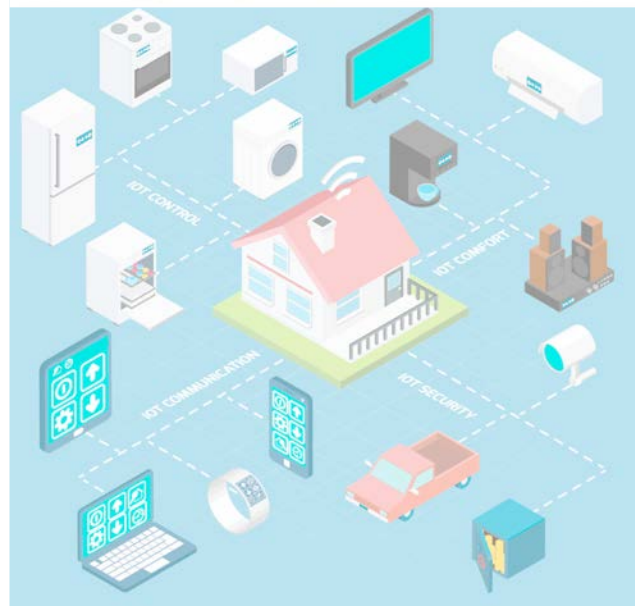


Needs  
Wants  
Desires  
Interests  
Preferences  
Influencers  
...

# People: demand...and supply

3~6

Connected devices **per Individual**  
Today



**10**  
Connected devices  
**per Individual**  
2020

**50**  
Connected devices  
**per household**  
2022

**4,800**  
Number of times we'll  
**interact with a connected  
device every day!**  
2025

# Data and Connections Fueling/Influencing Our Economies

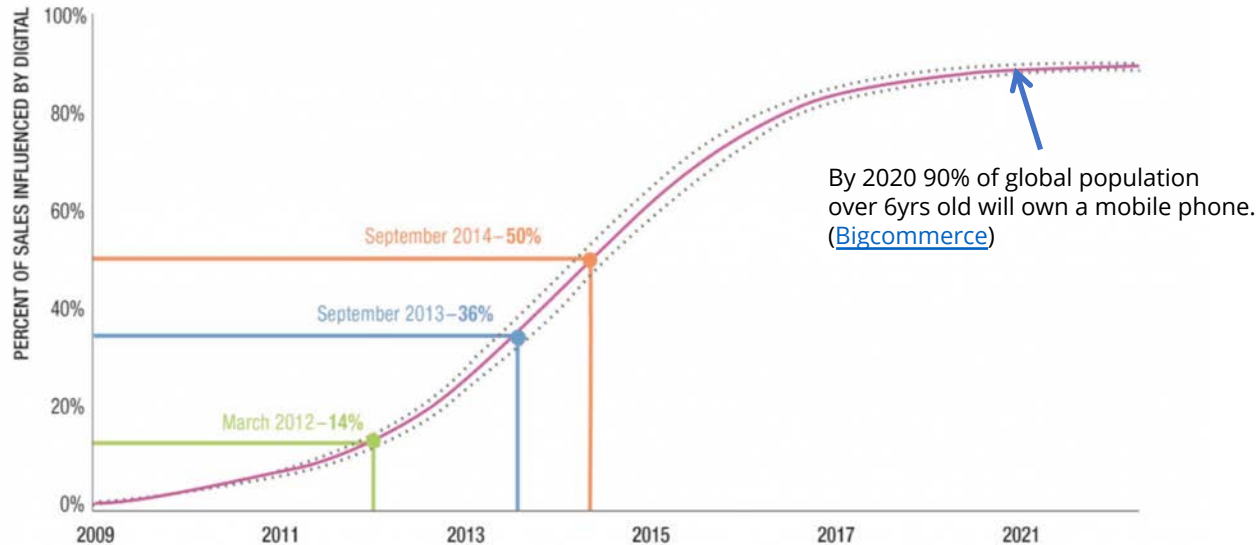
## DIGITAL INFLUENCE



### Digital Influence Projections

Percent of Retail Sales Influenced by Digital

■ Digital Influence Projection      +/- 10% Sensitivity Range



# New experiences & expectations



© marketoonist.com

**10% of all brand interactions  
Will be through voice by 2020**

[Developers using Amazon's Alexa can start using notifications on supported devices like the Echo.](#) They can alert users using light and audio cues, and will soon be able to personalize apps based on users' voices. Nov. 2017



