

RESPONSIBLE USE OF DIGITAL TECHNOLOGY IN SERVICE COMPANIES

Nashchekina O.M., Yu Jia

National Technical University «Kharkiv Polytechnic Institute», Kharkiv

The responsible use of digital technology, referred to as corporate digital responsibility (CDR), is becoming a growing concern in today's business. CDR is especially important in the service sector, as service firms maintain closer relationships with customers and tend to gather more personal data than manufacturing companies. This enables offer customization, improves transaction and communication efficiency, which can enhance the financial performance of service companies. However, it also exposes customers to risks of data misuse. The goal of this research is to identify key CDR dimensions of service companies based on ethical risks and customer impact.

The major domains of CDR in the service sector are related to ethical data acquisition, responsible data sharing, data protection, and ethical data use.

Ethical data acquisition concerns how data are collected. Potential ethical problems may include coercive disclosure and unclear privacy policies. While companies typically inform customers and obtain consent, privacy statements are often too lengthy or complex for non-experts to fully understand the implications. If they also cover sharing data with multiple partners, a meaningful consent would require reviewing each partner's policy, which is practically impossible [1]. Hence, companies are also responsible for ensuring data protection and ethical data use by their partners. Given the data exchange across such partnerships at the backend of the service business model [2], it is essential to extend CDR to the entire digital service ecosystem.

Personal data protection remains a top priority for service companies. In sectors such as financial services, consulting, and healthcare, failure to protect customer data can lead to severe financial and moral harm in cases of data breaches or theft. In addition, such incidents can undermine trust and damage the collective reputation of the service industry as a whole. To address these risks, companies must continuously invest in cybersecurity to respond to ever-evolving threats.

Breaches of ethical data use include obtrusive communications, the requirement of mandatory consent for receiving promotional content, manipulation of customer choices based on personal data, biases in AI algorithms that influence decision-making.

Developing sound CDR policies and adhering to the principles of digital responsibility are indispensable for mitigating the risks and building digital trust. By doing so, service companies can protect their reputation and ensure their long-term sustainability in the increasingly data-driven world.

References:

1. Kurtz C., Wittner F., et al. Design Goals for Consent at Scale in Digital Service Ecosystem // ECIS 2020 Research Papers. 2020. # 69.
2. Wirtz J., Kunz W. H., Hartley N., Tarbit J. Corporate Digital Responsibility in Service Firms and Their Ecosystems // Journal of Service Research. 2023. Vol. 26(2). P.173-190.