CARTOGRAPHIES OF CONSUMPTION: THE POLITICAL ECONOMY OF MARKETING RESEARCH AND COMMUNICATIONS

by

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ABSTRACT

The twentieth century has been deeply marked by the continuing saturation of consumer capitalism and the accelerating emergence of information technologies. Intersecting those vast developments is an industry that, until recently, has escaped sustained critical attention. This thesis is an account of marketing research and communications, its origins, institutional practices and socio-economic effects.

I argue that marketing research drew its key inspirations and innovations from bureaucratic techniques for managing material goods and human populations. By the turn of the century, information processing had emerged as the most efficient mechanism for achieving those managerial imperatives. As markets for mass-produced goods, services and entertainments spread, the necessity for anticipating and predicting consumer behaviour became readily apparent. Organizing feedback information about consumers helped adjust and orient production to consumption, supply to demand. This process of 'information control' reduced risks, spurred innovations, and improved efficiencies within consumer capitalism. Marketing research became a source of economic and social power for those institutions that could wield its instruments or purchase its services.

Marketing research and communications practices have now intensified to an unprecedented degree. They routinely process very precise, and often personal, data about individuals, resulting in what I call the cartographies of consumption. This capacity for consumer surveillance raises many questions about our values and expectations of privacy. Similar concerns about public-sector information practices have prompted privacy laws and data protection policies, in Canada and elsewhere. I examine the prospects for effective and enforceable privacy regulation over the private-sector, and critically evaluate other potential solutions. In my view, privacy laws and policies are both necessary and urgent, and will help to mitigate many excessive and intrusive information practices. But consumer surveillance will not disappear. Some privacy regulations may help to lay out some 'rules of the road,' ensuring a basic level of trust and cooperation amongst businesses, marketers and consumers. Most importantly, effective legislation and consumer vigilance requires a broader understanding of the embeddedness of marketing research practices in contemporary capitalist economies.

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INTRODUCTION

MARKETING RESEARCH AND THE CARTOGRAPHIES OF CONSUMPTION

> *Today, the advertising and marketing axis that grew up with radio has made audience demographics the crucial template for the production of most of our culture's symbolic forms of expression. The term 'lifestyle' best captures the essence of the current version of this ideology of consumption. A catchall description for everything from one's clothing, work, or furnishings to preferred leisure pursuits, entertainments and inebriates, this phrase already seems to have achieved saturation. It reduces all life to a style, equating how one lives with what one consumes. The post World-War perfection of demographics as a predictive science and as a producer of crucial cultural maps is a story that remains to be told.*
>
> Daniel Czitrom, *Media and the American Mind* (1982)

In the fifteen years since Daniel Czitrom's remarks, the 'demographic sciences' have evolved into a full-fledged commercial enterprise, what I shall refer to as *marketing research and communications*. Over the last several decades, this enterprise has become a vast, growing and highly specialized industry, one that draws on a multitude of demographic techniques, survey research, statistical methods and information technologies to collect and collate data on consumer habits, attitudes and attributes. This thesis shall explore how market researchers have come to draft 'crucial cultural maps', and why these portraits of the consumer marketplace now assume such a powerful interpretive force in contemporary economies and social life.

In the chapters that follow, I will outline the historical origins, institutional practices, technological innovations, and socio-economic consequences of marketing research and communications. I will engage a series of broad questions: What confluence of factors pushed marketing research and communications to its present position of prominence? Why are marketing research practices particularly powerful now, in the economic and social conditions of the late-20th century? Whose needs are served by research and information about consumers? How does the constant flow of data interact with consumer behaviour, influencing social and cultural formations within capitalist societies? How has marketing research promoted itself as a 'scientific' solution to uncertainty and risk in the marketplace? What are the implications of marketing research and its multiple information

practices, with regards to questions of power, surveillance, privacy and public policy?

I use the term 'marketing research and communications' in an intentionally broad and inclusive fashion. The term is meant to embrace two related concepts, *market research* and *marketing communications*, both commonly used in business circles and marketing textbooks. In my view, the combined term usefully encompasses both the history of the industry, and the comprehensive range of its current activities. A brief outline of these respective terms will demonstrate their historical evolution and my own usage and definitions in following chapters.

In their nascent forms, *market* or *consumer research* generally bracketed consumer attitudes or responses to a product or service, or a measurement of more general market trends through, say, sales figures or purchase orders. In practice, as both activities broadened and methods were shared, the terms market and consumer research were often used interchangeably. As the responsibilities for research increasingly fell under the auspices of advertisers and marketers, the term 'marketing research' became more prominent. Not only were these sectors of commercial enterprise considered to be 'experts' in consumer behaviour and market trends, but they were also best placed to *operationalize* incoming data and statistics, to adjust advertising and promotional strategies in accordance with 'feedback' from the marketplace. In the post-War period, commercial promotions began to migrate beyond the strict confines of media advertising into what came to be called *marketing communications*; this included such items and activities as in-store displays and signs, packaging, samples, coupons, sales strategies, direct-mail, press releases, publicity events, product tie-ins etc. These expansive marketing practices were meant to influence and integrate all the coordinates of commercial decision-making: product, pricing, distribution and promotion. These decision elements combined to form the 'marketing mix' (Kotler 1994; Cornish 1995, 327-332).

