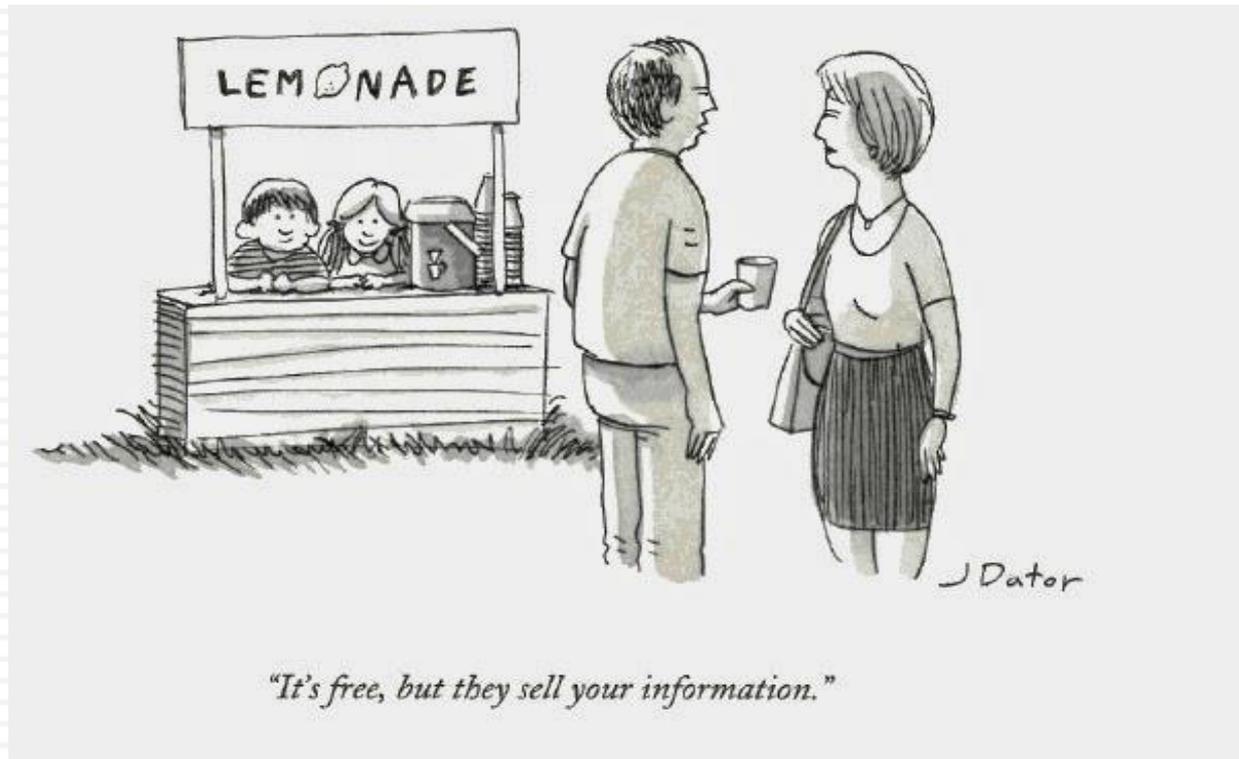


consumer action

Education and advocacy since 1971

BIG DATA, BIG DOLLARS



"It's free, but they sell your information."

What is this stuff called 'data'?

- ❖ Basically, data is information. It can be personal, such as your location, age, gender, buying history, browsing history, etc.
- ❖ Data about customers and users is collected by many companies, governments and nonprofits
- ❖ It can be from info you provide, data you generate by doing, data about your interests as evidenced by content you consume
- ❖ Marketers use data in an effort to predict what you will consume, like, share or buy—and then pitch it to you
- ❖ Your data is a valuable commodity for sales, public health, infrastructure planning and more

Data mining

- ❖ Marketers have never had more data at their disposal
 - ◆ Online (examples: purchases, web browsing, social media use) and offline data sources (example: public tax records and magazine subscriptions)
- ❖ Every business sector now collects data of one form or another
 - ◆ Widespread belief that consumers react more positively to targeted ads about things they are interested in
- ❖ Devices connected to the internet are with us almost everywhere
 - ◆ From phones to TVs to thermostats to nanny cams to digital assistants like Alexa and Siri, the list is growing

Difficult to mask data

- ❖ Data can be made anonymous and de-identified and still be valuable to marketers, scientists and researchers
- ❖ The aim of both anonymous and de-identified data is to prevent a person's identity from being connected with information
- ❖ But studies have shown that anonymous and de-identified data can be re-combined with other data sources to identify specific individuals

