

MEMORANDUM

Date: January 22, 2013
To: ENGL421 1:30pm Section
From: Kalena Galarnyk, Purdue Student
cc: Adam Strantz
Subject: Data Mining Predicts Your Behavior

Companies aim to target your spending habits at critical times in your life using data mining techniques. Data mining is an interdisciplinary subfield in computer science that now allows companies to learn about its consumers and even predict their behaviors. One company in particular decided to use data mining in order to identify expecting parents much earlier and edge out other retailers- Target.

The Target Consumer

Marketers have targeted one period of life where buying habits are more likely to change than any other point in life- when parents are expecting a child. In the past, companies would target expectant parents when the public birth records were released. However, in order to get an edge on competitors, Target made the decision to use advances in data mining to target consumers much sooner.

Data Mining In Action

Target hired a statistician named Andrew Pole who studied the intersection of data and human behavior and in combination with this knowledge and data mining techniques, was able to give Target customers pregnancy prediction scores. Based on slight increases in quantities or combinations of seemingly unrelated purchases, Target now can detect pregnant consumers.

False Sense of Security

Many people feel somewhat uneasy about companies finding out personal information in this manner. Target and other companies have to get a little clever in order to not have customers uncomfortable about receiving personalized coupons. It turns out that as long as you mix in seemingly unrelated coupons in a personalized booklet, the customer doesn't feel spied upon. Perhaps this is the corporate equivalent of Facebook stalking; Companies just need to pretend they know less about you than they let on.

Concluding Remarks

Thank you for taking the time to consider how companies are using data mining as a tool to predict consumer behavior. Targeted advertising is not a new concept; companies are simply finding new ways to reach consumers sooner. Perhaps by informing you of new strides in data mining, you might understand why companies may send you useful coupons or other such incentives at strangely convenient times.

If you have any questions or comments regarding this memorandum please feel free to email me at kgalarny@purdue.edu or galarnyk@gmail.com