Data Privacy: Why Honesty is the Best Policy
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The hallmark of successful businesses is the ability to create value for the consumer. It is value that predicates the importance of goods and services that businesses can leverage to generate revenue and pursue operational goals. With this being said, it is important to note that value can go beyond monetary definitions. As long as a business can create an offering that aligns with consumer perceptions of value, an offering can be said to be beneficial. The same is true when it comes to user data. In order to surrender data to a company, a consumer must perceive enough benefit in the product or service to outweigh the costs of surrendering data. However, this paper will argue that users do not accurately know how to assign value to their data based on a lack of transparency with regards to the methods used to collect the data, its nature, and the way it is used.

It is no secret that companies are collecting user data (Freedman, 2020). Companies regularly capture consumer data and store it to later be analyzed. User data provides businesses with a greater understanding of day to day operations, and ultimately leads to better business decisions (Freedman, 2020, para. 2).

Many consumers are aware of user data collection. However, despite the risks involved, most choose to dismiss the risks and costs associated with the collection of user data in favour of instant gratification. While data acquisition is commonplace in the modern world, the nature of the data collected, coupled with the purpose of its acquisition, remains a mystery. Consumers are uninformed as to the specific types of data that businesses are collecting (Morey et al., 2015). For example, in the case of user location, only 25% of consumers are aware that their data is being collected (Morey et al., 2015). Furthermore, with respect to web-surfing history, only 14% of users are cognizant of this fact (Morey et al., 2015). Evidently, most consumers have little understanding as to the collection of their personal information. However, in cases where consumers are aware that their data is being collected, not all data is valued the same. This value also differs internationally and does not remain consistent when put in a cross-cultural framework (Morey et al., 2015).

Placing universal value on data is simply impossible as all cultures have varying perspectives that shape value (Kitayama & Park, 2010). With respect to data protection, the price that individuals are willing to pay is related to cultural values that exist internationally (Morey et al., 2015). Take, for example, government identification. In the United States of America, citizens value the protection of government identification data at $112.20, while, to citizens of India, it holds negligible value (Morey et al., 2015). Moreover, examining health history data, Germans assign a value of $184.20, yet consumers in the United States associate little price to it (Morey et al., 2015). These findings provide an opportunity for businesses to better understand their consumers' values, and to create a more culturally aware value proposition.

As companies learn to understand the perceived value of user data to consumers, they can learn to make increasingly more informed decisions on how to use it and ethically attain it. Ultimately, to maximize value for consumers and corporations alike, businesses must adopt a more transparent methodology of data acquisition. Not all organizations garner the same level of trust from its consumers. While primary care doctors are universally trusted in handling patient data, social media firms have lost the trust of their consumers (Morey et al., 2015). In order for businesses to be successful, they must build trust without the expectation of it being automatically given. Furthermore, while it takes time to build trust, it takes only an instance to break it. Many companies adopt an "ask for forgiveness, not permission" mindset that has contributed to scandals across an array of different industries. Take for example the social media powerhouse, Facebook. Without the consent of its users, millions of Facebook users' data was retrieved by Cambridge Analytica to eventually be sold to political campaigns (Confessore, 2018, para. 2). While the rate of Facebook users continues to climb, analytics suggest that Facebook usage has fallen nearly 20% since the scandal (Hern, 2019). Moreover, a survey conducted by Ponemon Institute in 2018 found that following the data breach, trust in Facebook has fallen by 66% (Weisbaum, 2018).

While the multi-billion-dollar legal settlement looms large over the finances of Facebook, the greatest cost of the data breach was not the legal fee, yet instead the loss of user trust.

So, how do organizations build trust in their consumer? Firstly, companies must remove the veil of secrecy as to the processes and purposes of data collection. Not only should a company make it explicitly clear as to what data it plans to collect, but it should also provide an explanation of how they plan to use it. In particular, consumers should be made certain that the data they forfeit is being used to benefit them. Secondly, companies must ensure that users control their own data. Users must provide consent on the sharing of their information, which includes more transparency with regards to how companies plan to use the data. Finally, companies must be responsible with the data in which the consumer consents to give. They must remember that while the user may consent for the data to be held by the company, the consent does not extend past that firm and therefore the data must be secure. As such, it is critical for the company to properly manage its user data, while allowing for the consumers themselves to make decisions to how it can be used,

Transparency in the collection and use of consumer data is entirely essential for a business to establish trust. In the absence of transparency, not only are consumers unaware of what data is being collected, but also of how the data is being used to create value for them. It is only when a foundation of trust is built that companies and consumers alike can realize the true value of user data collection.