SILICON SIMULACRA

Post-humans of the Machine Worlds

Len Ellis

Chapter 4

The Consumer's New Clothes

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THE CONSUMER'S NEW CLOTHES

Before I begin my attack, I must first become
acquainted with her and her whole mental state.

—Søren Kierkegaard, "A Seducer's Diary" (1843)

Response is the medium!

—Myron Krueger, "Responsive Environments" (1977)

Champions of the public interest praise the Web, at least in part, because putting communications power in the hands of consumers helps counterbalance the power of marketers. This view contains several truths, to be acknowledged in a bit, but the view of the Web as a weapon in an adversarial relationship is wrong. Once upon a time, when the Internet was just expanding beyond research universities and government laboratories, many were opposed to its commercialization. That lasted about two seconds. Ever since, much of its growth has been based squarely on its facilitating our shopping and buying.

Tomorrow's Web services will enable us as consumers even more. New interfaces will enable each of us to manage which parts of our personal information we'll share with which merchants and even to "advertise" our needs and wants to them. Consumers will likely interpret this enablement as empowerment and embrace it. If so, our voluntary self-disclosure will save businesses billions and even help solve the privacy problem, but we won't get paid or praised for either. More likely, our machine form as a "virtual consumer" will emerge as just another step in the march of cyber-progress, and precisely because some version of a user-managed virtual consumer interface will likely be a standard component of everyone's emerging cyberpersona, it merits close attention. Before doing so, however, the balance-of-power argument needs to be addressed.

The truths of that argument can be quickly acknowledged. The Web certainly provides buyers with more perfect information. Attributes and features of every product in every category are easily located as well as comparative prices and independent product reviews on most of them, which threw businesses into a tizzy for a bit. It also gives irate customers a very powerful platform for airing grievances, and they do use it. Recently, an audio recording of an AOL call center agent fighting off a subscriber's attempt to cancel spread like wildfire online; so, too, did a video showing how to pick a high-priced Kryptonite bike lock with the back end of a Bic pen. IPhone fans lit up the blogosphere when the steep price they proudly paid at launch was slashed by 30 percent just two months later. Moreover, the Web makes it easier for activists from anywhere to access financial filings, pollution records, political donations, legal briefs and other documents, and their reports of bad deeds or even hypocrisy also diffuse quickly. The enviro-active soap-peddler The Body Shop, for example, lost some of its luster over allegedly inhumane animal testing, and esteem for organic grocer Whole Foods dipped when its CEO was discovered blogging about his company under an alias.

Businesses have not been idle in responding to these challenges. They use a variety of new tools to monitor, gather and analyze user-generated content (UGC) from across the Web to find out who's talking with whom about what, what they're saying and which users are "hubs," who refer people with questions to "authorities," people who respond with answers. To better understand these conversations, many businesses also use text-processing software that turns the natural language in which people communicate into a more abstracted language that lends itself to analysis and reporting.[1]

Neither irate customers nor eavesdropping businesses, however, suggest that consumers and marketers have an adversarial relationship. The desire to get even does often motivate the initial airings of complaints, but that's not why they diffuse. Offline and on-, we share negative information more widely than we do positive and for the same reasons: we remember the former more often than the latter, and we believe that preventing potential harm is a *bona fide* good deed.[2] Similarly, when it comes to hypocrisy, surely all consumers would advise marketers to follow the Socratic chestnut: Be as you wish to appear. But that does not mean, as some gurus argue, that consumers are clamoring for authenticity.

The Charm of Humbug

When it comes to advertising, consumers are of two minds about veracity because advertising has two functions: information and entertainment.[3] In its informational mode, advertising assumes the consumer is a rational agent, seeking to maximize her interest through the pursuit of calculable benefits. Such calculation requires accurate information and in that context misinformation is problematic. It was a notorious problem in the late 19th century, especially among patent medicine companies with their promise-the-moon claims. In 1913 the advertising industry, long critical of such practices, finally took its stand, adopting the Baltimore Truth Agreement and committing to "Truth in Advertising," which later became the slogan of the Advertising Federation of America and its affiliates.

Since then, we have enacted and still want laws upholding truth in advertising as well as in packaging, labeling, installment buying and other commercial practices. Every buyer wants the product as described, a fair price and an honest tradesman. Indeed, our ethical sense extends beyond what's legally required and makes us uncomfortable with those advertisers who tell the whole truth about their products only in the fine print, such as student-loan originators, debt consolidators and accident claims companies. By and large, however, the advertising industry has lived up to its credo and, miscreants notwithstanding, rarely lies about products.

Veracity is not what we want from advertising's entertainment dimension, however. Americans in particular have always been fond of bold liars and their tall tales, fish stories and other whoppers. Back in the mid-19th century, at the very time patent-medicine companies were peddling their snake-oil cure-alls, Americans adored P. T. Barnum, the self-crowned "prince of humbug," and we crowded his exhibit halls of educated dogs, industrious fleas, automatons, ventriloquists, living statuary, tableaux, gypsies, Albinos, fat boys, giants, dwarfs and outrageous fakes like George Washington's nurse, the Missing Link and a mermaid. The last was a preserved monkey head sewn onto a dried fish, and Barnum recalled how the public reacted to the difference between what he advertised outside the exhibit hall and what it found within:

> The public appeared to be satisfied but as some persons always will take things literally, and make no allowance for poetic license even in mermaids, an occasional visitor, after having seen the large transparency in front of the hall … would be slightly surprised to find that the reality was a black-looking specimen of dried monkey and fish that a boy a few years old could easily run away with under his arm.[4]

The showman's autobiography was a best seller in his own lifetime.

