

RECENTLY I FILLED OUT an application for an Air Miles Collector Card, which — if you don't already know — keeps track of a person's purchases and awards air-mile points based on what he or she spends. I did it on impulse, after the cashier at my local grocery store asked me for the millionth time, "Do you have Air Miles?" Soon a lit-

somewhere out there is a probably erroneous electronic facsimile of Patricia Elliott that is bought and sold in an invisible marketplace. My electronic ghost consists of thousands of bits of personal information, some of which I give away every time I subscribe to a magazine, fill out a warranty card, renew my driver's licence, file my income tax, apply for a

Privacy Matters

To boost sales, companies are sifting through personal information and using it in ways that we never imagined. Patricia Elliott gives us a status report on who knows what

tle card will land in my mailbox, bearing a magnetic strip that will allow my personal purchasing behavior to be recorded, analysed and shared among Air Miles sponsors. I have taken another step into the consumer information ocean.

I say I've taken *another* step because, like most Canadians, I am already more than knee-deep in a puddle of my own making. It's not really me though —

banking service or use my credit card, to name just a few instances. Governments need this information to operate efficiently. Marketers would love to have it so that they can anticipate my next purchase. As for me, I would just like to know where the electronic Patricia Elliott travels on an average day because she leaves behind her such an impressive and intriguing trail of junk mail.





The electronic me is apparently a potential new car owner. Alas, the real me is not. Nonetheless, I recently received a personally addressed credit card application from CIBC that included a purchase rebate on a Ford Lincoln or Mercury.

Marketers Can Do Amazing Things with a Name

HOW DID CIBC FIND ME? The misspelled name on the envelope matched the misspelled name on one of my magazine subscriptions. Magazines regularly rent out their subscription lists. Deals are made through people known as list brokers.

As raw data my name is not worth very much — about 10 cents per use. But marketers and list brokers can do amazing things with a name to make it more interesting and more valuable, some of which are described in *The Naked Consumer* by American Erik Larson (Henry Holt and Company, Inc., 1992), a fascinating guide to the information racket. For example, according to Larson, AB Data Ltd. of Milwaukee uses a special computer program that combs through the vast majority of American consumer names. The computer knows there is a 47 per cent chance that someone with the name Schwartz is Jewish. If Mr. Schwartz lives in a certain neighborhood, the percentage rises. The information narrows until Mr. Schwartz is Jewish enough to be included in AB's *National Jewish Household* directory.

Although AB's methods are impressive, the surreptitious collection of personal data can be gained in far more imaginative ways. In the United States, the Warner-Lambert Co. advertised a 1-800 number that gave callers the pollen count in their area. The callers — who had their phone numbers electronically captured and matched to addresses — later received coupons for Benadryl, an over-the-counter hay fever remedy. This incident was reported matter-of-factly in *The Marketing Information Revolution*, a collection of papers that was published by the Harvard Business School Press in 1994.

Usually there is no need for such sneakiness. Most people freely give out personal information, a human foible that even the likes of Doug McCormick, who is in the business of collecting such information, cannot explain. McCormick is a research manager for Canadian Market Images Ltd., a Toronto-based market research firm. I contacted him after finding a consumer product survey in my mailbox consisting of four pages of questions about everything from how much beer I drink to whether any women in my household had had a yeast

infection in the past 24 months. As an incentive, people who filled out the survey would be eligible for prizes and coupons.

McCormick explained that some 40 companies had sponsored this particular survey, although he wouldn't tell me which ones. He agreed that the information was valuable but demurred at putting a price tag on it. He explained that I could choose to leave my name off the survey and that I could respond yes or no to having the 40 anonymous companies send me "further information." If I gave my name (the only way to get the prizes) and my permission for the companies to send me stuff, the mailing would be managed by Canadian Market Images Ltd., which would shield me from tasteless or fraudulent mailings.

I'm glad I talked to McCormick, not because he was so reassuring but because I learned two new words: "geodemography" and "psychographics." Upon further reading I learned that geodemographers use census data to create profiles of neighborhoods. The profiles are then matched to postal codes, allowing the marketing companies of the world to send me things in the mail. According to *The Naked Consumer*, it's an old marketing tool that gained new life in 1978 when one American company, Claritas, gave



Mind Your Own Business

■ **Be careful about giving out information.** Find out why it is wanted.

■ **Wherever possible, pay cash.**

■ **Be aware that contests, coupons, rebates and 1-800 numbers are often used to gain personal information.**

■ **Read the fine print on application forms for discount and credit cards.**

■ **If you smell information abuse, complain.** Most industries and institutions have professional associations that monitor their members' ethical conduct. Contact your local consumer advocacy group.

■ **To remove yourself from direct marketing lists, write to the Canadian Direct Marketing Association, 1 Concorde Gate, Suite 607, Don Mills, Ont. M3C 3N6.**

■ **Finally, keep your eye on the future.** Think through the potential impact of new technologies that are aimed at the consumer. **The Globe and Mail** recently reported that the newest bank machines have the potential to carry integrated databases. Banks could analyse customers' transactions to "make suggestions by personal letter." Is that what you want?

neighborhood types 40 catchy but somewhat denigrating name tags: tobacco roads, public assistance, shotguns and pickups, and so on.

