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Data is the new Gold, discuss

Gold has been used as a currency for centuries, over time its use evolved to the global gold-exchange standard - central banks held gold reserves as a guarantee for note holders, depositors, and to support national currency. The gold standard was completely abandoned in the late 1900s for several reasons, mainly the restrictions on the central bank's ability to take corrective actions on economic issues. Nevertheless, gold remains a commodity at present. It can be readily traded with easily accessible vendors and has little to no restrictions on buying or selling.

Data is, by definition, facts or pieces of information. Ancient civilizations kept records of their food inventories by marking walls with ticks, this is thought to be the first form of data records. However, it was not until the mid-1900s that the word data evolved to mean transmissible and storable computer information. To explore the claim that 'data is the new gold', this essay will primarily focus on human behavioural data, amassed by private organisations, that is exploited for financial gain.

Data brokers, like Acxiom LLC, collect and sell data for third parties, they also connect advertisers to appropriate markets. 'User access sellers', like Facebook, run personalized advertisements, allowing advertisers to reach Facebook users - without disclosing their harvested data. Amazon follows customers clicking habits on its website and presents ads and suggestions based on those browsing habits. Google claims they facilitate transactions between ad publishers and websites, the methodology and complexities of data harvesting, the exact nature of the data shared, and the bidding process advertisers use is beyond the scope of this essay. However, it is worth noting that vast swarms of data across devices is collected and used for personalised advertisements. Large sums of money go to Google, their partners, and their competitors because of this facilitation.

An issue with comparing data to gold lies in how data is handled, GDPR is one form of restriction on the access and sharing of data – accessibility of personal data is becoming increasingly difficult for third party vendors and advertisers because of greater privacy laws and more stringent legal mandates. Furthermore, the big tech firms i.e., Facebook, Google, Amazon etc.... are reluctant to give away key information as it makes little sense to give valuable data to competitors. This demonstrates how data is only valuable to companies if it is relevant to their market. Whereas gold always has value and has little to no restrictions on trading.

The notion 'data is the new gold' likens information to commodity – intuitively this has some merit because data can be both useful and valuable. However, certain differences mean that one cannot truly consider data to be the new gold. Firstly, quantifying the exact value of data is nearly impossible. The value of gold is more tangible and arguably, has inherent value, refined or not, if one obtains gold, one knows that gold can be, with relative ease, exchanged for money. Data is only valuable for businesses looking to either sell access for advertisements or exploit consumer trends. Whereas, if one acquires some data, trivial or not, the potential value of that data is not immediately comprehensible. There is no inherent monetary value in data, data is predominantly used to predict how one would make money off presented information, excluding data brokers, and it is used to personalise advertisements, with no firm guarantee of monetary gain for the sellers.

To conclude, whilst both a commodity, data and gold are fundamentally different. The value of gold is tangible and stable, the value of data is determined by the potential value of the information. Data brokers sell data whereas many of the large tech companies sell access to the user but not the user's data. Gold has little to no restrictions on trading whereas the trading of data is set to become more difficult. Suitable data surpasses the commodity gold in value, for those who efficiently and effectively interpret the nuances of information to gain greater monetary value from the time it takes to amass meaningful data, than it would take obtaining gold in the

same amount of time. However, comparing the two is like comparing apples and oranges.