

Torchbearers aren't immune to data shortages in the future. But organizations that have earned customer trust are more likely to keep the data they have—their customers won't ask them to purge it—and collect more of it in the future.

In industries that have been dependent on third-party data, some organizations are growing wary of how trustworthy their sources might be. Perhaps new regulations might restrain the channel.

Swiss consumer goods giant Nestlé has responded by curtailing its use of third-party data and doubling down on collecting end-user data directly. “We have to drive a high-trust bargain with consumers to get first-party data in the age of GDPR,” says Pete Blackshaw, former Global Head of Digital and Social Media at Nestlé.<sup>8</sup>

Nestlé, along with France-based retailer Carrefour, has piloted this new approach to data on a block-chain-based IBM Food Trust™ platform. Via QR codes, consumers can track items from factory to warehouse to store. Carrefour, which is using blockchain for a number of items it sells, attributes an increase in sales as a result.<sup>9</sup>

Where trust is difficult to establish, blockchains can establish end-to-end transparency. Blockchain provenance, for example, can help prevent counterfeit semiconductors from flooding the market or outbreaks of illness from contaminated foods. In virtually every industry in which complex logistics, supply chains, or financial transactions depend on immediate action—and in which fraud or safety is paramount—blockchains are creating unbreakable chains of trust.

## Discovery: A Torchbearer's tale

Trust and data form the twin strands in Discovery Holdings' corporate DNA. The South African financial services firm started life in 1992 with what was then a completely novel idea: providing health insurance that makes people healthier. Customers who sign up with its Vitality program agree to let Discovery track everything from their physical activity to their nutrition. In return, the company rewards those who make positive lifestyle changes. The more points they earn, the more perks they get and the lower the premiums they pay.

Discovery mines members' personal data for behavioral insights, which it uses to promote healthier choices. It also collaborates with other organizations to offer incentives. Under one such agreement with Apple and US insurer John Hancock (a division of Manulife), Vitality members can buy heavily discounted Apple Watches. They pay a modest upfront fee and, if they work out often enough each month, they pay nothing more. “So Apple sells more watches, and we obtain more data [from the health and fitness apps on the watches],” Derek Wilcocks, Discovery's CIO, explains.

That's the demand side of the company's business model. On the supply side, Discovery operates a joint venture with Australian fintech Quantum, using machine learning to extract clinical insights from blinded data and enable healthcare providers to make more informed decisions.

Discovery's approach rests on treating its customers with complete probity. “We collect highly sensitive data. In South Africa, for example, we have about 65,000 members on antiretroviral treatments for HIV. That's not something people would want to get out,” Derek Wilcocks notes. “So we've established a strong ethical foundation for the way we collect and use data. We go to great lengths to protect our customers' confidentiality. Trust is at the heart of what we do.”