

# An Issue of Consumer Privacy . . .



Michael Milkovich

By MARY J. CULNAN

**L**AST April, the Lotus Development Corporation announced plans to release the Lotus MarketPlace: Households, a revolutionary mailing list complete with the names, addresses, demographic and prior-purchasing behavior data for 120 million Americans. Equifax Inc., a consumer information company, supplied the data. But nine months later, Lotus and Equifax cancelled the project, citing consumer complaints and "the substantial, unexpected additional costs required to fully address consumer privacy issues."

MarketPlace is a stunning example of the risks that companies face when they try to take personal information — anything from your name and address to the size of your mortgage — and sell it. What lessons have come from this?

No. 1: Consumers want to control who has the

right to personal information. They were clearly shocked by the ability of a company to sell these data, and they let loose a storm of complaints. Thousands asked to have their names removed from the MarketPlace database. The strength and the tenor of the opposition caught Lotus and Equifax off guard.

No. 2: Consumers do not understand the mailing list business and the extent to which personal information is collected, merged, sold or exchanged. Lotus has said that MarketPlace was only providing small businesses with the same information available to larger companies. Lists based on personal data have, indeed, been widely available for some time, and Equifax was not the only company able to provide the data.

No. 3: The age of the electronic grassroots lobbyist is here. Much of the opposition to MarketPlace was mobilized on "the net" — public and private computer networks, bulletin boards and conferences. The power of the electronic media to mobilize a national constituency should not be underestimated.

Alan Westin, a privacy expert, posits that when a company stores a person's name, address and personal characteristics in a database without that person's knowledge or consent, the individual perceives that some of his or her uniqueness has been appropriated. A friend suggests that this is akin to learning that you are being filmed secretly in the shower. The lessons of MarketPlace call for a new partnership between list compilers and subjects. But how do we forge it?

Mary J. Culnan is an associate professor of business administration, Georgetown University.

Although some already do, companies that buy or sell mailing lists must tell people how they are going to use the information they have, give them options about further use of it, and allow them to make choices based on those options.

However you view it, privacy is primarily an ethical issue. Most records stored by companies and other private-sector organizations are not covered by existing laws. Even if new laws are enacted, it is not clear that they will serve the public interest if companies are not committed to privacy as a matter of principle.

All who have a stake in a consumer's personal information — consumers, executives and privacy advocates — must start communicating with one another so their interests can be balanced somehow. The good news is that the death of MarketPlace may mark the birth of such a dialogue. ■