Fast-forward to the 1980s when ad agency Della Femina, Travisano and Partners created for Isuzu automobiles a spokesperson in the huckster tradition, played with lounge lizard smarm by David Leasure. Across various TV spots,

Joe Isuzu claimed the car gets 94 miles per gallon, city; goes from Paris to Rome in two minutes and has a built-in frozen yogurt machine. Isuzu's pick-up, according to Joe, can haul a 2,000-pound cheeseburger and has more seats than the Astrodome. And he always exited on the line, "You have my word on it." Whether or not this campaign sold cars, people loved the commercials. And although few campaigns are so extreme, tongue-in-cheek parodies are a staple of the genre, like the current campaigns for Axe men's grooming products and William Shatner's portrayal of the Negotiator for Priceline.

We laugh at marketers' hyperbole and have done so for ages. The 1920s college humor magazine *Ballyhoo* was devoted entirely to satirizing advertising, and by the 1950s parodies had become a regular feature of popular culture from the send-ups in *Mad Magazine* to the actual radio and TV spots created by Stan Freberg. Consumers know entertainment when they see it, in advertising as in mermaids, and willingly suspend their disbelief for the sake of their own entertainment.[5]

Nor are we fooled by fakery. We don't need warnings that *The Daily Show with Jon Stewart* and "Weekend Update" on *Saturday Night Live* are fake newscasts. No one thinks his city's House of Blues club with its *faux* water damage, graffiti and tobacco stains is actually a Southern juke joint. Everyone knows Restoration Hardware sells reproductions and that the entire knock-off sector of the women's apparel industry is based on the "real fake" and its benefit—looking *a la mode* at a fraction of the designer's price. A few years ago, an upmarket Italian home furnishings company commissioned a noted architect to design a teakettle and priced it at $145; a hip discount retailer then commissioned the same architect to design a replica, priced at $25. Both sold well and no one mistook the one for the other.

Nor are consumers out to get marketers. Current research reveals that online product reviews are second only to word of mouth in influencing product decisions,[6] and those reviewers are overwhelmingly positive and well intentioned. According to a 2007 survey of 1,300 online reviewers by the Kay Feller Group for Bazaarvoice, a leading consumer review site, 87 percent of all product reviews were generally positive in tone as were the motives for writing them.

- 90 percent to help other consumers make better buying decisions
- 79 percent to reward a company
- 79 percent as a way of giving back to the review community
- 70 percent to help companies improve the products they build and carry.[7]

These consumers don't see marketers as adversaries or the Web as a weapon. They're active online to be helpful, even collaborative. The very success of the Web shows that consumers do much more than meet marketers halfway; with control at our fingertips, we now go to them.

To be sure the Web provides a bullhorn for irate customers and a combination of telescope and microscope for business watchdogs. Louder voices and prying eyes prying more often demand that businesses do more, especially in customer service and stakeholder relations, but not anything different. Meanwhile, the previously mentioned reversal in the direction of communication, from consumers to marketers, is a qualitative change. It inverts the relationship of consumers and marketers and, looking ahead, is inspiring the new virtual-consumer interfaces of our emerging cyberpersonas.

The Inversion of Marketing

For its entire history before the Internet, marketing had always initiated the communication. Online, however, marketers are on the receiving end; the consumer comes to them, usually with intentions in mind and control at her fingertips. This inversion is the path on which marketers are

leading us today, but it took a while for them to acknowledge the situation, much less figure out a way to adapt.

When the Web arrived in the mid-1990s, most brands weren't interested. Its early users were too few and elite: they had twice the wealth of the average U.S. household and twice as many college graduates as the U.S. population, and were heavily concentrated in managerial, professional, technical and academic jobs. That market segment did attract some spending from big-ticket categories like automobiles and categories like financial services where customers had high lifetime value, but other categories held back. Ad agencies weren't interested, either; digital didn't pay. In 1997 Internet advertising totaled a mere $200 million, a tiny amount from which all had to make their commissions, while the fees that agencies could charge for producing Web sites and banner ads were equally miniscule. A few traditional agencies did set up digital studios but largely to deter their clients from meeting other agencies.

As Web usage spread and its users came to resemble the general population, more brands in more categories upped their online budgets. But when their agencies tried to implement, they flopped. Their creative departments, the core competency of every agency, didn't like Web work. It wasn't as much fun as shooting a 30-second spot starring a six-foot supermodel. Nor would it advance a career like a Super Bowl spot would. But the best reason agencies' creative staffs didn't like digital work was that they weren't any good at it. And they still aren't.

