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# **The Presentation of Self in the Information Age**

**John Deighton**

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**John Deighton**

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Harvard Business School

Boston, MA 02163

(617) 495 6545

[jdeighton@hbs.edu](mailto:jdeighton@hbs.edu)

Contact information until June 1, 2004:

Teradata Center for Customer Relationship Management

Fuqua School

Duke University

1 Towerview Road

Durham, NC 27705

(919) 660 8072

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## **The Presentation of Self in the Information Age**

This chapter explores how buyers assert or accept digital identities, and how they evade digital identification and surveillance in their interactions with sellers. Identity is a large topic, and the aim here, to the extent it can be done, is to isolate and treat just the question of what it means for a buyer to know that they are known by a seller. This question matters whenever markets are interactive. When we think of interactive marketplaces we think first of the Internet and for example shoppers identified by website registrations, but the chapter takes the view that even quite conventional markets are becoming more interactive, and that tools like frequent shopper programs are making the digital persona a feature to be reckoned with in consumer behavior generally.

Historically, buyers were much more weakly identified in most markets than sellers. Sellers could use trademarks and product branding to build reputations for their offerings, but buyers were largely anonymous in the seller's eyes and, arguably, were deprived of some degree of market power as a result. The information age, and in particular the progress in digital data storage, transmission and retrieval over the past 30 years, has begun to put the resources of identity and reputation into buyers' hands. First came credit cards, which detached buyers' reputations for creditworthiness from particular retail stores ('store charge cards') and made them elements of personal, portable identities. Today we carry loyalty cards to mark our worth to airlines, hotels, supermarkets, car rental companies, bookstores, movie theaters, photo-finishing chains, ski resorts, and fast-food chains to name just a few. Soon biometrics may liberate us from the need to carry cards and make our possession of marketplace identities less obvious. The theme of this chapter, then, is what it means for the 'why' of consumption that buyers can be offered and can accept or reject the power and burden of identity in markets. Only seller-initiated identity offerings will be considered, because that is where advances in technology give us something new to investigate. The information technologies needed to mobilize buyer identities have large fixed costs that must be sponsored, and while buyers can in principle form co-operatives to share these costs, that possibility is not explored here.

The chapter begins by defining identification as it will be used in the chapter. The term 'customer brand' will be used to refer to the offer of an identity that a seller makes to a buyer within a specific buyer-seller relationship - a means by which buyers can be individually known, and know that they are known, in a manner somewhat symmetrical with what branding offers to products. Four degrees of intensity of this customer branding process are distinguished - transitory tag branding, persistent tag branding, role branding and self-expressive branding. For each level of intensity, the chapter explores a set of implications for the operation of markets and the experience of consumption.

Finally the chapter examines the question of consumer privacy as a particular form of self-presentation with the power to unsettle the transition from product branding to customer branding.

### **What is it to be Identified? Shaping and Being Shaped**

By an identity we mean some of the characteristics of a self exhibited in a social setting, which in sum specify to others and to oneself who one is. By digital identity we mean simply the part of these characteristics that can be coded so that they can be electronically manipulated. In a cybernetic sense an identity is some of the meanings that serve as a standard or reference for who one is or intends to be (Burke and Tully 1977), and to which the self-concept attempts to return when disturbed by reflected appraisals from the social environment. In a consumption setting it has been described as the organizing construct through which ordinary consumption activities can be understood (Kleine, Kleine and Kernan 1993).

To be identified is to recognize that one is observed or at least observable. It is to possess 'face,' the device by which we engage things social, as when TS Elliot has Alfred J. Prufrock speak of preparing the "face to meet the faces that you meet," or when Madonna credits Rita Hayworth with "giving good face." There are false faces and poker faces, straight faces and faces that face up, faces that fail to conceal ('written all over your face') and faces that bear the brunt of failure ("egg on your face"). In this view of things the face is where the world and we collide, where the self shines through or dissembles. Because the face is understood to be a rhetorical plane, questions of trust or authenticity arise. Does the face deserve the reputation it asserts?

