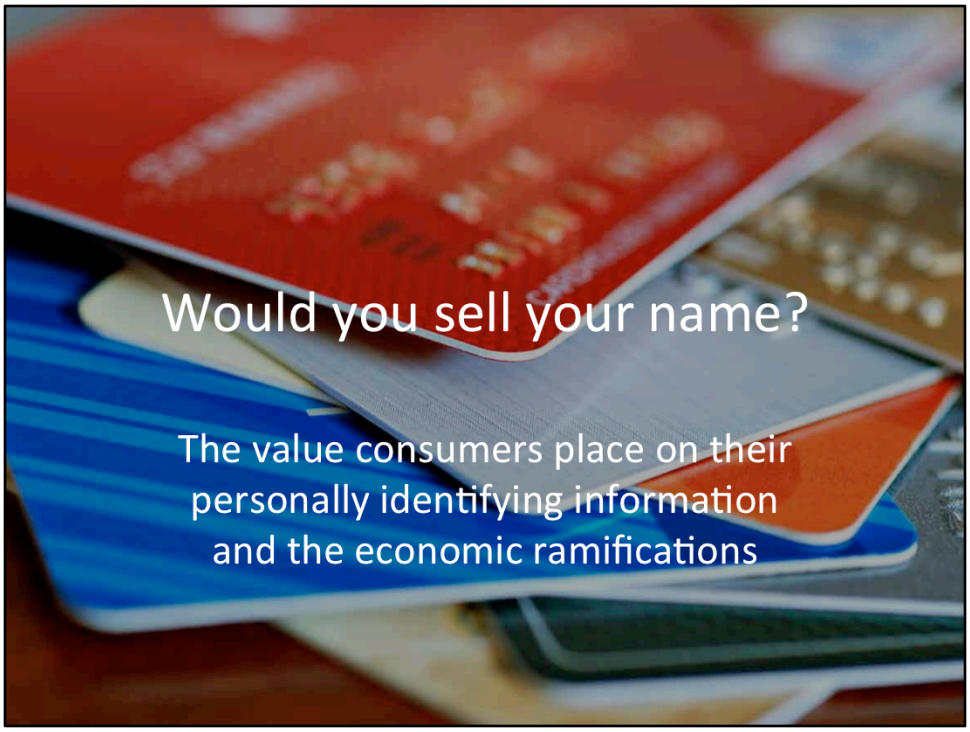
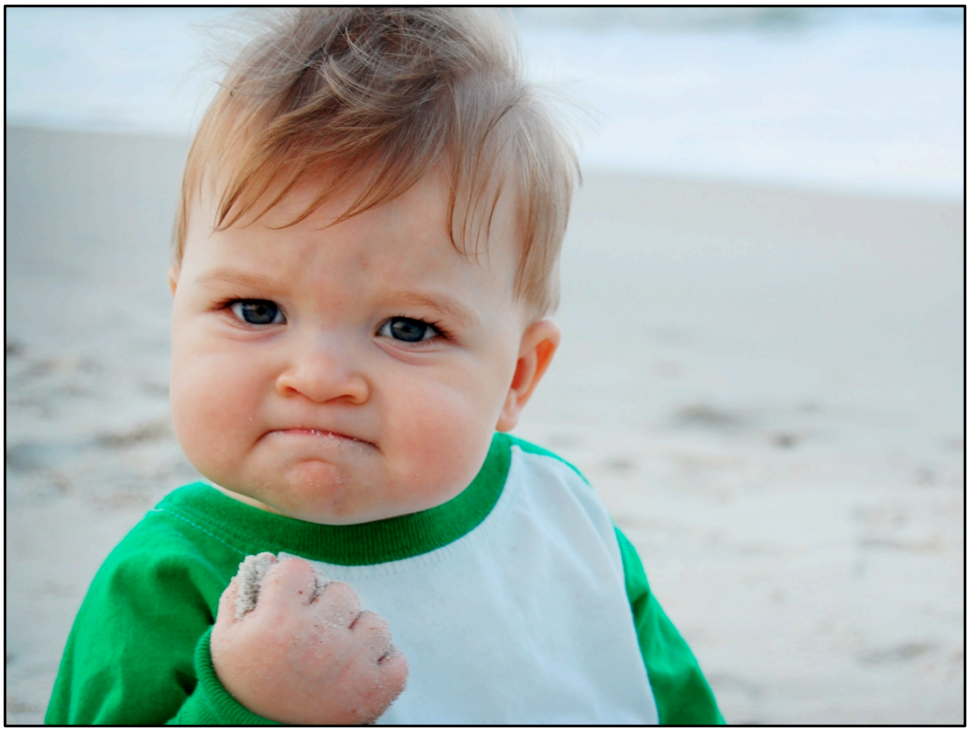

