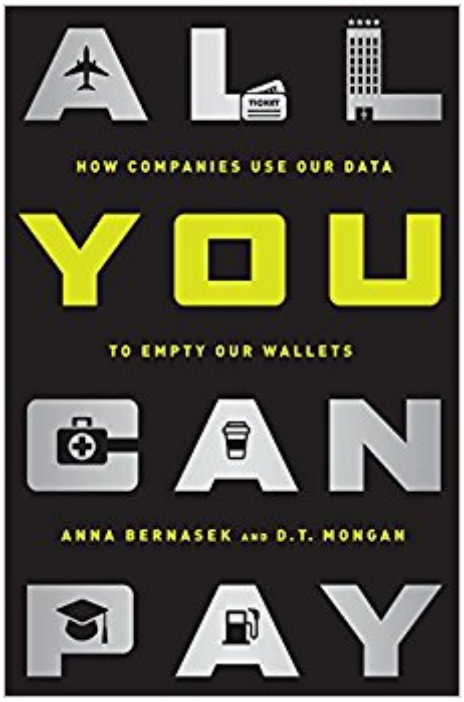
All You Can Pay: How Companies Use Our Data To Empty Our Wallets



Synopsis

You don't care who can access your data because you have nothing to hide. But what if corporations were using that data to control your decisions?As millions of consumers carry on unaware, powerful corporations race to collect more and more data about our behaviors, needs, and desires. This massive trove of data represents one of the most valuable assets on the planet.In All You Can Pay, Anna Bernasek and D. T. Mongan show how companies use what they know about you to determine how much you are willing to pay for everything you buy. From college tuition to plane tickets to groceries to medicine, companies already set varying prices based on intimate knowledge of individual wants and purchasing power. As the consumer age fades into history, rapidly changing prices and complex offers tailored to each individual are spreading like a fog over the free market. Data giants know everything about us before we enter stores or open our browsers. We may think that the Internet lets us find the best deals, but the extensive information companies have about us means that the price we see tends toward the maximum they know we can pay. In a momentous shift, the economics of information will turn our economy on its head. Fair bargaining is over.

Book Information

Hardcover: 256 pages
Publisher: Nation Books; F First Edition edition (May 26, 2015)
Language: English
ISBN-10: 1568584741
ISBN-13: 978-1568584744
Product Dimensions: 5.8 x 1 x 8.5 inches
Shipping Weight: 10.4 ounces (View shipping rates and policies)
Average Customer Review: 4.1 out of 5 stars 6 customer reviews
Best Sellers Rank: #559,699 in Books (See Top 100 in Books) #45 inÂ Books > Politics & Social Sciences > Social Sciences > Privacy & Surveillance #614 inÂ Books > Business & Money > Marketing & Sales > Consumer Behavior #787 inÂ Books > Business & Money > Marketing & Sales > Marketing > Web Marketing

Customer Reviews

"A well-written, vivid, and harrowing look at the microcosm of surveillance. A must read for all concerned citizens." —Robert Scheer, author of They Know Everything About You and The Great American Stickup"There have been plenty of warnings about corporations profiting from data

and compromising privacy, but this straightforward analysis never succumbs to alarmism while letting the facts speak for themselves. [The authors] build a case that will hit home with the personal finances of any reader who has ever done anything online. [They] understand how to write about specialized topics for a general readership, and they deliver their most frightening news in the most understated, straightforward manner... Hope lies in what the authors call 'Data Environmentalism,' raising the consciousness about this threat the way Silent Spring sparked the environmental movement. Well informed and useful." —Kirkus Reviews“Anna Bernasek and D.T. Mongan have produced a model of lucidity—and urgency—on a topic that needs to be 'top-of-mind' for all of us. Everybody—in the true meaning of that word—ought to read this book. Now. â • —Tom Peters, international bestselling author of In Search of Excellence

Anna Bernasek writes the Datapoints column for the New York Times and is a writer for Newsweek. She has covered economics and business as a journalist and author for more than twenty years, in outlets such as Fortune, Time, the Sydney Morning Herald, and the Australian Financial Review. Bernasek holds a B.A. in economics from the University of Michigan and a Masters in Public Policy from Princeton.D.T. Mongan is a lawyer based in New York specializing in finance and corporate transactions. He is the spouse of Anna Bernasek and holds a degree in chemical engineering from the University of Delaware and a law degree from the University of Pennsylvania.