But the causality runs in both directions, so that the face is an interface, giving expression but also modeling what is impressed on it. It is not just that the face projects or refracts or distorts out from some notional self into the world, but that the world shapes the face and the face creates the self. When Goffman (1959) writes of 'face-work' he describes a back-and-forth process in which the two parties in a face-to-face encounter each try to converge on a single 'definition of the situation.' People will often go out of their way to avoid being "difficult," or disagreeing about what is actually going on, and in the process of being polite or agreeable or getting along they will find themselves doing things that they did not quite expect themselves to be doing. Identities are not only the sum of the face work we pursue selfishly, but include the face-saving we engage in to maintain our place in a network of social affiliations. This two-way trade requires that theorizing about identity must pay attention to its power to motivate and also to its power to shape. Identity is an expression of preferences and an influence upon preferences.

In this chapter we are concerned with the face resources offered to us in the marketplace by identity devices designed by buyers for sellers, such as for example airline and hotel frequent flyer programs or Amazon's well-known collaborative filtering engine that tells us about products that we might like to consider. We shall view them not simply as faces but as interfaces. To what extent do they serve us, and to what extent do they make us? Is an identity program a vehicle for the expression of who I want to be, carefully designed to take into account who I am and what I need to be? Or is it a seductive mask that transforms me into the role that the mask enables me to perform, a shaper of tastes more than it is a vehicle for their fulfillment? Face as identity marker or identity maker? The conjecture is that it is both, in proportions determined by just how central is the self-presentation task that it enables.

The more an identity program engages central life themes of the buyer, the more it shapes the buyer's tastes. Supermarket frequent shopper programs are, it seems, weak face resources. They confer membership whose rewards are mainly economic - members pay lower prices. In the more expressive domains of life, such as recreation and entertainment, membership is correspondingly more self-expressive. A casino chain, Harrah's, offers a program for the frequent visitor to its casinos that confers rewards that are fulfilling on dimensions besides the economic. By treating loyal patrons according to a stylized notion of the high roller, Harrah's rewards program makes casino visits more fun and more status enhancing, while shaping and modeling the behaviors that serve the casino's interests. They show gamers how to be big shots. Harley Davidson invites its riders to play the role that the bike enables through its Hog (Harley Owners Group) program. More intensely, the passion of a member of the fan base of a baseball team feeds on the passion of other members, in the stadium and in the out-of-stadium events of the fan club. Individuals perform their roles more vigorously because the actions of other individuals draw them into the performance (Deighton 1992).

### **Degrees of Identity**

The identity mobilized by an identity program is conceived here as continuous: being able to deploy face resource is not simply a consequence of not being anonymous or private, but rather there exists a spectrum of increasing complexity, both with respect to the dimensions available for face work and the grading on each dimension. Creditworthiness, of the kind established by a credit card, is for example one such dimension, and its gradations are played out with the help of color codes, from plain cards to silver to gold and so on. A rich face resource is better for the operation of markets than a sketchy, meager resource, although richness is costly for each side to create and preserve and so there is, at least notionally, an optimal level and dimensionality of resource to have in a particular exchange setting.

## 1. Transitory Identity

A precondition for a buyer to have any sense that they are identified (and equivalently that they are not anonymous) is that they be individually addressable (Blattberg and Deighton 1991). With the address the buyer is located in time and space so that the seller can reach out with a context-specific offering and match the response (or lack of a response) to the address. Obvious examples include a mailing address, a telephone number, or an email address. For a less obvious example consider what happens when a customer appears in front of the cash register at a supermarket where, based on the contents of the customer's shopping basket, she or he is given a set of context-relevant coupons. At that moment the buyer is addressable, and although that individual's response to the coupon cannot be measured by the marketer because the address does not persist, the aggregate effectiveness of matching a particular purchase to a particular coupon can be. A web-enabled desktop computer with an internet protocol (IP) address is another example. The user is addressable by pop-up advertising in response to typing a search term into an Internet search engine or website address into an Internet browser, and again the marketer can measure the aggregate effectiveness of the match between cue (the search term 'refinance' for example) and the response (a pop-up ad for a specific mortgage loan originator for example).

