


FORRESTER®

Are You Ready to Navigate the New Privacy?

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October 30, 2015



GET ALL THE
INFORMATION YOU CAN,
WE'LL THINK OF A
USE FOR IT LATER.



Consumer privacy & security are a disaster

- › Today's average consumer:
 - Is logged into 80+ apps and sites at a time
 - But only uses an average 5.7 unique passwords
 - She shares each password across 6 – 20 sites or apps
 - While 4% of her logins result in a password reset request

The media is quick to shine a light on privacy infractions

Fraud threat to millions of TalkTalk customers

Major breach of data leaves one customer £2,800 out of pocket as TalkTalk and his bank, Santander, refuse to compensate him



The Telegraph

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Tom Tom sold driver's GPS details to be used by police for speed traps

Tom Tom, the satellite navigation firm, has admitted it sold information on motorists, gathered via their in-car GPS systems, which was then used by the Dutch police to plan roadside speed traps and cameras.

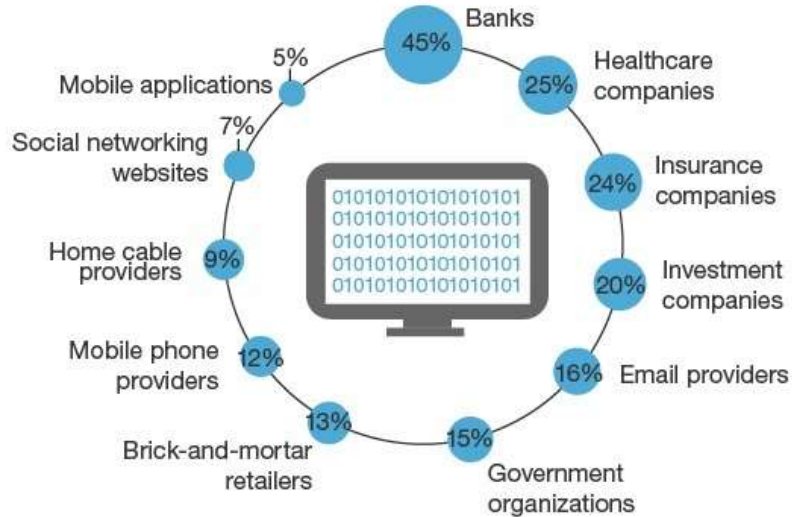
SEPTEMBER 4, 2013, 9:53 PM | [14 Comments](#)

Privacy Groups Ask F.T.C. to Block Facebook Policy Changes

By VINDU GOEL

So consumers don't trust businesses

“Which of the following types of companies do you believe are trustworthy when it comes to keeping your personal information secure online?”



Base: 5,012 US online adults 18+
(multiple responses accepted)

