

When Privacy-Wary Consumers Turn Privacy-Weary

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Originally posted 1/14/14 Google's \$3.2 billion [acquisition](#) of Nest Labs means it's only a matter of time before some sharp investigator in a crime or terrorism drama taps into a home thermostat to detect if a suspect is in the building – and then turns up the heat by ordering a S.W.A.T. raid. While viewers will cheer the capture of a bad guy, the Nest deal provides a low-anxiety example of how Google and mobile wallet players are not content to rely on Internet searches to profile customers. They seek to triangulate everything imaginable, including Internet searches, the content of email and instant messages, personal finance transaction data, your location down to the nook of a particular store, and now data from the "Internet of Things" regarding personal habits like when you crank up the heat or air conditioning.

It's more fuel for a privacy debate that will only grow as technology becomes more invasive. That said, the Nest purchase is hardly fodder for angst-filled hearings on Capitol Hill. That's primarily because of the practical nature of Nest's most prominent product – a thermostat that adjusts the temperature based on sensors that detect when homeowners are home. This device can save consumers money and save energy. As such, it serves as an example of how practicality trumps privacy worries. It's also a story that reporters typically will view through rosy tech-glam glasses because Nest was co-founded by CEO Tony Fadell, who helped create the revolutionary iPod, worked closely with the visionary Apple's Steve Jobs, and now will report to Google CEO Larry Page. But the fact that collecting data on the temperature of your home is so mundane underscores our point in "Ten Trends for Financial Services in 2014" that consumers are at risk of becoming numb to privacy intrusions. They're at risk of evolving from privacy wary to privacy weary.

Although consumers will continue to fear such intrusions and abhor the idea that corporations can buy and sell their data, many could conclude it is futile to believe privacy truly exists anymore. As more consumers reach that point of capitulation, financial institutions and mobile wallet players increasingly will be at risk of being outflanked if they continue to base their branding on their ability to protect privacy. The [Gang of Five](#) companies – Apple, Amazon, Facebook, Google, and PayPal – are positioned to win the hearts and digital wallets of privacy-weary consumers with the rewards of practicality, innovation and simplicity.

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