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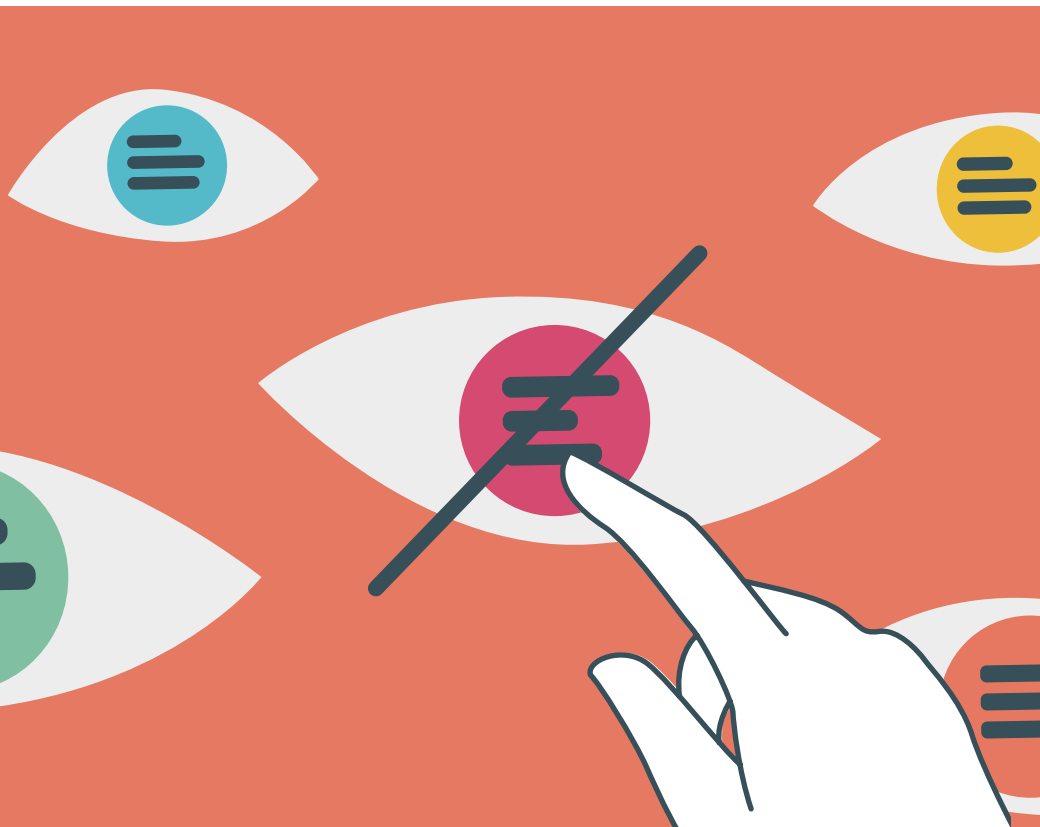


THE EROSION OF DIGITAL TRUST:

A LIFE CYCLE OF DATA PROTECTION FINES



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Consumer digital privacy has been an ongoing discussion topic since the introduction of GDPR in 2018. At the time of its announcement, Big Tech was keen to demonstrate its commitment to data protection, however, in the past five years, a slew of **record-breaking fines and bad practices** have ensued.



Just this year, Meta received a €390m fine for data breaches across Facebook and Instagram, relating to misuse of data and advertising.

Advertising is a key revenue generator for Big Tech, however, **securing personal data cannot be compromised to make board members happy** with their investment.