Would you sell your name?
The value consumers place on their personally identifying information and the economic ramifications

You’re in a mall

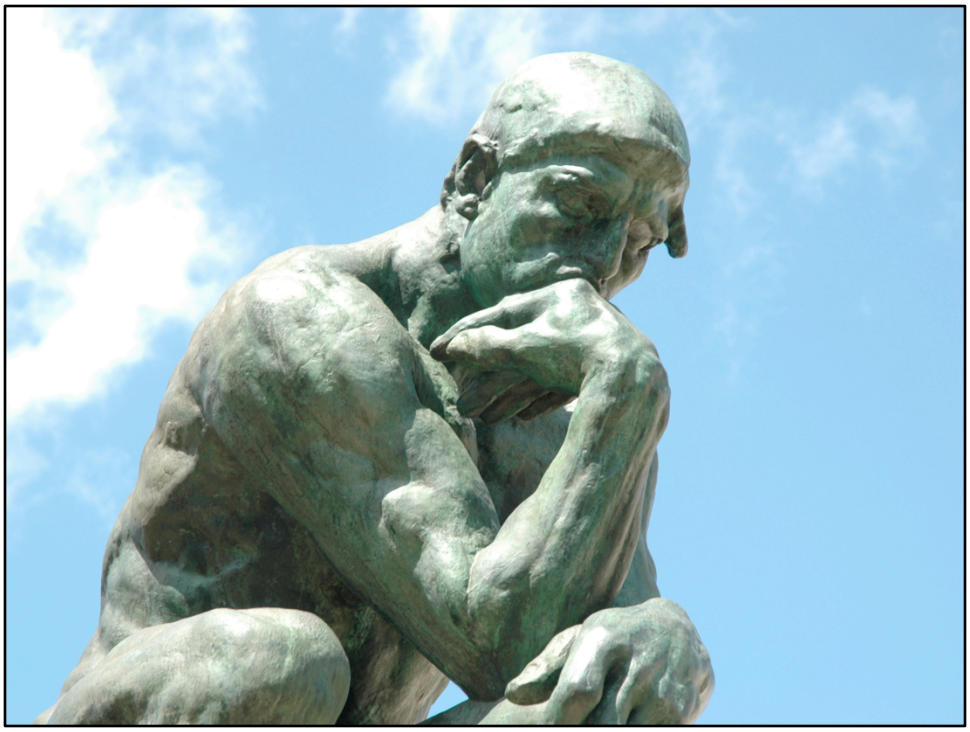
It could be Briarwood mall. You could be celebrating international baby-wearing week.

Someone offers you a FREE $10 gift card to any store in the mall



And you think: “SUCCESS! Free 10 bucks!”

