

How Much is Your Privacy Worth?



Eric Harber: As far as I can remember, it all began with a supermarket loyalty card. It seemed almost too good to be true (particularly to this nascent marketer). I give Safeway my name, address and phone number (mind you, this is pre e-mail), and I get special discounts? Sign me up! So I did.

Then it started. The mailers with special coupons, and eventually, the point-of-purchase coupons generated for items (after I had just bought a competitive one, which never made sense to me). I began to realize that in exchange for a few cents off of cereal, the supermarket was tracking my every purchase. Perhaps I should have read the fine print more carefully, but I had given up some privacy.

It seems particularly naïve now but it reinforced the lifelong lesson that nothing's free. And now, the capabilities of marketers to use the consumer trail have increased dramatically.

Steven Baker, the author of *The Numerati*, puts it well:

"Every day we produce loads of data about ourselves simply by living in the modern world: we click web pages, flip channels, drive through automatic toll booths, shop with credit cards, and make cell phone calls. Now, in one of the greatest undertakings of the twenty-first century, a savvy group of mathematicians and computer scientists is beginning to sift through this data to dissect us and map out our next steps. Their goal? To manipulate our behavior -- what we buy, how we vote -- without our even realizing it."

We're hit with interactive ads based on our online trail of cookies. We exchange our cell phone numbers for a membership in a VIP club. Some of us will exchange ten minutes of time answering a telephone survey for \$20 in coupons, or even let a television research firm monitor our viewing habits for free cable.

I've grown more comfortable with giving up certain personal details if I feel like I'm opting in to get something that represents value to me in return.

For example, I'm a soccer dad, and anxiously looking forward to the Seattle Sounders FC in their inaugural MLS season. I'd gladly opt in to receive information on tickets and special events in exchange for giving up a limited amount of my personal information (my email address or my cell phone number).

Similarly, consumer technology is both my vocation and occasionally my avocation—so if I'm researching the purchase of a new gadget such as a navigation system, I'd gladly opt in to receive more information from manufacturers, as long as I can easily opt out when I am ready to do so such as after I make my purchase. In both cases,

Do most of us even recognize the tradeoff? I think it's become such a part of our everyday life that it's likely we don't. But does our individuality die when marketers dangle free in front of us during a recession? Not necessarily. Despite what marketers may think (or what consumers think they think), each of us is more than the sum of our purchasing and viewing history.

But this does lead to three key questions:

- 1.) How much are a consumer's private details worth to them?
- 2.) How much will a marketer give up in exchange for those private details?
- 3.) How difficult is it to balance the two?

I think each consumer has to answer the first question, and the second depends on the marketer and the products being offered.

For the third, I believe the onus falls on marketers to provide complete transparency, including easy-to-recognize language that they plan to use consumer data (certainly more so than my early-1990s supermarket example); an easy means to "opt-out" if the consumer realizes that he or she wants to go that route; and beyond that, relevant, interesting offers that make the equation between marketer and consumer ultimately work.

Clearly, what's private is changing – particularly as I can share my travel plans on LinkedIn and tell my followers on Twitter what I had for lunch (and have it show up in a Google search). What isn't changing is the responsibility of companies to strike the delicate balance between privacy and customer acquisition.

Eric Harber is the president and COO of HipCricket, a Kirkland mobile marketing firm.