Very informative. Used it for work

A bit long, but the author has some great points about how big Internet companies are collecting our data for their profit.

scary future that will happen

NetflixÃ¢Â Â™s successful mining of user data to construct the House of Cards phenomenon is the kind of effort that would send Anna Bernasek and D.T. Mongan, the authors of "All You Can Pay: How Companies Use Our Data to Empty Our Wallets," scurrying into their doomsday bunker. So why does a book that rages against data mining Ã¢Â Â" a standard marketing practice Ã¢Â Â" make the best business books list?ItÃ¢Â Â™s because, while the marketing industry holds up data as the holy grail of the discipline, consumers Ã¢Â Â" thanks to repeated data breaches and Edward Snowden Ã¢Â Â" are becoming ever more data-aware. "All You Can Pay" powerfully illustrates why

so many consumers are waking up. Of the three books reviewed here, itÃ¢Â Â™s certainly the most provocative, even if itÃ¢Â Â™s not always right.Bernasek, a veteran financial journalist, and Mongan, a lawyer, hold that the escalating amount of data that companies have about individual consumers is being used not just for increased customization of products, but also for increased customization of pricing. The mass market is over.Healthy markets Ã¢Â Â” such as what used to be the mass market Ã¢Â Â” are relatively transparent; both sides have a good idea of what a fair price is. But the authors say the trend toward mass customization has been accompanied by an increasing asymmetry of information. Because of the data consumers incessantly (and often unwittingly) spew about their preferences and private lives on Facebook, Google, , and elsewhere, companies now know much more about consumers than consumers know about the companies. Ultimately, that means that companies know how much individual consumers can pay, and they charge accordingly.Ã¢Â ÂœIf you think companies wonÃ¢Â Â™t use the growing knowledge they have about you to extract higher prices, think again,Ã¢Â Â• the authors write. Ã¢Â ÂœIn many small and big ways, companies already take advantage of your trust. With more sophisticated data extraction and analysis, exploitation will only get easier, cheaper, and more pervasive.Ã¢Â Â•So-called dynamic pricing, the mechanism that makes umbrellas more expensive during a rainstorm and flights more expensive during the holidays, has been with us for decades. But the picture painted in "All You Can Pay" is far more insidious. Theoretically, if knew you were better off financially than your next-door neighbor, it could charge you more for a pair of Nikes. One of the bookÃ¢Â Â™s best passages is its analysis of college financial aid. In theory, tuition is transparent: ItÃ¢Â Â™s posted on every university website. But prices paid by students vary widely. The family of every student coughs up boatloads of financial information, and the college ultimately decides Ã¢Â Â” in a process that is far from transparent Ã¢Â Â” how much each student can pay.While reading this book, itÃ¢Â Â™s impossible not to wonder whether such price disparities will really trickle down to the aforementioned pair of Nikes or a bar of soap. At least in e-commerce, one-to-one customized pricing is technologically possible. But that doesnÃ¢Â Â™t mean it will happen en masse. Some bad actors are willing to misuse data, but not everyone does so. "All You Can Pay" paints a compelling and obviously Orwellian picture of data overlords manipulating every transaction. But it goes too far in painting consumers as powerless and companies as defaulting to being evil, when given the choice.In fact, until the very end, the book ignores the fact that consumers have more of a voice than theyÃ¢Â Â™ve ever had. Who hasnÃ¢Â Â™t gone on a local Facebook group and asked what an appropriate price is for having a plumber unclog a drain?Still, "All You Can Pay" is a must-read for marketers. Consumers are increasingly skittish about the use

of their data. We all know thereÃ¢Â Â™s a quid pro quo about the Internet; we trade information about ourselves for access, content, and discounts on goods and services. A book such as "All You Can Pa"y Ã¢Â Â” which aspires to be a consumer rallying cry Ã¢Â Â” should serve as a reminder to marketers to continually ask themselves whether they are being responsible in how they use their customersÃ¢Â Â™ data, and what the blowback will be if theyÃ¢Â Â™re not.

