

Insight: Self-sovereign identity

Customers demand transparency about their personal information today; tomorrow, customer expectations could escalate. Many organizations posit that customers will expect full control and ownership of their personal data. Other organizations, determined to get ahead of what they consider inevitable, are already making that possible with self-sovereign identity models.

Self-sovereign identity allows users to provide proof of their identity and their claims. A claim could be something as straightforward as a customer's home address or a manufacturer's accreditation by a trusted third party. Self-sovereign identity puts control of private data in the hands of individual customers and trading partners.

Permission to use data can be pre-programmed by customers for different parties and different situations, including granting permission to use it for analytics. These same self-sovereign models can be utilized by partners in a supply chain or an industry alliance to encourage data sharing with accountability, or by airlines or others cross-sharing data through industry alliances.

If something doesn't change, "Personal data use will be challenged," says Mark Lollback, GroupM Australia & New Zealand CEO. "Consumers know their data is being used, but they don't always know how, where, and what for. There is an increasing caution among consumers about what they share and how it is tracked. If businesses can't demonstrate the value people get in return, people will say, 'I want my privacy back.'"

Tracking technologies take transparency offline and into the real world. They are also fast becoming a hot-button issue. Retailers, for example, are installing cameras to determine precisely where a customer is looking and for how long their gaze stays on a given item. To protect customers' privacy, many of these facial recognition technologies don't store images but instead compile the inferences made about customers, such as what interests them, as well as their age and gender.¹³

Organizations can also use these same technologies to detect and track mood. Will customers consider that a step too far? Maybe, but most aren't being asked.¹⁴

Trust can break down in an instant, but it's rarely created in one. History is on the side of incumbents that have majored on trust for a long time.

Companies are banding together to create a new model, "the circular economy," an initiative that has also been showcased by the World Economic Forum.¹¹ With the help of heterogeneous data and new technologies, circular economy adherents find new ways to regenerate resources to sustain the environment. AB InBev, the world's largest brewer, for example, expects 100 percent of its product packaging to be made from returnable or recycled content.¹² It is working closely with its suppliers and customers to make this happen, earning trust for its brand along the way.

The trust advantage is conveyed to incumbents in the banking industry. Of all the industries, customers trust banks most.¹⁵ The trust banks have earned has been credited as one reason they were able to stave off the fintechs that once were expected to disintermediate them. Looking to the future, banks expect that the trust they have earned can be leveraged in a new role on business platforms in other industries.

"When you combine the trust that banks have earned with the relevance of the insights banks have," says a banking Managing Director in Ireland, "you get a very interesting combination. Banks can use that trust and insight to provide value-added services, which further enhance the relationship with customers and further build on that trust."