

## 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 3<sup>rd</sup> party usage
- Demonstrate honesty
- Provide access & openness for user review