Willing to share? When it comes to data, who will share what and why?

Consumers are becoming increasingly aware of the value of their personal data. As privacy laws are updated and consumers become more cautious about their personal data, sharing really is caring – and companies need new ways to make their customers care enough to share their data. The Institute of Marketing Management at the Zurich University of Applied Sciences has developed a model to predict consumers’ willingness to share data across a variety of different contexts.

The Institute of Marketing Management explores the relationship between companies and consumers, with the aim of finding new methods to collect data in a way to benefit all involved.
The index is now being tested in the real world. These tests compare the WTS of an index-selected group with a randomly selected group. If the index-selected group is consistently more willing to share data than the randomly selected group, like the researchers from the IMM expect, then the index will have proven its worth as a tool for those firms on the hunt for consumer data.

It matters to consumers who is asking for their data, why they are asking, the kind of data being asked for, and how that data will be used.

**Dr Kurt A. Ackermann**

Dr Kurt A. Ackermann is a research associate at the Center for Behavioral Marketing within the Institute of Marketing Management at ZHAW School of Management and Law. He has a background in psychology as well as economics and earned his PhD at ETH Zurich in the field of Decision Theory and Behavioural Game Theory. Before he joined the ZHAW he worked as a senior consultant specialised in Behavioural Economics.

The index is currently being tested to see if groups selected using the index are more willing to share their data than random samples. Are there any plans to test the index in other ways – for example, by offering different incentives?

In principle, there are three ways in which the index can be used. First, the index can be used to identify people who are most likely to share their data given a particular scenario (who is asking for the data, what kind of data is asked for, what incentive do you get for sharing your data, etc.).

Second, as these scenario variables are input parameters in the model, it is also possible to use the model to test different specifications of a scenario. For instance, will the proportion of people willing to share their data be higher if you offer incentive A rather than incentive B in a given scenario? Hence, if a company knows what parameter constellation (e.g., what kind of incentive works best given a particular data type) will lead to the highest expected conversion rate, it can react to that and adjust its use case accordingly.

Third, by testing different scenarios for a company of a particular industry, for instance, the most promising parameter constellation can be identified. Hence, the index can also be used for advising firms with respect to designing a use case from scratch.

How well do you think the WTS index will perform in predicting the best possible conditions for consumers sharing their data?

This is a difficult question to answer. We hope, of course, that the index can dramatically improve targeting efficiency and accuracy in identifying best fitting conditions. We performed statistical validation techniques with the experimental data, of course, and the corresponding results are very promising. If, for instance, you select people based on their WTS-index as compared to just drawing a random sample, the proportion of people indeed willing to share their data is twice as high, meaning the targeting efficiency is doubled. This is a substantial improvement and translates into significant beneficial consequences in monetary terms. We hope, of course, that this will be confirmed by (exceeded) when validating the index in the context of a real application in practice.

When conducting the survey you varied the types of industries and incentives, amongst other things. How did you decide on the types of brands and incentives, and how easy will it be to expand the index for new types?

This decision of what parameters to include and to test was a tough one. It was not possible to include any kind of company from any kind of industry, or any kind of incentives theoretically conceivable. Hence, we based the selection on literature research and a review of most commonly encountered application types in recent times.

Expanding the model itself to take further conditions as input is difficult, as the model would have to be fitted to new data again. However, we think that the model has enough input parameters so that even cases that are not represented 1:1 can be evaluated by specifying a scenario that is reasonably close to the one at hand (kind of a proxy-case) so that corresponding results are meaningful and can be used for targeting or adapting certain elements of the use case.

It’s clear that many companies stand to benefit from technologies like the index you have created. What benefits, if any, do you see to consumers?

I think the benefit for consumers is at least two-fold. First, concerning targeting, the index is used to assess how likely people are likely to share their data given a particular scenario, which also means that they are likely interested in the corresponding use case. Hence, the index helps providing people with offerings and opportunities that are likely relevant for them and which they will likely find interesting.

Second, by adapting a use case according to the index, consumers will likely be confronted with a case that fulfills their needs and expectations. That is, the index helps to come up with use cases that provide a real benefit for consumers, in the sense that they are offered the incentives they were looking for and profit from how the data is used by a corresponding company (e.g., when a company uses the data to improve customer experience). In addition, the index intends to benefit consumers insofar as it compensates them for sharing their data, hence it emphasises the value of data.

How do you see WTS indices changing the relationship between companies and consumers?

We think that using the WTS-index is a great opportunity to affect the relationship between companies and consumers in a positive way by ensuring the best possible match between the companies’ interests and the consumers’ interests. For example, according to the index, we would not advise a bank to ask for medical data and offer cash as an incentive while using the data for selling them to other companies. Scenarios like those would very likely lead to the ringing of alarm bells in the customers’ heads and decrease the customers’ trust in such a company. Rather, the index suggests the provision of use cases that are accepted by the consumers and provide them with relevant and attractive services to the benefit of both parties, hence increasing mutual cooperation and trust with beneficial consequences for the relationship between provider and client.

**Biographies**

**Bettina Binning M.A. HSG** has held the position of research associate and lecturer at ZHAW Zurich University of Applied Sciences, Institute of Marketing Management, since 2012. Her research interests include consumer behaviour, customer experience management & service design, experimental research, preference analyses, and mixed methods research.

**Dr Linda Miesler** received a diploma in psychology from Humboldt University of Berlin in 2006 and completed her PhD in business administration/marketing at the University of St Gallen in 2011. She is currently senior lecturer in consumer behaviour at the Institute of Natural Resource Sciences (ZHAW). Her research areas are consumer decision making, informational nudging, and behavioural change in the context of sustainability.

**Prof Dr Brian P. Rüeger** is Head of the Institute of Marketing Management, School of Management and Law at the Zurich University of Applied Sciences and completed his PhD in Service Orientation and Service Design at the University of Zurich. He acts as board member for companies with growth strategies and has a strong track record in international high-tech consulting companies.

**with Dr Kurt A. Ackermann**

The objectives of the WTS-index research project include: shedding light on the conditions under which consumers are willing to share their data; developing a model that predicts an individual’s likelihood of sharing personal data given characteristics of the situation (what data, who,what company, for what purpose, etc) as well as the corresponding person’s characteristics (e.g., sociodemographics); using the model to make predictions and make targeting more efficient for (AZ Direct); using the model to allow AZ Direct to consult other companies on how to design interventions or use cases to maximise conversion.

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**Collaborators**

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**AZ Direct**

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