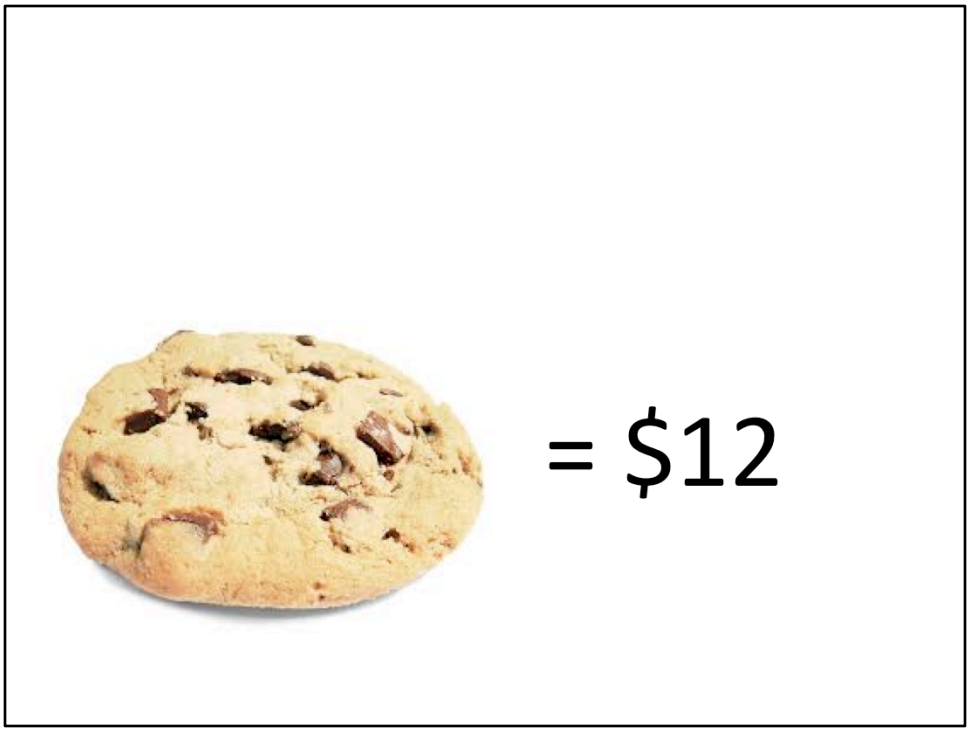
Then the person says “And you can get an extra two dollars if you tell us everything you buy here today.”



Now you have to think about that. Free $10 is easy, but this is a little trickier.

It’s like they’re offering you a big cookie, then saying you get an additional little cookie for your shopping data.

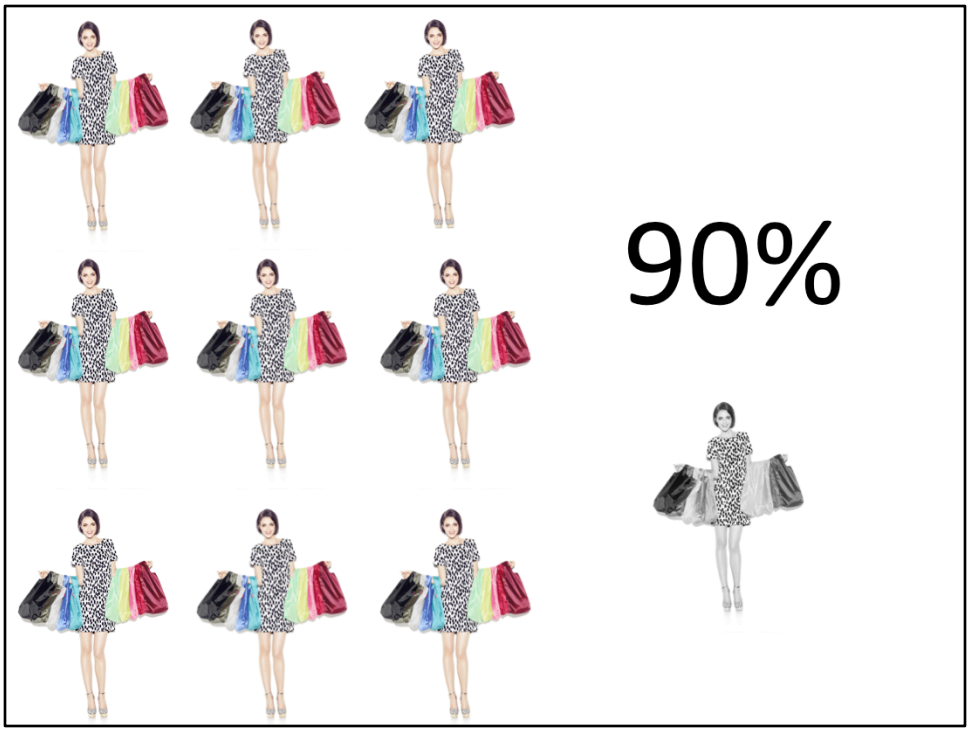
And there's a 50% chance you'll exchange that data for the additional little cookie.



But what if you were initially offered $12? You still only get 10 if you withhold your shopping data, but the $12 certificate was offered first.

12 is now the big cookie and by not giving data, you're letting that poor phd student/ slave doing research in the mall take a bite out of it!