Addresses in the examples above are of two kinds – transitory and persistent. By a transitory address is meant one that exists for just a single encounter, after which the seller has no way to identify that buyer again. The presence of the shopper at a supermarket checkout, or the possession of a temporary IP address are both transitory. The weakest face resource, then, is that conferred by possession of a transitory address, when a buyer recognizes that he or she in an interaction where seller response is conditioned on buyer action or identity, but the system lacks memory. Even such weak faces can induce impression management. To illustrate, a supermarket shopper noticed that the Catalina system for disseminating discount coupons to shoppers was programmed to give a coupon entitling the buyer to a large discount on Brand A whenever Brand B was bought, and a smaller face-value coupon whenever Brand B was bought by redeeming the large discount coupon. The buyer, being relatively indifferent between Brands A and B, took to buying in the sequence B, A, A, B, A, A repeatedly. Thus even weak customer branding supplied a motive for the buyer to manage the impression they were giving off.

## 2. Persistent Identity

A persistent address allows for interaction over time. At its minimum, the address is no more than a tag, preserving much of the character of anonymity but allowing the seller to leave signed messages and the buyer to reply. The Unibomber managed a very precise form of addressable identity for several years, offering bizarre contributions to a market in ideas while remaining beyond the best efforts of law enforcement to find him. An address is a mailbox, a phone number, an IP address, or a computer hard drive containing a cookie. This simple moniker transforms the way markets operate quite fundamentally. For example it opens up the possibility of direct marketing. More generally, it makes possible what we shall call branding of the customer.

When a persistent identity is available, a seller may 'brand' the buyer in the sense of letting the buyer know that they are recognized and remembered, distinctive and individual among all other buyers, whenever they exchange with that seller. The identifying tag allows the buyer to lay claim to some points of differentiation relative to other buyers, perhaps to demonstrate loyalty, perhaps to be less expensive to serve, perhaps for possessing idiosyncratic tastes. In sum, when a buyer has a persistent address or tag, it is possible to have a reputation.

Reputation whether of product or customer, is the core of what it means to be branded. A persistent address makes reputation effects possible. Marketing campaigns can judge their audiences not merely by reading the generalized effects of broadcast marketing, nor alone with the reaction-sensitive tools of direct marketing, but by forming impressions of individual identities. They can reach out to a particular customer, observe the response, and reach out again in a manner that takes account of that response. Their marketing can begin to take on the form of conversation. Using only the fact of a persistent address, interactive marketing begins to engage with identity, reacting to it and shaping it. Demeanor starts to matter. The etiquette of soliciting an identity tag, for example, influences the quality of the subsequent relationship. Without the cooperation of the buyer, uninvited communication over time is interpreted as pestering or spamming. Tag-branding is commonly done with the buyer's cooperation, by such gestures as inviting registration or extending membership.

Examples of this weak form of customer branding made possible by a persistent address, which we are calling tag-branding, include membership of supermarket frequent shopper programs, subscriptions to Netflix's digital video disk subscription service, subscription to Tivo's digital video recorder service, bank customers, phone subscribers, and shoppers who register with Amazon. In the case of Tivo, Netflix and Amazon, the consumer grants the marketer the right to address them because it is impossible to get the service without an address to which it can be delivered. Addressable marketing communications,

such as Tivo's pitches on behalf of new television pay-per-view programming or Amazon's book recommendations, are part of the offering. That is not so for supermarket frequent shopper programs. To induce the shopper to register there needs to be a bribe, and it takes the form of discounted prices for members.

Reputation is a property with very large consequences for the operation of markets. When the possibility of reputation exists in an exchange, we can afford to be less vigilant about squaring what we give against what we get. We can be indulgent. Others can be indulgent to us. Exchanges that might not have happened, or at best would have gone forward as pinched and crabbed little trades between mutually suspicious parties, can flourish. This social generosity occurs because a reputation in another's eyes can be thought of as a secure claim on unrealized value from the exchange, or a store of value accrued but not yet captured. Without an identity, each exchange must net out within the life of the transaction if it is to be a success. Identity's consequence, reputation, is the assurance that allows us to leave something on the table and come back for it later. In summary, what happens to the operation of markets when customers have identities in the eyes of those who are selling to them is that they work more humanely – it is possible for principles like trust, reciprocity, and kindness to operate.