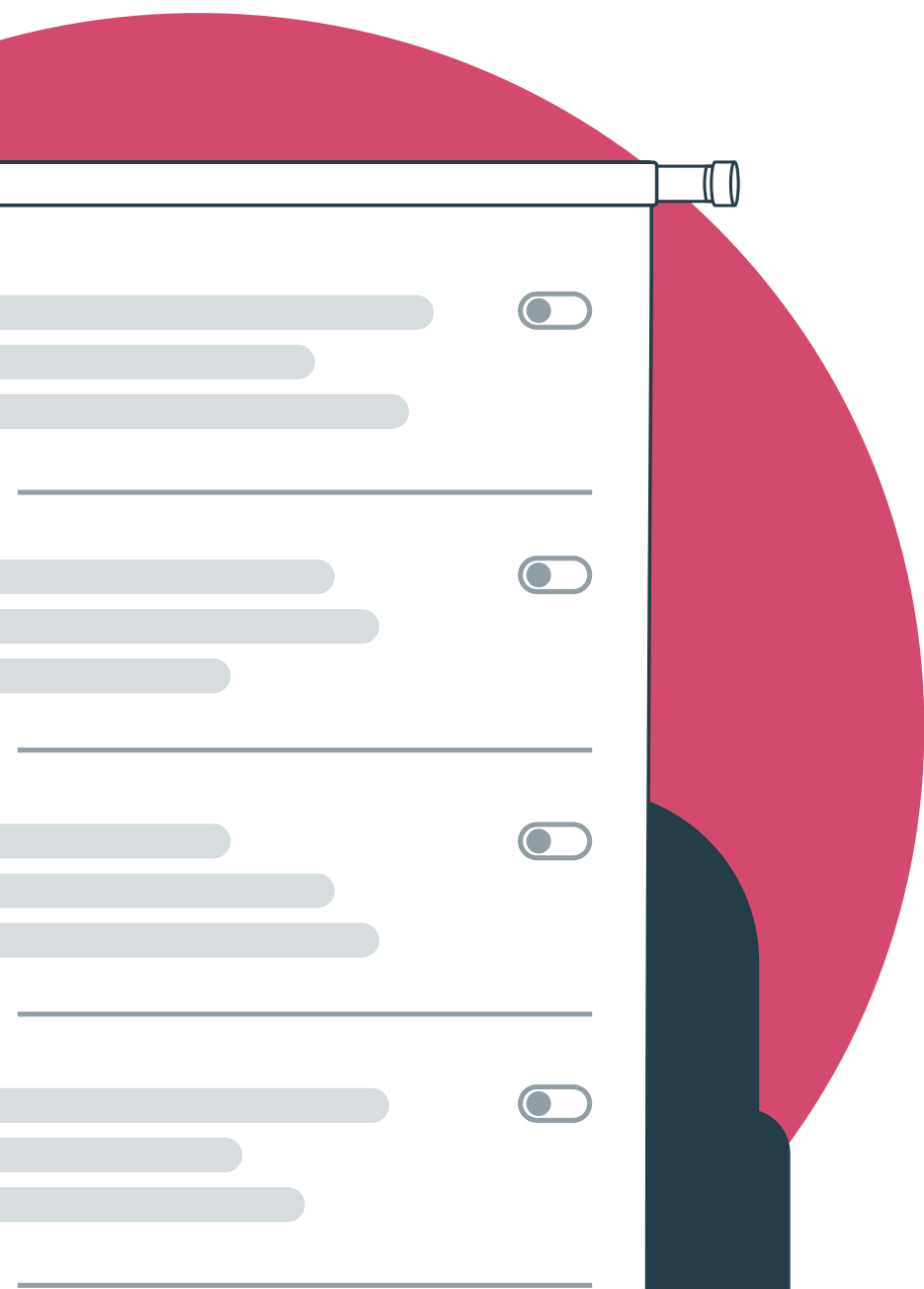
To date, Amazon holds the highest record for its €746 million fine, which was issued in 2021 in Luxembourg for GDPR breaches.

