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Opinion

Big customer data: the most valuable global currency

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Comment

John Naisbitt, the American futurist and author of *MegaTrends*, said, "The new source of power is not money in the hands of the few, but information in the hands of many." That was three decades ago, and his statement still rings true. Now, more than ever, so much information is available, it has even been given a common name: "Big Data". The issue is no longer how to access it; it's knowing the potential, what to do with it and how to best use it for business and community advantage. Cybercriminals have been tapping its potential for years. Now it's time to examine the standards by which we operate as a global community and develop ways to better use data for business and public benefit.

A highly prized asset

Big data isn't new - it just hasn't had a buzz word attached to it until recently. Businesses that work in the data collection and analysis space have known for a long time about the value that can be gained from using it properly. Data collection is a critical part of any business and the smart ones are realising its analysis is vital to their sustainability and position in the market. The fact it's on the political agenda shows us that even the sometimes slow-moving public sector is embracing the opportunity data analysis presents.

With the right focus customer data can be used as a valuable currency for making effective business decisions, government policy and community enhancement. Provided companies are complying with customer data security regulations and following the Australian Privacy Act, there's a lot that can be gained from the right analysis of the ever-growing data pool available.

Telecommunications, utilities, insurance and banking/finance are the biggest collectors, to the point where customers may not realise exactly how much detail their chosen service providers hold on them - particularly since the rise of smartphones.

For instance, by analysing a customer's mobile phone usage, spend and interaction with the company, a telco can determine a customer's demographics, preferences, geography and social networks. Right down to the point that they know you were standing on the corner of King and George Streets in Sydney at 6:46pm last Thursday night, where you spent four minutes on Facebook, followed by a call to your mother who lives in an outer suburb of Brisbane.

In most cases, these personal details are used for billing purposes, tailored marketing or planning operations to offer a better service. Vendors and government agencies can do anything they want with that information provided they're not releasing customer data to anyone else and they're complying with Australian legislation.

But these laws put tight caveats on local companies and there are changes occurring in government and industry every day to help enhance consumer data protection and privacy. Right now, changes to data breach

laws are on the agenda in Federal Parliament, to bring more businesses into line with reporting breaches of customer data. Also, local telcos are starting to use spam filters for customers, to block SMS scams and help further prevent customer data going to the wrong hands.

An obligation to the community

Because of the depth of knowledge businesses hold, companies have an obligation to customers to help protect them and the wider community. That's why big business is now more involved than ever in assisting law enforcement to reduce white collar crime. Law enforcement agencies have been using big data analysis at differing levels around the world for a long time to track criminals, with advancements daily. From the simplicity of tracking a fraudulent purchase to more complex tasks like working with international law enforcement agencies and international carriers to locate missing persons, or identify terrorist activity, there are many examples of data being the key to solving a crime.

The extra knowledge made available via big data analytics can often be the solution to finding the needle in the proverbial haystack when solving crimes. It can aid with identifying patterns and correlations, as well as detecting relationships and connections between individuals.

By working in partnership with law enforcement, organisations are ultimately protecting the company itself, shareholders, customers and related individuals, and the broader community. This alone mandates that organisations should use all the data at their disposal - with extreme care and accountability - to help prevent white collar crime and prosecute the criminals.

What's next?

Privacy levels, data collection, leakage and breaches differ all over the world.
Argentina and some countries in Europe have the most restricted privacy and data protection policies in place. The Middle East, most of Asia, Eastern Europe and basically all of Africa (excluding South Africa) are at the other end of the scale, with effectively no data restrictions at all. Australia sits middle of the road, like Canada, Mexico and some of Western Europe, with some restrictions. The US has fairly minimal restrictions, and it uses that position to great advantage where use (which some may call abuse) of consumer data is concerned, with Big Brother effectively positioned on - or just behind - everyone's shoulder.

Like law enforcement agencies, data thieves are getting smarter and more creative. So it's up to governments to examine privacy and data protection legislation carefully for the benefit of citizens. In third-world and developing nations, the issue of data privacy is such a low priority it isn't even on the agenda, which means the responsibility to raise standards comes back to the developed countries that can afford to do something about it.

By working as a global community and developing a comprehensive network, supported by a set of guidelines by which we should access personal data, we will be taking the next step in helping reduce white collar crime and supporting the global community.

Voltaire said, "With great power comes great responsibility," and this is the perfect example of wielding that power in a positive way for the greater good.

The key to doing it properly is to communicate security and privacy policies to the consumer, making it clear how their data will be used. If customers know their information is going to be used carefully and with integrity, (rather than simply being placed on multiple marketing mailing lists or being sent to overseas email scammers), they're more likely to feel comfortable sharing their personal details. This can then generate a flow-on effect of an increase in trust in the business, which has a positive impact on corporate image and

industry reputation. This trust will come down to the method of data collection, how it's managed and how it's used, which can ultimately lead to a safer society if we do it right.

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