The Canadian geodemographic tool most widely used is called "Lifestyles" and was created by Compusearch. Wherever you live, you have likely been "geodemographed" and felt no obvious resulting ill effects. However, you might, as I do, get a vague feeling that the social fabric of your community is subtly flattening out into some kind of artificial norm. Does geodemography have something to do with the fact that every radio station in my home town now plays country music? We are shotguns and pickups, I guess, and that's what we get.

Now psychographics, that's more than unsettling. Seeded into my consumer products survey, McCormick confided, are questions designed to reveal my "mind-set." One of the questions was whether I thought the interest rates would fall or rise. Somehow my blind guess might reveal important information about my personality. "It's a bit of the voodoo arts," McCormick said. According to a recent article in *The Globe and Mail*, Radio Shack Canada hopes to begin adding psychographic data to its five million-name database.

But what if this information fell into the hands of someone you knew? With psychographic indicators, we unknowingly provide information that we would rather not give openly or honestly. Were this not the case, the questions wouldn't be hidden from us, would they? Psychographic profiles can be quite unflattering to say the least. For example, the Goldfarb Corporation's system, which is used in Canada, identifies 13 per cent of the Canadian adult population as "aggressive achievers," who are "hungry in their quest for power and position." Suffice it to say, these are not characteristics I'd put on my résumé.

When I told Tom Wright, Ontario's information and privacy commissioner, about my particular survey's hidden psychographic questions, he just laughed at some of the new

other marketing wizards. In *The Marketing Information Revolution*, the experts talk about "portable intelligence," information "probes" and, my personal favorite, "informational spoor." They discuss the latest neural-network software as if planning a patriot missile launch. "A defector program," for example, "uses statistical modelling to identify the profiles of customers likely to defect to competitors, so that pre-emptive action can be taken." Mom and Pop never talked that way.

Electronic Information Can Be Kept for Years

WHY WOULD ANYONE want to look at my informational spoor? No reason. Large corporations say they have far too much data to usefully process. Direct marketers maintain they only want the most basic information. Yet for a price, any company can obtain a massively parallel processor that is capable of sorting through your every transaction with them. American Express has the system. So does Wal-Mart.

"Privacy is really the right of freedom from constant scrutiny," says Darrell Evans of the BC Freedom of Informa-

Privacy is really individual control over personal information and the right of freedom from constant scrutiny

wordings he hadn't heard before. Then he added a sober warning: "Once you've provided the information, there are no controls over who uses it. It can be marketed in ways that are only limited by your imagination."

"Smart Cards" Help Retailers Track Sales

AND MY GOODNESS, people are getting awfully imaginative these days. There is an "intelligent" shopping cart being tested in the United States that tells a computer where the shopping cart has been lately. The general patterns identified on the store's central computer are useful to store managers; the real bonanza lies in identifying individual shopping patterns. Hence the rise of consumer discount cards — the fool's gold of the '90s.

New consumer cards under development are clever. Like Air Miles or Club Z, the so-called "smart cards" keep track of spending and give points. However, some new cards also employ a microchip that allows the cards to track purchases and bestow discounts more precisely. With the new smart systems, we will line up at the till like Pavlov's dogs, eager to receive our electronic reward for various shopping behaviors. People in the industry call it "relationship marketing." In the Sept. 5, 1994, issue of *Business Week*, one marketing consultant was quoted thus: "A database is sort of a collective memory. It deals with you in the same personalized way as a mom-and-pop grocery store."

It's more revealing to read what the world's marketing wizards say when they think that they are speaking only to

tion and Privacy Association. Tom Wright believes that another key element of privacy is individual control over personal information. As consumers, we currently have neither control nor freedom, and it bothers us. "Even if people can't articulate it, they know there's something wrong," says Evans.

Perhaps we fear the unknown future. Wright points out that the essence of electronic information is that it can be stored for years to come. "A U.S. report describes this as 'vampire data.' You never know when it's going to rise up and bite you," Wright says. He believes that we are in the early days of data merging; someday there may be one big fat electronic file for each of us.

Whether we are identified as rich or poor, selfish or giving, old or young, does not change our real circumstances. But it does change the way people and institutions view us and the products and services that we are offered. And *that* has the power to subtly change our circumstances.

The Ontario privacy commissioner's office recommends that we develop standards as to how our personal information can be used. The very day I set out my own rules, they were tested. My local gym demanded my address and postal code before allowing me to book a badminton court. My standards were simple: I wanted choice, control and safety. The gym failed on all three counts. The receptionist admitted that the information would be used for marketing purposes, but I was not allowed to opt out. Worse, she slipped me the address of someone else with my last name, thinking he was my husband. I ended up speaking to the manager and was satisfied that the gym's policies would be reviewed. What surprised me, however, was how difficult and embarrassing it can be to withhold personal information.

Nonetheless, I am determined to rein in my electronic ghost. She's been gallivanting through the marketplace like some loose-lipped busybody, and it's way past her curfew. In the end, you see, my identity belongs to me. ■