Admitting so took years, but it finally became clear that one-way and two-way media require different types of creativity. An advertisement is a mini-entertainment, designed to stimulate audiences into reverie. An interface, even the simplest like an ATM, is designed to enable action and response between human and machine. The locus of creativity in interactive media is different, as computer scientist and virtual reality pioneer Myron Krueger explained:

> The medium is comprised of sensing, display and control systems. It accepts inputs from or about the participant and then outputs in a way he can recognize as corresponding to his behavior. The relationship between inputs and outputs is arbitrary and variable, allowing the artist to intervene between the participant's action and the results perceived … It is the composition of those relationships between action and response that is important … Response is the medium! [8]

Choreographing a *pas de deux* for human and machine occurs on dimensions that do not even exist in narrative storytelling—feedback, control and adaptivity—and aims at an entirely different result, not reverie but agency, the pleasure of participating in a world that responds coherently to our participation and that changes at our intervention. In this back-and-forth, the user is in control at every step from start to finish, entering commands to which the machine responds. On the Web, for example, a user's click commands the destination site to serve up the requested page; after responding, it stops. Perhaps the user will enter another command, perhaps not.

Adapting to this medium is like a sex change for marketers. Traditional outbound marketing is conceived as a rather aggressive endeavor, in such terms as *targeting, capturing* and *penetrating*. On the Web marketers are on the receiving end, responding to users coming to them, and their success depends on embracing the inbound visitor through a new set of abilities: seducing, engaging, listening and adapting. Of course, putting a gender spin on this is cheesy, but others have also flirted with this metaphor because it helps convey the profound nature of the inversion the new digital media require.[9]

At the risk of being extra cheesy, the metaphor plays out as follows. While Mr. Advertisement fills up the time slot or print lineage with his words, sounds and images, Ms. Web site offers space that the visitor fills up with inputs, usually by making choices or entering data. Open to entrance, she pulls

the visitor in and along, by laying out sequences of steps for her visitors to follow that guide the intentions that prompted their visits to successful conclusions. Since the visitor holds the mouse, every step must be designed not to sell but to help the visitor buy. Ms. Web also listens and adapts. If the user reveals a bit, she'll change herself a bit to reflect what she's learned; the more the user reveals, the more she'll adapt. The seductress, inviting, open to entrance and responsive, is the muse of effective Web design.[10]

A real-world shift in technical metaphors, less fun of course, also captures the reversal: Computer Human Interface (CHI) design became Human Computer Interaction (HCI) design. Similarly, interface design, which emphasized the presentation of information, was replaced by interaction design, which emphasizes user-experience dimensions such as usability, flow and persuasion.[11] This approach, generally called user-centric design (UCD), is almost universal today and widely applauded for empowering consumers. Specifically, the elusive object of marketers' desires in the offline world is transformed on the Web into an approaching subject who has intentions and control, and the burden is on marketers to respond to her. Such empowerment sounds fine, but it does assume and require voluntary self-disclosure from the *U* in *UCD*.

Quite literally, UCD tries to get inside users' heads by deconstructing our consideration paths and decision processes and then mapping them into the command-and-response sequences of the software. Of course, visitors' heads are different, even for the same product. For example, buying life insurance for family protection is a different decision than buying it for estate planning. So, interaction designers must envision various personas (fictitious types of persons) by asking such questions as, What different product benefits do they seek? What are their different barriers, resources and expectations? Which tasks of their considering can the interface enable? What answers will convert their considerations into a purchase decision? With answers in hand, whether researched or hypothesized, designers then map these consideration paths and decision processes into flow charts that specify what content and what tools are needed at each click along the personas' different but partially overlapping and intersecting journeys through the site.

To clarify what designers do and users never see, Krueger offered a musical analogy: the designer is the composer, the software is the score and the user is the performer. The composer doesn't know in advance which performer will play on any given day and, so, must compose a score containing multiple sequences of alternative possibilities, most of which will not be realized by any given performer.[12] Because each click is a choice that reveals the visitor's intention at the moment and is recorded on the site's server logs as a visitor-specific clickstream, close monitoring of visitor behavior informs the site's next iteration. That is, by analyzing visitors' clickstreams, user-centric designers learn which pathways, content and tools worked and which didn't for which persona—in short, how we consider and decide—and adjust the site's pathways, content and tools accordingly.

UCD is a real achievement. It implements the inversion in the direction of communications and has proved its effectiveness in e-commerce. A secondary but still substantial benefit to business, the data it collects is high quality on several dimensions. Captured in real time during Web sessions, it cannot be surpassed for recency. Driven by user intentions and actions, the data are salient and relevant on the category, brand and product levels. Moreover, depending on the paths visitors are led down, their data can reveal interests, tastes, curiosities and other personal details. Whether or not a Web site is like a woman, it's the visitors who are taking off their clothes.

Birthing the Virtual Consumer

Beyond UCD the next step in consumer empowerment is a big one. It envisions equipping consumers with a user-managed interface that enables each to manage, update and

selectively disclose different digital versions of themselves to different marketers. Two independent but complementary initiatives—one at Harvard, the other at Microsoft—are pioneering our virtual-consumer interfaces.

The work at Harvard's Berkman Center for Internet and Society on vendor relationship management (VRM) is led by Doc Searls, whose pedigree helps explain the consumerist values behind the project. Ten years ago, he co-authored *The Cluetrain Manifesto*, a controversial best seller that challenged businesses to take advantage of the Web's inbound communication path by doing a lot more listening to customers.[13] The book's confrontational tone was entirely merited by business' widespread indifference to this unprecedented opportunity. In the years since businesses have come around; they've become increasingly comfortable with customers who talk to them and are even learning how to actively listen.