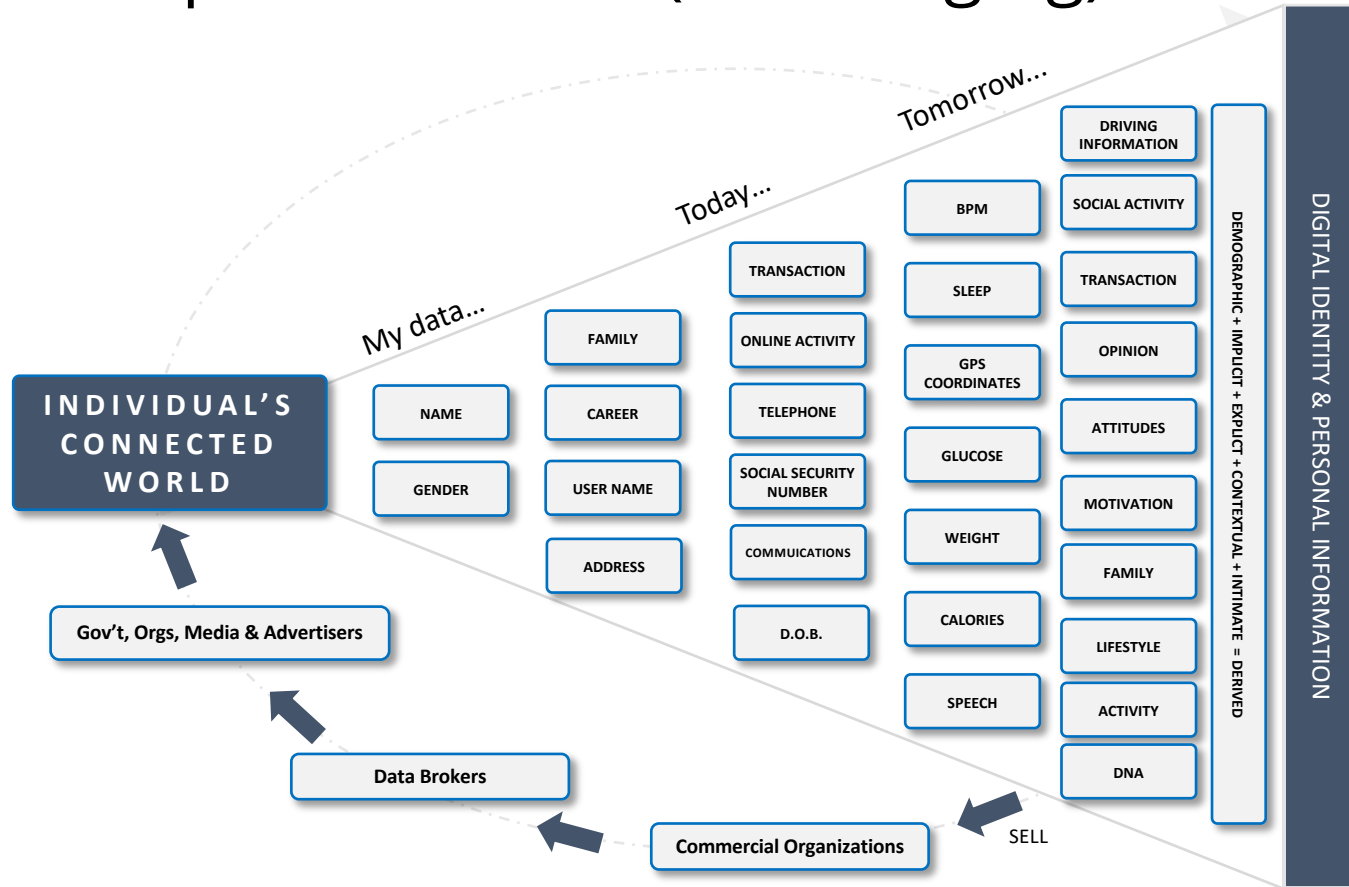


# Creating a successful Internet of Things data marketplace

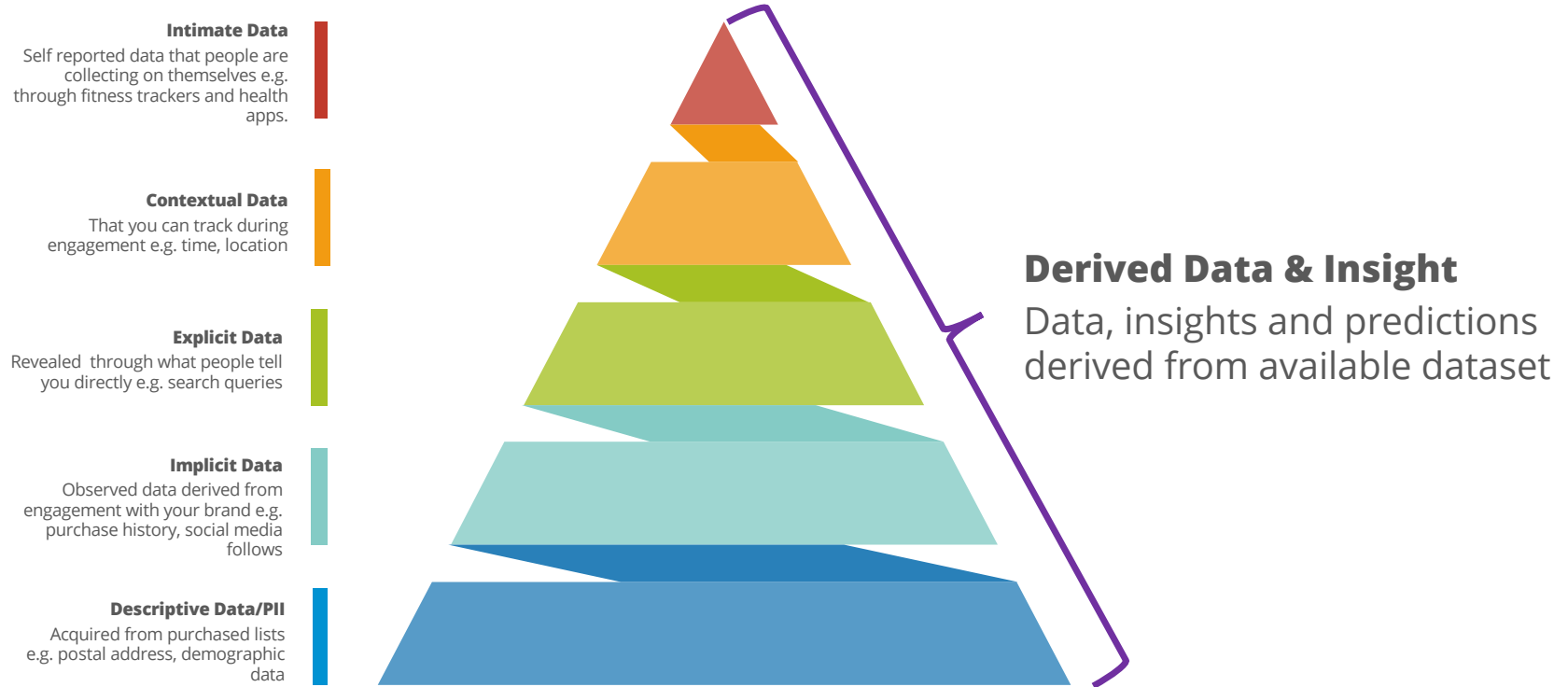
By Johannes Deichmann, Kersten Heineke, Thomas Reinbacher, and Dominik Wee

84 percent of the market value of S&P 500 companies comes from intangible assets, such as data, and the potential value of intangible assets in the United States is \$8 trillion (MIT Technology Review, 2016)

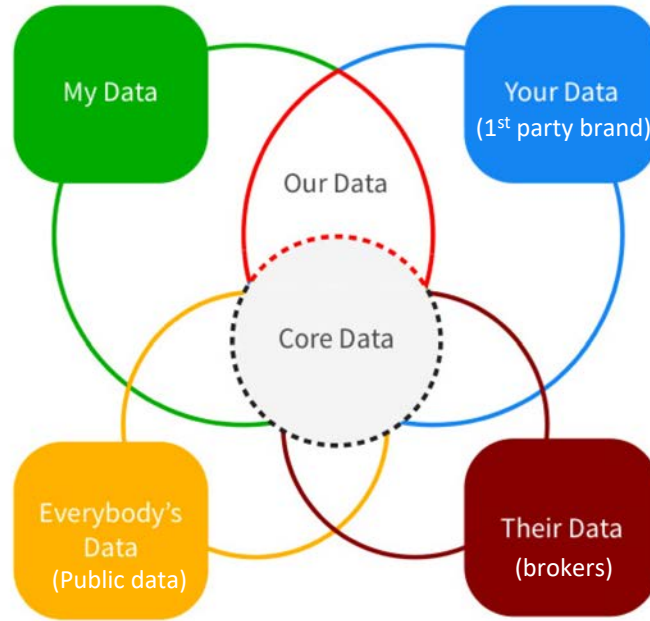
# Types of personal data (its changing)



# The value of data (its additive, longitudinal, changing)



# [Personal] Datasphere: The role of data, its changing



<https://www.jlinc.org/my-data-your-data-our-data-their-data-everybodys-data/>



George Orwell, 1984

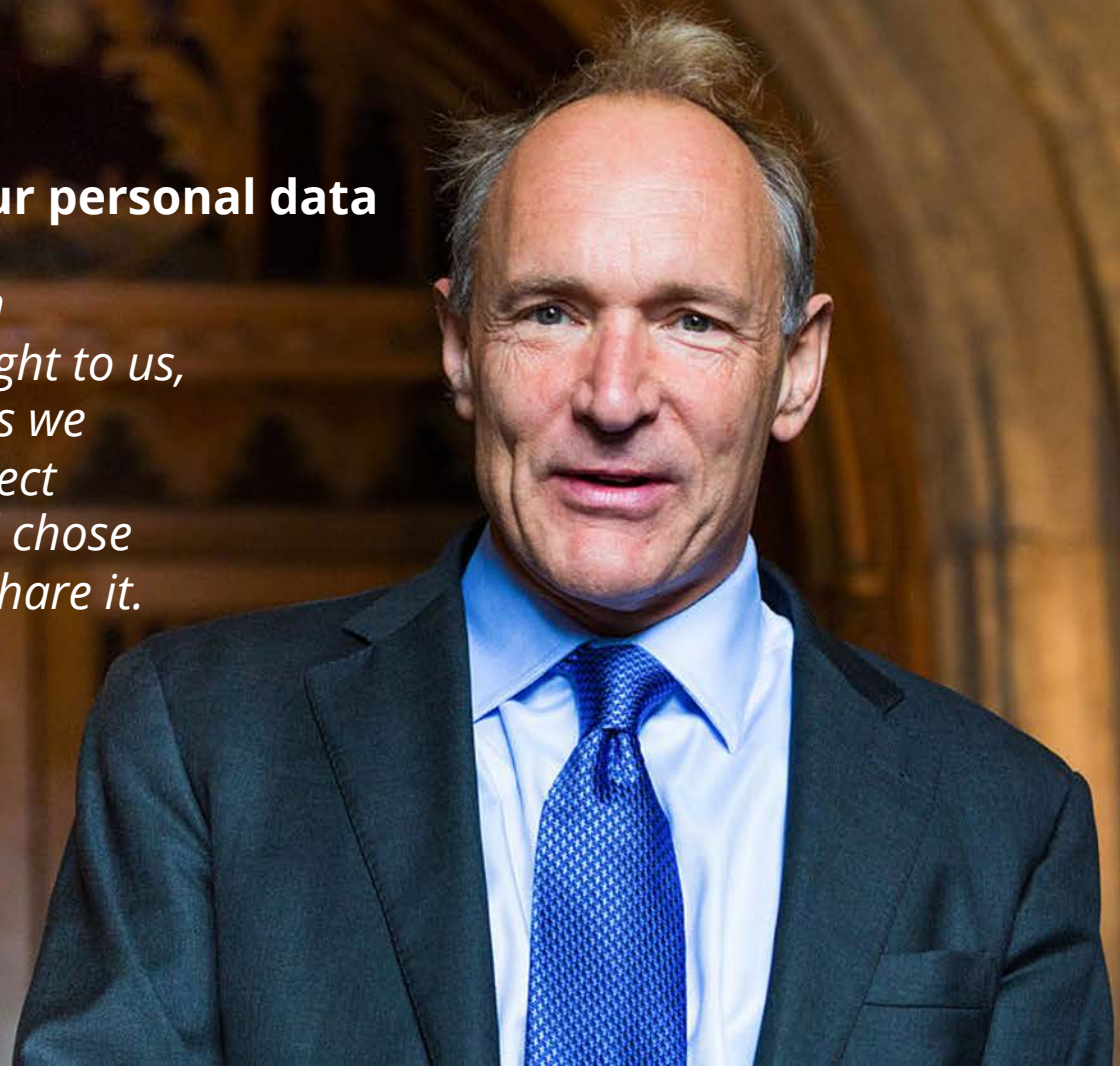
*Orwell was an  
Optimist!*



## **We've lost control of our personal data**

*As our data is then held in proprietary silos, out of sight to us, we lose out on the benefits we could realise if we had direct control over this data and chose when and with whom to share it.*

