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Taming Big Tech Dependency

SUMMARY: A handful of global consumer-technology platforms—Facebook, Google, Apple, Amazon, and their subsidiaries—increasingly shape entertainment, news, commerce, and even personal interaction. The unprecedented (and still growing) power and influence of these companies create a variety of challenges for both governments and civil society, prompting governments to step up their oversight.

Forecasts

- All stakeholders, including the big tech companies, their advertisers, and their users, face a period of tumult as governments shift their approaches to big tech.
- New approaches to regulating big tech will arise outside the United States. The EU's 2018 law, the General Data Protection Regulation (GDPR), could serve as a global model of stringency. Any U.S. regulation will be influenced by the GDPR but will tend toward piecemeal guidelines rather than rules.
- China's tech champions (especially Alibaba, Tencent, and Baidu) will be a growing force in this area, creating both new competitive issues and new voices in the global regulatory debate.
- Tech platforms will self-regulate to avoid legal clampdowns. This could generate useful innovations, such as the application of AI to weed out offensive content or ensure adherence to rules.
- Beyond 2020, decentralized internet-style networks could gain usership alongside—or in place of—today's internet.

Key Uncertainties

Whether the recurrent crises afflicting the big tech platforms (data misuse, electoral influence, fake news, etc.) will trigger significant oversight

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Influence of the EU's stringent privacy laws on other governments' treatment of big tech

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How Chinese multinationals choose to engage with regulators in the rest of the world

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Effects of tech companies' own attempts at self-regulation

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Millennials' attitudes as they move into positions of authority

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The possibility of a "digital 9/11" event that changes people's views of cybersecurity

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Supporting Trends

- **Big tech firms increasingly challenged as anti-competitive.** A backlash is growing against the market dominance of the major tech firms.
- **Technology outrunning the law.** Technological advances are rapidly moving beyond current legal and regulatory structures.
- **Data-trail control.** People are generating vast data trails of personal information, leading to growing questions about who should own and control that data.
- **The rise of fake news.** Fake news—unsubstantiated rumors or outright falsehoods presented as fact—is a growing phenomenon.
- **Algorithmic manipulation effects.** Research shows that subtle changes to the ranking of search engine results can have significant impacts on people's political decisions.
- **Decentralized internet.** Numerous projects are under way to develop a "decentralized internet" using blockchain and other approaches, allowing users to control their own data and user experience.
- **EU tech regulation.** The EU is experimenting with sweeping regulations intended to curb the social and economic influence of tech companies, including Facebook, Google, and Apple.
- **China's champions woo global retailers.** Massive Chinese conglomerates—especially Alibaba and Tencent—are recruiting international companies to their retail platforms. Thousands are accepting this opportunity to sell to Chinese consumers.

Related Drivers of Change

- Declining Trust
- Who Owns the Data?
- Algorithmic Politics
- Socializing Reshaped
- Ethical Edge of Innovation
- Cartel Capitalism

Notable Data Points

CAMBRIDGE ANALYTICA COSTS

If the FTC fined Facebook the maximum allowable amount for the estimated **87 mil. users whose data were allegedly appropriated by Cambridge Analytica**, Facebook would owe nearly $3.5 tril. in fines.

Source: Financial Times

ELECTION MANIPULATION

In theory, Google could single-handedly—and invisibly—**change the outcome of 25% of all elections**.

Source: American Institute for Behavioral Research and Technology

CONSUMERS FEAR AI

43% of U.S. respondents fear AI-powered services "will come to know too much about them and their family."

