How Organizations Can ensure Competitiveness: from the Data Use Perspective

Min Gong

King's College London, London WC2R 2LS, UK.

Abstract: Social media marketing has brought about a number of new phenomena: smartphone-based social media applications have increased consumer behavioural data. This user data provides important insights into real-time consumer behaviour. This paper analyses how for-profit organisations can remain market insights by (1) incorporating third-party data (2) homogenous user segmentation (3) predicting the right time. However, this also raises a number of digital ethical issues: (1) user consent (2) user privacy (3) ownership of data. Therefore, in the 'Discussion' session, the article proposes a solution based on a digital asset system and metadata.

Keywords: User Data Use; Digital Ethics; Data Management; Data Ownership

Introduction

While mass media must interrupt content in order to reach audiences in a one-way fashion through thirty second television commercials, social media marketing has also brought about some new phenomena: smartphone-based social media applications have increased consumer behavioural data (Sharmin, 2021), and this user data provides important insights into real-time consumer behaviour (Intezari, Gressel, 2017). As a result, the collection of consumer information for optimising the consumer experience for strategic communication campaigns has become the norm. This article argues that, firstly, as the use of personal user data and behavioural data becomes commonplace, companies should turn this data into market insights by (1) incorporating third-party data (2) homogenising user segmentation (3) predicting right time. However, this also raises a few digital ethical issues in discussion: (1) consent of users (2) privacy of users (3) ownership of data. Finally, in the 'Conclusion' section, it summarises the key arguments and flaws, as well as suggesting some areas for future research.

1. Using of data

The ability of for-profit organisations to remain competitive depends on their ability to convert this data into insights about the marketplace. The following approaches can help: (1) incorporating third-party data (2) homogenising user segmentation (3) predicting right time

1.1 Incorporating third-party data

For-profit organisations wanting to remain competitive that uses personal and behavioural data extensively can try to buy access to third-party data from data providers or open data platforms and optimise the consumer experience by combining it with their own platform data to anticipate target consumers and their behaviour (Billur, et al, 2013). Once the user has left the platform, the institution has no knowledge of the rest of the user's behaviour. As a result, it is difficult for for-profit organisations to target users more comprehensively and accurately with information from a single platform, and many organisations tend to use a combination of third-party data in order to precisely target consumers and optimise the consumer experience. For example, Amazon uses data provided by third-party sellers: product listings, pricing points, returns data and reviews in the same categories as Amazon Basics, combined with Amazon's internal data, to extract product-specific data reports to target existing and potential consumers and to optimise the consumer experience (CNBC, 2020). Futhermore, the easiest access to third-party data is through data providers such as, Gdatalist, globaldata, and some open data platforms

such as Google open data, data.worldbank, where the data they collect witness the consumer's behaviour (Michael, Thomas, 2019), which is particularly important for profit-making organisations to adapt their strategies. For-profit organisations need to have a clear targeting of consumer groups and a more accurate prediction of consumer behaviour, which can be achieved by combining data from within the organisation and from third-party platforms.

1.2 Homogenising user segmentation

To achieve the usability of the large amount of homogenous consumer personal information and behavioural data captured through the combination with third-party platforms, it must be further researched in a highly personalised and targeted manner. This is because the consumer behavioural habits of homogenous groups may still differ significantly (O. Ashton, et al, 2012). The ICP can be used to predict the potential consumer behaviour of the target group and thus optimise the consumer experience. On the other hand, for profit organisations can also combine sociology and behavioural science to intersect the possible individual actions, group practices, behavioural patterns and social environments of consumers (Claire, et al, 2002) to infer the possible psychological and behavioural manifestations of consumers in order to optimise their consumer experience. For example, Forbes notes that TikTok tends to analyse trends in the consumption preferences of different geographical groups in the Z-era through different dimensions of user profiling, to deliver more accurate and personalised content to Z-era consumers. Therefore, in order to remain competitive, for-profit organisations should, after integrating third-party data, conduct segmentation studies on homogenous consumer groups to generate more personalised consumer behaviour prognosis for sending the right messenge at the right time to users, thus optimising the consumer experience.