Thus identity and reputation transform matters of transaction into matters of relationship. The distinction between transactions and relationships, it should be emphasized, not necessarily marked by the time it takes for the exchange to unfold. There are short transaction and long transactions. As easily as a buyer can, quite anonymously, buy a bus ticket, he or she can, still anonymously, buy a season ticket on a bus for a week or a month, with the ticket serving as a transitory identity marker. The buyer can in principle buy a ticket for five or even ten years if there is a bus company willing to set a price that far ahead and the buyer can trust them to stay in business that long. They are all transactions. The terms are set before the deal is struck. The buyer can do all these things anonymously or with a transitory identity. What the buyer cannot do without a persistent identity is enter into an open-ended process of progressive reputation development. For that he or she must have an identity the seller can count on. In the bus example, there is a relationship when the terms the bus company offers are able to change to reflect its growing (or evaporating) confidence that it can count on the buyer to do whatever they want of a good customer.

The distinction between a transaction and a relationship, as used here, is this. The terms of transactions are set before we enter the exchange, while the terms of relationships are always in play. The duration of a transaction is one of the fixed terms, while the duration of a relationship is indeterminate. A transaction is over when its term expires, but a relationship is over when the value of reputation is exhausted and identity has become irrelevant. Markets are more efficient when both sides have the power to build

reputations because, as noted, the expected give and the get do not have to net out in the term of the transaction. Akerlof (1970) made famous the problem that, in a market where some products are “lemons” and others are perfectly good, if sellers have no reputation then even the good products will sell at the value of a lemon. Less attention has been paid to the reciprocal problem – what if some buyers are “lemons”? If some customers are more valuable over time than others, but anonymity prevents sellers from knowing who they are, then sellers run the risk of spending money to acquire a customer who turns out to be a “lemon.” They will likely underspend on acquisition. Some customers who would have derived great utility from becoming customers of the seller will never come to know of the seller’s existence. The market will, to some degree, have failed.

### 3. Role-Specific Identity

Addressability confers a very meager form of identity. Some forms of customer branding confer richer identities and place more face resources at the disposal of members. We shall call them role-specific identities, because there are role obligations to be borne for the benefits to be enjoyed, and because the benefits are experienced in the context of the role. A role, in this sense, is a blueprint for being. It is seductive in the sense of enticing the buyer into a private social consensus (Deighton and Grayson 1995). It puts at the consumer’s disposal a script for asking for things valued in the role, matched by a system to respond to the scripted requests. A familiar example of this next level of identity is that conferred by a credit card. Marketers will not offer the identity unless they expect that the recipient will live up to the obligation to be a good credit risk. Similarly there is a road warrior role required if all the advantages of frequent flyer programs are to be enjoyed. While infrequent travelers can belong to the programs, an accelerated schedule of benefits ensures that the advantages of membership are greater for those who travel most.

An example is American Airlines’ Aadvantage program. The tagging elements, which comprise the frequent flyer card and the schedule of free flights to be earned in exchange for paid flights, are to be seen as no more than the enticement to sign up. They give the airline permission to build a profile of the customer and the ability to know what value lies therein. Initially they give the traveler an incentive, and not a particularly strong one, to tilt his or her patronage toward American Airlines occasionally when the burden of doing so is not too onerous. As the traveler’s potential value becomes clearer, the airline elevates her or his brand from plain member to Gold member to Platinum member and still higher. As the member’s status inflates, so do the demands of the role and the willingness of the airline to meet those demands. For example one of the marks of a frequent traveler is wariness of airport baggage handling systems, but, confident of being

invited to board first, these customers know they can carry their hand luggage onto the plane and find overhead space. It is shared space, as the flight attendant announcements declare, but not equally shared. High status passengers get upgraded to first or business class when there is unsold capacity in those ranks, and in the coach class cabin they are much more likely to have an empty seat next to them than low status passengers.

