

## Big Data vs. Big Brother

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Let's see. Amazon pays close attention to what you're reading, what format you read it in, how often you buy books, what genres you appear to like, who you buy gifts for, and how much you're willing to spend. They then make cheery recommendations to you about books, gifts and other products. And you *like* it.

Target exhaustively analyzes massive amounts of seemingly unrelated information about market segments and then, based on the results of their analyses, changes the product information mix they send to different customers. And customers scream foul. They *hate* it.

Why? What's the difference? In both cases a retailer analyzes customer buying habits and makes recommendations on the basis of that analysis. In one case the results are received warmly; in the other, they are rejected with screams of 'Invasion of privacy!' echoing off the computer screen.

I find this to be rather interesting. A recent study conducted by Target showed that, given certain market circumstances, they could predict with unerring accuracy whether a woman was pregnant when (1) certain marketplace factors aligned and (2) she purchased a particular brand of hand crème. This came to a head when the father of a 17 year-old girl stormed into a Target store and demanded to see the manager. "How dare you send product literature for pregnant women to my 17 year-old daughter!" he screamed. Turns out she was indeed pregnant; she just hadn't gotten around to telling her father yet.

So here's my question: Do people get incensed over the analysis of Big Data and what it reveals, or over the fact that companies are now capable of actually doing it to such a fine level of granularity? I suspect the latter. My guess is that they let Amazon's Big Data analyses slide because they're innocuous: we're talking about books, after all, and they're recommending them to you. How nice. But when a retailer demonstrates that they may know or more importantly, are ABLE to know more about your family than you do, people get twitchy.

This is where the touch point between humans and technology gets really, really interesting. Technology is readily accepted when it serves people - meaning ME. As soon as it begins to serve others, people start to think a bit differently about it. And when it provides insight to others about ME, then they get downright obstreperous.

So what should a retailer do? One option is to make the public use of such data opt-in only. In other words, the consumer must give permission to the retailer to use collected data about them to make recommendations. The consumer should not be allowed to control behavioral information; that's important ammunition for the competitive weapons that all business wield. But to reassure the consumer that the information will not be used for nefarious purposes goes a long way. Of course, let's define nefarious. What are the limits? Who gets to define them? How can information actually be used to further a business' ability to most effectively serve its customers? Clearly there will be legislation or regulation emerging around this, but for now, it's a very important, very contentious and utterly fascinating conversation. Stay tuned - we haven't heard the last of this one.

Thanks for reading.