A key consequence of the expansive sphere of marketing was a parallel growth in the forms and volume of *research*. Each point of promotion and decision-making had to be tested for effectiveness; results needed to be compared to other research, and passed on to appropriate departments and authorities. Marketing research had to be *communicated* as well as conducted, to be shared and

sold as well as collected and stored. Marketing research became a tradeable commodity, and a central element of business strategy and planning. Consumer data is now routinely conveyed via multiple conduits of communication and information technologies - credit cards, computer networks, bar codes, bank machines. Organized into aggregated clusters, such information begins to represent a kind of 'parallel universe' of our daily lives and activities, populated by what Roger Clarke called 'digital personas' (Clarke 1994). These 'data shadows' now form an indelible part of the communications landscape, mediating the cultural and economic terrain of contemporary Western societies through multiple institutions and practices: polling and public opinion, audience testing, focus groups, databases, demographics. Marketing research, then, works as a type of consumer surveillance, an organized and precise feedback loop, a means to monitor and evaluate our personal and collective responses to every type of consumer experience, from media programming, to advertising, products, packaging, public relations.

Marketing research, then, is also a key element of modern communication systems. Media critics and communications scholars have long focused their attention on the relationship between media and audience. Most would agree with Raymond Williams, moreover, that this relationship was at its core both contradictory and unbalanced, one of 'centralized transmission' and 'privatized reception' (Williams 1973). Newspapers, magazines, radio, television - each medium sent out carefully crafted messages and images to a largely unknown and undifferentiated audience. Programming was the result of intentional design, professional control and creative evaluation; but audiences were dissipated and diffuse, invisible and unpredictable. The homes and minds of viewers, listeners and readers were a vast and largely unexplored territory. The audience was taken-for-granted, but undefined. The institutional edifice of modern media was nonetheless fully dependent upon attentive and reproducible audiences: the economics of advertising was structured around the audience-as-commodity (Smythe 1977).

The constitution of audiences, then, was - and is - a major institutional preoccupation. Who makes up our audience? What do they watch and why? How can we 'capture' a greater share? The audience became the subject of institutional

knowledge, of information gathering, of data collection. But until recently, the processes of this 'research' - its structure and development - has been of little interest to communication scholars. The same is true, by extension, of political economists and marketing research. How have business organizations come to 'know' their customers? How do they monitor consumer interest in their products? How is this 'knowledge' organized? These questions have not been often asked in the disciplinary fields of communications and political economy. This study is a modest attempt to close that gap.

I approach the thesis via three basic premises. First, marketing research is a particular instance of *information control*, a method of *market feedback* which serves to coordinate relationships in the marketplace, particularly those between commercial institutions and the diverse, unwieldy consumer population. Second, the imperatives of marketing research are highly attuned to the broad parameters of capitalist development and socio-cultural formations; accordingly, the techniques of marketing research have become more precise and detailed as modern societies and economies have become more complex, diverse and *flexible*. Third, marketing research is comprised of a highly specialized set of skills and knowledge, a range of expertise that has gained the status of a respected profession. Moreover, it is a profession with *scientific pretensions*, one that is expected to - and often does - predict trends, manage uncertainties, calculate probabilities and reduce risks in the marketplace.

In sum, marketing research and communications is one of the key vehicles for institutional power in contemporary society. In its intent to measure consumer behaviour, define markets and describe lifestyles, marketing research and communications has become both a 'predictive science' and a productive industry.

The term 'productive' should be understood here in a double sense. First, for commercial enterprises, marketing research practices enable the crucial strategic plans, decisions and choices so necessary in an highly dynamic, very competitive and often uncertain conditions of the modern marketplace. The circuits of consumer data run through and signal the electric synapses of the capitalist 'nervous system.' Secondly, the practices and imperatives of marketing research

now reverberate across the entire social body. These informational practices and communications techniques have infected many public institutions and non-profit enterprises. Its calculations and categories have shaped reconstructed and reshaped our contemporary consumer economy, mapping out the terrain of lifestyle formations, cultural expressions and social identities. Thus, marketing research and communications has also emerged as a pre-eminent 'producer of cultural maps,' to pick up Czitrom's phrase. Its practitioners and techniques are engaged in what I call the *cartographies of consumption.*

The three central premises outlined above also provide the structural foundations for the organisation of the thesis. I have built my account of marketing research around three distinct levels of analysis: theories of information and power; the social and institutional history of marketing research; the challenges for privacy policy, social analysis, and consumer action.

The first two chapters deal with a macro-theoretical level of discussion and debate. Chapter One lays out the critical foundations for understanding information control and surveillance practices in modern organizations. Chapter Two narrows that focus to the particular structures of twentieth-century consumer capitalism. This formation of consumer capitalism emerged around two key developments: the political economy of its institutions, and the cultural and social configurations of consumer life and experience. It was at the informational axis between these two elements of consumer capitalism that the marketing research industry installed itself.

These first two chapters highlight the intricate connections between institutions, information and power in modern society. In pursuing that macro-level of analysis, I have relied primarily on the social and political theories of Max Weber, Michel Foucault and Anthony Giddens. The work of James Beniger and David Harvey helped to concretize and contextualize these theoretical concerns. Beniger's book *The Control Revolution* (1986) provides a brilliantly detailed account of the historical origins of the 'information society;' Harvey's *The Condition of Postmodernity* (1989) provides a similarly incisive analysis of the formations and

directions of twentieth-century capitalism. Both of these books form the core parameters of my thesis, and stimulated many of my central arguments.

