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DS 300

14 September 2021

Value of Data(Option 1)

Data has always been a thing in our world. Data as a term started to be coined as a term

in the 1600s. With the invention of computers and the evolution of technology, data has had the

biggest impact on today's society. For companies, data is used to improve the lives of people, to

improve the company's revenue, to expand on the company, and to meet customers'

expectations. For the most part with companies competing against each other now, Data is more

than likely used at this point to gather information to make the best product for consumers.

Currently, companies like Amazon are finding ways to get the upper hand on the competition and

finding ways to understand why and how consumers go to certain businesses for certain things

and somehow attract those consumers to their own company for those exact things at maybe a

better value. I believe that the Amazon Shopper Panel will change how companies see data for

the better.

In 2020, Amazon released this new program which involved paying customers for their

shopping data. Selected Amazon customers would be able to send in their receipts from different

companies to earn $10 Amazon credit or choose to donate $10 to charity. To be more specific,

customers would need to submit 10 receipts from non-amazon brands to earn the reward. In a

case study that was published, the authors dive more into how the program is affecting sellers,

customers, and Amazon itself. When this program was introduced, some scrutiny was introduced

with it because of the awareness of Amazon's anti-competitive business practices. Some

customers were very worried about sharing their information because they would be sharing their

device ID and using their private data to target the individual with certain ads. But also it was reassured in the study that some customers were in programs like Google Opinion Rewards and they didn't have any problem with certain private data being used. As reassurance too, Amazon has said that they will never show personal data to third parties or use it for self-gain for their products.

Even though Amazon is the latest company to be widely known for collecting data, the collection of data by companies has always been a thing. The 1990s was when a lot of companies were able to understand customer data that they had and use it more to help their company. Even with all this data on their hands, companies had to be careful with maintaining a consumer's privacy and well-being. Some companies were using third-party cookies to track someone's behavior across websites. Other companies like Google would share ads based on an individuals' history on other websites. There were laws passed down to make sure that companies wouldn't be able to use a consumer's data without their data.

The case study summarized that data will always be changing so companies will soon learn how to utilize that data to approach market research, digital advertising measurement, and overall customer experience. The general inquisition said in the case study is if the Amazon Shopper Panel is harmful to their privacy and data or not.

The major issues that were put forth in the case study were largely about the privacy of customer data. Current laws surrounding private data at this moment do not fully protect consumers from their data being used by companies. Even though for most cases, customers have to consent to their data being used, for the most part, they wouldn't know how they were being used. Other companies find this as an issue too because Amazon isn't only going after their customers but they are attracting customers in the same market area.

At a first glance, customers have an idea of what Amazon does with the data that they have collected. Amazon gathered these receipts from mutual customers so at first, you could see that Amazon's surface goal is to match other market area brand items with their brand items to keep their customer base intact and Amazon has also gone out to say what they would use with the data. They use the data to evaluate how effective their advertising has been and understand more about the relationships between their ads and product purchases. Also, they mentioned how they will use the data to make models understand more about which groups of customers would be interested in a certain group of products. Amazon will also be getting survey responses which will result in products getting feedback. This will give the company a chance to do more research on what products they would need to add on to or improve on. Lastly, the data could be used to improve the product and the content selection that Amazon puts forth. Overall, the goal of Amazon isn't just to attract their customers to keep shopping at Amazon but is to attract consumers in the same market area.

For opposing companies, there are questions presented that challenge how ethical the program is. "If Amazon wasn't a big company, would it be acceptable at all for them to roll out a program like this?" I do believe that the response to this program would be very different if it was by a startup company. Most customers are comfortable with sharing their information with Amazon because of how big the company is even though they've had its share of data leaks. To most consumers, bigger companies mean that they're the most trustworthy but that isn't accurate at all. Amazon just has the reputation and the size to have that blind trust. Unlike smaller companies, they wouldn't have the recognition. Consumers would be reluctant to entrust their information to a company with no power in their name. That's why it would be way more

different using data as a startup company than a more mature company, customers would very much not entrust their data to that smaller company.

The value of data is always different among companies. According to many investors and executives in the business world, customer data, which is the data Amazon is targeting, could be used to gain an "unbeatable competitive edge". Amazon already has a huge database because of how many customers they have. In a program like this, getting the most data possible is the best thing to do in almost every case of customer data. In Amazon's case, it would be easier to pinpoint certain brands that they should be working on. Also, it could lead them to be more straightforward with their advertising and know which ads accurately click with more people or not.

With Amazon, they get tremendous value from the data that they collect. The value that they capture is products and brands that customers have bought elsewhere and the value that they give back to these customers is aimed at products that are about the same in value or better and maybe adding a price reduction as an incentive for consumers. Amazon doesn't just give back products but they give back better advertising to attract customers who are shopping in relative market areas. An article on "Capturing Marketing Information to Fuel Growth", concluded that because Marketing is the primary reasoning for organic growth in companies, there have to be more data-driven growth opportunities to utilize this data to market themselves more. Omnichannel Marketing is one of the biggest ways that companies advertise/push out their products. Omnichannel Marketing is the collection of outlets used to interact with consumers. For example, this marketing could range from gaming, web, and social media to in-person marketing. In an article covering the "Informational Challenges in Omnichannel Marketing", the authors summarize that to fully bring out the potential of omnichannel marketing, companies

would have to have access to a lot of data, marketing attribution, and consumer privacy protection, all things that amazon has and could also expand upon.

Even though Amazon will largely benefit from this program, customers will reap the benefits as well. First while being enlisted in the program, they will be earning $10 cash rewards and gain additional rewards throughout the program. They will also benefit from helping Amazon with improving their products because these products will be influenced by the customers themselves. These products are being pushed out because these customers want them. Customers have gained a lot from being enrolled in the Amazon program while only risking just a little of their data being leaked.

In closing, I believe that the Amazon Shopper Panel program benefits the consumers and Amazon. Amazon is one of the first companies to utilize data like this, that is why it is heavily questioned among the competition. Throughout the next upcoming years, more companies will learn how to appreciate data and use it to help in everyday operations. Ways to protect customer data will also be easier and it'll enable customers to be more comfortable with their data being used. In conclusion, I think that the program is great for the technology world and it will lead to data being used in even more ways.

Related References

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