

Privacy and twitter

[Business](#), [Business Ethics](#)



Executive Summary Twitter Inc. was established in 2006 in California, United States.

It provides free services to users, which enables them to send short messages (up to 140 characters long) called “ tweets” to keep their friends and followers up-to-date with what they are doing. It helps users to share information with the rest of the world. Twitter experienced rapid growth worldwide and became one of the most popular social networking and micro-blogging sites in 2010. Although the company gained substantial popularity, its main sources of revenue are still from venture capital and promoted tweets. Twitter’s long-term survival depends on its own ability to generate revenue. The founders of the company want to know how to open up more channels to generate revenue, while respecting users’ privacy concern. After viewing Facebook and Google’s privacy missteps, Twitter and its partners Google and Microsoft are more uncertain as to whether they should develop the data-mining platform to gain extra revenue.

If they do, what should they mine and how should they prevent themselves from breaching privacy laws? This report will outline the issues Twitter’s founders are facing and give three options the company can undertake to achieve its goal, followed by a recommendation. This report will also evaluate Canada’s privacy law – PIPEDA and examine how Twitter’s Privacy Policy complies with the PIPEDA. Stakeholders and Preferences Founders of Twitter: Jack (Chairman), Evan (CEO) and Biz (Creative Director) want to their company to grow and succeed in the long run. As well, they want to find a safer way to utilize the database, which contains personal information and personal messages, to generate revenue, and respect their legal and ethical

obligation to their users at the same time. Users of Twitter: They use Twitter to share personal information and keep their followers up to date with new events. They want to make sure the company is protecting their privacy and their personal information is not being used in any unethical or illegal way.

The two Partners: Google and Microsoft are both very interested in the data-mining project as they see the potential of generating large amount of revenue. They work with Twitter to find a way to effectively use data to generate revenue. Meanwhile, they are both concerned over privacy issues, given the sensitive information they are dealing with. Regulators: Oversee Twitter from a legal perspective. They provide guidelines on how to use personal information in a way that protects Twitter users' privacy. They make sure Twitter follows the privacy laws and they actively make changes to the law to deal with arising issues.

Government: They make sure Twitter practices its business under the laws and make sure that Twitter provides benefit to the society, instead of harm. Other Developers and Marketers: Developers, such as Salesforce.com, develop application for other organizations to take advantage of Twitter's public tweets as a way of making profit. Marketers want to use Twitter's information to make money as well. They depend on valuable information they obtain from Twitter to make money and would not want Twitter to take a way this right/ this market. Issues Facing the Founders of Twitter Issue 1: Company's lack of long term revenue generating plan Twitter's main source of capital is from venture capital and promotional tweets.

In order for Twitter to survive in the long term, they should open up more channels to generate revenue so they are able to grow and provide better service to their 100+ million users. In addition, it will help them stay competitive in the social networking service industry. Company is facing difficulty in coming up with a revenue generation plan to make their business more sustainable and profitable in the long run. Issue 2: How to use the data obtained in a legal and ethical way Twitter has a database with abundant data. The issue that Twitter is facing right now is efficiently utilizing the data and turning it into revenue. After examining the failure due to misuse of users' personal information by Google and Facebook, Twitter is more concerned about the legal and ethical issue in using user's sensitive information to generate revenue. Issue 3: Raising concern over privacy by the governments, regulators and users The company needs to be more cautious when dealing with personal information or personal tweets in this nature. Moreover, different countries have their own privacy laws.

Twitter needs to follow multiple privacy laws closely to avoid potential lawsuits. This creates additional difficulty for Twitter since they have users from all over the world. Issue 4: Lack of specific company policies to protect information ethics and information privacy if it decides to develop the platform for data-mining The company needs detailed policies to protect information ethics and information privacy when implementing a data mining platform. Lack of consideration in this area will put the company in danger, following severe consequences. Issue 5: Not fully using its own resources Many developers already developed many applications that use Twitter's public tweets to generate profit.

However, Twitter is still holding on to all of the precious data and not utilizing it. Twitter is going to lose its competitive advantage if they don't take the necessary steps soon. Twitter will have to compete with developers in the future in terms of application development for its' users. Issue 6: Security breaches, code cracking and hackers They bring a huge threat to Twitter's online information safety and its reputation.

As a result, many users may lose confidence to the company and eventually withdraw. Twitter will not only lose a significant amount of users, but also become less attractive to the investors. The company may face bankruptcy if the situation severs. Management needs to come up with enhanced technologies to fight against the threats from code crackers and hackers. Options for Twitter's management Twitter's general goal stated in the case is to "monetize their business model while concurrently respecting their legal and ethical obligations to their users". Following are some of the options management can consider to achieve this goal.

Option 1: Establish an in-house data mining division. This division will take requests from external marketers and convert related data into information through consolidation and sell the aggregated information to marketers. Twitter will disclose the purpose of collecting this data on their website and give opt-in option to users. Pros: Twitter can sell the requested information to marketers to generate a significant amount of revenue.

The information can also be sold to people in other fields, such as anthropologists and sociologists. These people can use the information to better the study of human behaviour, which will benefit the society as

mentioned in the case. In other words, the potential market for Twitter is very broad.

The information extracted from the data will help Twitter make better corporate decisions, better customer service and perhaps open up more business opportunities for the company in the future. Another big benefit to this option is that it will not breach user's privacy as the information is consolidated, which means the marketers will not see individual's private information. The disclosure of the purpose of collecting the data along with the opt-in option will make Twitter further in compliance with the privacy law.

Cons: There will be additional risk associated with this option because it is a new venture for the company with no prior experience. The company needs to spend more effort to establish rules and carefully oversee the entire operation to avoid risks. This option requires money. The company needs to spend money in hiring and providing training to division manager, supervisors and employees to carry out the operation. In addition, any work related to data mining will expose the company to some degree of privacy and security issues. Although this option can eliminate a big portion of these concerns, issues can still arise that will hurt the company in the long run if not handled properly. Option 2: Give users the option to opt-in of releasing some private data that are non-identifiable such as age, gender, or general location in exchange for small incentive such as extra tweet characters. Sell those non-identifiable private data in addition to the public data such as

public tweets directly to external marketers, while keeping the identifiable private data such as user address or private tweets.

Twitter will disclose the purpose of collecting these data on their website.

Pros: This option definitely respects user's concern over privacy issues because it provides users the option to opt-in of releasing their non-identifiable private data to third party. Although the marketers can collect the public data, it's time consuming to develop a legal third party program that will go over all the pages and all the tweets from different individuals. The option provides marketers the convenience to collect data. Twitter can obtain revenue from this service and reduce the level of concern over privacy and legal issues.

Cons: Twitter may face intense competition over this option. One reason is that some tech companies already developed applications for extracting public information to help marketers collect useful public data/ tweets. Some companies even help the marketers to monitor conversation on Twitter and bring important tweets to the attention of the company. If there are already many competitions in the market, Twitter might have to lower the price to compete with them. This will effect their revenue generation. Another concern is if the marketers misuse the data, Twitter will be held responsible. If people don't trust Twitter and withdraw from the website, Twitter will lose revenue.

Therefore, risks still exist to a certain extent. Option 3: Do not do anything with the data. Keep them for internal business development purpose. Find alternative ways to generate revenue such as adding advertisements on

user's homepage Pros: This is the safest option out of the three. This option illustrates that Twitter has good