The middle section of my thesis is a largely descriptive account of the social and institutional history of the marketing research industry. The third chapter outlines the emergence of marketing research during the 'Fordist' period of economic expansion, from its beginnings early in the century through to the 1960's. Chapter Four highlights the professional establishment of the industry from the early 1970's onward, one that thrived on flexible economies, diverse markets, and new digital technologies. Both chapters rely on a wide range of literature. In particular, I have drawn on histories and theories of advertising, marketing and consumer culture. The work of Leiss, Kline and Jhally (1990), Stuart Ewen (1976; 1988), Roland Marchand (1985) and Ien Ang (1991; 1996) helped draw the outlines of my account. To my knowledge, a comprehensive account of the marketing research industry has yet to be written; the institutionally-oriented historical sketch outlined in Chapters Three and Four provide a modest attempt to fill that gap.

The third section draws back to consider the current and future challenges posed by marketing research and its information practices. Chapter Five pursues the most prominent of those concerns: the complex arena of privacy policy and regulation in the information age. I outline the conceptual and legal history of privacy, and consider the varying scope and effectiveness of privacy principles, standards, and laws. In the final chapter, I conclude the thesis with a look ahead to the continuing challenges in regards to privacy regulation, social analysis, and consumer action.

My account of privacy policy and regulation is indebted to the work of many advocates and scholars. I have drawn extensively on two books by Oscar Gandy (1993) and David Lyon (1994) to sort out the core complexities of privacy and contemporary information practices, especially with regards to consumer economies and marketing research. Colin Bennett, David Flaherty, Priscilla Regan, James Rule and Rohan Samarajiva have each laid clear paths through the thickets of legal, philosophical, and policy issues regarding privacy protection and advocacy in the information era. On the whole, Chapter Five should be regarded as a summary of the growing literature on this complex subject.

In my conclusion, I argue that the marketing research industry will continue unabated for many decades to come. The roll-out of 'information-highways' is sure to be accompanied by a vast network of digital toll-booths and monitoring techniques. Related innovations in biometrics, digital cash and encryption posit a whole new range of threats and solutions to the privacy/surveillance debate. But in my view, privacy advocates and social theorists must recognize how and why contemporary research practices and consumer data have become fully embedded in modern institutions and economies.

One would be mistaken, however, to imagine a near-future of constant and continuous surveillance. Marketing research remains an imperfect industry, constrained by the limits and boundaries of its own constructions and categories. Graphing markets and indexing consumers will always remain an unfinished project (Ang 1991). Researchers can never create a sufficiently accurate map of the marketplace. Like the flat surfaces of an atlas, the surface projections of marketing research can never capture the multi-dimensional topographies of consumer activity and individual experience. As a result, market researchers will continue to engage in a lucrative and continual drafting of economic latitudes and consumer attitudes, a perpetual - but always imperfect - cartography of consumption.

CHAPTER ONE
CRITICAL THEORIES OF SURVEILLANCE AND POWER

> *I don't like being watched. I hate punch cards and flex time. I'm allergic to cross-referenced lists. I detest passport control and birth certificates. Obligatory school attendance, mandatory disclosure of information, legally required financial support, legal liability, oaths of confidentiality - the whole rotten monstrosity of government controls and demands that fall on your head when you come to Denmark. All the things that I normally sweep out of my mind but which may confront me at any moment, perhaps manifested in a little black telephone. I hate it even more because I know that it's also a kind of back-handed blessing: all the Western mania for control and archives and cataloguing is meant to be helpful.*
>
> Peter Hoeg, *Smilla's Sense of Snow* (1993)

Anxieties about information gathering and administrative documentation have long haunted the modern imagination. Midway through the century, Kafka's *The Trial* and Orwell's *Nineteen-Eighty-Four* famously dramatized the intrusive excesses of centralized bureaucracies and technological surveillance. These dystopian fictions have given way, in our own time, to a myriad of personal responses, critical reflections, and policy prescriptions. The passage above, from a popular Danish novel, reflects the more tempered and ambivalent concerns of citizens and consumers today; we both resent the intrusions and demand the conveniences of, say, credit cards or social security systems.

There is increasing public concern about the intrusive information practices of governments and commercial organizations. Most of this debate - especially as seen in mainstream media and policy circles - focuses on the threats to privacy posed by advancing technologies, particularly computerization. The privacy debate is indeed important.[1]

Other, more radical analyses have settled on the question of surveillance; while both numerous and complex, these critiques converge on the argument that surveillance is a central instrument of power in modern societies. The term *surveillance* is generally defined as the direct and physical monitoring of the behaviour and communications of one or more persons. Typically, this definition

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[1] The privacy debate is complex, fraught with a multitude of ambiguous legal, social and technical issues. In Chapter Five, I will outline the privacy dilemmas and concerns in detail.

incorporates practices such as wiretapping, hidden cameras and microphones, polygraph testing. More recently computer and telecommunications technologies have facilitated the collection and storage of vast quantities of personal data, in what has been called *dataveillance* (Clarke 1988). In many respects, this amounts to a massive extension of the files and records that governments and business bureaucracies collected on individuals and groups in previous eras.

In this chapter, I will sketch out and interrogate the main arguments and analysis about surveillance, power and modern information practices in contemporary society. Such a discussion is a necessary preamble to the larger intent of this thesis: an overview of the historical and institutional evolution of information practices in the marketing research industry, from the turn of the century to the present. At its core, marketing research is a specific instance of data collection and knowledge generation for the purposes of managing relationships between institutions and individuals. As such, it shares many of the characteristics of bureaucratic and managerial administration: namely, the routinization and regulation of information flows so as to improve efficiencies and ensure predictability within in a given organizational or social environment.