As important as the contractual entitlements of the role are the non-contractual elements. A buyer with a unique identity and transaction history, confident of being remembered for that uniqueness between transaction occasions, is endowed with negotiating resources that are not available to the anonymous buyer. When an anonymous buyer has to ask, “Do you know who I am?” in an effort to recover from a bad service encounter, the answer that hangs in the air is “No” and the battle is half lost before it begins. Frequent flyers pass stories one to another of being recognized in service encounters and receiving preferential service, and the stories themselves become quasi-contractual terms of role entitlement.

#### 4. Self-Expressive Identity

The fourth level of analysis marks a shift from membership as *an* identity to a component of *the* identity. The membership is no longer a role to be donned or doffed as circumstances dictate, but an integral element of the actor’s self-concept. Sarbin (1986), writing in the tradition of role theorists, asserts that there exists a spectrum defined by the size of the gap between role and self. It runs from the role enacted quite cynically, to the role enacted unselfconsciously, to, at the extreme, the merging of role and self. At this extreme, a proffered identity is so fully accepted that it becomes a component of who the buyer believes him- or herself to be. Sellers of professional education in large measure offer this kind of identity. Most of the students in full-time, full-immersion business schools are not merely buying MBA degrees – they are acquiring lifelong identities, lifelong networks of friendship and collegiality, lifelong patterns of ambition and lifelong styles of interaction with others. Alumni databases pool the identities of members, and lifetime email addresses enable easy access among members and between the seller and the community of buyers. Medical schools operate in similar fashion, and indeed defenders of the practice of depriving medical students of sleep during their residencies sometimes defend it on the grounds that it helps to socialize the ‘buyers’ into their new roles. Other social exchange phenomena that may conceivably be described as seller-designed identity programs include religions and support for professional and college sports teams.

The core of the argument in this chapter is that a single dimension accounts for a broad swathe of social behavior from anonymity to identification for narrowly instrumental motives, to an identity adopted to make it easier to play a role dictated by broader instrumental motives, to an identity that is self-expressive in the sense of being indistinguishable from at least part of the individual's sense of self. (Figure 1) This dimension is indexed by the progressive surrender of control over self-related information. With each stage in the progression the individual is induced to draw a wider boundary between what is private and what is public. The private sphere expands to include more of the rest of society. When we join a frequent shopper program we accept that our food buying habits will no longer be private information. When we join a frequent flyer program we accept that others will know where we travel. When we join a church we accept that others will know something of our beliefs.

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With each increment in shared information comes an increase in vulnerability. Anonymity assures invulnerability, while transparency is quite the opposite. Why do buyers volunteer to become vulnerable? Of necessity, it is a condition for exchanging in the market. Some degrees of relationality cannot happen without reciprocal vulnerability. When markets depend for their operation on the fourth degree of identity and the intimacy it makes possible, there is often some discomfort in describing them as markets. Marriage, the parent-child bond and friendship are all exchange relationships of this ilk. Market-style analyses of such matters, such as for example Becker's (1991) economic analysis of marriage failures, often strike clinicians as impoverished views of the phenomena. At a minimum they serve the purpose of indicating the *reducto ad absurdum* of this argument.

Vulnerability is a precarious state, open to betrayal and necessitating sensitive management. Aaker, Fournier and Brasel (2004) offer the word 'transgression' as a collective noun for all the ways a seller can act to hurt the process of relationship development, to wind back the skein of reputation, tolerated vulnerability and identity that together builds intensity in a relationship. As relationships become more intimate, the resources available to accommodate transgression grow. Yet, paradoxically, the cost of using the resources grows too. The result is that customer branding at the self-expressive end of the spectrum can be long-enduring, but it can also be prone to brittleness.