SIR TIM BURNERS LEE  
March 11, 2017

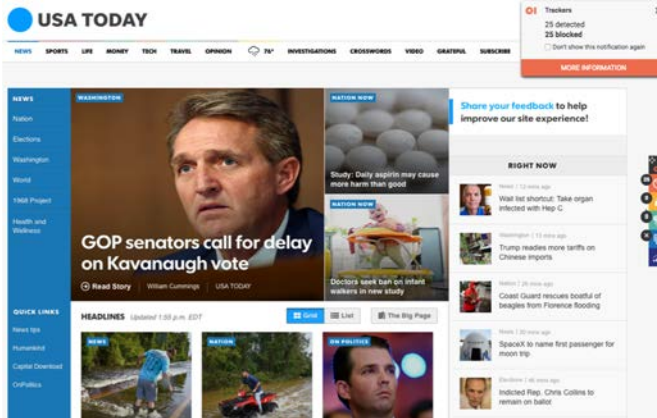


Connected  
Society

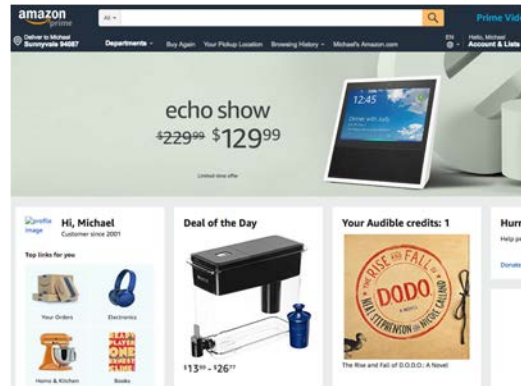


Connected  
Individual

# Welcome to the connected society



Media



Online Shopping



Physical Shopping

# Employment



ILLUSTRATION: RICHARD A. CHANCE FOR BLOOMBERG BUSINESSWEEK

## The Brutal Fight to Mine Your Data and Sell It to Your Boss

Silicon Valley makes billions of dollars peddling personal information, supported by an ecosystem of bit players. One of them, an upstart called HQ, is going up against LinkedIn in a battle for your lucrative professional identity.

By Drake Bennett

On May 23, an email landed in the sales inbox of a San Francisco startup called HQ Labs, politely asking the company to go out of business. HQ is a "people analytics" firm that creates software tools for corporate human resources departments. Its Skill Mapper graphically represents the

## Microchip Implants for Employees? One Company Says Yes

[查看简体中文版](#)

By MAGGIE ASTOR JULY 25, 2017



Jowan Osterlund of Biohax with one of the company's implantable microchips. Three Square Market, a company in Wisconsin, is partnering with Biohax to offer the chips to employees.

James Brooks/Associated Press

RELATED COVERAGE

## Your boss could demand you get genetic testing and hand over the results, if this congressional bill becomes law

Dan Mangan | [@\\_DanMangan](#)

Published 1:13 PM ET Fri, 10 March 2017 | Updated 6:52 PM ET Fri, 10 March 2017



Rafe Swan | Getty Images

DNA Sequencing film strip.

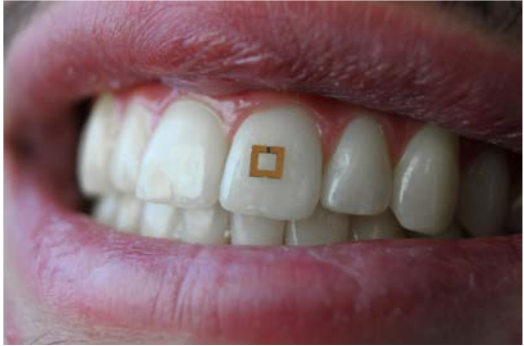
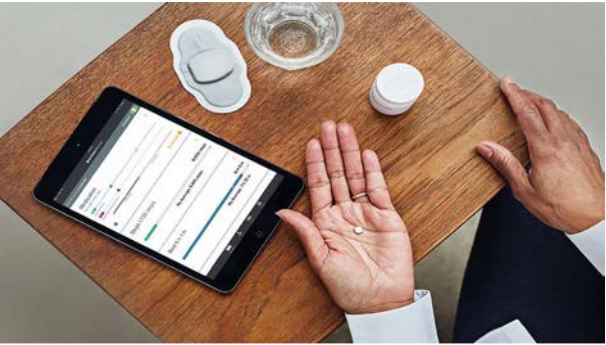
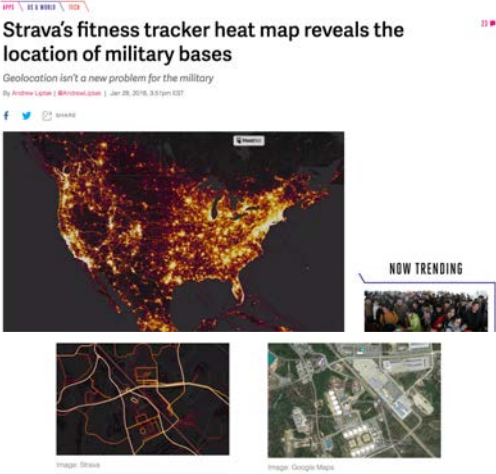


# At Play





# Our Health



# Intimacy



# People are afraid

Sixty two percent (62%) of the of Harris Interactive study participants (US, UK, Germany, Brazil, China, India, and the United Arab Emirates) report being more worried about being hacked than they did five years ago.

Seventy five percent (75%) of the participants say they're more worried about cybersecurity than they did over this same period.

Sixty percent (60%) of them say, in fact, that they're more worried about cybersecurity than a potential war.<sup>1</sup>

Centre for International Governance Innovation which found that fifty two percent (52%) of people around the world are more concerned about their online privacy than a year ago.<sup>2</sup>

<sup>1</sup> The Harris Poll. (2018). IBM Cybersecurity and Privacy Research (pp. 1–26). Rochester, New York. Retrieved from <http://newsroom.ibm.com/Cybersecurity-and-Privacy-Research>

<sup>2</sup> Centre for International Governance Innovation. (2018). CIGI-IPSOS Global Survey on Internet Security and Trust Part 1: Privacy, Security, Access and Trust. Toronto, CA. Retrieved from <https://www.cigionline.org/internet-survey-2018>

# The risks and harms are real

## Connected Device are Vulnerable

- 80% of IoT apps have security vulnerabilities<sup>^</sup>
- 64% of Americans have personally experienced a major data breach<sup>^^</sup>
- 1.579bn data breaches in 2017<sup>^^^</sup>

\* Gallup. 2017

<sup>^</sup>IoTtechnews. 2017

\*\* Gallup. 2015

<sup>^^</sup>Pew Research. 2017

<sup>^^^</sup>Statista. 2017

## Cybercrime

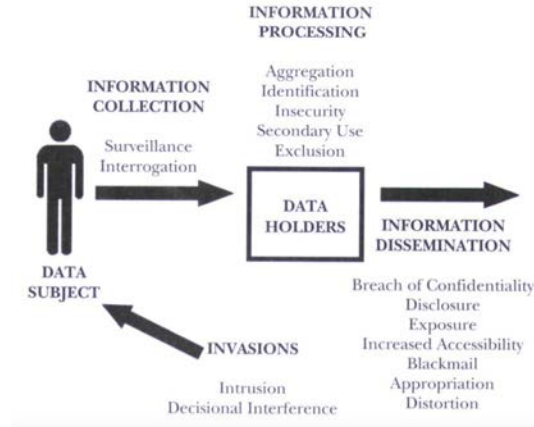
- 2017 saw an overall increased by 10% of cyber-activities with rise of malwares and ransomwares
- In past six years, US\$112bn has been stolen through identity fraud (or US\$35,600 lost per minute)
- In 2019, a projected 2.5bn smartphones will be online and mobile malwares are now a reality. Most of them are through the Apps, especially from third parties (32% of 60m apps were found to be malicious)

# The harms are real and growing

Yesterday



Today  
Potential for material harms



Four basic groups of risk

1. information collection
2. information processing
3. information dissemination
4. Invasion

(DANIEL SOLOVE, 2006)