For large business and government organizations the logic of these methods of rationalized administration is clear. But for many people - as citizens, employees and consumers - information collection is often regarded from an entirely different, and often suspicious, perspective. The monitoring and surveying of populations and individuals seems excessive and intrusive. The forced disclosure of personal information is regarded as an affront to individual dignity and privacy. New technologies, from cameras to fingerprinting, from computers to census taking, present new means for intrusions into our everyday lives. Bureaucratic offices and departments burst with files about us - records over which we have little control. Abstracted information seems to tear our identities away from us - our authentic selves can only be confirmed by presenting some form of authorized data.

In the sections that follow, I draw on a wide range of critical discussion about these issues (Beniger 1987; Dandeker 1990; Flaherty 1989; Gandy 1993; Giddens 1985, 1989; Lyon 1994; Lyon and Zuriek 1996; Rule et al 1991; Webster and Robins 1992). A key theme of all of these studies is that surveillance practices and technologies

operate within the complex relationships between power and knowledge, and between institutions and individuals. In sketching out these core themes, I draw particularly on the theories and historical accounts of Max Weber, James Beniger and Michel Foucault. A survey of their work provides ample context for contemporary manifestations of surveillance. But at the same time, I want to point out some of the limits and misconceptions about surveillance theory. Surveillance systems are always shaped and constrained by the conditions of time and place, as well as by their specific functions in a given social and economic environment. The marketing research industry emerged (as subsequent chapters will show) as a constituent element of consumer capitalism. Surveillance, in this context, is less an intrusive technological mechanism than a set of strategic, but always contingent projections of the world of consumption, a mapping out of marketplace trends and consumer behaviour.

Society under surveillance?

> *As every man* [sic] *goes through life, he fills in a number of forms for the records, each containing a number of questions ... There are thus hundreds of little threads radiating from every man, millions of threads in all. If these threads were suddenly to become visible, the whole sky would look like a spider's web....They are not visible [but] they are material, [and] every man is constantly aware of their existence.*
>
> Alexander Solzhenitsyn, *Cancer Ward* (1922)

Literature and popular song can give us some indications of how surveillance and other intrusions in the information age are received in the culture at large. After all, surveillance technologies and invasions of privacy are experienced and felt by individual subjects and audiences. Academic analysis and pragmatic applications of surveillance practices do not necessarily fully express the 'nature of the beast.' Other types of cultural analysis and popular media - Hollywood movies, newspaper cartoons, novels, contemporary art and pop music - can also provide illuminating insight into how people respond to being watched, monitored or catalogued by powerful agencies and organisations. Moreover, many of these responses - however cynical or sardonic - often influence and guide wider public opinion regarding policies and consequences of surveillance and privacy issues.

Popular culture and modern literature have duly interrogated all these levels of surveillance. Early in the century, Fyodor Dostoyevsky noted the powers of statistical calculations and rationalist classifications in *Notes from the Underground*. Charles Dickens made similar observations in *Hard Times*. Franz Kafka and Anthony Burgess famously evoked paranoia and fear in the face of intrusive bureaucratic states in *The Trial* and *Clockwork Orange*. Popular Hollywood movies such as *Rear Window* and *The Conversation* have illustrated the voyeurism and subterfuge enabled by hidden cameras and tiny microphones.

In more recent times, popular music lyrics reveal a skewed and ironic view of surveillance and informational intrusions. In 1968, Paul Simon sang: "We'd like to know a little bit about you for our files, we'd like to help you learn to help yourself." Many contemporary songwriters have expressed concerns about surveillance technologies. In 1980, the British group XTC complained about the "invading [of] our privacy" as "we play for the ministry" - where an unknown 'they' record "everything you feel .... so you won't know what is real by reel." In their 1995 song *Star 69* , the American band REM make allusions to Caller ID phone technology: "I know you called, I know you called." With his trademark sardonic wit, Canadian singer/poet Leonard Cohen predicts: "there's gonna be a meter on your bed that will disclose what everybody knows." Recent films such as *Sneakers* and *The Net* have made the threats of computer and video surveillance central elements of their plots; iconic images of bar codes have been used in films such as *Aliens* , as well as in many newspaper illustrations, t-shirts and contemporary art[2]

But no cultural artifact has made a greater impact on the public view of surveillance than George Orwell's novel *Nineteen Eighty-Four*, with its famous description of Big Brother. Virtually every mainstream media account of surveillance and privacy issues use Orwell's metaphor as a reference point. Media illustrations and book covers on the subject are consistently adorned with the ominous 'all-seeing eye'. Analysts such as James Rule (1973) and David Burnham (1983) hold up the Orwellian vision as a kind of warning, a signpost of the not-too-distant future where centralized computer surveillance systems will constrain

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[2] While most of the examples here are my own, a few are taken from Gary Marx's fine review of how popular culture has dealt with issues of surveillance "Surveillance and Popular Culture" in D. Lyon and E. Zuriek (1996).

personal liberties and privacy. Such studies have proved quite influential, informing further sociological, political and policy work. However in many instances, as with the work of Bertram Gross (1980), the Orwellian vision has elicited vastly overdrawn and exaggerated fears about inescapable systems of pervasive surveillance.

