

Tech Ethics Animated – The Big Data Industry

Transcript

In 2013, millions of people downloaded an app that turned their cell phones into flashlights. The supposedly free flashlight app indicated to its users that their data would be used only for internal purposes and gave them the false option to refuse location tracking. But the price they were paying was that the app turned their smartphones into tracking devices that stored information about their location, and the business of the app was to sell users' data to third parties.

Information related to our location, purchase preferences, device IDs, or phone numbers is collected when we use apps, platforms, and online services.

Sometimes, the collection of this data is for a clear, contextual use. When a map application gathers our location data, it is to help us find directions from where we are to a particular place. When a game collects how we interact with an app, it can be to help improve the product. However, when a flashlight app collects data only to sell it to data aggregators, the use of the data does not “help” the product or service. Instead, we become the product or service, and the data aggregators become the customer.

These third parties could then sell data in a marketplace where trackers and data aggregators can buy, aggregate, and sell access to data about individual consumers. Some of these data brokers have data on over 500 million consumers with up to 3,000 data points *per person*. That is a lot of data.

Lauren Scholz refers to these companies as data traffickers because they traffic in our data as their business.

The accumulation of our small amounts of data creates Big Data as a product. “Big data combines information from diverse sources in new ways to create knowledge, make better predictions, or tailor services” (Martin, 2015). This same big data is used to find information about us, such as who our friends are, what concerns we have, our medical issues, our income, or our location.

We can think of this like an information supply chain.

“Within the Big Data Industry, data, such as online consumer data or location data from an application, is passed from one firm to the next within an information supply chain, comparable to supply chains in traditional industries. Within this supply chain,

consumers provide information to firms, which then pass it to tracking companies, which may also pass it to data aggregators. Data aggregators act as distributors by holding consolidated information of many users across many contexts. Data aggregators or data brokers may sell the information to researchers, government agencies, or polling companies, or an ad network may use the information from an aggregator or broker to place an advertisement on a website when a user returns to browse or shop online. Survey firms, academic research teams, government agencies, or private firms may also contract with data brokers directly to use data to supplement survey research, make employment decisions, and investigate possible criminal activity. An information supply chain is thus created with multiple firms exchanging information and adding value to the data.” (Martin, 2015)

Another way to see it is from the harm created when lots of companies do the same thing and create some sort of new harm. Because so many of our apps and websites and online services collect and sell data about us, this market is generating the harm of surveillance—where consumers are constantly being watched and that data is then used against them in marketing, credit scores, and other decisions.

According to Shoshana Zuboff, there is a new market where “revenues depend upon data assets appropriated through ubiquitous automated operations. These constitute a new asset class: surveillance assets.” (Zuboff, 2015) This new market form is a variant of information capitalism, which Shoshana Zuboff conceptualized as surveillance capitalism.

A second way to understand the market for consumer data is *destructive demand*. The nice way to see the job of data aggregators is collecting the data exhaust we create as we live our lives—go to the grocery store, browse online, play games, look up medical symptoms. These data aggregators, the story goes, are taking the data that is left over from our transactions and making use of it.

However, these data aggregators are creating a demand for this data and giving companies an incentive to collect more data on us than they would ever need to use themselves. So a flashlight app does not need to use location data, photos, or our contacts. This information is not “left over” from us using the app. Instead, this is best understood by the incentive provided to the app to make money by collecting our data and selling it to data aggregators. This is the destructive demand created by the data aggregators.

Both surveillance capitalism and destructive demand help see the issues within the

current data market that give companies an incentive to collect more and more data about us, only to sell it to third parties.

The business of the Big Data Industry is the default model for most apps, social media, and platforms. So, every time a new app or platform is released, we should ask ourselves: What is their currency? What are they obtaining for this apparently free service? What information am I giving them that they will sell?

CREDITS

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Associated Readings

Martin, K. (2015). [Ethical Issues in the Big Data Industry](#). *MIS Quarterly Executive*, 14(2), 67-85.

Zuboff, S. (2015). [Big Other: Surveillance Capitalism and the Prospects of an Information Civilization](#). *Journal of Information Technology*, 30, 75-89.

Kang, C. (2013). [Flashlight app kept users in the dark about sharing location data: FTC](#). *The Washington Post*.