And take steps to protect themselves

22%

of Chinese consumers use a
“do not track” browser tool

40%

of Chinese consumers use
security & privacy apps on
their smartphones

26%

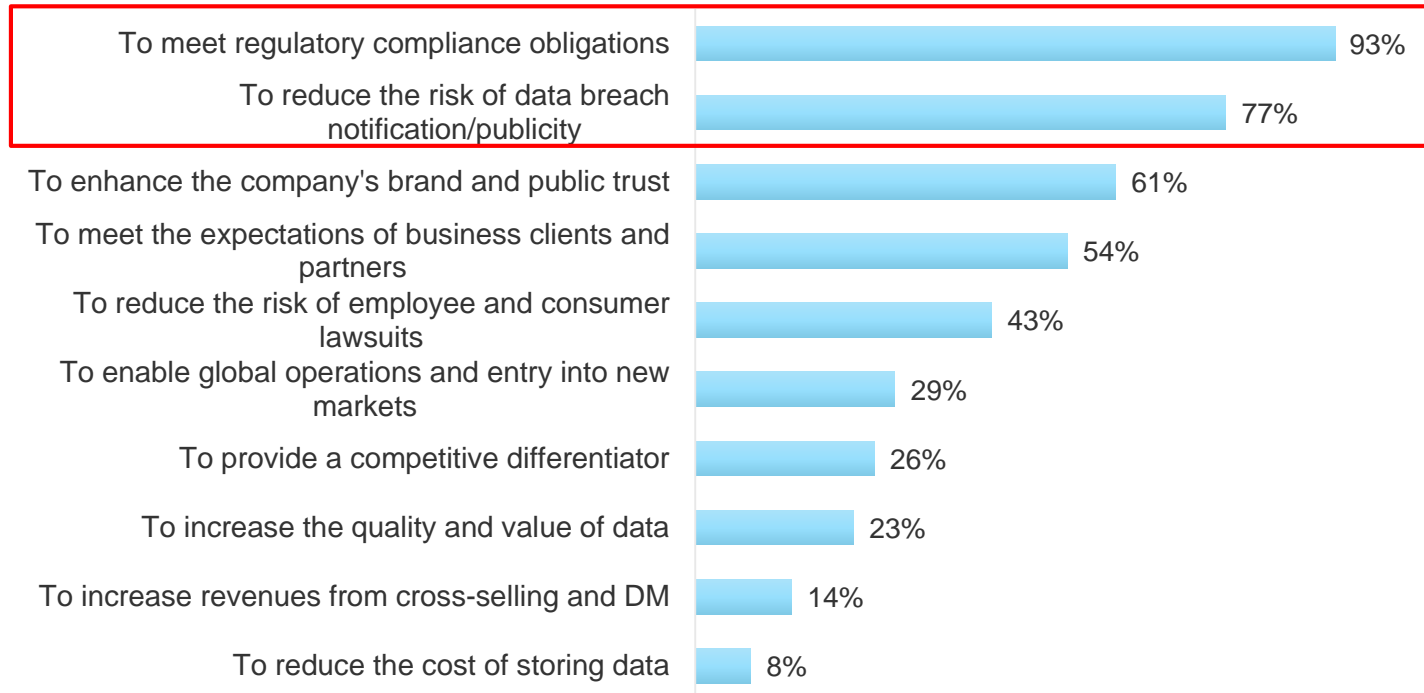
of Indian consumers look at
privacy policies before
making an online purchase

28%

of Indian and Chinese consumers
use adblocking tools

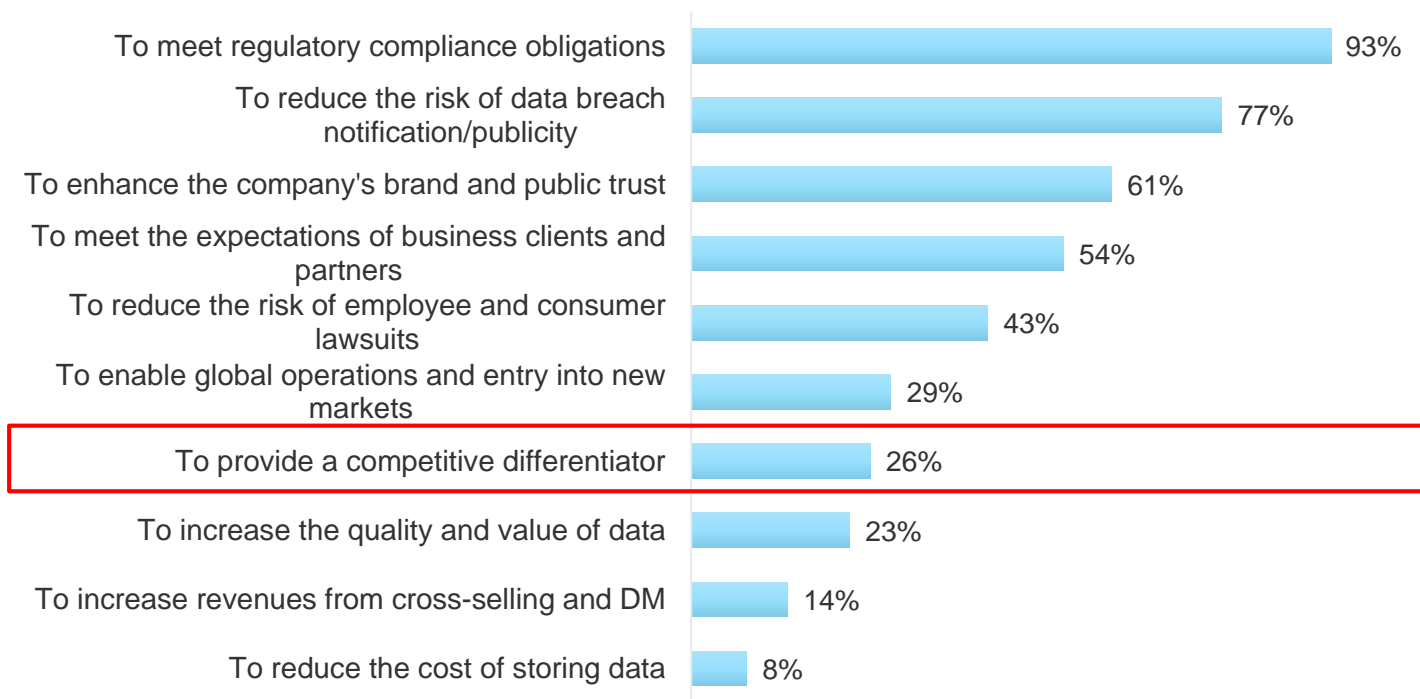
Companies' privacy approach has been wrong