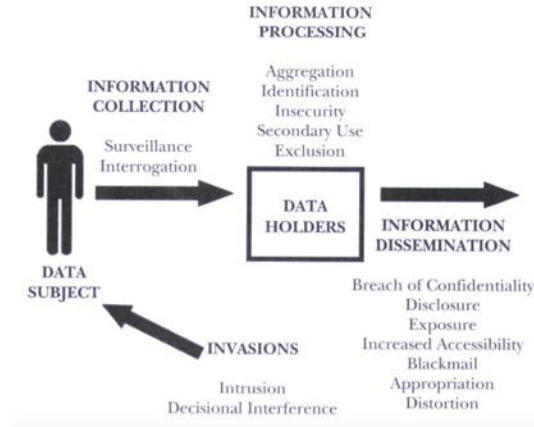


# Our most precious asset: Data

Yesterday



Today  
Potential for material harms

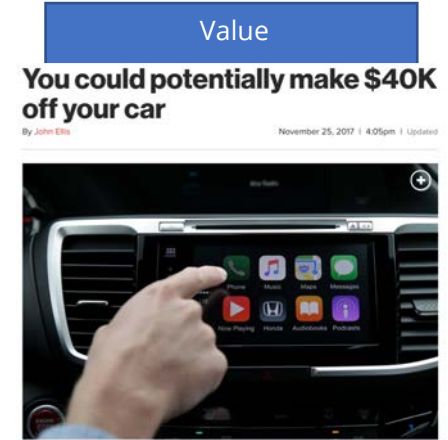


Four basic groups of risk

1. information collection
2. information processing
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4. invasion

(DANIEL SOLOVE, 2006)

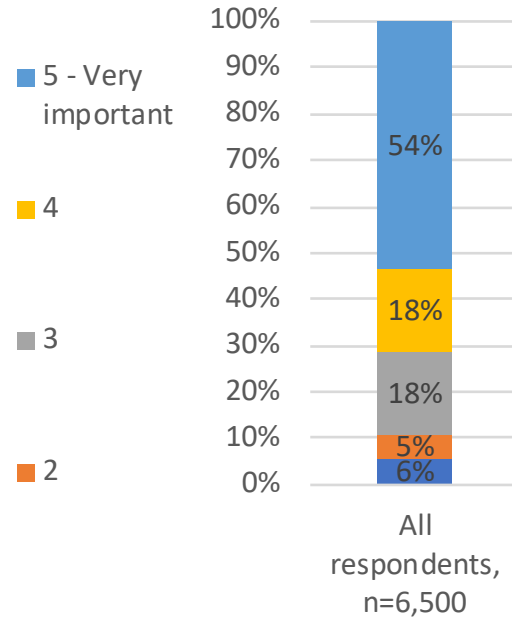
Tomorrow  
Potential for material value





# The Grand Awakening

# Feelings about privacy remains strong



\*Privacy defined to respondents as: “your ability to control your personal data and what data is shared about you when you use devices”

Identity Praxis, Inc. Proprietary 2018 ©

Base: Preview MEF 2018 Trust Study, On mobile: All respondents, n=6,500; On computer: Computer owners: n=5592



# Trust Index A World of Distrust

Average trust in institutions,  
general population, 2017 vs. 2018

Global Trust Index remains at distruster level

20 of 28 markets are distrusters, up 1 from 2017

Source: 2018 Edelman Trust Barometer.  
The Trust Index is an average of a market's trust in the institutions  
of government, business, media and NGOs. General population,  
28-market global total.

▲ 2017  
General Population

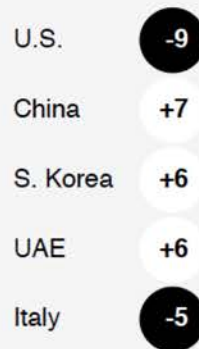


▲ 2018  
General Population



Trust  
(60-100)  
Neutral  
(50-59)  
Distrust  
(1-49)

## Biggest changes in



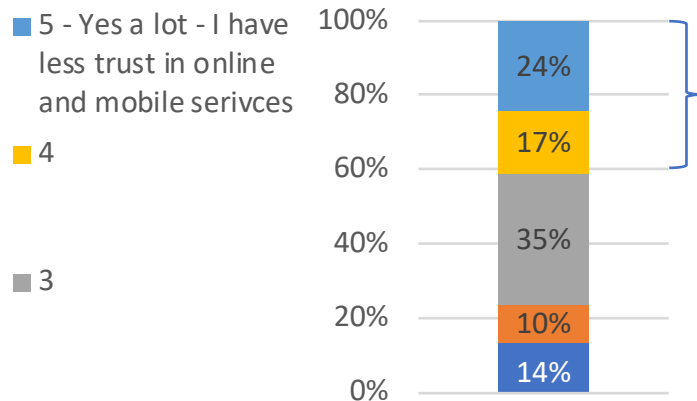
Trust decline in the U.S. is  
the steepest ever measured

# The industry needs to regain trust lost due to recent news stories about data use

The negative news about how data is used has had an impact on trust:

**33%** of those who took one of 12 actions to protect themselves on their mobile\* started doing so in the past six months. **41%** of all respondents say they've lost trust in services due to stories about data use

Has recent news about how data from online services has been used affected your trust in online and mobile services?



**41% of all respondents have lost trust**



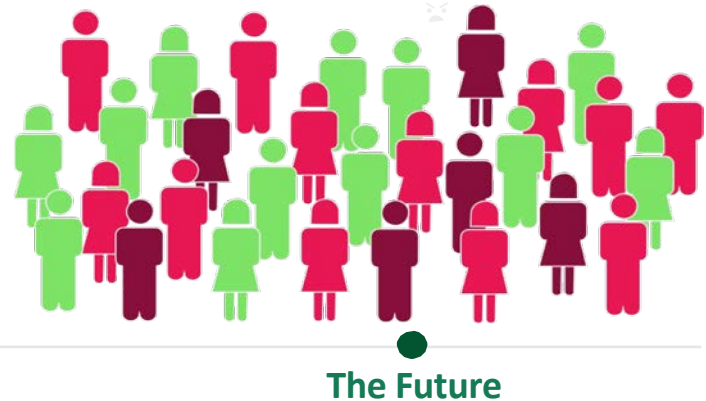
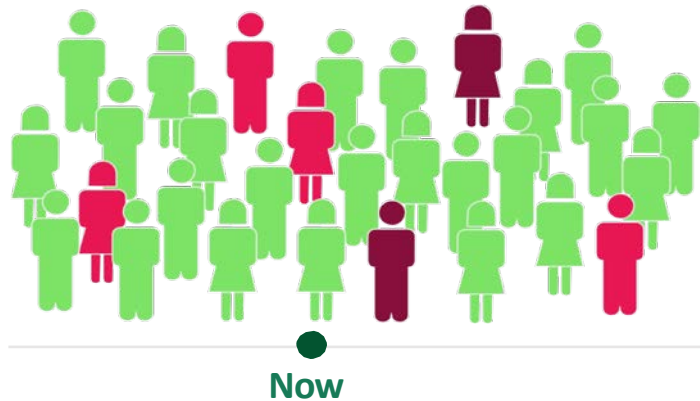
The share that have lost **trust** is higher, **62%**, among those who say trust is preventing them from using mobile services\*\*

\*See details of actions [here](#). \*\*per responses to: to what extent does a lack of trust prevent you from buying, downloading or using some or all apps and services in your phone? Preview MEF 2018 Trust Study,

# 20% of US consumers have perceived a data misuse

Over the next five years, the number of affected consumers could more than double

We predict that the number of consumers who perceive a data misuse will **dramatically increase** over the coming years as a result of rising **press coverage** and exploding **social media use**.