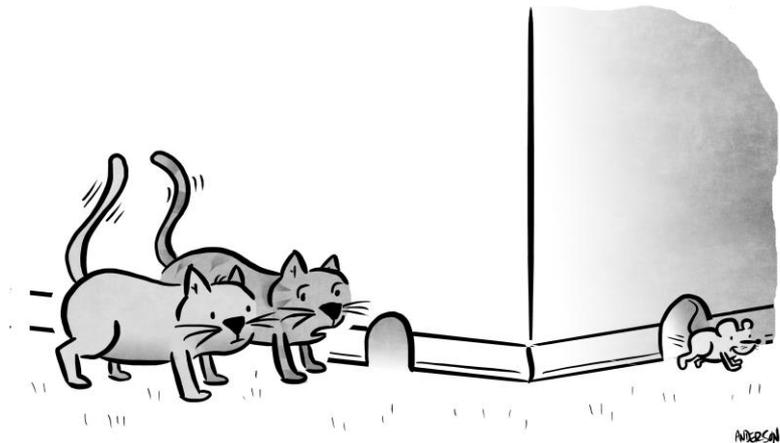
Tracking

- ❖ Because we have so many internet enabled devices, companies can track our data use across our devices
- ❖ The Children's Online Privacy Protection Act (COPPA) rule gives parents control over what information websites, mobile apps and online services can collect from their kids
- ❖ But no such explicit requirement exists for adult data
- ❖ The FTC has suggested that a simple "Do Not Track" mechanism be developed to allow consumers to block websites from tracking them for marketing purposes
- ❖ Often, you can opt out of marketing based on your online behavior/interests but not out of all online ads

Data uses

- ◆ Data about you can be used to target you with sales pitches and ads
- ◆ Data can be used to identify health trends and epidemics
- ◆ Data can be used by government to provide public services
- ◆ Data can be used to determine risk, such as with credit use or insurance products

Much can be ‘inferred’ by examining data but whether these inferences always are accurate is open to debate



"According to our current predictive analytics solution, the mouse should be exiting from this hole in 3... 2... 1..." #betterdata

Data privacy

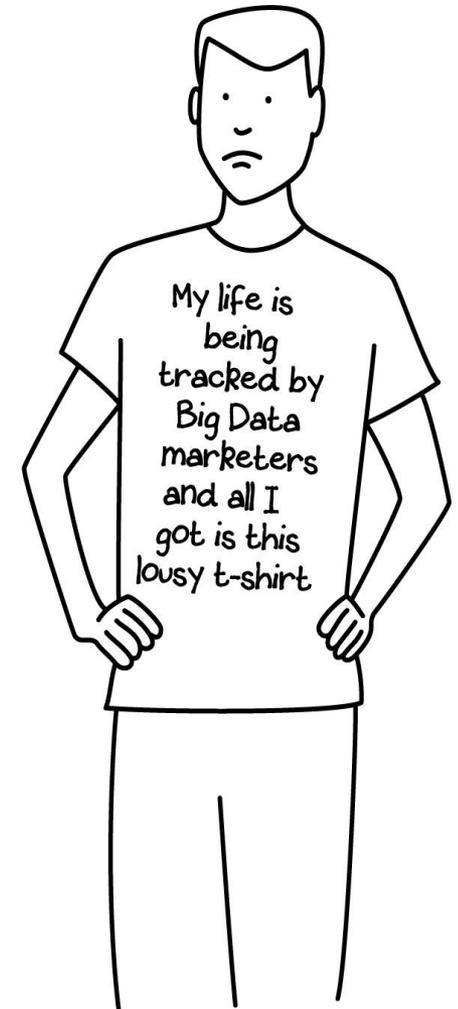
- ❖ Tracking customer preferences and purchases can reveal private and sensitive information, like health issues, financial problems or sexual orientation
- ❖ This is why it is so important to provide consumers with the ability to access and control their data
 - ◆ Consumers have access to dispute inaccurate credit history
 - ◆ Data brokers do not have to allow consumers to access or correct data about themselves
 - ◆ It can be close to impossible to fix errors coming from public data, such as property records

Privacy policies ...

- ❖ Should spell out exactly what data is being collection
- ❖ Explain how collected data will be used
- ❖ Give consumers information about how they can control the use of their data
- ❖ But too often they are just boilerplate designed to fend off litigation
- ❖ Another problem is, consumers basically are forced to agree or they can't use the service

Who owns data?

- ❖ Many companies believe they own the data they collect
- ❖ Consumers, however, generally believe they should own and control data collected about them
- ❖ Often, consumers knowingly or unknowingly 'trade' data for something they want for free, such as access to websites or services
- ❖ Data is more likely to be controlled by strong policies and privacy laws than by ownership rights



How safe is our data?

- ❖ Every week we learn of high-profile data breaches
- ❖ Connected devices may not be supported for ever, making them unsafe after updates end
- ❖ We give away a lot on social media
- ❖ Our passwords are generally weak and used again and again
- ❖ We don't always pass-code our mobile devices
- ❖ No federal law requires data breach notification
- ❖ Most states + DC have breach notification laws
- ❖ Data stored in the 'cloud' is subject to the jurisdiction of where the storage server is located

Some guiding principles for data

- ❖ No personal data should be used without individuals' consent
- ❖ 'Opting in' is preferable to 'opting out'
- ❖ Consent choices should be simple, persistent and auditable
- ❖ New uses of the same data require new consent
- ❖ Empower consumers to access and control their data
- ❖ Retention periods should be as brief as possible
- ❖ Companies that collect, store, share and sell consumer data must be held to the highest standards of security and privacy
- ❖ When customer data is sold or transferred to new ownership, consumers must be given notice and choice

Learn more about your rights

- ❖ Consumer Action – www.consumer-action.org
- ❖ Center for Democracy and Technology – cdt.org
- ❖ Electronic Frontier Foundation – eff.org
- ❖ Electronic Privacy Information Center (EPIC) – epic.org
- ❖ Privacy Rights Clearinghouse – www.privacyrights.org