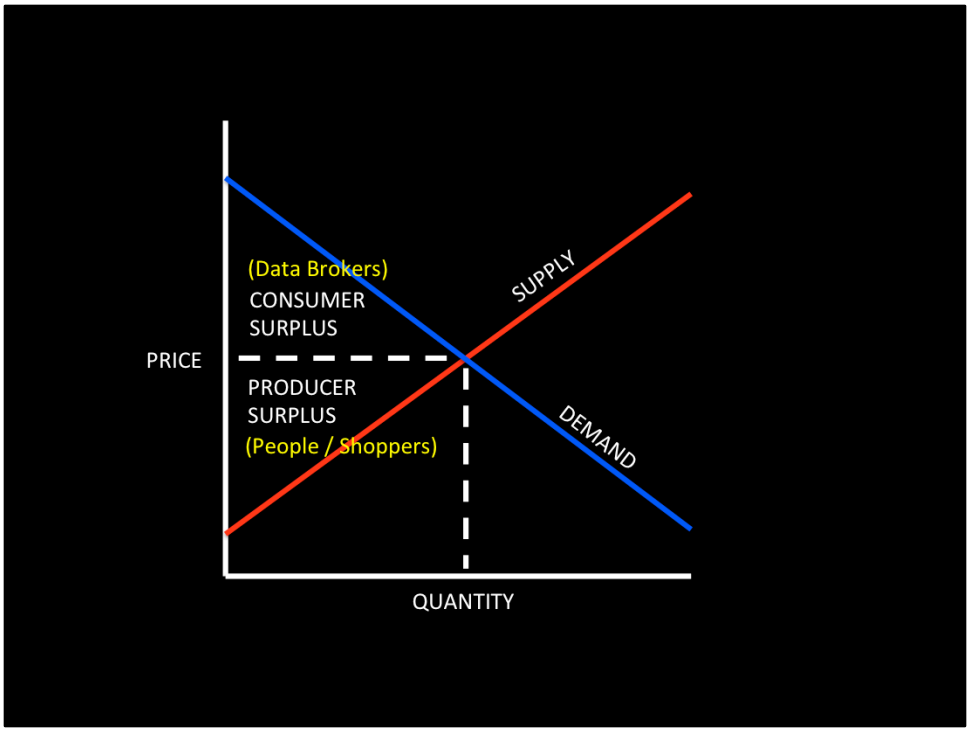
NO I WANT IT NOW.
You feel a subconscious entitlement to the whole cookie, because that is what was given first.



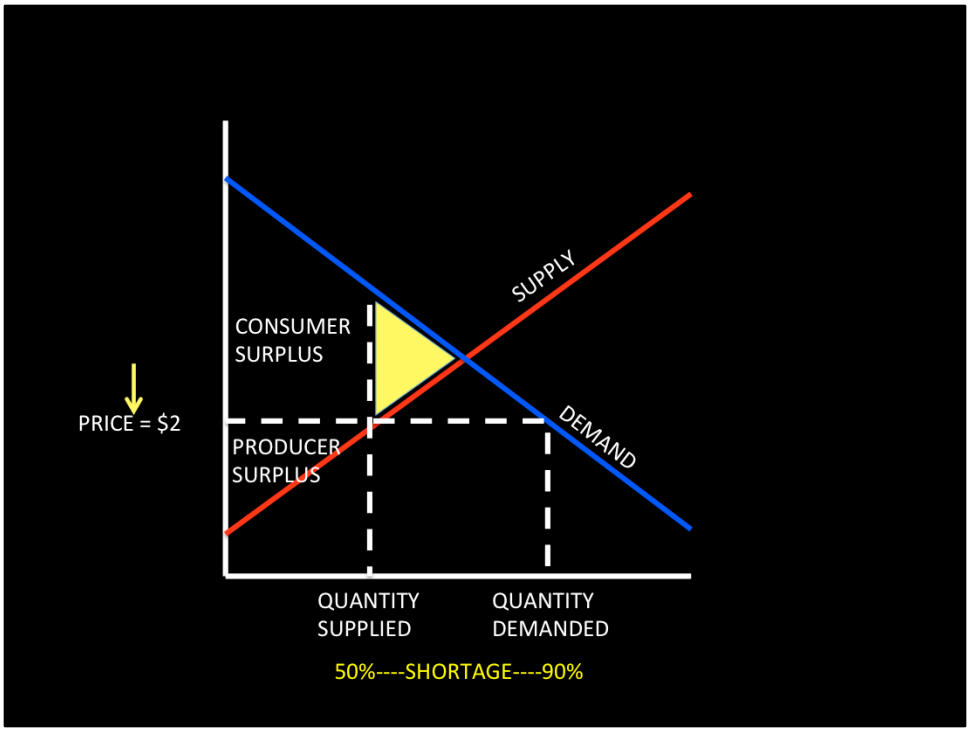
You have a 90% chance of accepting this offer, though it is rationally the exact same as the first offer.