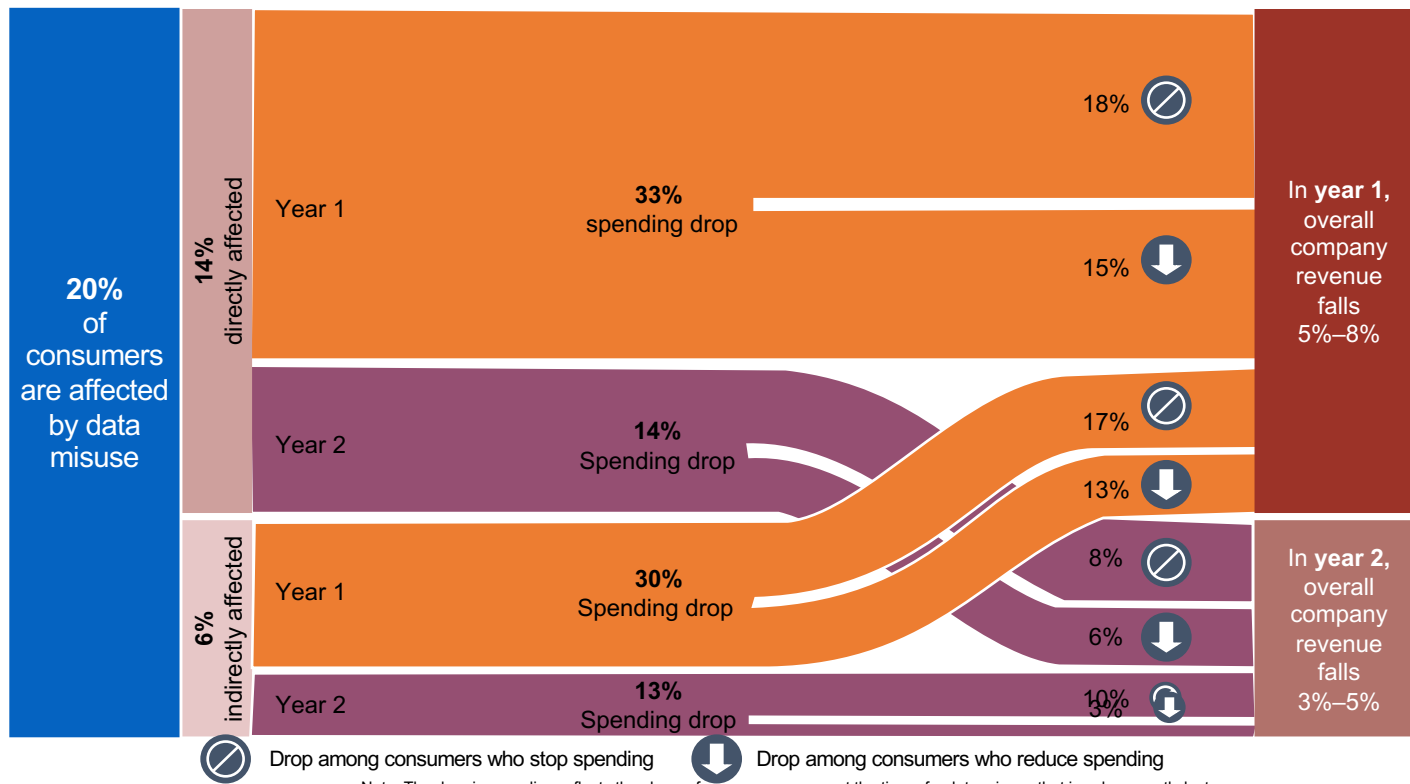
● Directly affected

● Indirectly affected

Source: BCG Big Data and Trust Consumer Survey of more than 8,000 consumers in France, Germany, Italy, Spain, the UK, and the US, conducted in November and December 2015

# Data misuse has a high cost

Misuse costs companies one-third of revenue from affected US customers in the first year



Note: The drop in spending reflects the share of company revenue at the time of a data misuse that is subsequently lost  
 Source: BCG big data and trust consumer survey 2015

# Savvy consumers are taking action to protect themselves when things seem wrong

**It's imperative for the industry to be careful with permission requests and ensure they stay trustworthy: A large proportion of consumers are voting with their feet if things don't seem right**

In the six months to July, 2018...

**69%** chose not to download an app due to excessive permission requests

**30%** said they've done so frequently

**63%** chose not to complete a purchase on their mobile because they didn't trust the company

**28%** said they've done so frequently

Due to privacy/security concerns:

- **31%** deleted an app or service
- **26%** stopped using an app or service
- **12%** chose to use a competing app or service

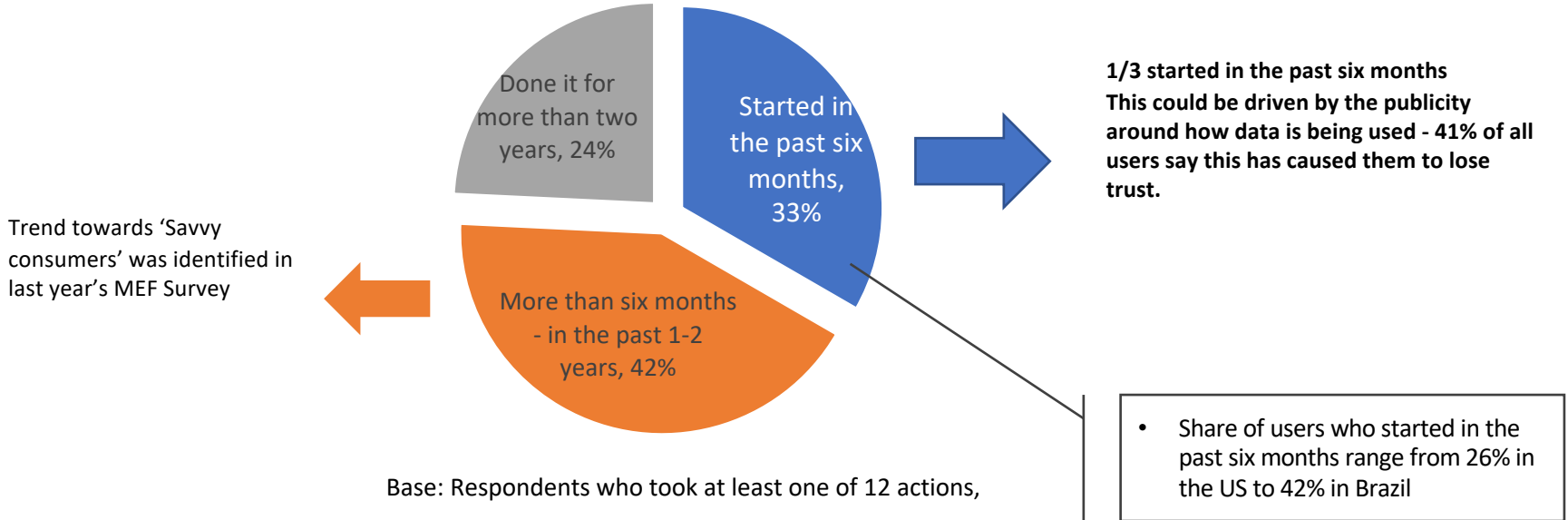
Preview MEF 2018 Trust Study,

Responses to: In the past 6 months, have you chosen not to install an app because it asks for too many permissions to access features on your phone (such as access to location, microphone, camera)?; In the past 6 months, have you chosen not to complete a purchase on your mobile device because you didn't trust the company?; In the past 6 months, have concerns over privacy and/or security caused you to [take these actions]



# The Grand Awakening

Length of time users have been taking at least one of 12 preventative actions\* on mobile

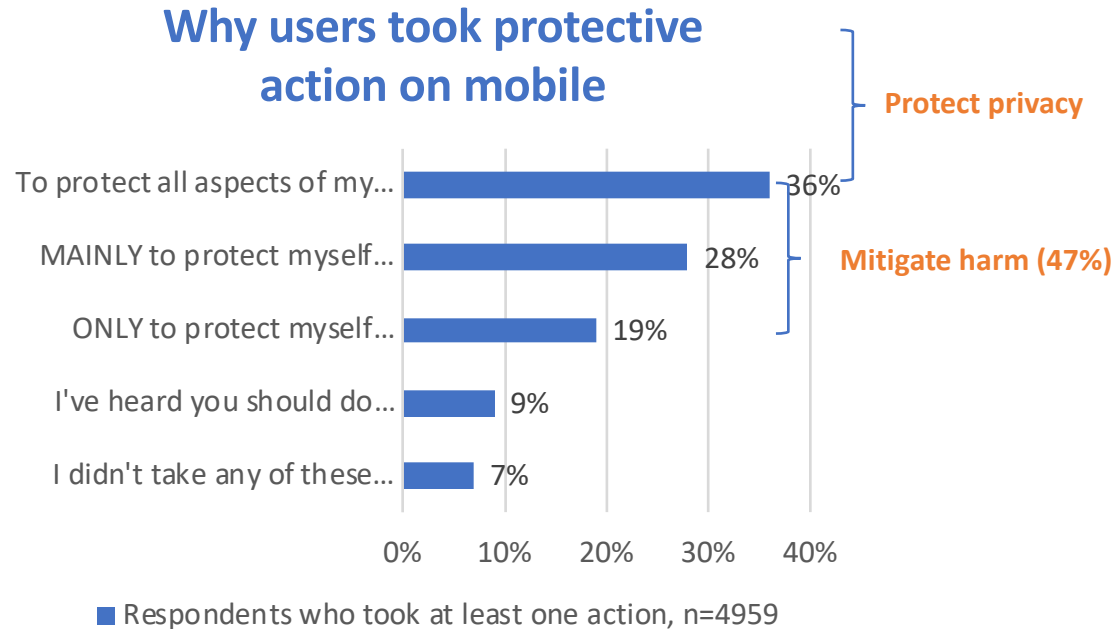


Base: Respondents who took at least one of 12 actions,

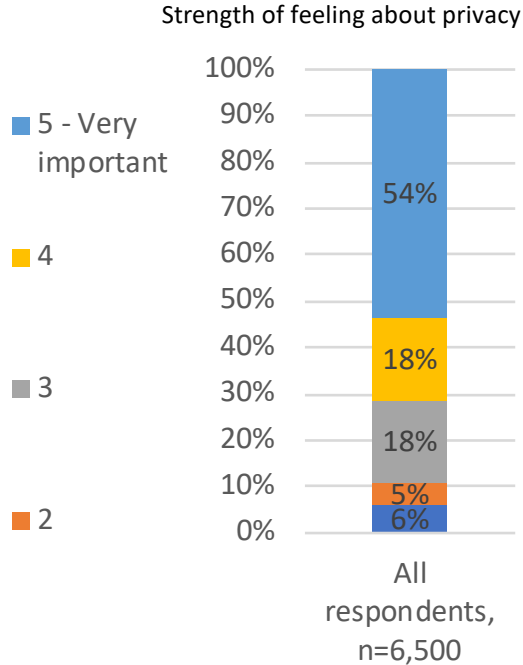
\*Actions listed on [this slide](#)

