Consumer Information

- **Databases and Marketing:**
- *If you buy a bicycle*, you might get a solicitation from a magazine about bicycle touring
- *If you buy baby clothes*, you will get many mailings about other baby products
- *Catalogs and other advertising* arrive in our mailbox
- Telemarketers disturb our peace with annoying telephone sale pitches

Consumer Information

o **Web pages are splattered with ads**

- E-mail users receive spam or unsolicited, mass e-mail

o Businesses use powerful hardware and software to analyze:

- Consumer data

- Government records

- to determine a new customer

Consumer Information

- **Marketers use thousands of criteria** to decide who gets a specific catalog or promotional mailing
- American Express extracts *billions of data* to determine
- How customers spend hundreds of billions of dollars
- They send *discount coupons* and *special prices* for the specific stores where customers shop

Consumer Information

- Airlines send incentives to frequent flyers who are flying less frequently

- A company sends coupons to people who buy its competitor's products

- *A company sells list of email addresses of the people*:

- who post to newsgroups on the Internet

Consumer Information

- *The lists are organized by interest areas*:
- general interests
- hobbies
- sports
- religions
- adult
- *Many companies:*
- Maintains huge customer databases
- Combine data to build more detailed databases and dossiers

Consumer Information

- *Great Universal Stores - (a British Company)*
- Bought **Metromail** in 1998
- **Metromail** maintained a database of customer information
- Contained data around half the people in the USA
- They sold targeted marketing lists

Consumer Information

o ***Great Universal Stores***

- Bought **Experian**

- Consumer Credit Bureau, one of the three major U.S. credit reporting companies

- In 1998, the **Experian** database had information on 780 million consumers in 17 countries

Consumer Information

- *When a consumer buys a product from a company owned by Great Universal Store and consents to company use of his or her customer information, the person probably has no idea how extensive the parent company is and how far the data could travel*

Children on the Web

- Two main privacy issues related to children on the Web:

1. *Linked to safety:* Child molesters use the Web:

- to find children

- win their confidence via e-mail and chat

- arrange meetings

Children on the Web

2. Collecting of personal information from the many websites designed for children

- Adult can make decisions about:
- What information they want to give out
- What degree of tracking they want to allow in exchange for discounts or access to certain sites
- Young children are not likely to understand the risks and trade-offs

Children on the Web

- Children give out family income data and other personal family information on the Web
- In 1998 a **Federal Trade Commission (FTC)** study found that
- 89% of Web sites aimed at children collected personal information
- Only 11% of the sites asked children to get consent from their parents before providing the information

Children on the Web

- Later Congress passed the
- *Children's Online Privacy Protection Act (COPPA)*
- Ordering the FTC to set up rules for protecting children under age 13
- The rules went into effect 2000 prohibit Web sites from collecting information from children under 13 without verifiable parental consent