

AI in Consumer Services - AI Virtual Assistants & Data Privacy

Context

A popular smart home company is rolling out an AI-powered virtual assistant that can learn user preferences and automate household tasks.

The Dilemma

Early users discover that the AI records and stores private conversations, even when the activation phrase isn't used. Consumers worry about data misuse and surveillance concerns.

Decision Factors

- Business Impact: AI assistants boost product sales and customer retention.
- Technical Feasibility: The AI needs continuous data collection to improve.
- Ethical & Legal Risks: Data privacy laws may restrict storage of sensitive information.
- Reputation: Consumer trust is at risk if data handling is perceived as invasive.

Final Decision Options

- Proceed with AI as planned.
- Modify data collection policies (e.g., stricter user control over voice storage).
- Abandon AI assistants in their current form.