Privacy in Large Corporations  
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Large corporations today touch consumers in many different ways for multiple purposes. Increasingly, they interact online through web sites and email and extend these interactions to digital wallets, online profiles, and even become digital identify providers for many consumers. Privacy in these environments is handled in various ways with several different objectives. In this paper, I’d like to discuss the issues surrounding corporate concerns of privacy in respect to personalization, targeted marketing, and customer service.

Corporations today have aspirations of become the premier media solutions, information, or product provider while at the same time delivering superior ROI to partners on their spending on various types of consumer interactions such as customer support, advertising, marketing, and customer relationship management. This is problematic as these services often provide conflicting services. What is the right balance to be struck and how do we effectively enable the consumer to configure his/her profile in a way that does not disincentive the providing company from offering associated value-added services.

Online identities and Personalization  
Online identity has much to do with the user-selected identify provider (IDP). I use this generic term to refer to online companies that provide ID’s for users while they are online. Some popular IDP’s are Yahoo!, AOL, and Microsoft MSN/Passport. Typically the IDP holds not only the exterior facing name of a consumer but also some internal profile about the user such as their real name, location, sex, etc. It is my belief that these providers will determine how the majority of online users will experience the internet (through browsing and email) in the following few years. As the economy continues to weaken and technology spending declines, I see the IDP’s consolidating into just a handful of companies and these players will handle authentication, e-wallet functions, and profile management for mainstream America. Today, the Liberty Alliance and Passport are addressing many of these issues and while they have release initial implementations, many issues remain such as profile management and transferring profiles from one service provider to another.

While these organizations are making progress, users are still concerned about privacy. Microsoft’s Passport stores all user data in Redmond in one location and they refuse to release it even if a user discontinues their Passport relationship. This gets to the core issue of federation with IDP’s. How can users federate pieces of their profile across many disparate sources on the web, but still maintain a single profile? That answer does not exist today.

IDP’s desire personal information to enhance their product through personalization, ease of ease of use and convenience. Sites and services that “know” the consumer are, more often than not, easier to use and more popular than those offering generic service. As
these services become more advanced, the information gathered will be more detailed and accurate.

**Targeted Marketing**
Large corporations need to begin to move away from one-size-fits-all offers, pop-ups, and blanket direct mail or email campaigns. Instead, they should focus on building trust-based, intimate, and event-based dialogues with subscribers. This should be done while continuous serving up of “our best available message, or service action, or offering for that specific subscriber in the moment’s specific context”. Reflect economic needs of the subscriber and the corporation directly in this dialogue. This shift should be made with an overt and transparent commitment to know the subscriber better in order to serve the subscriber better.

While many users are hesitant to release any information for a variety of reasons, there is a large population today, which does not place a large value on their private information. This can be easily proven through online contests and polls: millions of users will instant disclose their personal information if there is even remotely a chance that they can win a small prize. This behavior is not online specific. For years users have used grocery cards and permitted their local grocery store to track their behavior in exchange for small savings. What does this mean for targeted marketers? Fortunately, they have a to handle this easily attained information effectively because users will not respond and will view their attempts to market as spam.

Targeting marketing is not spam if correctly implemented. To do so, a targeted offer must be user configured appropriately and add sufficient value to the consumer’s online experience. While spam is the number one complaint of email and online use, we will see targeted marketing efforts increase not decrease in the upcoming months and years as corporations try to send more personalized and targeted offers to consumers and find the right level of interaction with the consumer that lies between overlooked and annoyed. If spam were such a concerns for users, why would reputable companies continue to risk these test? Direct online marketing is effective and largely under utilized. Direct marketing will go from being a multimillion-dollar business to a multiple billion-dollar business in the next few years. Also, banner ads have proven to be unsuccessful, and anything short of establishing an active relationship with a user is thought to be ineffective.

Amazon.com is one of the few online service providers who seem to understand the balance between privacy and value and enable users to modify the level of interaction between the retailer and the user.

**Customer Service**
This is a service offered by many companies and is deemed a valuable service for a large part of consumer America. However, one of the main complaints call center operators hear is the lack of knowledge held by operators, the inconvenience of educating an operator of a caller’s information, and the inability for the operator to solve the specific problem quickly.
For the company that offers one simple service such as cable TV or electricity, managing customer information is not a complicated task. Only a few parameters are needed to diagnose most problems and it usually does not benefit these operators to gather a large amount of personal information. However, online service providers will face more challenging tasks of determine the correct usage model for using physical information as well as active online usage information.

Call centers are large operations for consumer companies such as Dell, Verizon, and Microsoft. The costs to operate call centers are substantial. If a call operator costs between $30 - $50 hour, and a user calls every six months, a product must cover this cost on an ongoing basis. Due to this structure, detailed data becomes necessary for customer service reps to diagnose problems and collection techniques will only become more sophisticated.

Each piece discussed above is a fairly straightforward concept of why personal information is useful to a corporation, and while business and technology implementations can seriously challenge usage models and contradict privacy policies. Maintaining responsible privacy levels becomes much more challenging when companies grow and take the roles of all three functions: ID providers, targeted marketers, and customer service providers. Today, there are very few rules and precedents on how corporations should manage user’s information not only across divisions but also from online to offline. Some corporations such as banks and insurance conglomerates have regulatory rules to help govern them, but many offline and new web service providers do not have usage policies to adhere to or generic guidelines to follow.

Even in this down economy, more and more companies are establishing an online presence and merging offline profiles with online, using offline data to help them target online offers, using customer service information to tailor service offerings, or storing usage patterns to sell to third party marketers. It is my goal to help organize and establish an architecture that addresses the balance between offering value added services and customer trust, between data sharing and tailored interactions, and between relevant delivery of information and spam. This can be done, but it will take a concerted effort by the corporations to begin to better understand customer behavior, corporate-consumer interactions, and the privacy issues associated with them.