Recent efforts aim to get customers inside the enterprise, as far upstream as product development, where companies and customers can create products collaboratively.[14] Some "advanced" customers are especially worth listening to, including lead customers, who know the product itself inside and out; product enthusiasts, who know how to use the product better than others do and early adopters, who must have whatever is the latest and greatest.

Although this practice began in the high-tech industry, it's become a best practice in many categories. Packaged goods giant Procter & Gamble (P&G) is an exemplary exponent and explained its own shift quite simply: "We were the biggest shouter in the 20th century. In the 21st century, we want to be the best listener."[15] It revamped its Web site and invited all visitors "to see and share ideas for improving our brands and creating new ones," "to get free samples and buy our latest innovations before they hit the store shelves," and to "tell us what you think about" different P&G products. Another P&G initiative, an effort to engage online with opinion leaders among teenage girls, was spun off into its own marketing company. Today, leading companies in many categories are increasingly engaged in *preferential* listening with all three advanced customer groups.

Of course, listening has limits. The market research industry quickly pointed out that advanced customers are not representative and, furthermore, that the voluntarism of any self-selecting group is itself a bias that randomly selected samples avoid. It is certainly true that online market research has serious methodological challenges but some of this reaction was defensive.[16] The industry stands on its ability to generalize reliably from a sample to a population, but as discussed earlier, counting is not listening. Indeed, the isolated and transient relationship between researcher and respondent may allow only counting; research may be unable to listen.

Others rightly note that customers are limited in what they can contribute. When asked about existing products, they tend to suggest incremental improvements of what they already know, and when given a clean slate, they can't envision what new products they might want. No customer could envision Post-it notes, Velcro or the microwave oven. Still others put listening in context: it's only one element in being a customer-centric company.[17] Finally, it also has some dangers, such as disputes over intellectual property, arguments over product direction and tendencies toward feature creep and over-specialization in product design.[18]

Nevertheless, preferential listening is likely to expand since it also strengthens customer relationships, generates referrals, engages employees and reduces service costs[19] while counterbalancing organizational inertia and resistance to innovation.[20] It's also becoming easier and cheaper. As more companies connect with their customers via technology, they're using those IT systems to hardwire the voice of the customer into their organizations.[21]

The Cluetrainers were right—the Web can empower customers to the benefit of business—and that same vision informs Searls' Harvard work. Indeed, ProjectVRM rejects the term *user-centric* as inadequate and substitutes *user-driven* to describe the level of control needed for consumers to become "independent leaders and not just captive followers in their relationships with vendors."[22] That's the ideal, as Searls explained on the project's blog. "Our logic … starts with the sovereign autonomy and independence of each individual as a fully-empowered participant in the relationships that comprise markets and other social arrangements."[23]

In a VRM solution, "fully empowered" means that the consumer has both content and control of that content's disclosure. Specifically, she would have all the behavioral data relevant to each brand, retailer or other vendor from whom she buys, including her transaction histories, service records and correspondence, as well as her expressed data, such as purchase intentions and brand preferences. Most important, she'd have the ability to decide which data sets to share with which vendors and on what terms, like once-only use, anonymous use and so on. The benefit promised in the short term is the ability to automate some of our tasks as consumers, such as researching a big-ticket purchase, renewing subscriptions and policies and scheduling routine service appointments, but the longer-term ambition is grander.

VRM proponents envision and hope to enable "professionalized" consumers, who will gather, store, protect, analyze and share information describing themselves, their relationships, transactions and intentions and on that basis improve their abilities to plan, administer, organize and conduct their interactions and transactions with vendors. In the VRM future, consumers will be data-mining our own records of our personal spending, calorie intake, energy usage and car mileage, modeling our own profiles and constructing our own "people like me" comparisons in order to discover how we can better anticipate our needs, manage our resources and make better buying decisions.

The star of the VRM solution is the consumer who "advertises" her needs and wants to marketers. In what Searls calls The Intention Economy, "the buyer notifies the market of the intent to buy, and sellers compete for the buyer's purchase."[24] Some online vendors, such as Lending Tree and Priceline, already do this. The consumer posts her requirements and receives corresponding offers from marketers. With a VRM solution, consumers would expose the needs they want met across many categories. That's only fair, according to ProjectVRM. Since it "is impossible for vendor-side CRM systems to bear the full burden of relating with customers, … there should be a way for the customers to bear some of that weight."[25] As *Wired* editor Kevin Kelly predicted, "In network economics the customer can expect increasing speed and choice, and more responsibility as a customer."[26]

Microsoft's version of the virtual-consumer interface, Windows Card Space (née InfoCard) is similarly user-driven, but its goal is to create a Web-wide e-wallet and its rationale for its design decisions has none of ProjectVRM's idealism.[27] Graphically, each of the user's merchant relationships is represented as an ID card. For example, a hotel-branded card identifies the user as a preferred guest, an online bank card identifies the user as having a checking account and an auto loan and so forth. The user updates, verifies and controls each card, and each card contains only that subset of user data required for that specific merchant, including the purposes for which and contexts in which it can be used. Technically, the solution enables users to manage two security procedures: authorization that controls access and authentication that verifies identity. Specifically, the consumer both authorizes different merchants to access different subsets of her data and manages her own authentication so transactions can proceed.

