

Managing Consumer Data: Transparency and trust are keys to successful customer relationships

Hanover, N.H.— Top executives from Facebook, Starwood Hotels Worldwide, Time Warner Cable, and Yahoo! came together at the Tuck School of Business at Dartmouth this month to participate in a panel session discussing best practices for collecting, managing, using, and protecting consumer data. The panel concluded a half-day of information sessions and programs hosted by the Center for Digital Strategies as part of the ninth Tech@Tuck event, “Managing Consumer Data: Improving Service and Protecting Privacy,” presented in collaboration with Dartmouth’s Hopkins Center for the Arts and the Dartmouth Centers Forum.

John Marshall, adjunct associate professor of business administration at the Tuck School, moderated the panel, which began with a discussion of the customer data revolution. He questioned panelists on customer fears and expectations, challenges facing their companies today, privacy issues, and how each company measures success. When asked about their respective customers’ expectations around personal data exchange, panelists commented that it varied by age and observed that some customers show more willingness to give quality data if they felt that they would be helped or receive benefits from it in return.

Anke Audenaert, vice president of Content Optimization at Yahoo! described how the company uses data it collects to the consumer’s advantage by tailoring information and advertising presented to a user on the website based on past use of the site. She also highlighted the ability to indicate music preferences when creating a Yahoo! account, from which a personalized radio station is created for that user. Amy Weinberg, vice president of Customer Insight at Starwood Hotels Worldwide, commented that hotel guests are delighted when Starwood employees are able to recognize them by name, and accommodate them based on previously indicated preferences.

All panelists stressed the importance of continuously communicating with customers and conducting research to discover what customers want, and how to ensure that their wishes are met by the companies. They agreed that companies must set user expectations and be up front about how the information they collect will be used. “It’s all about trust,” Chris Kelly, vice president and chief privacy officer at Facebook, said.

In the future, panel participants said they would like to find the balance between active and passive personalization of customer data. They agreed that the biggest challenges they face today lay in data quality and quantity. Kelly noted that with between 800 – 1.1 billion page views a day, it is easy to be overwhelmed by the amount of data available on Facebook. The challenge

for the company, he said, is in extracting from that data and deciphering what it means to the organization.

Concluding the panel, Marshall raised the topic of regulation and suggested looking at the European environment where there is an assumption that the exchange and use of personal data is a human rights issue that will be heavily legislated and regulated. In the U.S., he said, it's currently much more patchwork and seen as a commercial transaction. He questioned panelists whether the U.S. should regulate more, companies should self-regulate better, or the end-customer should be responsible for knowing who they're interacting with and what their policies are. The group predicted that the U.S. will increase regulation, and reflect a mainstream consumer view around the use of personal data. "If there is regulation, it should be a level playing field," stated Craig Goldberg, chief privacy officer at Time Warner Cable.

For more information about this panel and the other programs for Tech@Tuck, visit the Center for Digital Strategies' website at www.tuck.dartmouth.edu/digitalstrategies.