## Identity and Loyalty

The programs we have discussed here, by which buyers are granted identity by the initiatives of sellers, are sometimes called loyalty programs. I have avoided that term in this chapter for two reasons. First, these programs are viewed here for what they can do for (or to) buyers. When they are called loyalty programs it is often because the perspective taken is what they can do for sellers. The second reason is that while it is obvious that these programs confer identity, it is not inevitable that they induce loyalty at all.

The table that follows attempts to draw generalizations about the effect of level of identity on the intensity of the exchange relationship. If by loyalty is meant behavior exhibiting more regularity than can be explained by the terms of the seller's offer on each choice occasion, then the table conjectures that there is no loyalty in loyalty programs unless they induce the buyer to play a role or they offer self-expressive possibilities.

**Implications for Exchange Relations**

	<u>Buyer Interest</u>	<u>Response to Seller</u>	<u>Loyalty?</u>
Transitory Identity	Exploitation of seller	Responsive to isolated promotional inducements	Self-interested behavior on discrete choice occasions
Persistent Identity	Compliance with seller's inducements	Adaptive to pattern of specific inducements over time	Self-interested gaming behavior
Role-Specific Identity	Conformity to seller-defined role	Conforming to a script whose scope is more general than the inducements	Role-consistent loyal behavior
Self-Expressive Identity	Faithful to seller values	Sincere adherence to a role	Allegiance

## **Privacy**

Privacy invasion is to the information economy what pollution is to the industrial economy – a social cost borne not by those who benefit from the pollution, but by the rest of society. Because its cost is not felt by those who produce it, too much invasion tends to get produced in a free market. To the extent that buyers do not care to have their privacy invaded, they push back at the users of information and demand regulation. But laws, rules and guidelines are blunt tools. They hurt as well as help, so that the desire for privacy poses a large threat to the flowering of the information economy in general and interactive, relational marketing in particular.

Fortunately when we empower customers by giving them a negotiable marketplace identity we give them a way to deal with the problem of privacy. Customer brands can become safe harbors against unwelcome intrusion, or at least they can become harbors which, if they are not safe, find that their reputations are punished.

### **The Semantics of Privacy**

Words like ‘privacy’ are politically contested terms. Their meanings arise from a process by which people negotiate back and forth, sometimes reaching a consensus but often not. The process is one in which a variety of interest groups, civil rightists and business interests for example, contend for control of “the” significance of a range of information technology practices. Sometimes victory is declared and manifested in legislation or in a social norm, but often the skirmishes go on for decades with no resolution. It took twenty years or so beyond the widespread adoption of telemarketing to introduce even rudimentary control of telephone intrusions into private homes in the form of ‘do not call’ lists. (After more than a hundred years there is still no similar consensus on mail.) Substantial interests, both economic and social, depend on these various outcomes, and it is useful to be able to anticipate how quickly and in which directions consensus is likely to form.

In this section, which draws on arguments in Deighton 2003, I shall hazard some speculations about the path to consensus. To do so I shall use four terms, anonymity, identity, marketable assets and moral rights, and show how they function as framing tools in the hands of interest groups advocating on questions raised by individual identity in the information age. The four terms allow us to distinguish four framings. Questions of privacy can be framed as issues of either anonymity or identity, and both questions can be

framed either as matters of moral right or as making a market in an asset. These four contending interpretations are available for any question related to personal information. The 'right to privacy' frame is rather popular in public policy discussions, yet there are strong interests on the side of making a market in information. It is the strength of constituencies arguing for privacy on the one hand, and for making consumer information available to marketers on the other hand, which makes the idea of privacy so fundamentally a politically contested matter. This interplay of anonymity as both an entitlement of consumers and a cost to the efficient operation of markets, and of identity as both an invasion on rights and a source of consumer power, is developed in the next two sections of the chapter.