The Orwellian Big Brother metaphor, in other words, can be highly misleading and paranoid, a barrier to understanding the true nature of surveillance today and its complex integration within modern society. Orwell drew a picture of a highly centralized authoritarian state that maintained its power in part through the constant surveillance of its citizens. But surveillance technologies today are highly dispersed and decentralized, employed by a multitude of organizations and individuals for many purposes. Of course, state agencies such as the police still use surveillance systems; cameras trained on city streets are quite common for reasons of security, and photo radar equipment is used for traffic safety. But rarely are such systems utilized as a means of direct political control. Moreover, Orwell's novel implies that visual and aural surveillance are the most effective tools for controlling populations and their behaviour. In his narrative, these technologies literally imprisoned citizens in their home, oppressively conditioning subjects by monitoring their every movement and thought. Clearly, Orwell was illustrating, by logical extension, the possible futures of totalitarian societies as he saw them in mid-twentieth century Russia and elsewhere.

Certainly, some of those fears were well founded. But in liberal democratic states, surveillance practices took quite different forms, for quite different purposes. In Western countries, surveillance systems have largely emerged to maintain administrative efficiencies, not to control political dissent or monitor individual activities. To be sure, hi-tech surveillance technologies have been used by state security agencies and police forces in the US, Canada and Europe. Analysts such as Gary Marx (1988; 1994) has outlined the vast array of sophisticated surveillance technologies used for espionage, police work, security and military services, including widespread telecommunications monitoring, biometric imaging systems and remote-sensing satellites. Many of these technologies are migrating into the private sector. Other surveillance devices include DNA screening, drug testing,

vehicle tracking systems, 'smart' homes or offices that can monitor electricity, communications and even temperature flows in and out of buildings.

The cumulative effect of these technologies have led some to describe the present era as 'the surveillance society' (Lyon 1993). Such labels strongly imply that surveillance is the central characteristic of modern life. Such a conclusion, in my view, is largely overdrawn and monolithic. Few of us feel or experience surveillance under duress or onerous conditions. In many respects, Western citizens enjoy more privacy than any previous society. On the other hand, certain aspects of our lives *are* more subject to monitoring and cataloguing, usually in exchange for market services or social benefits. Surveillance systems, then, are rarely centralized state-controlled operations, but tend to be dispersed across many social sectors and enterprises. As Gary Marx puts it: "Big Brother isn't a dictator on a big screen, but a million grocery clerks with bar-code readers" (Marx 1994).

One additional reservation must also be noted here. It is common to strictly equate surveillance with technological advances, particularly those innovations in computers and telecommunications systems. Such a position is highly deterministic, and fails to acknowledge that surveillance practices and technologies are continually shaped by institutions and their needs. The directions of technological development are not inevitable but made by human beings balancing various choices and intentions. Surveillance practices emerged, not out of some ominous need to monitor human behaviour, but out of a pragmatic necessity to ensure administrative efficiency, predictability and control in a given environment. This is especially true in regards to the organizational uses of information and documentation that I will discuss in the sections that follow. Bureaucratic data collection and cataloguing spurred many of the technical innovations in computing and information systems. This is turn made bureaucratic operations one of the primary precursors to modern marketing research and management.

Modernity and management

Government collection or management of personal data are one of the hallmarks of modern society. The collection and organization of information provides many benefits. Taxation systems, electoral enumeration, and statistical

surveys are central functions in any modern state; they permit and direct a wide level of civil participation and obligation in liberal democracies. Similarly, medicare and social welfare policies often require the accumulation of personal data, but the majority of citizens recognize these benefits that accrue from these activities. Often course, there are many (often justified) complaints about 'red tape' and bureaucratic bumbling.

Of course, commercial organizations have long collected marketplace data to manage and predict consumer demand. Additional innovations such as commercial and retail credit required the cataloguing of vast amounts of personal and aggregate information. Historically, these distant and seemingly random bureaucratic arrangements provoked numerous and often contradictory reactions: fear and uncertainty, resigned dismissal, a vague recognition of perceived benefits, concerns about the abuses of power in such highly rational systems. Such mixed responses amongst the public are also reflected in much critical social analysis; amongst the first of such studies were Max Weber's famous dissections of bureaucracy (Weber 1970).

Weber argued that the constitutive feature of modern societies was the institutionalization of rationality in all social organisations. Capitalist enterprise, the legal-juridical system, military organization and scientific experiment were all marked by rational calculation and instrumental reasoning. Weber's complex account of bureaucracy and other functional systems of administration continues to provoke and inspire much discussion and debate. Most recent accounts are by turns exhaustive and historical in scope (Dandeker 1990), or broadly theoretical in argument (Giddens 1985; Brubaker 1984). For Weber and many others, the pre-eminent forms of administrative rationality and efficiency are found in modern governments and economic systems.

In this view, one of the primary functions of state or capitalist organization is to manage and categorize aggregate populations for particular strategies and purposes, such as the collection of taxes. These systems scrutinize and observe individuals and groups, most often through information collection, the ordering of files and calculation of statistics. Most of these modern bureaucratic activities are now widely accepted by citizens, regarded as routine and necessary, if sometimes

onerous and frustrating. Indeed, the imprint of bureaucratic organizations on modern life is now so vast and permanent, as to seem almost invisible, routine and natural. Dealing with bureaucracies is simply one of the prices of modernity, with all its mundane luxuries and conveniences.