Question: Was this the first time you took these actions - or had you done this previously? – asked of users who had taken at least [one of 12 actions](#) to protect privacy

# Why are they taking action?



# The privacy paradox remains in place



72% say  
privacy\* on  
mobile is  
important

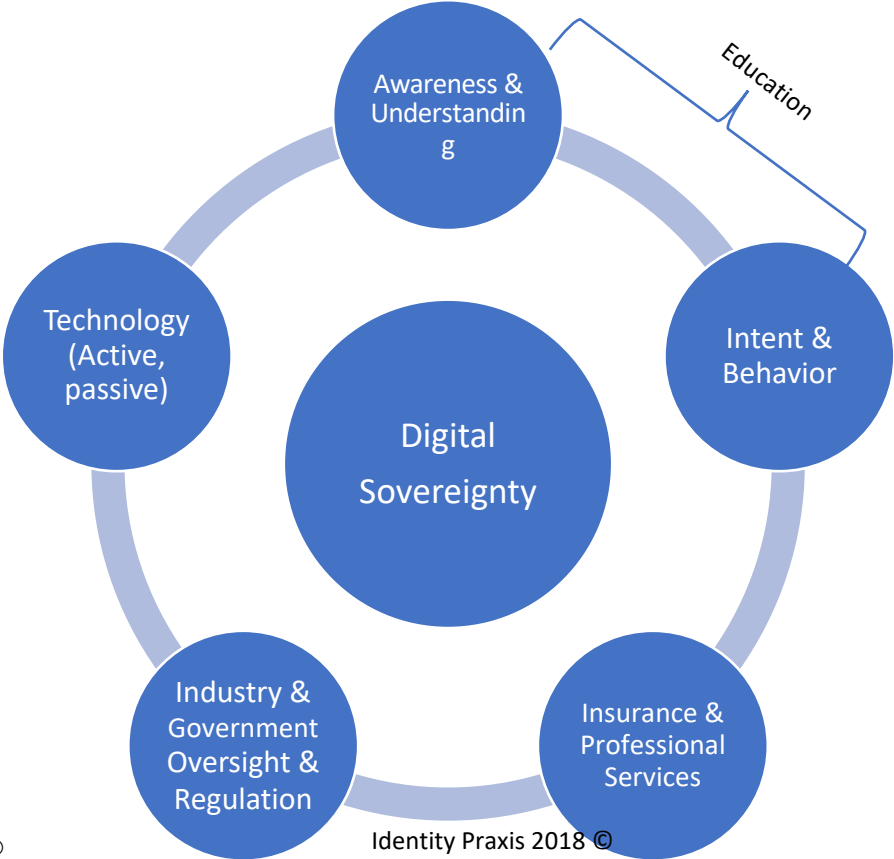


Within this group:

- 44% regularly use only 1-3 passwords
- 25% have changed privacy settings for apps and services
- 22% have cleared cookies or browsing history on mobile
- 9% have asked someone to remove something that was posted about them
- 7% have asked a company to delete their data
- 25% had anti-virus software on their mobiles
- 24% had not taken any of 12 preventative/protective actions (Half of these respondents said they were unaware of the actions or found them too complicated)

\*Privacy defined to respondents as: “your ability to control your personal data and what data is shared about you when you use devices”

