



Roundtable Report:

Building Customer Relationships In The Age of AI

In Partnership with

IMAGINATION

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Executive Summary

This Roundtable Report was produced by the data privacy advocacy group Trust 3.0 and award-winning experience design company Imagination. It looks at the key data privacy challenges facing businesses and what can be done to help build a trusted customer relationship.

Some of the key findings from the research are outlined below

Implicit Data

A transparent data process is fundamental when building a trusted relationship with your customers, and if executed correctly can support innovation rather than stifle it. At every step customers should be kept informed and offered the chance opt-out.

The Value Trade-Off

With great power comes great responsibility, and it is important for any organisation managing customer data to ensure it is being used for its intended purpose only. There is also a need to decouple the value from instant gratification.

Ethics & Innovation

Considering the ethical ramifications of any technology should be baked into the strategic planning for launching any new initiative, from vendor profiling to test & learn campaigns. Technology on its own is neutral, it is the use case that supplies the risk.

Message From Our Founders

Hello,

We are living through something like a perfect storm for technology.

The pandemic accelerated digital transformation, raised geopolitical tensions and increased government subsidies in the race to dominate AI.

We now stand at the inflexion point of the 4th industrial revolution, which brings promise, excitement, and uncertainty.

In the race to dominate AI we have seen our data privacy, democracy, and even our human rights impacted.

Trust 3.0 is a data privacy advocacy group, led by data privacy experts who have all galvanised around the notion that both enterprises and society need support when trying to navigate data regulation & legislation, ultimately to ensure equitable relationships for all.

Greig Dowling

Cofounder

Trust 3.0



**"Society needs
support when
trying to
navigate data
regulation &
legislation."**

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Data: State of the Union

To provide some context to our roundtable we have shared a few key statistics from organisations we think help highlight the challenges that both consumers and brands face in this period of exponential change.



01. Low Consumer Trust

According to a 2020 Tableau report, 63% of consumers worldwide think companies aren't honest about how they use their personal information, and nearly 48% have stopped purchasing from companies because of privacy worries.

63%

of global consumers say most companies aren't transparent about how their data is used

58%

say they are comfortable with relevant personal information being used in a transparent and beneficial manner

54%

say most companies don't use data in a way that benefits them

48%

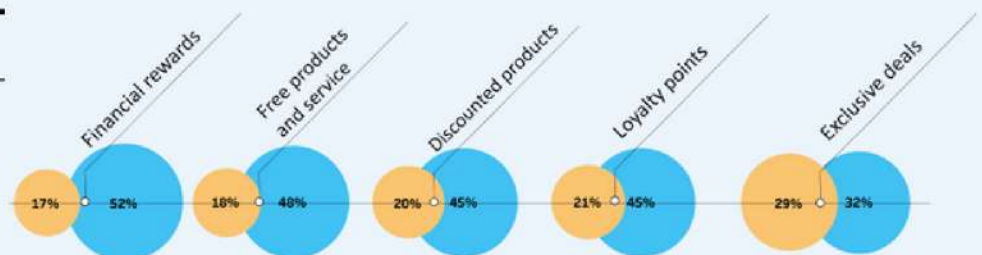
have stopped buying from a company or using a service due to privacy concerns

CONSUMER INCENTIVES FOR SHARING PERSONAL DATA

How likely UK consumers would be sharing their personal information in exchange for each of the following incentives

Unlikely Likely

Retail Economics/Womble Bond Dickinson 2019



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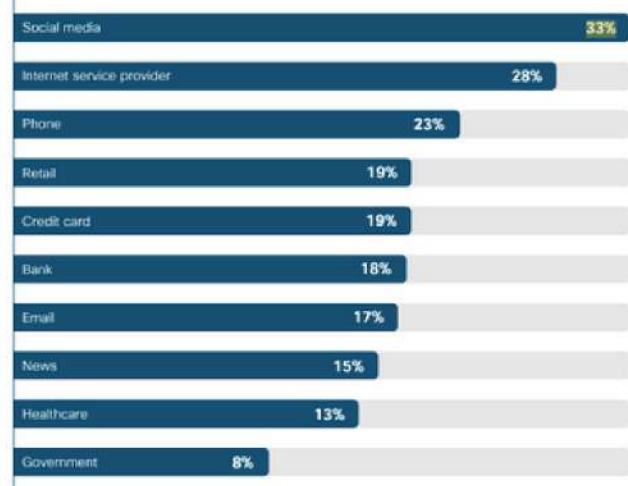
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02. Cutting Ties

A 2021 Cisco report found 33% of people they surveyed terminated ties with traditional and online businesses over privacy concerns, which given the amount of tier-one brands affected by data breaches in the last 5 years is kind of understandable.