Nonetheless, Weber and other analysts took a dark view of this rationalization of modern life, the ordering of society along scientific principles. The mechanisms of bureaucratic organization tended to give power and control to those groups that have access to systematized forms of knowledge.

> ....a director of such a bureaucracy can predict, with great certainty, that his or her commands will be implemented through a chain of command, and this to a historically unprecedented extent. Moreover these activities will be based on rational calculation stemming from the institutionalization of knowledge stored in official files. For Weber, then, *rational administration is a fusion of discipline and knowledge* (Dandeker 1990, 10).

Bureaucracy, in this view, is a means of structuring organizations by rationally directing flows of authority and communication. Functions and tasks are centralized and departmentalized, allowing decisions to be made in a routine and predictable manner. Most subjective and intuitive elements of decision-making are reduced or removed. The regulation and processing of knowledge about objects or persons is subjected to a formal set of impersonal and objective criteria. In many instances, Weber recognized, such systems of rational administration has many advantages, foremost among them efficiency and predictability. These benefits are clearly evident in many contemporary functions of large governments: the provision of health services, redistribution of income, the fair apportioning of welfare or pension benefits. In this way, bureaucracies have redefined the relationship between the sovereign state and its citizens.[3]

While he recognized the efficiencies of large-scale organization, Weber remained pessimistic about bureaucratic rationality.[4] He described it as an 'iron cage'

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[3] Indeed, some have argued the claims of equality before the law and citizenship "rights" can be associated with the expansion of bureaucratization. Oversight and planning agencies are created to administer the demands of democracy. (See Dandeker 1990, 17-19)

[4] Weber was joined by some of his contemporaries in his efforts to resist the binds of rationality and science. Consider this passage from Dostoevsky's *Notes from Underground* : "...Answer me this: can man's interests be correctly calculated? Are there not some which not only have been classified, but are

cast abstractly upon individual freedom and imagination, where order and control from a distance confined the mass population to inertial categories, making individuals mere cogs in an administrative machine. Another implication of Weber's analysis was that modern forms of power no longer require or rely on physical coercion or the threat of violence. Instead, the order and control of populations can be maintained by documenting and inscribing individuals and groups. Power can be organized through the precise, rational and systematic control of information. In the final analysis, wrote Weber, "bureaucratic administration means fundamentally domination through knowledge" (quoted in Smart, 1992)

Capitalism and the control of information

Weber's powerful analysis and critique laid the foundation for many theories about multiple forms of modern social organization. He noted how the written file was the 'documentary foundation' of bureaucratic organization and other modern forms of management. The basic principles of rational administration could be widely applied, particularly in the realm of commerce. Information management allowed complex social relationships to be eased in considerable ways. It promoted the smooth and efficient operation of widespread business interests. Modern commerce was, in large part, predicated on the intricate interactions between and among large organizations and mobile social groups or individuals. Information flows integrated and regulated these highly mediated relationships between institutions and individuals.

Depending on organizational imperatives and structures, these regulated flows of data and knowledge took different forms. In the police and juridical system, for instance, information 'management' might consist of criminal records, parole files, legal codes, even fingerprints and lie detector systems. Commercial organizations needed to organize trade flows, transport systems and financial transactions; tariffs, customs, accounting and credit systems arose to coordinate those interactions. When business enterprise turned its attention to consumer

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incapable of classification? After all, gentleman, as far as I know you deduce the whole range of human satisfactions as averages from statistical figures and scientifico-economic formulas. You recognize things like wealth, freedom, comfort, prosperity and so on as good, so that a man who deliberately and openly went against that tabulation would in your opinion, and of course in mine also, be an obscurantist or else completely mad, wouldn't he?"

markets, marketing research would emerge as a formative industry in information management. It slowly positioned itself at the center of the complex matrix of institutions that comprised consumer capitalism: manufacturers, retailers, the mass media, advertisers and their agencies. Each of these industries required specialized knowledge of markets, consumers and audiences; consumer and marketing research filled this need.

This is a corrective to Weber's dark view of 'domination through knowledge.' Information is still conceived as an instrument of institutional power, but not one strictly of domination or oppression; rather it is a vehicle of *control.* The word 'control' is commonly understood in a deterministic, totalizing manner, darkly shaded with notions of absolute command or domination; this was the view that Weber took. A more balanced definition is proposed by James Beniger in his book *The Control Revolution* (1986). Beniger sees control in terms of varying, incremental levels of influence: "purposive influence towards a predetermined goal" or as Rohan Samarajiva puts it "increasing the probability of a desired outcome rather than its absolute determination" (Samarajiva 1994). In Beniger's view, *information control* has been a key instrument in the development, and continued success, of modern capitalism.

Modern social systems have produced a unique and symbiotic relationship between information and control. By the 'control revolution' Beniger means the "complex of rapid changes in the technical and economic arrangements by which information is collected, stored, processed and communicated, and through which formal or programmed decisions might effect societal control" (Beniger 1986, vi).

Beniger draws on the work of economist Joseph Schumpeter and economic historian Alfred Chandler. Like Chandler, Beniger regards modern economies as "material processing systems...engaged in the continuous extraction, reorganization and distribution of environmental inputs to final consumption" (Beniger 1986 vii). The greatest effect of industrialization in the nineteenth century, he argues, was the speeding up of these processing systems, thus precipitating economic imbalance and disequilibrium. Beniger points in particular to the series of recessions and depressions arising from rapid economic change around the turn of the last century. Like Schumpeter, Beniger believes that technological innovation was the key

solution to these 'crises', innovation which in turn provoked further cycles of change and uncertainty.