This user-managed approach reverses the approach the software giant took with *Hailstorm*. That earlier effort at a Web-wide e-wallet was centralized with Microsoft at the center, storing all consumer data and interfacing with all merchants. It flopped because consumers wouldn't entrust all their identity data to a single organization, because merchants saw no reason for a middleman between them and their customers and because no single identity system would work everywhere.

In contrast Windows CardSpace uses a distributed approach, pushing control and responsibility out to the end users.

User control is preeminent. It's the first and foremost of Microsoft's "Laws of Identity," but the rationale is pure *realpolitik*. Specifically, a large enough minority of consumers would reject a solution that did not offer user control and thereby deny Microsoft the universality it seeks. As explained by Microsoft identity architect Kim Cameron, the goal is to establish a technical standard that works for everyone everywhere and ideals have nothing to do with it:

> When we postulate the Law of User Control … it is because experience tells us: a system that does not put users in control will—immediately or over time—be rejected by enough of them that it cannot *become and remain* a unifying technology. How this law meshes with values is not the relevant issue.[28]

Microsoft's second law of identity is "minimal disclosure for a constrained use"[29] and its goal is similarly pragmatic: disclosing less and imposing limits on disclosures decrease risk. For example, when asking a user to indicate his age, offering a set of age ranges, such as under 18, 18—24, 25—34, and so on, is less risky than asking for a date of birth from which a real-life person could be identified. Protecting privacy is an unintended consequence; risk mitigation is the goal.[30] (Microsoft's other "laws" concern the architecture of a distributed identity/authorization system so it works optimally across multiple contexts for all justified parties.)

Although ProjectVRM is governed by ideals and Microsoft by *realpolitik*, both net out in the same place and lead in the same direction: toward a user-managed interface running on Web-wide platforms that enable each of us to identify, authenticate and manage our self-disclosure to marketers and their agencies. This future is almost a certainty because the benefit to business is so substantial. Currently, the supply side tries to predict who on the demand side wants and needs what when. If marketers could replace their data-crunching guesswork with our voluntary and selective disclosure of purchase-relevant information, that is, if each of us were to become our own consumer-to-business (C2B) marketer and "advertise" our intentions to sellers, they would save billions. In contrast to the attention economy where traditional marketing does its work, in the intention economy consumers do the work. If that's accurate, the producers of intentions should get paid.

Consumers know their personal information has value. In 2006 personal-finance columnist Dave Ramsey revealed to readers of *Quick & Simple*, a weekly magazine from Hearst Communication, the then-current prices for a few of our many and varied data bits:

Bankruptcy details	$26.50
Workers' Comp history	$18.00
Unpublished phone number	$17.50
Cell phone number	$10.00
Social Security number	$8.00
Date of birth	$2.00
Street address	$0.50

He suggested consumers ask for a piece of the action.[31] Some have tried.

A London designer put up for sale on eBay 800 pieces of personal information; he got the equivalent of $240. Similarly, an office manager in Madison, Wisconsin, offered 378 of her data points, including her health status and religious beliefs. Another seller, identified by the moniker "highlytargeted," auctioned off a package of information "to help you better target ads to me." It included the past 30 days of her Internet search queries, the past 90 days of her Web surfing history and the past 30 days of her on- and offline purchase activity, as well as age, gender, ethnicity, marital status and geographic location, plus the right to target her with one commercial e-mail per day for 30 days. Another proposed to sell his "intention to buy" data for the next six months, broken down by category, likely purchase dates, indicative price ranges and existing preferences of various types, packaged in a format that feeds straight into CRM systems and priced at £10 per category for one- off use. He guaranteed that his data "will be more predictive of what I'm going to buy than your own analysis or what you can buy from external data providers.[32]

A marketplace in personal information is not a far-fetched notion to John Deighton, a professor at Harvard Business School:

> The challenge is to give people a claim on their identities while protecting them from mistreatment. The solution is to create institutions that allow consumers to build and claim the value of their marketplace identities and that give producers the incentive to respect them. Privacy and identity then become opposing economic goods, and consumers can choose how much of each they would like.[33]

The economics should work. Product information from marketers is in big supply; it has low value to consumers and is given away for free. Conversely, consumer information from individuals is in short supply; it should have high value for businesses and could pay out for the individual. What individual-level data could we sell that marketers don't already have? We could sell our online attention data (a.k.a., surfing histories or "clickstreams"), which could include the sites and blogs we visit; the time of day we visited and how long we stayed; what we read, watched, listened to, downloaded, shared, linked to or wrote about; where we had come from before and where we went after.[34] We could sell our taste data, expressed in the favorite books, movies, TV programs, music and quotations that highlight our profiles on social networking sites or expressed in behavior-based data, such as books bought, tickets purchased, songs listened to, feeds subscribed to and many others. We could sell our purchase intentions, which could include category, product specifications, price range, brand preferences and likely purchase dates. The more specific, up-to-date and complete our self-disclosure, the more valuable it would be, and, if it includes authenticated and/or audited data, its value would increase even further.[35]

Unfortunately for consumers, the law is not on our side. U.S. case law has largely limited property rights in one's likeness and the right of publicity—to own, protect and commercially exploit one's name and likeness—to celebrities. Their likenesses are complete and generally recognizable, the law argues. The same cannot be said of our purposefully partial and ephemeral profiles in the datascape, but it could be said of the user-managed interfaces that present us as virtual consumers.

