

# Winning against 'datavores'

India should be wary of 'data monopoly'

Amazon's reported plans to buy into Airtel and Google's decision to take a stake in Vodafone-Idea are in the right direction, as the unstated objectives of the Jio-Facebook deal could be something India should be wary of – for instance, data monopoly.

With exclusive access to 650 million users in India among Facebook, WhatsApp and Jio, the humongous data the new partnership has access to, should be a major concern for competitors in various segments, and civil society at large. To be 'harmless' is not part of FB's ethos and it is just another 'pure play' corporate leech beholden only to its shareholders, just as Reliance too believes in maximising shareholder value. The need for stringent data privacy laws and even stronger enforcement of the same has never been more critical.

How can Indian enterprises brace up against this data behemoth straddling diverse industries including oil, telecom, retail, e-commerce, payment apps, real and virtual media? In the neo-world where 'datavores' that gobble up, digest, apply and monetise data, rule, how can one compete successfully, let alone survive?

It's astonishing that companies have better accounting for their office furniture than their information assets. Imagine a time when companies start reporting the value of customer data in their balance sheets.

As Jio-FB threatens multiple industries, it is imperative for various players to come together to fight back, especially when industry interfaces disappear in the digital era. Can't the various players build a 'data moat' by inviting like-minded and complementary businesses to join hands? Players like Times Group, Westside, HDFC, Tata, Paytm, Airtel and Amazon should come together to share data amongst themselves. Shared data can fill in the blanks for building a complete customer profile. Data-sharing brings enhanced value for all stakeholders, and marketers know this very well when they try to assimilate data to identify the most profitable customers, fine-slice market segments, or offer new products and services. Offering seamless customer experience through wider partnerships is the new big thing, what the Jio-FB venture is probably aiming at.

Uber, for instance, makes its API available for developers wanting to enhance their apps. That means any app that can send a destination address to Uber will be able to display pickup times and fare estimates without users having to leave their app. Even offline examples such as catalogue



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retailers sharing their mailing lists with others to widen reach and financial companies sharing data with credit bureaus to combat fraud, urge legacy companies to hasten to such initiatives.

Legacy enterprises have been using walled gardens like Facebook and Google to access new customers, and learn more about their customers in the enormous pool of cross-device login data. They are now realising a fundamental flaw with Facebook when they do not get to create a true universal view of their customer journey because of the data control at the other end. Collaboration with others who have first-party data is mutually beneficial to drive successful personalised campaigns. With Google phasing out third-party cookies, the hunger for first-party data platforms will only rise.

Open data (public and private pooled data) can be a \$3 trillion business. Over 22,000 APIs – an API is a set of instructions that allows one piece of software to interact with another – are in use today by firms for sharing data without human intervention, and they have enabled organisations holding huge data to become platforms for third-party innovation. Twilio, for instance, provides a service that allows partners to send and receive voice and SMS communications. Uber and Airbnb use Google Maps, Twilio (SMS notifications), SendGrid (e-mails), and Braintree (payments) to make the magic happen. Legacy companies like HUL, ICICI, Maruti and Airtel should share APIs amongst them to create more value and keep up with the challenges posed by the datavores.

On an average day, 47 billion (non-spam) emails and 95 million 'tweets' occur globally. Each month, users share about 30 billion pieces of content on Facebook. The impact of this 'empowered individual' is just beginning to be felt. Almost 78 per cent of consumers think it is hard to trust companies when it comes to using their personal data.

The competitive advantage in the data economy comes from a differentiated customer data, and works only with customer trust. Those who follow transparency on the information they gather, give customers control of their personal data, and offer fair value in return, will be trusted and rewarded with substantially deeper access and a disproportionate share of wallet. Eventually, they will want control of their personal, telecom, credit cards, and banking data in a personal data warehouse. This trend is already visible in the health-care sector in the developed economies. The US

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Blue Button protocol provides a secure way for veterans and Medicare beneficiaries to share their medical history with the healthcare providers they prefer.

Yet, most businesses here have a myopic view. The future for a bank could be brighter despite tech-led disruption, by acting as a platform for third-party innovation in a not-dissimilar way as Apple allowing third-party developers. When customers demand their data, businesses cannot play gatekeeper roles anymore and a Jio-FB or Amazon cannot have the monopoly on data. They had better partner their customers for staying in business. Privacy laws have to be stringent and must follow the best of global practices, no matter what.

Helping customers use their own data in creative ways can be a great business differentiator. For instance, customers may love to know how

their telecom spends compare with someone of a similar profile. How much time do our kids spend on online gaming as compared to others? Customers may willingly provide more information in return for such valuable inputs.

Enterprises ought to create a personal data product business. Most millennials are data-natives – they expect their world to be digital, and to be able to personalise their tastes and habits: “A bank should not only be digital and interactive but also be relevant to me. It should tell me what I must know based on my interests, location and preferences.”

The idea of using analytics as ‘personal power’ will be resisted by companies and non-progressive governments, but it has the power to allow the customer to control and manage their relationships with providers. ♦

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