

Joseph Turow, **Niche Envy: Marketing Discrimination in the Digital Age**, Cambridge, MA: MIT Press, 2006, 235 pp., \$27.95 (hardcover).

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Since *IJoC* is an online journal, your path to reading this book review probably started on the Internet. Who knows what sites you visited before this one today? How might that data be melded with other search information from your IP address? Combined with demographic data you might have offered up at commercial sites or news outlets? How would a company target its product offerings, discounts, and ad content, based on what it can learn about your web and offline commercial behavior?

These are the types of questions inspired by reading Joseph Turow's highly detailed and informative new book. In this concisely constructed volume, Turow makes five distinct contributions to scholarship about modern marketing. First, he truly drills down to describe how companies collect data on consumer behavior. Through a close reading of trade press, attendance at industry conferences, and interviews with marketing officers, he offers many detailed descriptions of the ways that firms track the purchases of customers, the web behaviors of Internet users, and the general trends in viewing and purchasing at the household, neighborhood, and demographic category level. Telling this story is hard work, because companies don't always like to describe their development of marketing databases. Turow's book is an excellent resource because he takes the time to investigate the many ways that firms learn about their customers.

Firms, unlike individuals, don't engage in learning for learning's sake. Turow's second major contribution is explaining how firms use information about customers' past purchases to tailor how they treat them in the future. This knowledge about a person's preferences and willingness to pay can allow a firm to alter when discounts are offered, what ads are seen on the Internet, what products are suggested for purchase online or offline, and the level of service provided in a store or over the phone. Turow also stresses that this ability to differentiate among customers allows some firms to target their most profitable prospects. For these individuals, consumer databases may lead to better service, lower prices, and discovery of new items. Turow points out that the flip side of this concierge level of service for some customers will be less attention focused on less profitable purchasers.

A third, important contribution that Turow makes is based on the consumer surveys he has conducted through the Annenberg School for Communication. His work here shows that consumers may know that frequent purchaser programs allow companies to collect information on their purchases, and that software on the Internet means their actions there can be tracked. He demonstrates, however, that these consumers do not appreciate the degree that companies can trade and mine this information and the ways that firms can alter prices and offers based on these data.

Concerns about privacy and marketing have generated legislation aimed at online protection of underage users and actions by the Federal Trade Commission. Turow's fourth contribution is explaining

which types of legislation govern the collection of information and use of marketing techniques depending on the medium of communication (e.g., Internet or cable television). Knowing what policies might be best to govern the evolving technologies that allow firms to track consumers and customize offers is a challenge. Turow ends the book by noting how behavioral tracking and the alteration of consumer offers based on consumer databases could be harmful. He notes that if firms are able to discriminate more among customers that this will create envy among those who do not receive the best information, product offers, and prices. He surmises that this process may undermine trust in the commercial system. He ends the book with recommendations that the FTC should require websites to call their privacy policies "Using Your Information," so that people will appreciate the many ways their data can be traded and employed by websites. He also urges media literacy efforts in schools that would link consumer education with learning about media.

Economists studying issues of privacy and consumer databases often paint an optimistic picture. Consumers trade off some of their privacy, offline via frequent shopper programs and online via web surfing, in return for lower prices, better matches between their preferences and products offered, and more interesting information conveyed via stories, programs, or ads. They note that overall society may benefit with lower prices arising from better targeting of consumers, even though from an individual perspective some consumers would prefer that their own information be kept private. But the world of some economic analyses is a world of well-informed consumers, relatively transparent companies, and clearly understood property rights. Turow's book is an excellent snapshot of different worlds, the on and offline worlds where people actually make purchases and surf for options and information. The detailed descriptions he offers of how marketing databases are assembled and used will be highly valuable to anyone interested in how technology today can allow companies to differentiate among consumers based on their incomes, interests, and even their insights into how information transactions work.