As for our property rights in the data we generate, the courts ruled that the data has no value. Rather, the value derives from and resides with the information companies that compile and categorize the raw data into databases. This created a logical inconsistency. Since these companies are not alchemists, the value of the data they aggregate cannot be zero. Accordingly, some legal scholars have argued that the value of the raw data is determined by how much it takes for a person to relinquish it. Since millions of us readily give up our information for product coupons, ringtones, screen savers, horoscopes and other trifles, its value to us must be low, they argue, and they conclude that we're already adequately compensated by the marketplace.[36] No one believes that, and some have suggested that the law could support payment for information if privacy notices were replaced by a contract between consumer and merchant governing the data exchange, enforceable under existing contract law.

Perhaps the day is just around the corner when consumers will be able to disintermediate both the data industry and the media and monetize for themselves the information that is by and about them. The technological solutions are already in development, the economics are right, the law could work and the consumer is ready. As Internet venture capitalist Fred Wilson noted, "People are starting to get used to profiling themselves and using it to add value to their Internet experience … That change in user behavior is a big deal."[37]

Indeed, tens of millions of us are already busy disclosing ourselves in intimate detail on social network sites, blogs and other Web 2.0 services. Moreover, as more of our everyday activities take place or get captured online, each of us is accumulating an even larger online presence that others use to get acquainted with and evaluate us. The user-managed virtual consumer is but one component of everyone's emerging cyberpersona. Building, managing and governing access to one's online presence is an inescapable future that each of us must also address.

Notes

1 For a review of conversation monitoring services, see www.rmmlondon.com/rchive/a-survey-of-ten-leading-online-conversation-monitoring-companies

2 Pete Blackshaw, *Satisfied Customers Tell Three Friends, Angry Customers Tell 3,000: Running a Business in Today's Consumer-Driven World* (New York: Broadway Business, 2008) is a cogent assessment of the current scene. The groundbreaking study of word of mouth is Elihu Katz and Paul F. Lazarsfeld, *Personal Influence* (New York: The Free Press, 1955). On negative word of mouth see Robert J. Bies and Thomas M. Tripp, "Beyond Distrust: 'Getting Even' and the Need for Revenge," in R.M. Kramer and T.R. Tyler, eds. *Trust in Organizations: Frontiers of Theory and Research* (Thousand Oaks, CA: Sage, 1996), 246—260, and the two pioneering studies Marc G. Weinberger, Chris T. Allen and William R. Dillon, "Negative Information: Perspectives and Research Directions," 390—404 and Carol K. Scott and Alice M. Tybout, "Theoretical Perspectives on

the Impact of Negative Information," 408—409, both in *Advances in Consumer Research*, vol. 8, ed. Kent B. Munroe (Ann Arbor: Association for Consumer Research, 1981).

3 It is generally believed that advertising was largely informational in the 19th century and became increasingly focused on entertainment over the course of the 20th century, but the historical record on this matter is inconclusive; see Schudson, 59—64.

4 Daniel J. Boorstin, *The Image: A Guide to Pseudo-Events in America* (New York: Harper & Row, 1961), 207—210 discusses Barnum and is the source of this quotation.

5 On the mixture of tolerance and skepticism with which consumers approach advertising, see Schudson, 108—111.

6 Bruce LaFeetra, "Online Reviews Second Only to Word of Mouth as Purchase Influencer in US," Rubicon Consulting, October 2008, http://rubiconculting.com/ insight/ whitepapers/2008/10/online reviews-second-only-to.html. The reach and influence of bloggers in purchase consideration is still evolving; see "Blog Influence on Consumer Purchases Eclipses Social Networks," BuzzBlog, October 28, 2008, www.buzzlogic.com/2008/10/28/blog-influence-on-consumer-purchases-eclipses-social networks.

7 "Keller Fay Group and Bazaarvoice Study Finds Altruism Drives Online Reviewers," Bazaarvoice, November 26, 2007, www.bazaarvoice.com/resources/press-room/us-press-room/190-pressrelease phpid18?q=keller+fay+group

8 Myron W. Krueger, "Responsive Environments," in Noah Wardrip-Fruin and Nick Montfort, eds., *The New Media Reader* (Cambridge, MA: The MIT Press, 2003), 379—389. This weakness was not due to the lack of technical skills. Ten years ago, the CEO of a Fortune 100 company in an issue-sensitive industry was tired of getting beaten up by some stakeholder group—unions, regulators, activists, trading partners, equity analysts—every time the company did anything. To highlight this situation, its digital agency designed a game for the corporation's Web site that dared visitors to sit in the CEO's "hot seat" and respond to a hypothetical scenario-of-the-week by reviewing and selecting one of five options. But every option the visitor selected just brought a blast of vehement and credible objections from one or more of the hypothetical stakeholder groups. There was no right answer, ever. This no-win game was a hands-on experience of the client's dilemma but, technically, it was just HTML pages.

9 See Nathan Shedroff, *Experience Design* (Indianapolis: New Riders, 2001); Mark C. Taylor and Esa Saarinen, *Imagologies: Media Philosophy* (New York: Routledge, 1994); John R. Patrick, *Net Attitude: What It Is, How to Get It, and Why Your Company Can't Survive Without It* (Cambridge, MA: Perseus, 2001) and Lena Waters, "E-mail life cycle: from dating to divorce," *DM News,* July 10, 2007.