Source: Accenture Strategy Global Consumer Pulse Research

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Strategic Insights

- As tech platforms come under greater scrutiny in the United States and elsewhere, the trust enjoyed by various platforms will fluctuate more than in the past, and new platforms will continue to arise. Associations need to develop backup communications strategies—including for their advertising—in case formerly trusted platforms (e.g., Facebook) suddenly lose value.
- The ongoing stream of crises associated with big tech (election meddling, misappropriation of user data, fake news, etc.) indicate that technology systems have, in many cases, outrun ethical norms. Associations may find it more important than ever to demonstrate the ethics of their own data policies, e.g., restating their organization's code of data ethics following a high-profile breach of trust by a tech company.
- The value of being a trusted source could heighten even further as association members and other stakeholders seek refuge from the fakery and manipulation of public platforms.
- Momentum toward giving users control of their own data could steamroll—especially as the EU's GDPR data-protection law takes hold—compelling organizations of all sizes to rethink their data ownership and management practices.

Timing

- **Stage:** Rapid growth as big tech's legal and/or ethical issues continue to mount, creating more public and government skepticism
- **Speed:** Variable across geographies: regulation may arrive fastest in the EU, unevenly in Asia, and slowly in the United States

Potential Alternative Futures

- **Titans brought low:** Facebook and Google are regulated as utilities, cutting their revenues and reducing their dominance and influence.
- **Europe's epic fail:** Europe's highly prescriptive GDPR, with its heavy regulatory burden, proves impossible to enforce, overwhelming European regulators and leaving tech companies largely free to do whatever their users will tolerate.
- **A decentralized internet:** New, decentralized internet-style platforms emerge, quickly attracting users with their promise of user-owned data and an absence of surveillance, filter bubbles, or fake news.

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Take Action

- **Conduct a risk analysis of current systems and platforms.** Know what your vulnerabilities are and have Plan B solutions ready to maintain business continuity. Boards should treat digital strategy as a critical fiduciary responsibility yet stay open to initiatives that will drive innovation. This issue is dynamic, and associations need to prepare for all alternative futures.
- **Move to decentralized systems tapping repositories of data.** In the past, centralized systems offered the best chance at integrated data and systems. But with the advent of APIs (application programming interfaces) and advanced single sign-on capabilities, it may be better to take a decentralized approach, using the best solutions that meet your needs. The reporting and analysis needs—primary drivers of data integration—are better served through the implementation of data warehouses and visualizations systems such as PowerBi and Tableau.
- **Adopt and make visible your ethical data policies.** As the public loses trust in major tech platforms, members will also scrutinize how their associations operate. Communicate your practices in highly visible ways.
- **Prepare for increased marketing and communications costs.** Associations have benefitted from low cost, large scale social media platforms for marketing and communications. If those capabilities are compromised, they may have to turn to costly alternatives. Big tech platforms might adopt premium service models that could drive up operating costs.
- **Weigh in on proposed self-regulation solutions.** Big tech companies likely will attempt to forestall laws and regulations through self-regulation. Associations need to monitor these maneuvers and use their consumer power to protect their interests in terms of services or practices.

Keyword Search

To continue researching this change driver, use combinations of these search terms:

big tech, regulation, user data, data privacy, General Data Protection Regulation, GDPR, China, EU, antitrust, anti-competitive, trust, Google, Facebook, Amazon, Apple, Alibaba

Who Will Be Affected

Associations, especially small and medium-sized associations, are notably dependent on their technology vendors to help them navigate these challenges. Global associations will face greater exposure than local and regional associations, particularly as different regulatory responses emerge. Leaders will also have to look out for members who have built their marketing and communications into these environments.

About ASAE ForesightWorks

ASAE ForesightWorks is a deliberate, evidence-based research program and emerging line of products to provide association professionals with a *continual* stream of intelligence about the changes facing the association industry, including:

- regularly updated action briefs;
- tools for applying insights from the research in your association;
- guidance in performing environmental scans; and
- opportunities to engage with peers around the research.

Ultimately, the program's mission is to empower association leaders to create a culture of foresight in their associations and to lead their organizations confidently into the future.

Check **asaecenter.org/ForesightWorks** and follow **@ASAEfdn** on Twitter for updates on new findings and events.

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