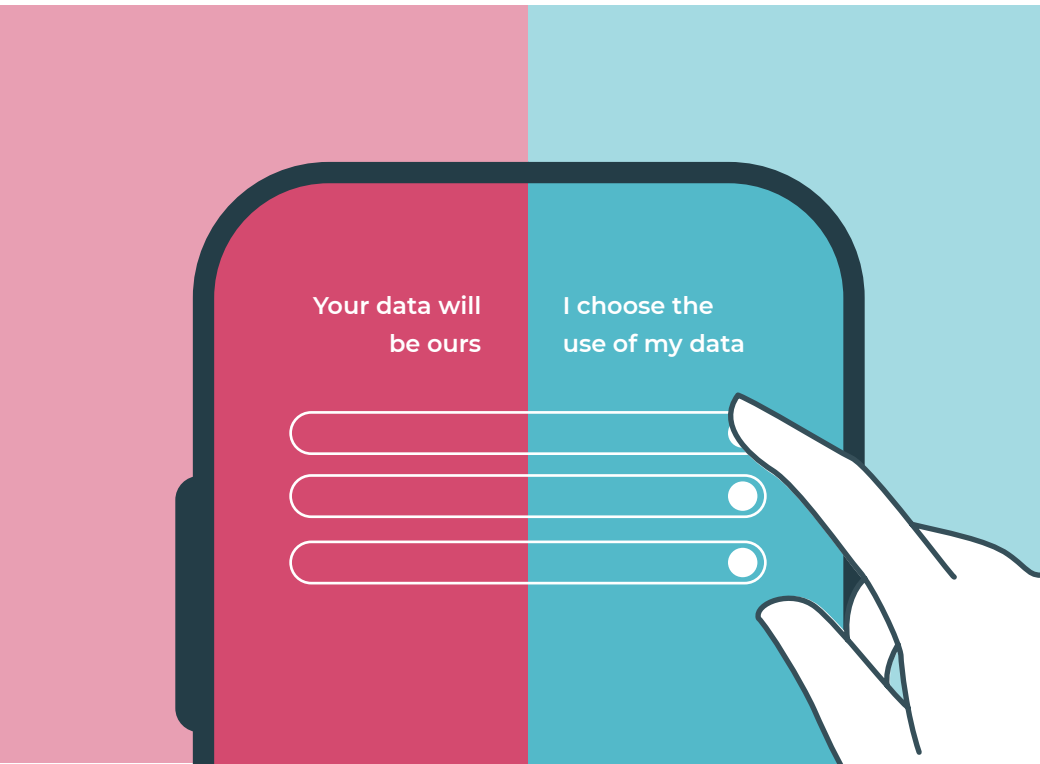


Regulation or no regulation, there's still an unethical attitude that consumer data is there for the taking. GDPR didn't deliver the hoped-for transformation in data relationships because businesses saw it as a legal burden or a boundary to test, not an opportunity to evolve.

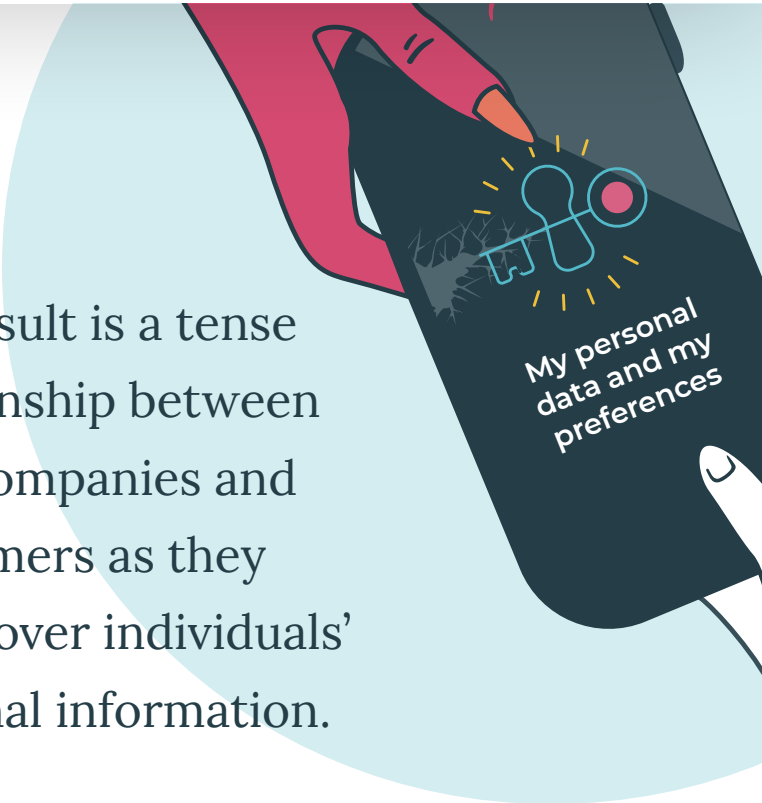


The almost deliberately confusing consent banners on websites – and the fact that Google is continuing to kick its third-party cookie ban down the road – demonstrates the widespread lack of commitment to consumer protection.