You don’t care what the oompa loompa’s are doing with your shopping data now. You need that whole cookie, without a bite taken out of it.

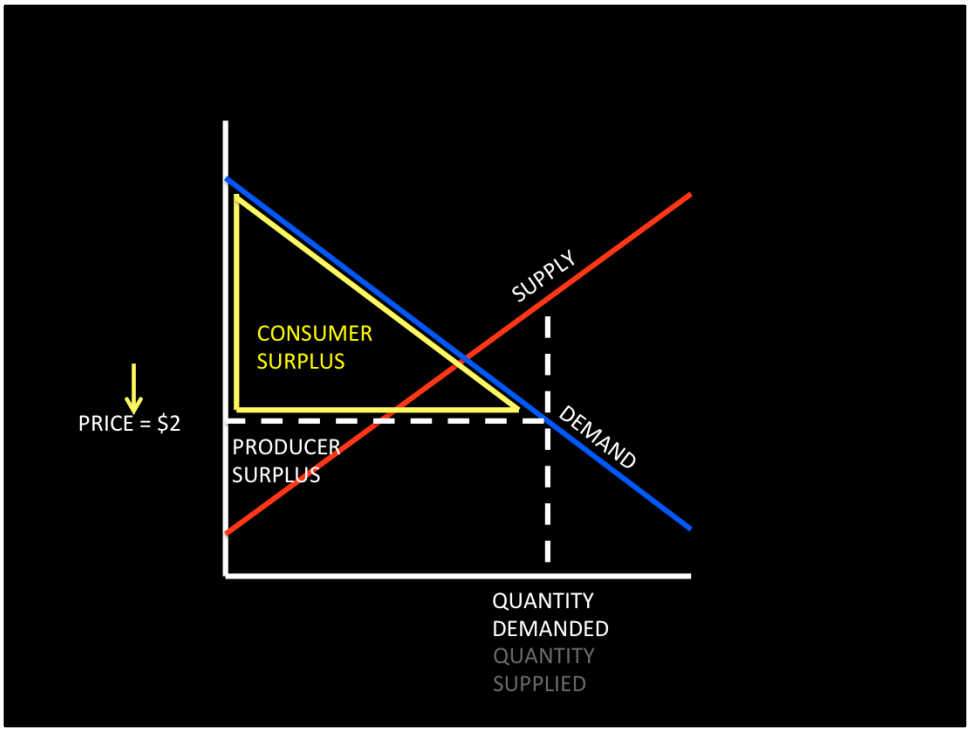
This research was performed by Dr. Alessandro Acquisti who discovered that people are easily tricked in to giving up personal data. The question is: Is this because they don't have a set value for it?



Here's a basic market graph from micro economics.
Supply, demand, quantity, price
Producer surplus is the difference between the amount the producer is willing to supply goods for and the actual amount received by him when he makes the trade, in this case it's how much more a person receives for their information than the minimum amount that person would be willing to take.