The Control Revolution focuses on the period of 1870 - 1910; this era was beset by a wide range of problems arising from tremendous expansions in industrial production. More efficient methods of extracting and processing raw materials, advances in the transporting and distribution of goods, and the search for new consumer markets presented the foremost challenges of the period. The growth of large corporations, national, and sometimes international in scope, provoked additional problems. Administrative tasks and services had to be provided effectively across time and space. Both businesses and government needed to communicate and administer operations between separated units often widely dispersed over vast distances. These organizational dilemmas, writes Beniger, can be seen as "crises of control -- periods in which innovations in information processing and communication technologies lagged behind those of energy and its application to manufacturing and transportation" (1986, 6).

The railway system provides a key example of how these challenges were met through innovations in management and advances in communication. In the mid- to late-19th century, all the large railway firms instituted key changes in organizational structure and the internal flow of information.[5] In addition, early advances in modern communication - first the telegraph, and then the telephone - developed in lockstep with the railways, providing them with an effective and instantaneous medium for administrative control and management. As Chandler put it: "The telegraph companies used the railroad for their rights of way, and the railroad used the services of the telegraph to coordinate the flow of trains and traffic" (1977, 195).

According to Beniger, the railways represented the leading edge of advancement in the "control of complex systems." In his view, the 20th century has been characterized by successive applications of control by large economic powers

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[5] Chandler outlines five specific managerial innovations devised by the railroads during this period: differentiation of management from operations; bureaucratic hierarchy; establishment of a traffic department for planning purposes; cost accounting and statistical information gathering; and decentralized or divisional systems of administration. Each of these functional components allowed for coordination of complex activities such timetables, schedules, storage, loading and communication. See Chandler (1977, 99-105) and Dandeker (1990, 169).

and technical institutions: "control came to be established by means of bureaucratic organization, the new infrastructure of transportation and telecommunications, and system-wide communication via the new mass media" (1986, 8). For Beniger, the common innovation in all these transformations in control was information processing. In making this argument, he claims that the so-called 'information society' has been with us for over a hundred years; its earliest applications, in Beniger's view, were in the bureaucratic management and control of complex industrial operations.

Beniger sees in the 'control revolution' a widespread, if largely unnoticed, phenomenon, taking place at multiple levels and scales across social organization. Information control was not only applied within certain industries, but could also serve as an efficient means to coordinate production and distribution in the market as a whole. That is, information on market conditions and consumer demand was collected to coordinate and integrate multiple activities across the economy. As US Secretary of Commerce Hubert Hoover declared in 1921: "sound statistical and economic data....was the first step in controlling economic cycles and in bringing consumption in balance with production" (Leach 1994). These advances in information processing and communications alleviated imbalances in an industrial economy bent on increasing the speed, volume and scale of production and distribution.

In the long run, then, information control proved to be one of stabilizing forces in a growing, dynamic and diversifying economy. But in specific applications, it would do much more than that. For the emerging media and advertising companies, data on audience preferences played a central role in determining advertising rates. Manufacturers needed details about consumer demand to facilitate decision-making about production lines and inventory control. Broad measures of market trends provided a vital link of communication between the manufacturing, transport, and retailing sectors. This was especially true for those firms expanding into national markets with standardized brand-name products. These regular linkages of information and communication between industrial

manufacturers, distributors, retailers, mass media and advertisers helped establish a stable terrain for mass consumer markets.[6]

The control of information, then, had a special role to play in managing consumer markets, one which Beniger labels *market feedback* and defines as "the flow of information from retailers and consumers back to advertisers and others seeking to control mass behaviour" (Beniger, 378). This analysis is a useful refinement of those claims which see the mass media - especially the popular press and advertising -- as the dominant shaper of public opinion and behaviour. For instance, in their discussions of 'demand management' Galbraith (1973) and Ewen (1977) isolate and highlight the role of mass media advertising and promotion. But according to Beniger, "mass media were not sufficient to effect true control.... without a means of feedback from potential consumers to advertisers."

> Mass communication must be supplemented with a reciprocal flow of information from the mass audience back to the media writers and programmers who seek to attract and hold its attention, to the advertisers who seek to stimulate and control its consumption behaviour, and the politicians who seek to influence its opinions and vote (Beniger 376).

A note of caution is required here. Beniger correctly notes these systems of 'reciprocal feedback' were limited in scope and influence up until mid-century. To be sure, general economic statistics gathered by government agencies were significant and well-established early in the century. The U.S. Department of Commerce was founded in 1915; in Canada, the Dominion Bureau of Statistics was established in 1921. Political polling, industry-specific research, and media surveys were also beginning to make a mark in this period. But while marketing research remained largely an experimental and nascent activity, in time it began to show results and emerge as a crucial element in modern consumer economies.

In sum, the advent of marketing research emerged from multiple sources. A Weberian account highlights the rationalization of modern organizations, best exemplified by bureaucratic management in nation-states. Beniger shows how similar imperatives were translated into the operating conditions of capitalism. In

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[6] Geoffrey Mulgan explores similar themes in his book *Communication and Control* (1991), where he defines information as an "intermediate good and service in the wider economy of control."

rapidly industrializing economies, the processing of goods and services could be carefully coordinated through the control of information flows. While much of this activity was directed to industrial processes and design, significant innovations also took place in the realm of consumer demand. Together these two avenues of analysis -- bureaucratic rationalization and information control in capitalism -- go a long way in explaining the surveillance capacities inherent in marketing research. An essential aspect, however, is passed over: how bureaucratic rationalization and information control served to maintain power in modern institutions. For a discussion of the intersection of power and surveillance in modern institutions, I will turn to the work of Michel Foucault.