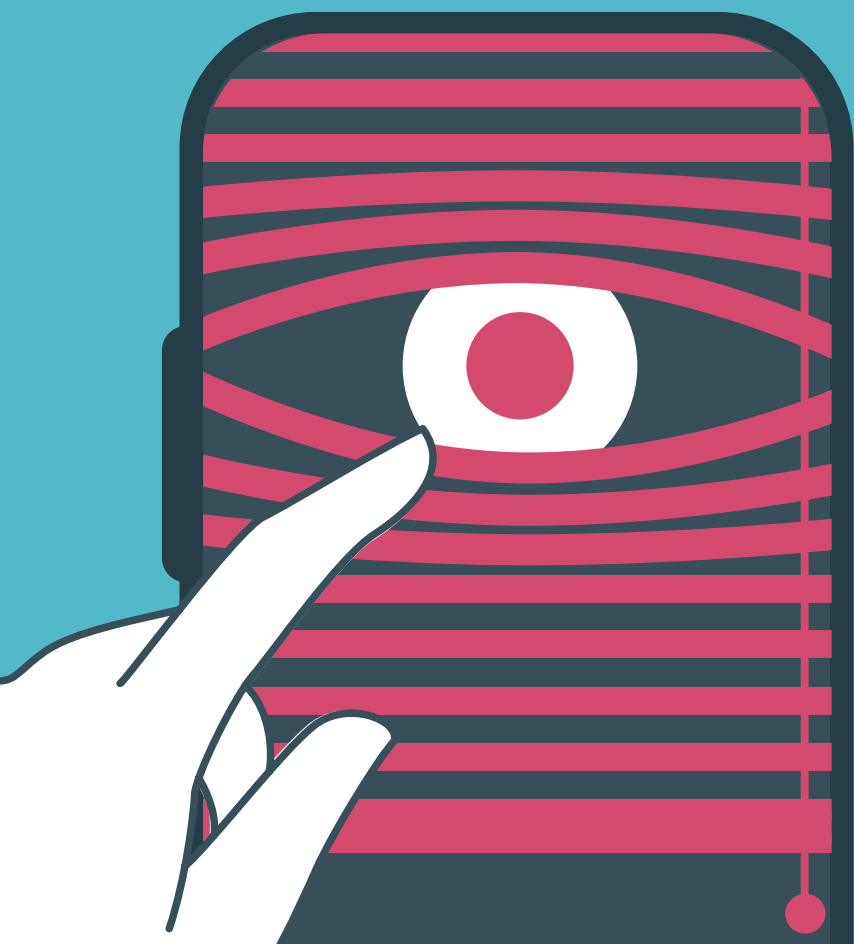
The problem for businesses is that **consumers had a different response to GDPR**. Beyond the relief of cancelling forgotten email subscriptions, **the legislation awakened the public to the use and misuse of their personal information**, creating increasingly data conscious consumers who want more control and clarity around their data.



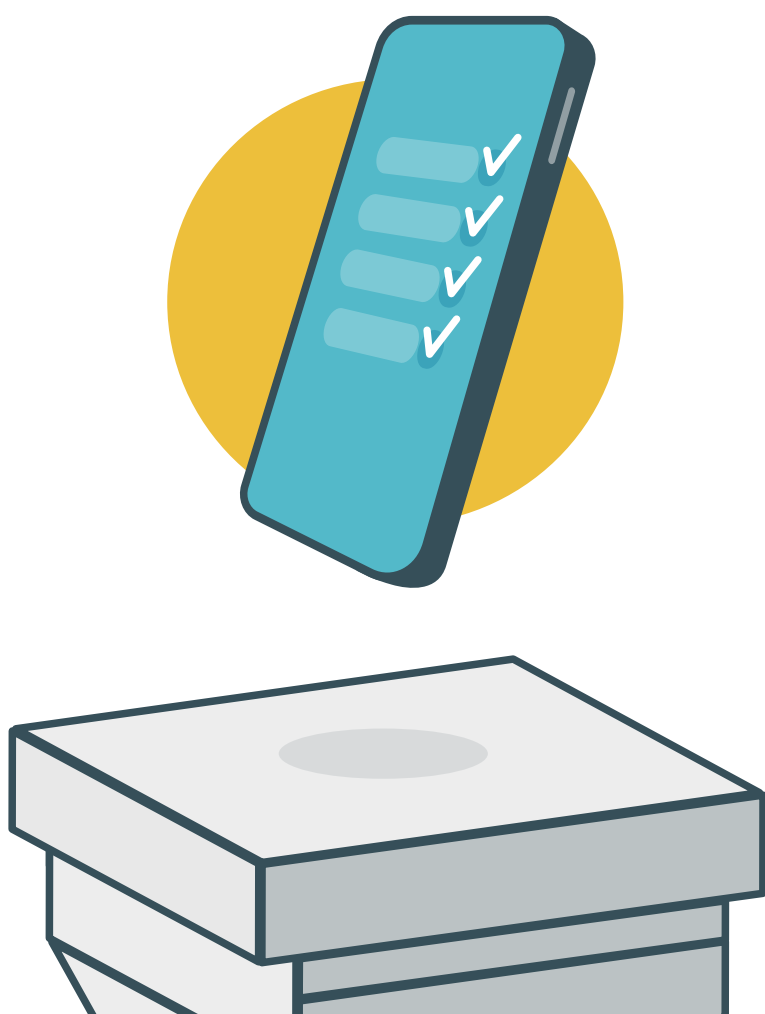
The result is a tense relationship between tech companies and consumers as they battle over individuals' personal information.