10 For similar reasons marketers have had a hard time hosting online communities. The trick is conceiving empty space as a generative field. Letting others do the talking, moderating their conversation only to ensure its continued benefit to the participants and being a center of gravity for others without being the center of attention have proven hard for most marketers.

11 Usability and its goal of intuitive instrumentality is championed most notably by Jakob Nielsen, *Usability Engineering* (San Francisco: Morgan Kaufmann, 1993) and his narrower *Designing Web Usability* (Berkeley: Peachpit Press, 1999). Mihaly Csíkszentmihályi, *Flow: The Psychology of Optimal Experience* (New York: Harper and Row, 1990) is the seminal text on flow and its attributes—attention, immersion and success. An early examination of flow's role in Web design with an emphasis on its implications for marketers is Donna L. Hoffman and Thomas P. Novak, "Marketing in Hypermedia Computer-Mediated Environments," Working Paper no. 1 (July 1995), Research Program on Marketing in Computer-Mediated Environments, Owen Graduate School of Management, Vanderbilt University. On persuasion, see B. J. Fogg *Persuasive Technology:*

Using Computers to Change What We Think and Do (San Francisco: Morgan Kaufmann Publishers, 2002) and the Stamford University Persuasive Technology Lab at http://captology.stanford.edu. Stuart K. Card, Thomas P. Moran and Allen Newell, *The Psychology of Human–Computer Interaction* (Mahwah, NJ: Lawrence Erlbaum Associates, 1983) is the foundational text of the larger field.

12 Web design must also accommodate the different ways in which companies qualify leads, customize and bundle products, fulfill orders and service customers.

13 Rick Levine, Christopher Locke, Doc Searls and David Weinberger, *The Cluetrain Manifesto: The End of Business as Usual* (Cambridge, MA: Perseus Books, 1999).

14 C. K. Prahalad and Venkat Ramaswamy, *The Future of Competition: Co-creating Unique Value with Customers* (Cambridge, MA: Harvard Business School Press, 2004); Scott Cook, "The Contribution Revolution: Letting Volunteers Build Your Business," *Harvard Business Review* (October 2008) and B. Joseph Pine II and James H. Gilmore, *The Experience Economy: Work is Theatre & Every Business a Stage* (Boston: Harvard Business School Press, 1999) explore the collaborative model of creating value. Kevin Kelly, *Out of Control: The New Biology of Machines, Social Systems and the Economic World* (Reading, MA: Addison-Wesley, 1994) and Michael Rothschild, *Bionomics: Economy as Ecosystem* (New York: Henry Holt, 1990) explore a like theme in terms of symbiotic relationships and "co-evolution."

15 Fara Warner, "Don't Shout, Listen," Fast Company, no. 49 (July 2001) at www.fastcompany.com/magazine/49/bestpractice.html.

16 See Joe Mandese, "Research Pros Concerned About Online Surveys, Recommend Solutions, *Online Media Daily,* May 7, 2007; Jack Neff, "The End of Consumer Surveys? P&G, Unilever Join ARF in Effort to Move Beyond Question-and-Answer," *AdAge* September 15, 2008.

17 See Bruce Temkin, *The 6 Laws of Customer Experience: The Fundamental Truths that Define How Organizations Treat Customers,* http://experiencematters.wordpress.com/2008/07/22/free-book-the-6-laws-of-customer-experience. See also Peter Kim with Chris Charron, Jennifer Joseph, Freda Lynn Gates and Elana Anderson, "Reinventing the Marketing Organization," Forrester Research (July 13, 2006).

18 See Anthony W. Ulwick, "Turn Customer Input into Innovation" and Dorothy Leonard, "The Limitations of Listening," both in *Harvard Business Review,* January 2002; Stefan Thomke and Eric Von Hippel, "Customers as Innovators: A New Way to Create Value," *Harvard Business Review,* April 2002 and Alexander Kandybin, "Survival of the Fittest Innovation," *Strategy + Business,* August 5, 2008.

19 James L. Heskett, W. Earl Sasser and Joe Wheeler, *Ownership Quotient: Putting the Service Profit Chain to Work for Unbeatable Competitive Advantage* (Cambridge, MA: Harvard Business School Press, 2008). Also, Scott Cook, "The Contribution Revolution: Letting Volunteers Build Your Business," *Harvard Business Review,* October 2008 and CMO Council, "Giving Customer Voice More Volume" (2009).

20 John Seely Brown, *Seeing Differently: Insights on Innovation* (Cambridge, MA: Harvard Business School Press, 1997); Michael Schrage, "My Customer, My Co-Innovator," *Strategy + Business eNews,* August 31, 2006; "How Companies Turn Customers' Big Ideas into Innovations, *Strategy + Business,* January 12, 2005.

21 Richard Whiteley and Diane Hessan, *Customer-centered Growth: Five Proven Strategies for Building Competitive Advantage* (New York: Basic Books, 1997).

22 "Main Page," ProjectVRM, http://cyberlaw.harvard.edu/projectvrm/Main_Page.

