

All I Wanted Was to Buy Some Toothpaste
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We enter a mega store. There are tons of great products and pictures. The prices are generally good and we can compare with other stores easily. As we browse down the aisles, we can search for other similar products and even see what other consumers thought of the product, before we buy. In some cases, we can even chat with a live person to discuss how the product works or what would be best for our needs. When we proceed to check out, we provide our credit card information and our address. In some cases, we don't even have to pay tax and we can return the product if there is a problem.

Doesn't that sound great! Yes! Millions of Internet shoppers think so too.

Let's try another one.

We enter a mega store. Upon entering the store, we are assigned a specific identification code. This identification code can tell the store what other stores we may have visited that were competitors, what address we have, if we have been in the store before, if we purchased any products before, the credit card information in our account and where we live. As we browse through the store, the items that we looked at are logged in and in some cases, the store provides suggestions to us. If we show a particular interest in a product by repeatedly going back to that product, the store can increase the price for us. When we check out, we provide our credit card number, credit card security code, mailing address, home address, set up a security question about the high school we attended and indicate that we are willing to allow this store to use this information to let other stores know about the things we like and the people we are. After we check out, we get sent a confirmation for the purchase and in that confirmation other companies provide offers of their products and services that are similar to the ones that we just purchased.

Not such a great scenario. Millions of Internet shoppers think so too.

Personal privacy and security of personal information is a key barrier to adoption of the Internet, as well as other high technology solutions and initiatives, such as those in the Automated Wal-Mart Experiment. While the Automated Wal-Mart Experiment lacks social interaction, which is a key benefit of bricks and mortar stores, what is most disturbing is the serious erosion of personal privacy. The assumption that improved consumer security will exist as a result of technology fails to consider the weaknesses that exist today in computer security, despite increases in technology.

Dr. Alan B. Westin characterized consumers privacy positions as Unconcerned, Pragmatists or Fundamentalists. Those that were unconcerned had low or no concern for privacy, those that were pragmatists weighed and balanced the costs and benefits of disclosing personal information and fundamentalists were those that were highly concerned about their privacy. While there has been debate over the validity of these segmentations, it is clear that companies must similarly consider the implications of their actions on the level of privacy concern exhibited by consumers.

In the Automated Wal-Mart Experiment the typical user must enter through a biometric system by providing a thumbprint, be subject to a video tape, provide credit card information just to enter the store, upload their shopping lists from a PDA, be tracked by the Intelligent Shopping Cart, purchase products that are RFID tagged allowing for post-transaction tracking, provide additional biometrics to enter the Expensive Item area and scan their ID cards to buy cigarettes and alcohol.

The volume of information provided by this consumer is extensive and the Automated Wal-Mart store will have a treasure trove of consumer data. While many stores now have lots of data on consumers (i.e. loyalty cards, Disneyworld requires biometric scanning upon entry and such), the comprehensive and intrusive nature of this data and it's collection process is far-reaching.

And all for some toothpaste? Seems a bit much to ask, even for a privacy pragmatist like myself.