What Are The Main Reasons The Leadership Supports a Privacy Function?
(multiple answers accepted)



But the paradigm is changing

What Are The Main Reasons The Leadership Supports a Privacy Function?
(multiple answers accepted)



**There are two reasons
companies should
change their
privacy practices.**

The first is fear: poor privacy carries risk

- › Regulation is coming... and it's going to cost a fortune when companies run afoul
- › It causes public relations headaches – globally, nationally, and locally
- › “White hat” developers are looking to expose broken privacy and security practices
- › It can literally cost your CEO his or her job

But privacy can create competitive advantage, too

PRIVACY LETS A BUSINESS:

1. Attract more customers



The biggest iOS
release ever.



But privacy can create competitive advantage, too

PRIVACY LETS A BUSINESS:

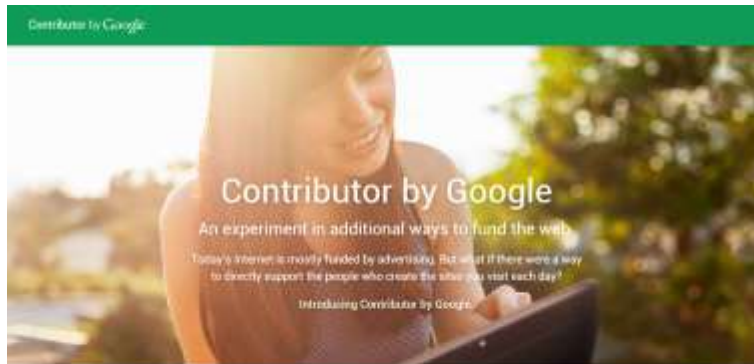
1. Attract more customers
2. Offer more personalized services



But privacy can create competitive advantage, too

PRIVACY LETS A BUSINESS:

1. Attract more customers
2. Offer more personalized services
3. Charge a premium for privacy-enhanced services



But privacy can create competitive advantage, too

PRIVACY LETS A BUSINESS:

1. Attract more customers
2. Offer more personalized services
3. Charge a premium for privacy-enhanced services
4. Productize privacy



The Solution:

Contextual Privacy

A business practice in which all collection and use of personal data is consensual, within a mutually agreed upon context, for a mutually agreed upon purpose

The calculus for contextual privacy is simple

- › Consumers get value in exchange for their data... value that THEY can control
 - The value exchange will lead to greater trust, more loyalty and more willingness to recommend businesses to others
- › Businesses assume less risk, and recognize new business opportunities
 - Better privacy practices reduce data storage risk
 - They can be on the leading edge of privacy-friendly markets
 - The services they offer will be the right ones to the right customers

Contextual Privacy requires the united effort of both business and technology leaders

Marketers & Business

- Provide insights into changing customer sentiment, preferences, and behavior
- Identify revenue generating business opportunities
- Adjust customer data use practices to align with Contextual Privacy
- Communicate data use practices to customers

Business Technology

- Understand how to capitalize on changing global privacy requirements
- Build privacy practices and skills, implement technology to engineer and operationalize Contextual Privacy practices
- Prioritize BT investments for privacy-led opportunities

Privacy is a company-wide imperative.



Marketing & Business Leaders



Technology Management Leaders

1. Establish your privacy organization.

2. Uncover specific business opportunities for privacy.

3. Operationalize & engineer for privacy

4. Plan your privacy-led BT investments

5. Measure success

Why Today?

- › Consumers' sophistication on, desire for, and commitment to privacy will grow
- › They will continue to vote with their wallets and adopt technology to protect their data and identity
- › Companies that can monetize customer data with consent will thrive; those that can't will stagnate

The bottom line: Companies must protect customer privacy or perish.

Thank you

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