### **Anonymity and Identity**

Three terms need to be used to build this argument: anonymity, identity and privacy. Anonymity and identity mark two ends of a single dimension. Anonymity is the state of being unidentified by observers. Identity is the opposite: the state in which the observers recognize us, using a set of characteristics that specifies who or what we are taken to be. Anonymity lets an individual escapes intrusion or accountability by being unreachable, undetectable, or out of the presence or view of others. We shift from being anonymous to being identified by so simple an act as signing in or lifting a veil. So anonymity is transitory or temporary, while identity is persistent. Granted identities may change, but the change occurs slowly because identities reside as much in the minds of observers as in the wishes of the actors. The third term in this argument, privacy, is a different kind of idea. My use of the word is close to the way that privacy advocates use it, as a motivational state. Privacy is the drive to be in control of information about oneself (Marx 1999). We use the desire for privacy to turn the tap by which we regulate where we are, or want to be, on the spectrum between anonymity and identity. People set the privacy tap differently for different social contexts – they decide when to assert privacy, or when to ignore privacy, depending on the costs and benefits of doing so.

In the realm of legal and policy usage, where the emphasis is on management issues, privacy has just this motivational flavor. The legal scholar Katsh (1995) describes privacy as the power to control what others can come to know about you. The emphasis is on our ability to regulate the flow of information about ourselves. When we are in control of the regulation, and shut off the flow, we have exercised privacy and there is anonymity. When information flows more freely, either because we deliberately increase the flow or because we lose control of the flow, there is identity. They are end-points on a continuum, so that a gain in one comes at the price of a loss of the other. Lessig (1999) amplifies the notion of regulation or control, pointing out that it covers two activities. First there is an individual's power to control monitoring of his or her conduct and activities, and second there is the individual's power to limit search of possessions and property. Thus anonymity is the consequence of privacy management in which the

emphasis is on defending against inferences from information revealed in conduct, activities, possessions and property. And identity is the consequence of not managing privacy, and inviting inferences from information projected in conduct, activities, possessions and property.

Privacy is relinquished in order to assert particular entitlements, while it is sought in order to evade particular impositions. Because what we seek to evade often occurs in the same context as what we seek to claim, setting the privacy tap often presents a dilemma. The same mail, email and telephone addresses bring us welcome and unwelcome communications. The same medical history is a useful element of our identity in dealings with a physician but not with a medical insurer. An item of personal data can be a burden or a resource depending on social context.

### **Managing Privacy in a Market Setting**

The principle of customer branding may be able to reconcile the motive for privacy, or personal control of personal information, with the motive for identity and the desire to deploy the market power it represents. In agreeing to wear a customer brand the buyer in effect concedes a limited surrender of the power to control privacy, allowing his or her transaction history and demographic profile to be put together by a seller in exchange for discounts and superior service, plus a branded assurance against the worst abuses of identity exploitation. The plethora of consensual databases that have come into being on the Internet and as a result of offline identity programs can be viewed as a patchwork of “walled-garden” sanctuaries from the hurly-burly unregulated market in identities that characterizes the world outside the walls.

Consider a supermarket frequent-shopper program as an example of a local solution to privacy anxiety. The identity of an individual household is valuable not primarily to the grocery store but to manufacturers to whom the store can sell access. The program becomes a medium through which a manufacturer can communicate directly to its customers, or, more important, to customers who use purchase products. By making a market in this information, the grocer magnifies its value. Under a market regime, that value is available to manufacturers, improving the efficiency of their marketing methods; and, in return, shoppers capture some of the value. In a market of competing frequent-

shopper programs, grocers bid for the right to gather a shopper's data by offering discounts and in some cases nonprice benefits such as superior service to program members.

How does an institutional solution of this kind protect the consumer against unwelcome intrusion? The grocer, by virtue of having linked the program to its reputation, finds itself responsible for mistreatment of its customers. It therefore has an incentive to police the actions of the parties to whom it sells the data, and to conduct its own interactions with civility, because its interests are aligned with those of its customers. In the credit-card industry, one U.S. card issuer (Capital One) makes protecting customers from intrusions a point of distinction by making the advertising claim, "No telemarketing." This vendor thus makes a market on the promise of privacy. To the extent that consumers value privacy over a low interest rate or other features, Capital One prospers. To the extent that they regard the price of privacy as too high, the card issuer suffers.