# Comprehensive Solution: Five-fold path to digital sovereignty [enlightenment]



Unaware

Apathetic

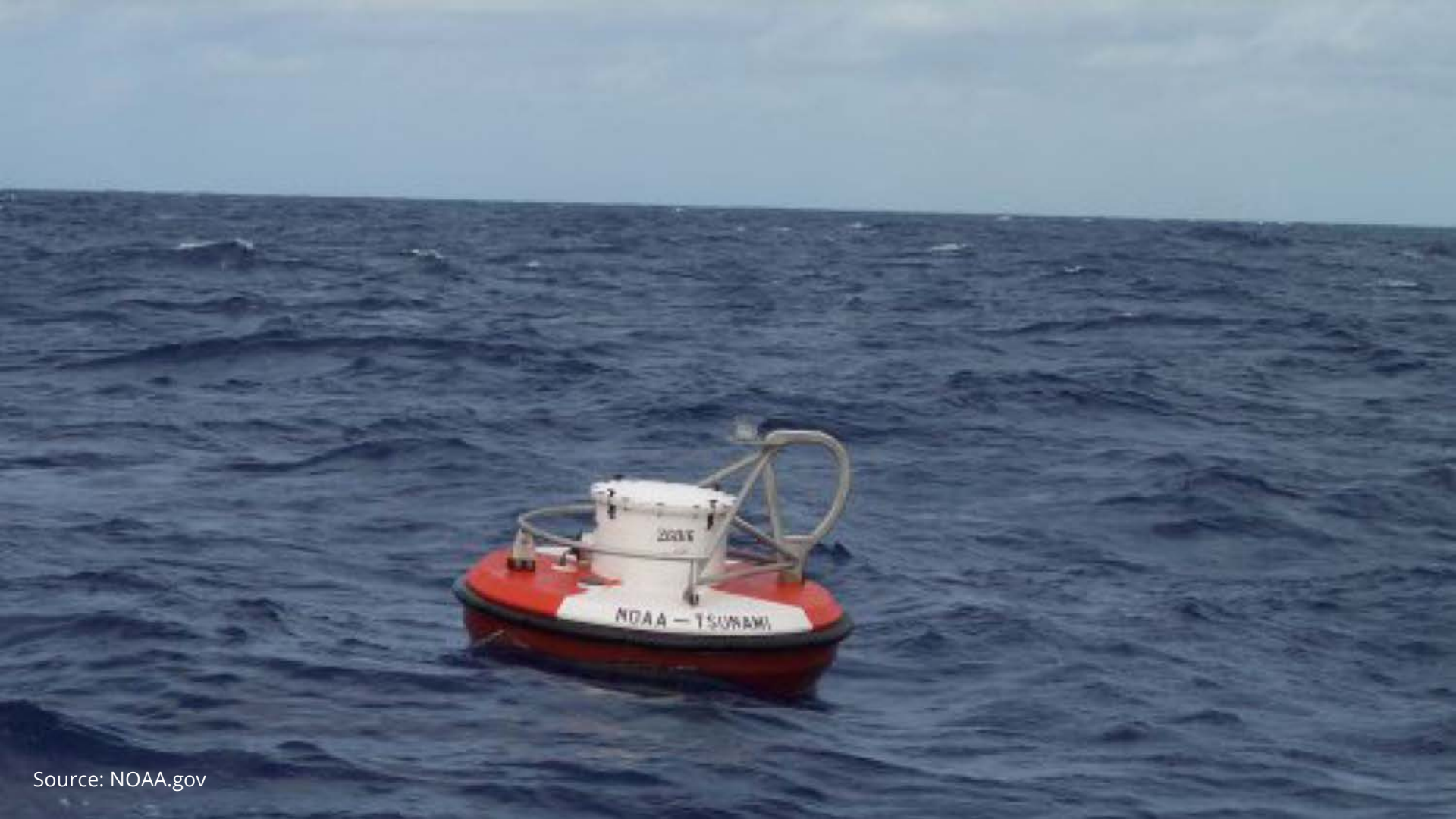
Impaired

Empowered



Enlightened







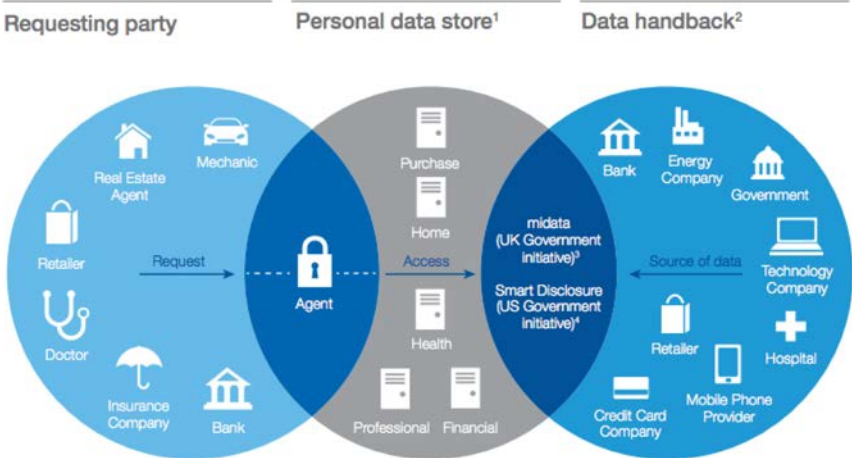
# What's going to/needs to change

- Structure of the Internet: 2 webs (US vs. China), 3 usage models (Public, Private, Semi-private)
- Your relationship with the connected individual
- The role of trust
- How and where you access data/manage the relationship
- Regulatory landscape – new rules new opportunities
- Technology
- Economics
- Politics
- Social and cultural expectations and norms
- Business models
- Operational approach
- Our choices



**Introducing the**  
**Personal Information Economy:**  
*An economy, marketplace, where people  
oversee the exchange of their  
identity and personal information, on their terms*

# Personal Information Management Systems (PIMS)



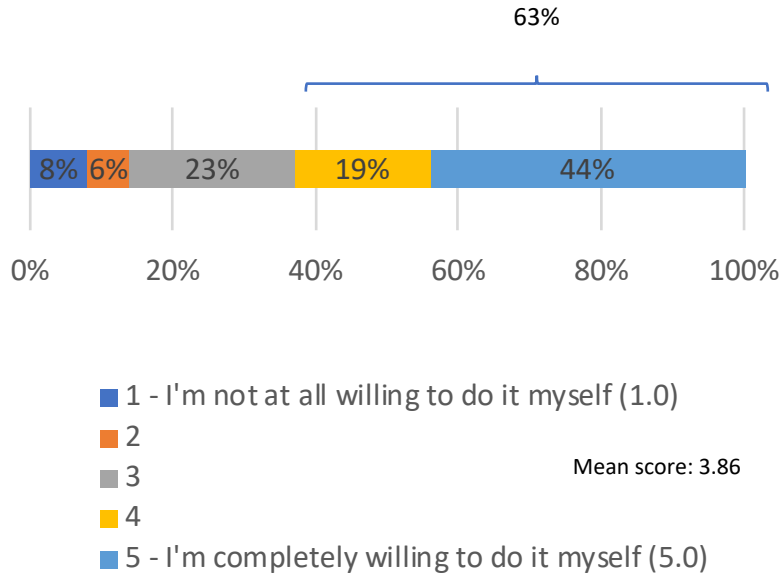
PIMS are a new emerging technology that allows people collect, manage and exchange their identity and personal information.

Source: Rethinking Personal Data: Unlocking the Value of Personal Data: From Collection to Usage. World Economic Forum. 2013

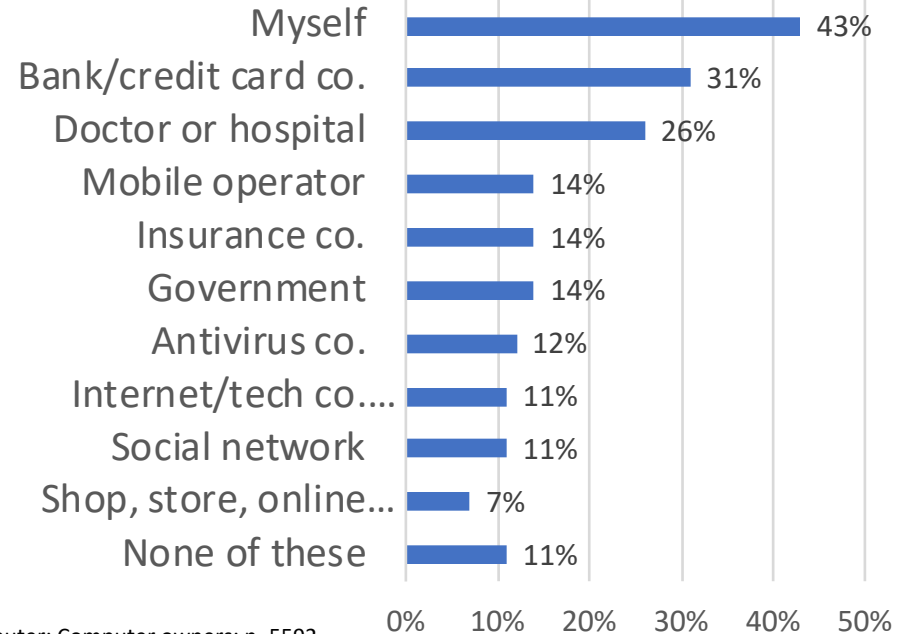


# 63% of people are willing to manage their own data – they put more faith in themselves than in any other entity

Willingness to manage own data



Who would you trust to manage your data?



Base: Preview MEF 2018 Trust Study, On mobile: All respondents, n=6,500; On computer: Computer owners: n=5592

# Recommendations

1

# Reframe your thinking

Connect  
Communicate  
Conduct Commerce

Serve

~~Investor~~  
~~Client~~  
~~consumer~~  
~~patient~~  
~~voter~~  
~~shopper~~

**[connected]  
individual**



# Balance the Personal Information Value Exchange Equation

$$BPIV \sum \frac{Benefits}{Risk} = CIPIV \sum \frac{Benefits}{Risk}$$

$$PIV = \sum \frac{Benefits}{Risk} + \underbrace{\sum Perceived\ Social\ Good - \sum Externalities}$$

Feels like Assurant focusses here

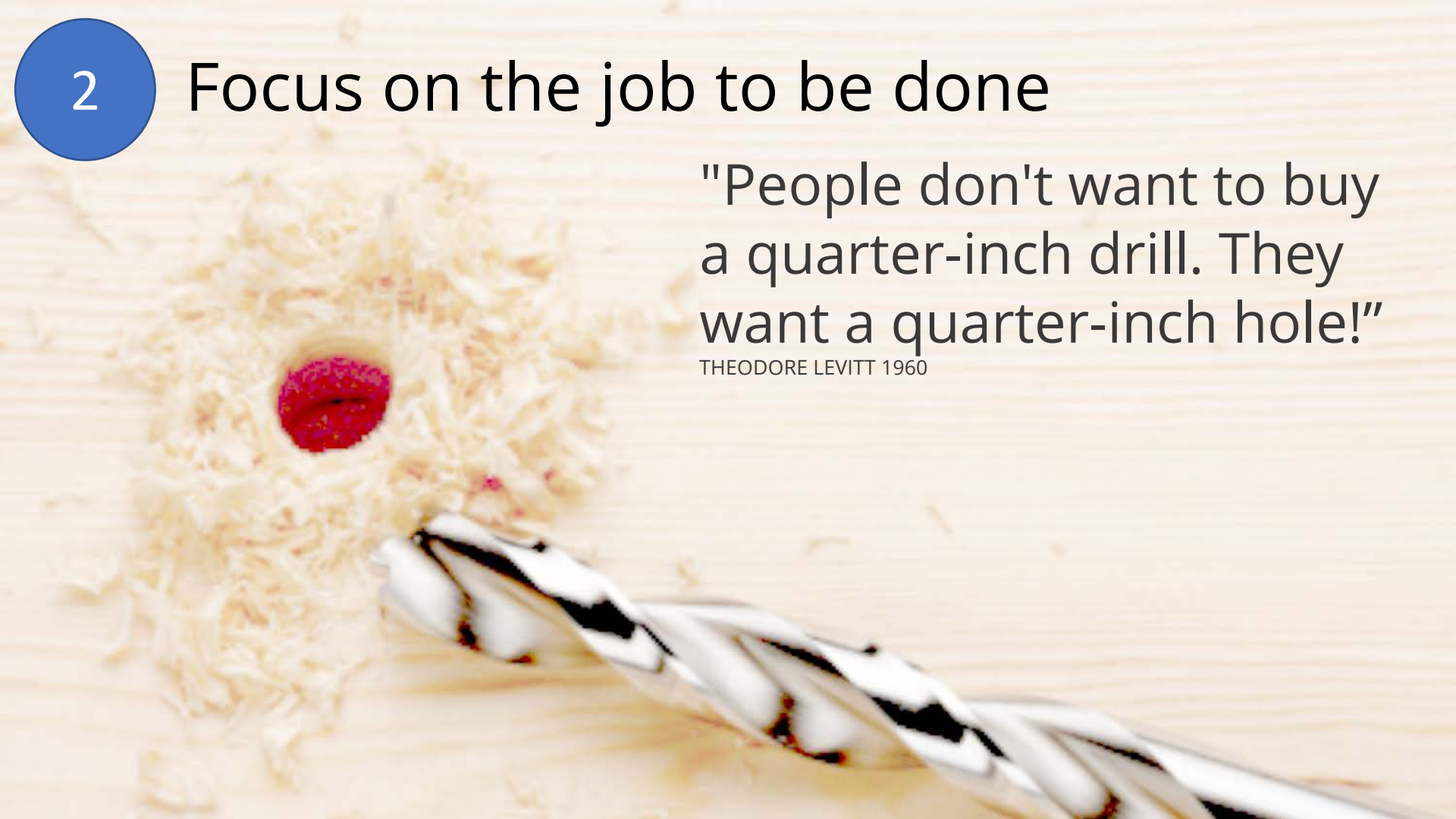
Often NOT included in the connected individual's decision making; possibly due to social norms, lack of awareness, apathy, limited perceived control, asymmetries of information flow between parties.

