

Online data brokers know you surprisingly well

September 11 2013, by Brandon Bailey

I'm a middle-aged guy who lives in a house that was built more than 50 years ago. I'm married, have a white-collar job and sometimes read financial newsletters for fun.

Those boring details are part of a digital dossier compiled by Acxiom, one of the nation's biggest commercial data brokers, as revealed on a controversial new website the company has created to let individual consumers review some - but definitely not all - of the personal information about themselves that Acxiom sells to clients for online marketing campaigns.

I also found a few surprises when I checked my file once the site launched last week. Along with such items as my ethnicity, annual income, number of credit cards and the month my car insurance is due for renewal, Acxiom says my "household interests" include sailing and boat ownership.

That's funny: Sailing makes me seasick; I get queasy just riding the Alcatraz ferry. The item left me confused, until my wife remembered she'd been shopping online for some boat shoes a few months back.

With a mix of mundane and slightly startling insights, the new site at AboutTheData.com provides an intriguing look at a business that's usually hidden from the public eye. And as with many aspects of the [personal data](#) business, Acxiom's site has sparked debate: Some [privacy advocates](#) praised it as a positive step, while others decried it as a cynical

effort to forestall regulation and gather even more information by lulling consumers into updating information on the site.

Acxiom is promoting the site as an opportunity for consumers to view and correct the information it has in its files, or even opt out of future tracking, once they complete a free verification procedure that involves sharing several items of personal data. But critics are suspicious of the company's motives.

Acxiom is attempting to "sanitize" its practices, charged Jeff Chester of the Center for Digital Democracy, a nonprofit advocacy group, who complained the site doesn't make clear just how much "an individual consumer is relentlessly tracked" - analyzed, categorized and "auctioned off to the highest bidder."

In a statement, Acxiom CEO Scott Howe said the company created the website to show it supports "the responsible use of consumer data." By allowing consumers to review and correct information about themselves, he added, "this will result in more relevant offerings and better online experiences for the consumer."

If you're like most consumers, you may be vaguely aware that many websites and retailers keep track of your interests, so they can tailor the advertising, discount coupons or other offers they send your way. But experts say most people don't know the extent to which commercial data brokers collect and sell information about their Web habits, offline purchases, household income, family characteristics and other personal details.

The information comes from website "cookies," or software that tracks users' online visits, as well as product registration forms, retailers' loyalty cards and even property records and other public data kept by government agencies.

With a database of profiles on more than 700 million consumers, Arkansas-based Acxiom has worked with major retailers and Internet companies, including Facebook. While it's an industry leader, at least eight large competitors and smaller firms offer similar services.

Unlike credit reporting agencies, data brokers aren't governed by any laws requiring them to safeguard consumers' privacy, correct errors or even reveal what's in their files. While acknowledging that companies have legitimate uses for much of the data the brokers gather, the Federal Trade Commission and Congress have recently launched inquiries that many believe will lead to new rules governing Acxiom and its competitors.

Howe recently told the New York Times that his company's new website is evidence the industry can play a role in regulating itself.

The new website offers visitors the ability to "opt out" from being tracked by the company, but it also warns: "This will not reduce the number of ads and offers you receive, it just means that some of them may be less relevant to you."

One concern about brokers like Acxiom lies in the accuracy of its information, as well as its sources, said Paul Stephens of the nonprofit Privacy Rights Clearinghouse. Showing the data to consumers is "a great idea," Stephens said, but he would also like the site to disclose, for example, which retailer supplied a piece of information, so consumers could decide if they want to keep shopping at that store.

Other critics cite the potential for stereotyping or discrimination. Acxiom reports an individual's ethnicity based on surnames or voluntary surveys. The company also classifies consumers by social and economic traits, using category names such as "Savvy Singles," "Frugal Families" and "McMansions and Minivans."

The danger is that retailers, financial companies or other businesses may offer better prices or services to people in certain categories, while individuals in other groups may be targeted with high interest rates or predatory offers, said Pam Dixon of the World Privacy Forum, another watchdog group.

The new website doesn't list those classifications. It also omits references to sensitive information such as a person's interest in medical conditions, disabilities, gambling or smoking, which Acxiom uses in its commercial products. Critics warn those omissions may lull consumers into thinking the data broker's practices are more innocuous than they really are.

In a statement, Acxiom said it sought to give consumers "the most straightforward and direct control" by showing them the "core data" that it compiles, but not the "derived insights" that Acxiom also provides to its customers.

Security researcher Ashkan Soltani raised another concern after examining the site: Acxiom requires visitors to verify their identity by providing certain personal information to access their own files, including a home and email address, date of birth and the last four digits of a Social Security number.

That may not be enough to keep out fraudsters who might obtain those details from other sources, Soltani said, but it could help Acxiom link an individual to other information in its files. The company, however, said it uses those items only to verify identity and won't add them to its files if it doesn't already have the information.

Your data:

Here are categories of information that consumers can find about

themselves on Acxiom's new website, with examples for each category:

- "Characteristic" data: Age, birth date, ethnicity, education level, marital status, political party

- Home: Owner or renter, type of dwelling, years at address, estimated market value, mortgage and equity

- Vehicle: Models owned, auto insurance renewal date

- Economic: Estimated household income, number of credit cards

- Shopping: Dollars spent at "selected" but unnamed retailers in past two years; no breakdown of purchases but indicates if you shop online, by mail or in categories like health and beauty, gardening, home furnishings

- Household interests: Lists consumer interests such as computers, cooking, gardening, pet ownership; also indicates if person donates to charity

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