

The gathering of data

As the Berlin Wall fell and the East German government collapsed in 1989, it marked the end of one of the most effective and pervasive spying efforts in the history of government. The East German bureau, known as Stasi, was a maniacal collector of personal information. For more than two decades, scholars and interested individuals have been combing through the mountain of files Stasi collected on ordinary citizens for some 40 years. Many people were shocked to discover that not only did a file on them exist, but that it also contained a large volume of details. While the Stasi regime may have fallen 20-plus years ago, the information collection business is just as strong today, and just as inept.

Almost every CPG company has a Shopper Insights division, whose collective efforts are similar. The engines for collecting information about our shopping habits are expanding as technology gives us the ability to track everything from mobile phones to your shopping cart. There are microchips in our credit cards, just as there are RFID tags attached to many of the things we buy that, again, give the data collection agencies the ability to pinpoint where we are at any given moment in time with the precision of any GPS-tracking device.

In the e-commerce world, those suggested add-ons that “pop up” on your screen on a variety of websites, from Amazon.com to LLBean.com, are based on previous searches and purchases. On Facebook and other social networking sites, the ads we see are driven by an analysis of our postings. But, do interesting (or at least familiar-looking) keywords or phrases do more to inspire a sale—or do they just freak us out?

Even after I signed up for the “National Do Not Call Registry,” I’ve stopped answering my landline, because more than half the calls are from telemarketers. Some of us have learned, when asked for a phone number, to just make one up. The accuracy of preference and date, as interpreted by the corporation on a spreadsheet, is questionable. I watched a line for 20 minutes at a Texas supermarket recently, and, in typical Southern style, one person in 10 was sharing her loyalty card.

The invasion of privacy is real. The Nigerian cyber-huckster is something we’ve all experienced. Most of us know someone who has been the victim of identity theft, whether an e-mail account has been hijacked, or worse yet, a bank account raided. My new HSBC credit card was hacked within a week of being issued.

But, creepiest of all is the data available online—on you, or anyone. From credit scores and voting history to the phone numbers of your next-door neighbors, it’s all there in a neat aggregated summary—for a cost. The public record alone is breathtaking.

I can remember walking into the Department of State in Washington, D.C., in the ‘60s with my late father, a Cold War diplomat, and remarking that even I could sneak into the building and steal secrets. His brusque response was that finding anything useful was our primary defense against espionage. Most of the important stuff was right in front of us.

An entire industry exists whose single-minded goal is to plow through the reams of information that businesses collect, to see if they can find anything



useful—that should tell you something. We are infinitely better at collecting information than we are at processing it, much less processing it in a timely fashion, where the action that might result from that information has a chance of being effective.

Our romance with technology-based research is over. Virtual reality has its role, but it is no substitute for real-life testing. Online surveys may be significantly cheaper to conduct, but the results for anything longer than a few questions is suspect. Increasing the sample size does not overcome the role of analysis, or the ability not just to process what the data says, but also to recognize what it *doesn't* say. I have a colleague that runs a data-mining agency called “Insight Out of Chaos.” Truer words were never spoken.

For much of my career, I’ve visited offices of research managers piled high with reports that, it seems, they will never get around to reading. In an age of easy-breezy data collection, how can we quantify the value of the information we get, avoid the hoarding entirely and use the information effectively? Custom marketing is nothing new, and it can be an excellent tool in driving a sales effort. Yet, as privacy, data and the virtual shopping cart collide, perhaps a better question is: while marketing to you, how do we avoid simply pissing you off? My mobile phone mailbox can’t accept any more messages; I have too many texted coupons.... **DDi**

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