

TO: David Chang (Head of Engineering)
FROM: Parth Jhunjhunwala (Backend Developer)
SUBJECT: Customer acquisition using concrete privacy and data collection policies
DATE: April 25, 2022

Privacy and data security, along with its collection, distribution, and use, is becoming an increasing concern for customers over a varied range of products used by them. Companies as entities are also under intense scrutiny and backlash with the way they handle their customer data, and the need to regulate and create secure data policies has never been higher. During such a state of mistrust between the companies and their customers, our company; which produces a state-of-the-art virtual voice assistant product, should consider this as an opportunity to showcase our security by following strict and robust data security policies, and at the same time increase our customer base.

Data privacy and security is a major point of scrutiny for all major companies. Facebook advertises under building a better network and connecting users to their interests and related people, but never elaborated on how much user information it was collecting, and most importantly, selling. With the acquisition of Whatsapp, users now fear using the popular chatting platform, questioning how much data is shared with Facebook. Apart from that, Whatsapp was publicly exposed by Apple, after the latter introduced its privacy policies and showed Whatsapp collecting far more information than its competitors iMessage, Telegram, and Singal. With all the criticism and media firestorm, all Facebook did was change its name to Meta, in the hopes of avoiding and dissolving whistleblower accusations and poor market name.

Google is another company that has faced several suits accusing of making customers share their location data for targeted advertisements. Google, with its most commonly used search engine as well as Android Operating System, tracks and stores a user's activity and interests in a large amount. This informative data about each user is extremely useful for targeted advertisers looking for specific customers, and Google allows and sells the data to such advertisement companies too. The lawsuit against Google also includes the face that stores whatever you browse even in Incognito mode, and users are actively not syncing their Google accounts in Google Chrome for the fear of the same. Although Google does not directly give you the result for a specific search of targeted people, it does share the information when you are an advertising agency looking for the same. Another concern that arises from this is how the advertising company handles this data.

A company like TikTok has been completely banned in India, because of how much data is shared with its parent company ByteDance, located in China. TikTok most disturbingly allows third-party trackers to collect data on users. The mobile marketing company, URL Genius, used IOS's app recording activity to count different domain trackers for TikTok and found that 13 out of 14 network hits were third-parties and not TikTok's first-party contacts.

Apple has handled the issue of data privacy and security a lot better than its rivals. Apple's entire image is widely known to be that of secure service, thanks to its focus on privacy while building its latest operating systems. The recent IOS and macOS updates and features have led all its

users to have the utmost control over what they share and how much. Features to defeat tracking pixels from market emails, the option of using burner addresses, localized Siri computation, and automatic photo organization, all without the need to upload on the cloud have worked highly in the favor of users. Apple has even marketed its Wallet App well with its security and privacy features. With this positive reputation for security, Apple enjoys the freedom of launching new services and products in the market with a large user base already ready to use them.

I propose, we as a company, do the same. Alexa, one of our competitors, already has a bad reputation with accusations of recording and storing conversations, and even sharing them with others without the user's consent. The highlight of these accusations was when Amazon admitted that some of its employees listened to small conversations to improve Alexa's performance. It is invariably important for us that when we launch our product, we launch it as a product the customers would trust to use. We need to understand that the users do not want their personal information stored, apart from what they intend us to, and at the same time, not sold to advertisers.

Researchers at Northwestern University have concluded that as users become more aware of what companies are doing with their data, the more they choose companies that are preserving their privacy. Users' use of a specific product or service is heavily influenced by what their network of people is using, and having a positive image of our product from the start would help us grow our customer base. We need to try and provide the customer with as much control as possible, ranging from selecting what information is shared with us, to selecting how much information we should share with targeted advertisers without precise recommendations and ads. Inherently, the more information we have, the better our and other third-party services work with our device, but the amount of information is a choice that should heavily be in the hands of the customer.

References:

- 1) Kwok, R. Oct 4, 2021. How companies can do data privacy better. Kellogg Insight. <https://insight.kellogg.northwestern.edu/article/how-companies-can-do-data-privacy-better>
- 2) Whitney, L. Aug 17, 2021. Data privacy is a growing concern for more consumers. Techrepublic. <https://www.techrepublic.com/article/data-privacy-is-a-growing-concern-for-more-consumers/>
- 3) Anwar, S. Dec 15, 2021. Facebook/Meta must stop gathering data on minors. CT Mirror. <https://ctmirror.org/2021/12/15/facebook-meta-must-stop-gathering-data-on-minors/>
- 4) Doffman Z. Mar 6, 2021. Why You Should Quit WhatsApp As Critical New Update Confirmed. Forbes. <https://www.forbes.com/sites/zakdoffman/2021/03/06/stop-using-whatsapp-after-facebook-apple-icmessage-signal-and-telegram-privacy-backlash/?sh=7142b0d133e8>
- 5) The Week Focus. Dec 04, 2021. Alexa Privacy Concerns: Is That Really Concerning? <https://www.theweek.in/news/sci-tech/2021/12/04/alexa-privacy-concerns--is-that-really-concerning-.html>

- 6) Nayak M., Feb 28, 2022. All the Ways Google Is Coming Under Fire Over Privacy: QuickTake. Bloomberg. <https://www.bloomberg.com/news/articles/2022-02-28/all-the-ways-google-is-coming-under-fire-over-privacy-quicktake>
- 7) Huddleston T. Feb 08, 2022. TikTok shares your data more than any other social media app — and it's unclear where it goes, study says. CNBC. <https://www.cnbc.com/2022/02/08/tiktok-shares-your-data-more-than-any-other-social-media-app-study.html#:~:text=As%20CNBC%20noted%20last%20year,%E2%80%9Csafeguard%20sensitive%20user%20data.%E2%80%9D>
- 8) Leswing K. Jun 07, 2021. Apple is turning privacy into a business advantage, not just a marketing slogan. CNBC. <https://www.cnbc.com/2021/06/07/apple-is-turning-privacy-into-a-business-advantage.html>