The difference between how much you would pay for something if you had to and how much you actually pay is called economic surplus. The surplus captured by consumers is known as the consumer surplus, and the profits from businesses are known as the producer surplus. The total economic surplus is the sum of both the consumer surplus and the business surplus, and always up for grabs.The total surplus that could be captured from selling water is probably infinite because nobody can survive long without it. However, so far nobody has monopolized the market. Regardless, bottled water now comprises the third biggest category of beverages (175) consumed in 2012 America in terms of gallons, ahead of coffee (15%) and trailing soft drinks (27%). 'Flat' water (no bubbles - eg. Dasani, Aquafina) is essentially sourced from the public system. Local water departments don't spend big money marketing their product.Market segmentation yields prices not directly tied to costs, and the number of consumers in each market shrinks - along with their marketplace power. Further, as market segmentation increases, the quality of information available to consumers drops, and the value of branding increases. As markets become more segmented, public goods become less valued - eg. more sales of generators results in less caring about the reliability of the public grid, and more pupils in private school reduce the overall concern for quality public schools.On April 2014, Google posted the following on its website: 'Our automated systems analyze your contend (including emails) to provide you personally relevant product features, such as customized search results, tailored advertising, and spam and malware detention. This analysis occurs as the content is sent, received, and when it is stored.' Google doesn't make any promises about what it will or won't do with that information. And Google is reading email both sent from and received by a Gmail user. Google has 48,000 full-time employees, spent $8 billion on R&D in 2013, gets over half its revenues from outside the U.S., and 91% of revenues from advertising.Google's algorithm contains 500 million variables and 2 billion terms. Google cookies track our movements even on non-Google web pages. It now has 75% of the U.S. search market and over 80% of the mobile search market in the U.S.Data brokers gather information from voter registration, bankruptcy filings, in-store purchases, online purchases, online searches, and warranty registrations. One of the brokers has up to 3,000 items of information on virtually very U.S. consumer.Colleges and

universities use price discrimination to determine their pricing. Coupons are customer loyalty programs other means of price discrimination. (Frederick Reichheld and Earl Sasser found that loyal customers buy more and pay higher prices - their rule of thumb shows a 5% increase in customer retention increases profitability by 25%.)Dynamic pricing, first pioneered by airlines, allows sellers to instantly change the price offered to an individual customer. Staples uses zip codes to offer different prices, Uber uses congestion/availability. (It's also why tickets are non-transferable.)3-D printing is perhaps the most important new technology enabling mass customization. The authors overstate reality, however, contending that (segmentation) gives sellers no incentive to produce high-quality, low-priced goods and services, and suggesting that airlines make flying economy about as miserable an experience as possible so that those who can afford it will travel premium or business class.Unfortunately, needing more pages to qualify as a book instead of just an article (little/no money) they continue - blathering about detailed terms and conditions that apply to most every online and many bricks-and-mortar purchases, and the fact that Google allows itself to share your data (aggregated and not-identifiable) with others. It then continues with material of less and less relevance.Companies can learn practically everything there is to know about us, but we possess only limited knowledge about them.

A Brave new world and 1984 in 21 century.Caveat emptor!

Doing It) Data Science for Business: What You Need to Know about Data Mining and Data-Analytic Thinking Making Enterprise Risk Management Pay Off: How Leading Companies Implement Risk Management The Book on Tax Strategies for the Savvy Real Estate Investor: Powerful techniques anyone can use to deduct more, invest smarter, and pay far less to the IRS! Persuasion: How To Influence People - Ninja NLP Techniques To Control Minds & Wallets (Persuasion, Influence) A Kid's Guide to Awesome Duct Tape Projects: How to Make Your Own Wallets, Bags, Flowers, Hats, and Much, Much More! Data Science and Big Data Analytics: Discovering, Analyzing, Visualizing and Presenting Data Analytics: Business Intelligence, Algorithms and Statistical Analysis (Predictive Analytics, Data Visualization, Data Analytics, Business Analytics, Decision Analysis, Big Data, Statistical Analysis) Data Analytics and Python Programming: 2 Bundle Manuscript: Beginners Guide to Learn Data Analytics, Predictive Analytics and Data Science with Python Programming Data Analytics For Beginners: Your Ultimate Guide To Learn and Master Data Analysis. Get Your Business Intelligence Right â " Accelerate Growth and Close More Sales (Data Analytics Book Series) Discovering Knowledge in Data: An Introduction to Data Mining (Wiley Series on Methods and Applications in Data Mining) The Valuation of Financial Companies: Tools and Techniques to Measure the Value of Banks, Insurance Companies and Other Financial Institutions (The Wiley Finance Series)