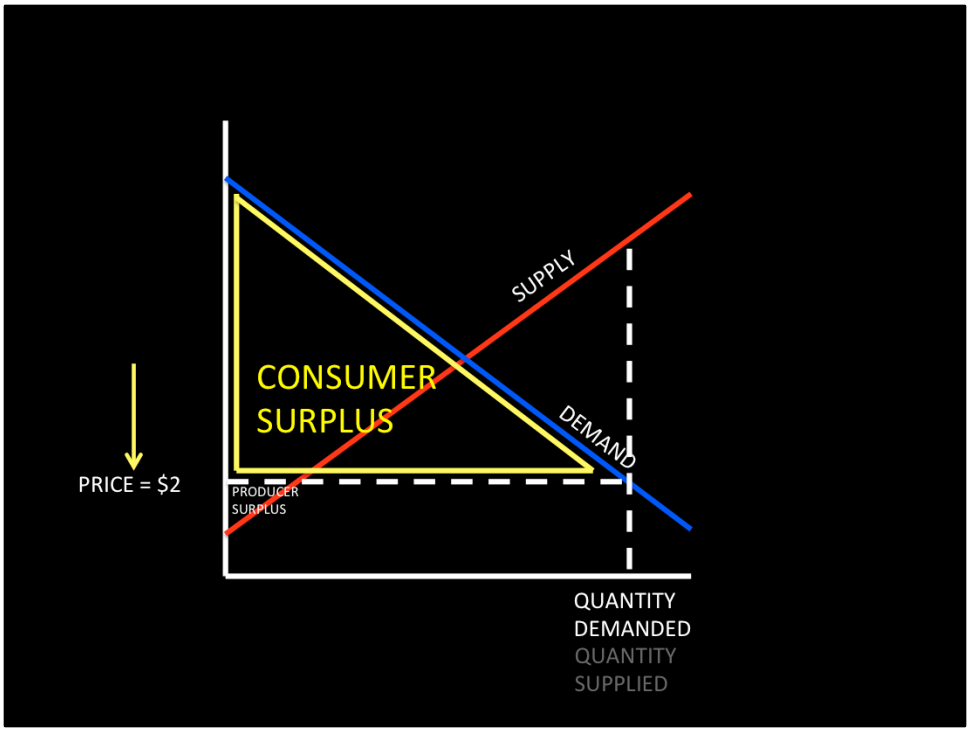


Now when the price is lower than equilibrium
Demand > Supply and PS < CS
Deadweight loss shows inefficiency in the market, or surplus that has been lost overall between consumers (data brokers) and producers (hapless shoppers who didn't know they'd be on an econ graph today)



In this market the quantity of information supplied is greater than the equilibrium amount and S > D. More PS + CS than before

Economists don't like to think this happens or is stable because in traditional markets the quantity demanded can't keep up with over supply.



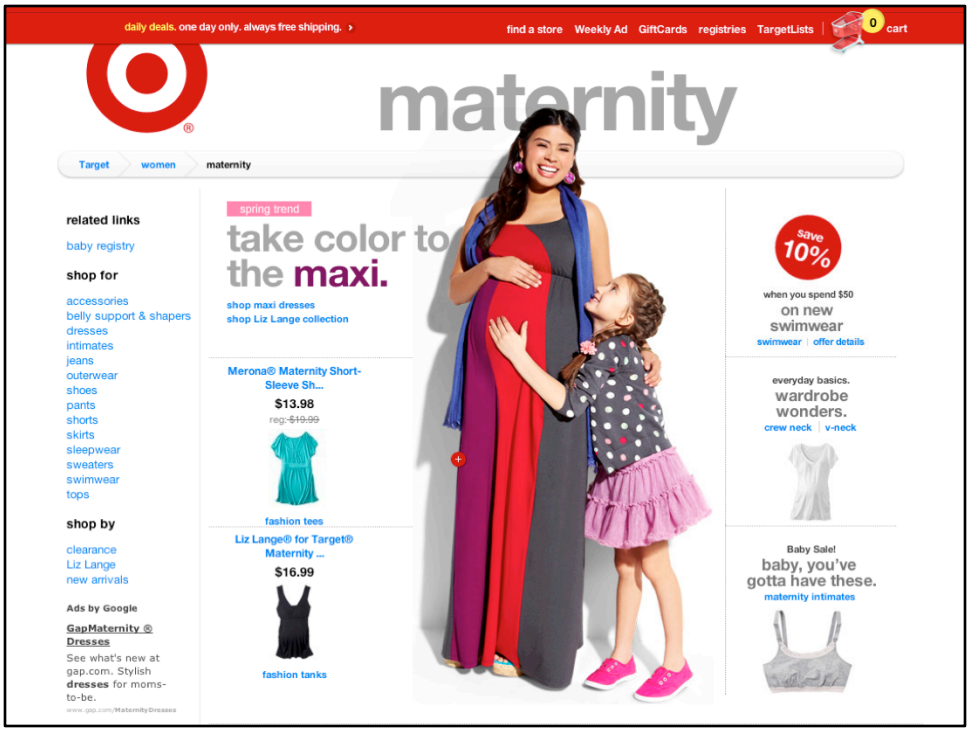
As you can see, the higher the quantity of personal information we as individuals put in to the market above the necessary amount, the more the data brokers profit, and the smaller our surplus becomes.