Even in the acutely sensitive realm of health care, there exist programs in which patients surrender the anonymity to which most health-service regimes entitle them in exchange for participation in disease-specific intervention programs. Corporations like Landacorp, American Healthways, ProChange, and Matria Healthcare exist to provide communication and support to sufferers from chronic medical conditions. Patients with active disease conditions (like congestive heart failure), usually view the identification necessary for such interventions in a positive light. When the disease or condition in question is covert or absent (as in the case of a negative colon-cancer screening), practitioners report that identification is experienced as a privacy violation.

Because a customer's transaction information is more valuable to an industry when pooled with information from the consumer's transactions with competitors, showing shifts in market share, enterprises are emerging that pool the transaction databases of ostensible competitors. Thus the Star Alliance combines the frequent-flyer programs of United Airlines, Air Canada, Singapore Airlines, and eleven other airlines to create a single managed identity for a member. A firm called Abacus pools the transaction records of over one thousand direct mail catalog retailers. Conceivably, then, today's patchwork of walled gardens will evolve into a near-universal regime of market-based customer identification under the protective umbrella of sponsor brand reputations.

## **Conclusion**

"You have no privacy, get over it." So said the chairman of Sun Microsystems, in sketching a future where technology upsets today's notions of personal identity, in which

lost children can be traced because they have radio frequency identification devices embedded on their bodies and adults carry Java identification cards. He argues,

If there were no audit trails and no fingerprints, there would be a lot more crime in this world. Audit trails deter lots of criminal activity. So all I'm suggesting, given that we all have ID cards anyhow, is to use the biometric and other forms of authentication that are way more powerful and way more accurate than the garbage we use today . . . It's called a Java card. It's already done -- the technology's all there . . . Identifying yourself is way different from creating a database on you. And I have no problem with it being illegal for the government to create a database on anybody. But you can get wiretap authority; you could also get the same authority to agree to build a database on [an individual]. And because we have an audit trail of you at your bank, at your airline, and your Internet service provider and all the rest of it, if we think you are a potential terrorist and we've gone to the courts and shown enough evidence, the government should be able to quickly build a national database on you for just that instance, for that particular issue. . . I get all this random hate mail from these lunatics -- you can't believe the anger these folks have. But just because you have an ID card doesn't mean the police have the right to walk over and say, "Produce it." (Tennant 2001).

McNealy stands on the fault line of a social earthquake. The rules of decorum and protocol that have governed the presentation of self in markets and in society at large have changed little in millennia. Now suddenly new rules are being developed on the fly as we find ourselves confronted by technologies that make it possible to have portable identities and perform or be the victims of unobtrusive surveillance. The age of the anonymous consumer is drawing to a close, and the shape of what will follow it is not completely clear yet.

But an outline of the future of personal identification in the information age can be conjectured. This chapter starts with the assumption that buyers will not find it easy to deploy these technologies unaided for reasons of cost. To economize on scale and scope it seems more likely that sellers will take charge of the process of identifying buyers in marketplace settings. The chapter offers the idea of customer brands to stand for the process by which sellers offer these identity resources to buyers. Four degrees of branding are described, corresponding to four degrees of personal identification and four levels of surrender of control over personally identifying information in exchange for relational benefits.

Loyalty programs, or as I prefer to call them identity programs, are not usually viewed as very consequential, not by customers nor even by the firms that create them. To many they are just cents-off discounting devices, little better than plastic green stamps. But as we try to anticipate the threats and opportunities, commercial and societal, of pervasive portable digital identities, the chapter argues that we have more to learn from the workings of these programs than from any other current manifestation of the coming age. They represent a glimpse of life when some version of our reputations travels with us wherever we go, whether we like it or not. On one hand they put identity's power at our disposal. When customers have a rich and multidimensional identity in their dealings with sellers they are stronger negotiators, and those with prime track records can command better terms of trade and access. On the other hand they impose identity's liabilities on us. Those whose identities are worth less or are less well-defined find that they are disadvantaged in the market. Research into digitally-enabled identity and its management for and on behalf of consumers is likely to be of increasing importance to the agenda of consumer research as the information age unfolds.

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