



Data Collection And Customer Trust

technology business customers

Summary: A large percentage of consumers are distrusting of the ability of organizations collecting their data to keep it secure. We provide some ways to reassure your customers.

In case you were wondering, the data still shows the average college graduate earns 80% more than high school graduates. That is interesting when you consider only 51% of US adults consider a college education to be "very important."

For financial institutions (FIs), many things can be considered very important too. Data analysis for instance, is becoming increasingly important for FIs. Yet, a large percentage of consumers are distrusting of the ability of companies and organizations collecting their data to keep it secure. While more regulations are going into effect to ensure consumer data is properly used, community financial institutions (CFIs) will be rewarded with loyalty for taking measures to reassure customers.

According to the findings of a recent Pew survey, people are acutely aware of the fact that their information is being gathered by countless businesses and organizations that they interact with on a daily basis. In fact, 62% of people believe it is no longer possible to get through a single day without someone collecting data on them, with 80% of people feeling that they have virtually no control over the information that is collected.

Whether they like it or not, people seem to be resigned to the fact that big data has become an integral part of the way business is done these days, and the majority believe that companies are regularly tracking their mobile and online activities. Unfortunately though, most people also believe that data collection ultimately puts their personal information at risk. About 70% of adults say they believe their data is less secure today than it was 5Ys ago.

Furthermore, 79% believe companies would hide the fact that they have misused or compromised an individual's personal information. Additionally, 69% suspect they would not support the ways that information on them is actually being used. Despite such widespread doubts regarding data collection, the majority of people doesn't even bother to read the privacy policies and just blindly agree to them. Only 9% of people routinely read privacy policies prior to accepting them, while 36% never read them.

Given these realities, coupled with the growing importance of data analysis for CFIs to remain competitive against rivals, changes are needed. Proactively letting customers know why you are collecting data, what types of data you are collecting and things like that might be a differentiator even. You might also want to consistently send messaging indicating the variety of measures you are taking to ensure the safety of customer information.

Another idea is to reassure customers you are collecting information as a way to better meet their needs with targeted information, as your team provides superior customer service. While it's not necessary to explain the ins and outs of security systems, the occasional email or text reminding people that your team is monitoring their accounts is a good way of reinforcing your dedication to protecting their data too. These communications instill trust and keep your customers coming to you for answers.

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