I like using monsters inc as a metaphor for what happens when all of this data floods into the market

Imagine your data being released in to this space. It can go through one door, or many. You don't know where the doors lead. They could lead to other doors, and more and more.

Information is a non-traditional good in that all data brokers could own your information, whereas if it was a physical object only one could have it. Since data brokers sell the information in huge data sets, one person giving up their shopping data for a cookie could actually be bought by tons of aggregators and businesses.

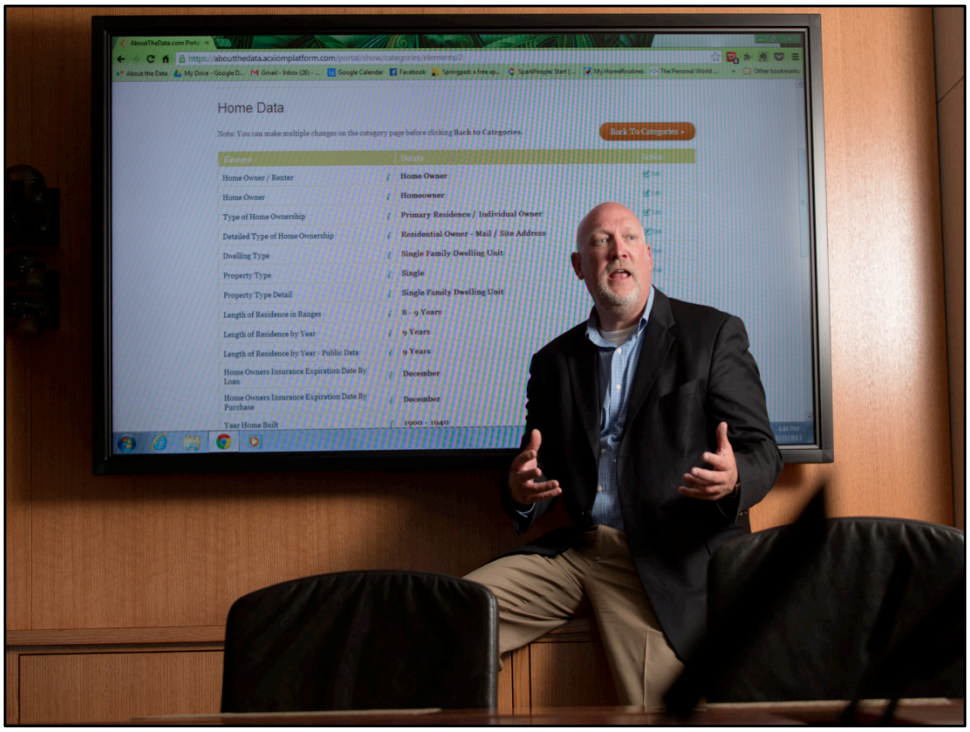
Europe is already legislating against this kind of personal data brokering



Remember target? These are the consequences of what happens when data is shared and sold.

Code of Fair Information practice: no secret records, subject of data should be able to find out what data is recorded and how it is used,
Subject should be able to prevent said data from use by third parties or used for profit in ways they didn't authorize
Subject should be able to correct / amend data
Brokers should protect data and from misuse

Right to know laws blocked by lobbying
CA has very strong protection laws comparatively to other states



“You may be surprised to know that we are in favor of heightened industry regulation, but we want to make sure we have a voice in the process,” said Scott Howe, CEO of Acxiom

Acxiom is actually doing this and if you’re against non-consensual data aggregation, they’re the devil himself.

By being one of the first companies to implement transparent data policies, they will have a lot of control over how future laws are written. It’s a bold strategy.

“We are not going to get anywhere by hiding. You have to make things visible.”

Since it's Christmas time, let's all give a big thank you to Santa, who knows when you're sleeping or when you're awake AND if you're naughty or nice but doesn't sell it to anyone.