Big Tech's continued privacy breaches and abuses are polluting the digital ecosystem and creating an environment of distrust where consumers – with good reason – feel unsafe online. Exploitative business models have turned people into personal information mines, with no thoughts as to the consequences of selling such detailed, historically private information.

The impact the business models currently implemented by Big Tech have on consumers and businesses can't be understated. The likes of Google and Meta now make up so much of the digital infrastructure that we are all reliant on in a modern society, the **knock-on effects of these privacy breaches are huge.**



However, **there's a financial, as well as ethical, imperative for companies to change how they do things**, beyond avoiding the DPD's fines. As data awareness increases, consumers are using privacy practices to decide between different brands.



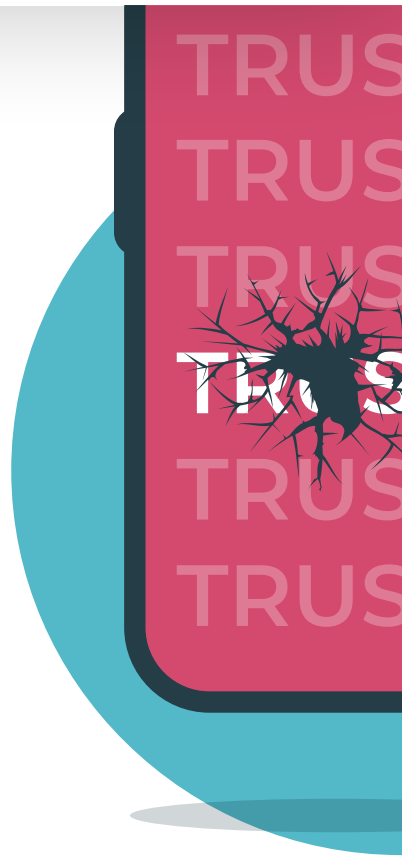
“Research published last year by McKinsey found that almost one in two (46%) of consumers will often or always consider another brand if the one they are considering purchasing from is unclear about how they will use their data. And 53% of consumers will make online purchases or use digital services only after making sure that the company has a reputation for protecting its customers’ data, rising to 58% among millennials and Gen Z.”

Repairing tech's reputational damage and restoring digital trust will take time – but it is possible. It will demand a complete attitude shift on behalf of tech and social media companies.

Instead of looking to extract the maximum information from every individual, **businesses should lead with a privacy-first approach that protects consumer data** as if it were their own.



While the multi-million euro fines hold Big Tech accountable, they do not recognise the destruction of consumer trust businesses rely on to grow in a digital industry.



There is, however, an opportunity for businesses to reinvent the wheel regarding consumer trust. By focusing on a privacy-first approach they can look to **repair relationships and reinstall consumers' faith in data management and privacy** while giving them an enhanced experience that doesn't compromise their digital privacy.

ABOUT EMPATHY.CO

Empathy.co is the leading innovator in commerce Search and Discovery. With over 200 Developers and Search Engineers, it has headquarters in London (UK) and Asturias (ES).

Committed to building human-centred commerce Search and Discovery platforms, Empathy.co gives big brands all they need to create trustworthy, understanding and joyful shopping experiences.

Empathy.co believes that great technology can inspire brands to respect the individual, serve the community and thrive through these relationships.

Trusted by global industry leaders like Carrefour, Kroger and Inditex, Empathy.co is privately held with no external investors and is cash-flow positive. With this, Empathy.co is free to innovate and relentlessly pursue customer success.

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