23 Doc Searls, "VRM is user-driven," ProjectVRM Blog, April 28, 2008, http://blogs.law.harvard.edu/vrm/2008/04/28/vrm-is-user-driven. Useful delineations of the ethical issues involved in

information-based marketing can be found in Claire Gauzente and Ashok Rachhod, "Ethical Marketing for Competitive Advantage on the Internet," *Academy of Marketing Science Review*, vol. 2001, no. 10 (2001); George R. Milne, "The effectiveness of self-regulated privacy protection: A review and framework for future research," in *Handbook of Marketing and Society,* Paul N. Bloom and Gregory T. Gundlach, eds. (Thousand Oaks, CA: Sage Publications, 2001) and Margo Buchanan-Oliver and David Redmore, "Trust-Based Customer Information Management (CIM) in the Network Economy: A Strategic Approach" (2002), www.impgroup.org/uuploads/papers/497.pdf.

24 Doc Searls, "Intention Economy Traction," ProjectVRM Blog, November 15, 2009, http://blogs.harvard.edu/vrm/2009/11/15/intention-economy-traction.

25 Doc Searls "Building the Intention Economy," ProjectVRM Blog, September 14, 2008, http://blogs.law.Harvard.edu/vrm/1008/09/14/building-the-intention-economy. In the business-to-business sector of the economy, some purchasing departments have done this for quite some time; they call it pro-active procurement and reverse marketing. See Wim G. Biemans and Maryse J. Brand**,** *Reverse Marketing: Synergy of Purchasing and Relationship Marketing,* www.crm2day.com/library/docs/ap0001.pdf.

26 Kelly, 201.

27 Windows InfoCard is described in layman's terms at http://technet.microsoft.com/en-us/magazine/cc160966.aspx. and in technical terms at http://msdn.microsoft.com/en-us/library/ms996422.aspx. For the company's aspirations with Hailstorm, see R. Batchelder, D. Smith, T. Bittman, "AOL vs. Microsoft: The Real Prize Is Online Presence," *Gartner Research Note* (February 22, 2002).

28 Kim Cameron, "Laws of Identity," MSDN, http://msdn.Microsoft.com/en-us/library/ms996456.aspx.

29 Ibid.

30 A distributed approach to managing personal information also avoids the near insurmountable difficulties of imposing a regulatory regime on the tens of thousands of database-enabled computers.

31 Reported in "What's Offline," *The New York Times*, (December 9, 2006).

32 See Jane Black, "Wanna See My Personal Data? Pay Up," *Business Week,* November 21, 2002, www.businessweek.com/technology/content/nov2002/tc20021121_8723.htm; Diane Anderson, "Woman Auctions Personal Info Online," *Industry Standard,* June 15, 2000, www.pcworld.com/article/17199/woman_auctions_personal_info_online.html and Iain Henderson, "Can I Own My Data," Right Side Up, October 26, 2007, http://rightsideup.blogs.com/my_Weblog/2007/10/can-i-own-my-da.html. See also Jeff Gates, "Artist Sells Himself on eBay," *Rhizome,* June 1, 1999. For an early effort in this direction, see "It's My Profile," Wayback Machine, http://Web.archive.org/Web/20011129042113/http://www.itsmyprofile.com/.

33 "Selling Your Personal Data: Interview with John Deighton," CNET News.com, September 1, 2003, http://news.cnet.com/2030-1069_3-5068504.html and John Deighton, "Marketing Solutions to Privacy Problems," HBS working paper abstract at www.hbs.edu/research/facpubs/workingpapers/abstracts/0203/03-024.html.

34 The nonprofit Attention Trust has made some efforts in this direction. There's even been work on an Attention Profiling Markup Language that would enable the exchange of various kinds of personal attention data, that is, information about what someone pays attention to; see www.apml.org.

34 U.S. consumers are rather sophisticated about what personal data they would trade for what benefits. According to a 2004 survey,

fewer than one in five see the exchange of demographic information for more relevant advertising to be worthwhile. Double that number, however, would share information about future purchases in exchange for relevance. See "Consumers Are More Willing to Share Purchase Plans Than Demographic Data," *Consumer Technographics August 2004: North American Devices, Marketing, and Media Online Study* (Cambridge, MA: Forrester Research, August, 2004.

36 Patricia Mell, "Seeking Shade in a Land of Perpetual Sunlight: Privacy as Property in the Electronic Wilderness," *Berkeley Technology Law Journal,* vol. 11 (1996), www.law.berkeley.edu/journals/btlj/articles/vol11/Mell.pdf, reviews how U.S. law defines our property rights in our own information.

37 See "The Implicit Web," http://www.avc.com/a_vc/2006/12/2007_the_implic.html.

CHAPTER 5

VIRTUAL ME

How dreary to be somebody!
How public like a frog
To tell one's name the livelong day
To an admiring bog!

—Emily Dickinson, *Poems* (1861)

If you want to communicate, you have to be connected.
And if you are connected, then you are part of a community
that expects to know something about you.

—Geoff Smith, Capgemini (1999)

Everyone has an online presence. Even without ever going online, each of us has what the Pew Internet & American Life Project calls a digital footprint with passive and active parts.[1] The passive part consists of birth certificates, marriage licenses, real estate deeds, court cases, charitable donations and other public records, which any investigative service will find in a few hours for a modest fee. Also included are any other public mentions of one's name, such as being listed as a conference speaker on an organizer's Web site or as a family member at a wedding announced in a local newspaper; any search engine will find those references in a few seconds for free. This part of the footprint is passive because it does not require any deliberate activity by the individual. In contrast, the active part consists of content created