B=Business  
CI=Connected Individual  
PIV:  
0 = Neutral  
>1 Value generation  
<1 Risk exposure

## 2 Focus on the job to be done

"People don't want to buy a quarter-inch drill. They want a quarter-inch hole!"

THEODORE LEVITT 1960





3

## Put the [connected] individual at the center of the universe

Takes 3~12 touches to generate a lead



Identity Praxis © 2018

4

# Get your data right







5

# Get your technology stack in shape



# Learn and manage to the three pillars of digital enlightenment

# Respect individuals digital sovereignty

## **Empowerment [Digital] Sovereignty**

Privacy is “the claim of individuals, groups, or institutions to determine for themselves when, how, and to what extent information about them is communicated to others.”  
(Alan Westin, 1967)

## **Risk/Harms Mitigation**

“Privacy is a sweeping concept, encompassing (among other things) freedom of thought, control over one’s body, solitude in one’s home, control over personal information, freedom from surveillance, protection of one’s reputation, and protection from searches and interrogations.”  
(Daniel J. Solove, 2011)



All Are Valid

Value Exchange



# Build trust: People expect honesty, clarity and safeguards from companies they trust – a known brand and positive press helps too

## Users most expect honesty, clarity and transparency from a company or service they trust:

- 21% expect immediate notification if anything happens to their personal data – with help given
- 20% expect data to be stored safely
- 19% expect clear explanation of what personal data is gathered and how it will be used
- 19% expect data not to be shared by others
- 18% expect honesty & transparency

## And how can it be manifest: What makes a mobile app or service trustworthy?

- **A clear, simple privacy statement – 30%**
- **A recognisable brand – 29%**
- **Positive media coverage or reviews – 24%**

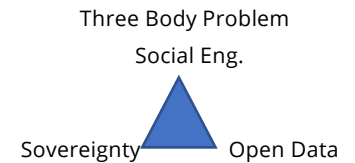
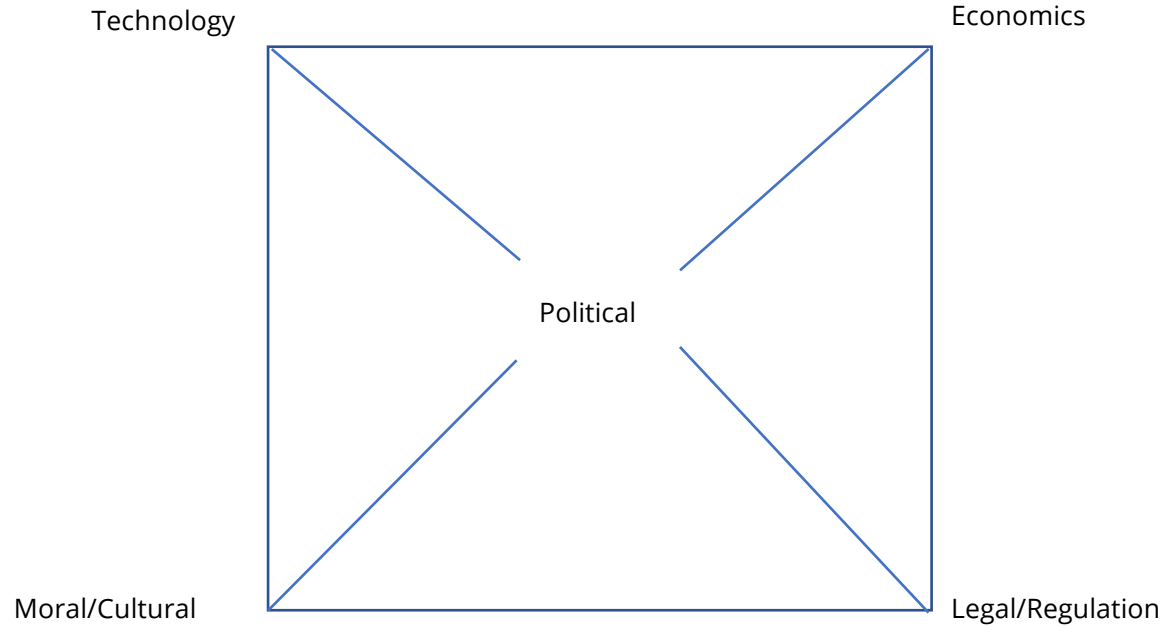
*Top 3 are consistent with results in 2017*

Preview MEF 2018 Trust Study,

Question: We'd like to understand what the meaning of 'Trust' is for you. What do you expect from an app, service or company you trust? Please choose the two most important aspects; What is it about a mobile app or service that makes it trustworthy?

8

# Become a polymath





10

Choose the society you want to live in

Brave New World  
Blade Runner  
Soylent Green

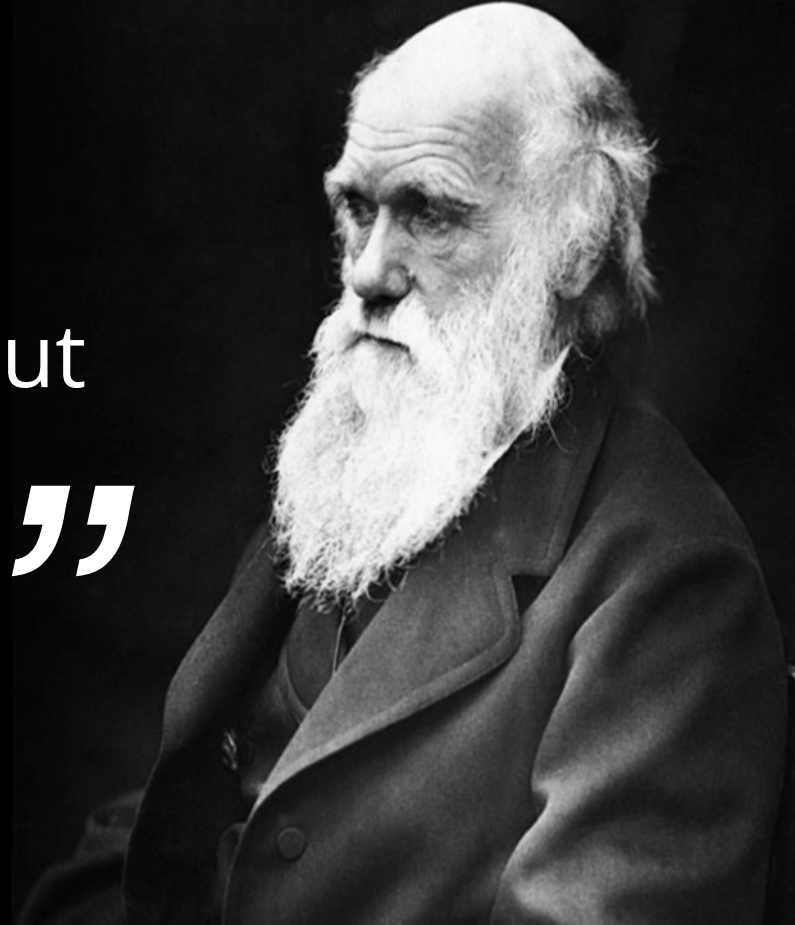
OR

Utopia

11

“ It is not the strongest of the species that survives, nor the most intelligent, but the one most responsive to change.”

CHARLES DARWIN



# We're just getting started!!!

Reach out to me – I'd love to help you and your company on your journey in to the Personal Information Economy

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