Figure 3. Types of Companies Left by Privacy Actives

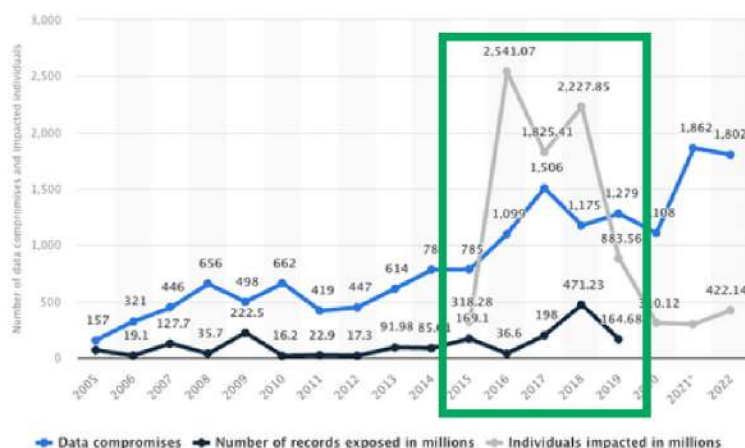


Source: Cisco Consumer Privacy Study - 2021



01. Data Breaches Up

According to Statista data breaches have risen 129% in the last 5 years.. Some of the biggest brands to be affected have been including:



- under armour
- equifax
- zynga
- Marriot
- Yahoo

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Roundtable Panellists

We were grateful to be joined by panellists who have cross-industry backgrounds and are leaders in data privacy, technology and political philosophy, developing the frameworks and processes for some of the biggest organisations in the world.



Angelica Sherygina
Political Scientist



Lydia Knab
Privacy Officer



Adriana Dumitrache
1st Party Data Lead



Anton Christodoulou
CTO

How ethical is it to use implicit data signals?

Angelika (moderator)

When we talk about implicit data signals we mean data such as biometrics, location, interest and any other data that has been collected and used without your explicit knowledge of the individual in order to deliver a service.

Lydia Knabb

Implicit means lack of transparency, and so you cannot have informed consent. Collecting unique identifiers such as biometrics can be a problem because we know that we will never be able to retrieve them once they're out there. So building trust is, I think, a very important thing. And building trust can only happen when we are being transparent.

Adriana Dumitrache

It's all about transparency, and it's about control. So any consumer data signals need to be collected in a way that the company's data practises are transparent to the consumer. So just to give you an example, behavioural website behavioural data can be implicit data signals, but they are collected based on first-party cookies that need to be accepted directly by the consumers.

Anton Christodoulou

The value of implicit data to create a rich experience is obvious. So, if we can't use it this could be counterproductive and can stifle innovation. We need to treat data privacy with the same level of importance as sustainability. We need to help companies understand how to do this because it's a complicated space

Where is the value trade-off for brands & consumers?

Angelika (moderator)

I would like to talk a little bit about personalization. Brands at every level want to offer consumers better levels of personalization, but is this a byword for, give me your data.

Lydia Knabb

When this is a data breach there can be real-life consequences. And I think we need to distinguish between two groups of people. Some people want to customise and personalise everything to death, and other people want privacy. You need to give people the opportunity to be forgotten as we know exists. With a lot of data come a lot of responsibility.

Adriana Dumitrache

For the consumer, it is about tailored content and personalised experiences. And for brands is about more precise targeting. But, what's important is that the brands need to constrain from using all the data and from sending general communication. we need to decouple the value trade-off from instant gratification.

Anton Christodoulou

The value trade-off relies in part on the service you're offering, take Spotify for example, I don't mind Spotify knowing my music tastes. They then give your stats back to you as a fun marketing tool. We want to be able to enable the utilization of data for both parties, but we need to do it using a transparent relationship mechanism.

How do you mitigate against data attacks?

Angelika (moderator)

In just five years, data breaches are up to 129% with a big part, with a big portion of large corporate organisations have become the victim of cyber attacks. How do you mitigate against data attacks and what checks and balances do you put in place to ensure that your customer data is secure?

Adriana Dumitrache

In Reckitt, we have our own IT department to make sure that security principles are applied to all the technology that we integrate with and processes we undertake such as collecting consumer data and mitigating against business risks. So, my advice is to make sure you've got the right experts on board that can help you mitigate against those attacks.

Lydia Knabb

It's not always about the big cybersecurity measures. Sometimes it's really small things. It's not necessarily all about extensive training programmes (although they are important), it is also important to provide small, regular reminders. And let's not forget that one of the most important or one of the biggest issues in cybersecurity, is what is between the keyboard and the chair.

Anton Christodoulou

We have to create a proper decentralised framework for customer data where you own all of your data, be it implicit, explicit, preferences etc, which could be extremely granular. So, if that experience needs a particular set of information, it's very easy for you to share. It's only shared at that point anonymously.

How do you leverage new technologies in an ethical way?

Angelika (moderator)

According to a 2020 McKinsey report, only one-third of consumers think that data is being used responsibly, which means that people don't trust businesses, and this is only getting worse.

Lydia Knabb

It's very easy to say, privacy and ethics have been included, but what does it mean for everyone? We shouldn't really jump on every technological hype just because it's new and cool. Technology itself is neutral, but it's the use case that defines the risk.

Adriana Dumitrache

Make sure any vendors and technologies you work with follow the same security, governance and privacy policies, terms and conditions, cybersecurity principles as your own. At Reckitt, we validate every vendor and every technology that is collecting and using consumer data. This underpins the ethical part of the relationship when building partnerships and drives consumer trust.

Anton Christodoulou

Security and privacy are two different things. Privacy needs to be more aligned with what kind of business you are, and how you are using the data. At Imagination we are experimenting with AI and think carefully about the negative impacts while testing and learning to see what is responsible and ethical.

Acknowledgements

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