1.3 Predicting the right time

After finding target consumer groups in combination with third-party data and segmenting homogenous consumer groups, finally, profitable organisations need to target consumers at the right time and with precision.   However, Michael M et al point out that these can be achieved by developing various analytical and comparative machine learning models to make more accurate predictions about consumers based on their social activity and language usage habits (Michael M, et al, 2018, P61967). In addition, emergency emergencies may trigger some random user behaviour (Ioanna D, et al, 2014), which must be taken into account by for-profit organisations. For example, the rapid spread of COVID-19 at a global level has led to online medical help services becoming a new consumer demand for many people in recent years (Chen, et al, 2020).   In a competitive market, the use of personal information and behavioural data to optimise the consumer experience is becoming the norm, and the achievement of a positive consumer experience starts with identifying the target and potential consumers, which can be achieved by combining third party data, followed by segmentation of homogenous users at different levels of demographics and behavioural sociology, and finally, and most critically, pushing the right message at the right time, and thus helping for-profit organisations to remain competitive in an iteratively changing market.

2. Discussion

Even though data analytics techniques such as big data analytics has been widely used to accurately predict target consumer groups and consumer preferences in order to optimize the consumer experience (Liu & Mattila, 2017), this raises a few issues related to digital ethics: (1) consent of users (2) privacy of users (3) ownership of data.

2.1 Consent of users

The use of data is unpredictable (Mittelstadt, et al, 2015). This means that the use of personal information and behavioural data at the point of user consent may present a greater scope for use than expected, as the researcher cannot accurately predict whether the connections will be fully revealed through the use of a single dataset until the study is conducted. As a result, often users' informed consent is simply the knowledge that their behavioural data and personal information has been collected, without any knowledge of the future use and consequences of the data. For-profit organisations wishing to obtain information and behavioural data about their users to enhance their user experience and

remain competitive in the marketplace should pay more attention to the privacy and security of their users after obtaining their informed consent.

2.2 Privacy of users

Privacy issues are an ethical and legal challenge for many companies (Joshua, Hannah, 2014) As discussed in the two sections above, the utilisation of social media marketing and data has resulted in businesses being able to greater forecast a variety of consumer habits and design more smart communication efforts to optimise the consumer experience. The reliance on big data for business decisions, however, will lead to potential risks for consumer privacy (IBM Corporation Software Group, 2014). Many shocking examples of how companies are overusing consumer data have gained widespread media attention. Such results have caused outrage among many Netflix subscribers, who believe that Netflix's act of providing them with recommendations based on their ethnicity violates the security and privacy of their personal information. Therefore, profit-making companies must maintain a fine balance between the use of consumer data and the protection of consumer privacy if they want to sustain consumer goodwill and thus remain competitive in the marketplace.

2.3 Ownership of data

Deliberations on the private property of identifying data date from the 1970s (Purtova, 2015) and have become more prominent with the rise of the internet, due to the development platforms for social media and data-driven profit models (Lothar, 2012). The ownership of personal data also varies by region: 'You own your data' is an idea that some US politicians have accepted (Own Your Own Data Act, 2019); the European General Data Protection Regulation (GDPR) has not yet established clear property rights for users over their data; in China, different subjects have different rights content: users enjoy the right to decide and control their own data, while platforms require the obligation to guarantee the security of data collection, storage and circulation, and enjoy competing interests in data products (JINGJIWANG, 2021).

3. Conclusion

In a market where social media marketing and user behaviour data are frequently used, companies must, actively use third-party data to segment homogenous users, predict the right time, and turn this data into market insights. However, this also raises issues of digital ethics, such as informed consent, privacy concerns and ownership of data. This paper touches on a number of points that are not elaborated for word count reasons. Having clarified how for-profit organisations can remain competitive in the market, striking a fine balance between the use of consumer data and the protection of consumer privacy can be a future focus

References

[1] Andorfer A. (2018) Spreading Like Wildfire: Solutions for Abating the Fake News Problem on Social Media via Technology Controls and Government Regulation, 69 Hastings L.J. 1409.

[2] Johnson NR. & Johnson MA. (2020) Precarious Data: Affect, Infrastructure, and Public Education. Rhetoric Society quarterly. [Online] 50 (5), 368–382.

[3] Luo C. et al. (2020) What triggers online help-seeking retransmission during the COVID-19 period? Empirical evidence from Chinese social media. PloS one. [Online] 15 (11), e0241465–e0241465.

[4] Mittelstadt BD. & Floridi L. (2015) The Ethics of Big Data: Current and Foreseeable Issues in Biomedical Contexts. Science and engineering ethics. [Online] 22 (2), 303–341.

[5] Sharmin F. et al. (2021) Sustainable destination marketing ecosystem through smartphone -based social media: The consumers' acceptance perspective. Sustainability (Basel, Switzerland). [Online] 13 (4), 1–24.

[6] Valentin Radu et al. (2020) improving long-term relationships between organizations and customers using marketing databases and simulation moduels. Journal of the sciences and arts[J]. 20 (2), 395–418.