Panopticism and power

Any discussion of modern surveillance practices must take account of Michel Foucault's incisive, and often idiosyncratic, theories about knowledge, power and discipline. Foucault's work has been taken up by many critics in a multitude of ways; they have been adopted by scholars in detailed studies of the workplace (Zuboff 1987), the development of educational and aptitude testing (Hanson, 1993), and the formation of political and public opinion polling (Herbst 1993). Every comprehensive account of modern surveillance (Dandeker, 1990; Gandy 1993; Bogard 1996) owes large debts to the highly original theorizing initiated by Foucault. This is not to say there are not problems with Foucualt's conceptions of surveillance; these too, have been much discussed in the literature. In this section, I shall sketch out both the weaknesses and strengths of Foucault's account of surveillance, keeping in mind its relevance to contemporary marketing research practices.

At the risk of oversimplifying, Foucault's contributions to surveillance theory consist of three distinctive, yet interrelated streams. First, he insists on a basic similarity in the surveillance practices across different social settings, such as schools, prisons, hospitals and factories. In each of these spheres, Foucault detects a ubiquitous realm of 'disciplinary practices' -- a diffuse structure of surveillance and observation that he labels 'panopticism' (1977, 195-228) As I shall discuss below, it is this general 'panoptic' model that is most problematic. Secondly, Foucault

emphasizes how surveillance extends into the micro-practices of institutions, how it works within the common and often mundane operations of multiple, distributed organizations. Foucault calls this the 'capillary level' of power, and shows how this takes surveillance out of the realm of mere observation, and into other practices such as categorization and classification. Thirdly, and closely related to the second, Foucault outlines a highly original concept of power. In contrast to classical concepts of power, which understand it as something to be acquired and owned, Foucault defines power as a 'set of practices.' Power, in his words, is a strategy "to be exercised rather than possessed" (1977, 26). Moreover, power is irrevocably bound up in the production and management of knowledge, and is thus a crucial component of modern social sciences.

I will expand on each of these points in turn. Foucault introduces the term 'panopticism' in *Discipline and Punish* (1977), his account of the 'birth of the prison.' The book describes the evolving nature of prisons and punishment from the 16th century onward: from torture to incarceration and then to techniques of observation and supervision. But where many see a progressive and humane penal reform movement, Foucault discerns a more ominous regime of permanent and continuous surveillance. After describing the early efforts to control the plague in Europe -- through locating, observing, inspecting and containing individuals -- Foucault shows how that 'disciplinary principle' becomes fully realized in Jeremy Bentham's design for a 'complete prison,' the Panopticon. This architectural plan placed prisoners under conditions of unverifiable observation. Cells would be illuminated, while unseen observers could be watching at any time; this obliged prisoners to adopt and internalize the disciplinary demands of the prison authorities.

While Foucault outlines preceding regimes of discipline and surveillance in military encampments and pedagogical training, in the Panopticon he finds the perfect principle of power that is 'permanent', 'continuous' and 'discreet.' Moreover, he insists, panopticism can "be understood as a generalizable model of functioning: a way of defining power relations in terms of the everyday life of men" (1979, 205)

> It is polyvalent in its applications; it serves to reform prisoners, but also to treat patients, to instruct schoolchildren, to confine the insane, to supervise workers, to put beggars and idlers to work. It is a type of location of bodies in space, of distribution of individuals in relation to one another, of hierarchical organization.....Whenever one is dealing with a multiplicity of individuals on whom a task or a particular form of behaviour must be imposed, the panoptic schema may be used (1979, 205).

As if to fulfill these bold claims, many analysts and theorists have hoisted the 'panoptic schema' onto the modern-day phenomenon of electronic surveillance, seeing in it an illuminating image of the invisible operations of computer networks. For instance, Webster and Robins (1989) claim that the flow of personal data and information via electronic networks represents the new panopticon *par excellence*, removed from even its "architectural constraints." Similarly, Mark Poster argues that computer databases and their 'circuits of communication' "constitute a Superpanopticon, a system of surveillance without walls, towers, walls or guards" (1990, 93). Gandy (1993) puts forward a more sophisticated argument about what he calls 'the panoptic sort,' a complex operation of 'discriminatory technologies' whereby individuals are classified according to their perceived value in the marketplace.

There are a number of difficulties with the panopticon metaphor. As described by Foucault and others, this model of surveillance strongly implies a system that is pervasive, complete and infinite in its operation. Gandy, for instance, writes of the "all-seeing eye of the difference machine that guides the global capitalist system...[and] the totalizing system of social control (1993, 1). Such views come very close to paranoia, and as with the earlier literary 'Big Brother' model, implies we have 'nowhere to hide' (Lyon 1992; 1993, 166-167). The institutions of surveillance are regarded as omnipotent, while the subjects of surveillance - consumers, workers, prisoners - are presumed to be passive, ignorant

Even if we excuse the rhetorical excesses, other problems remain. Much of Foucault's description of surveillance is one where human subjects are contained and immobile, segregated and quarantined. But this was only ever true only in hospitals, prisons and clinics; Erving Goffman called them 'total institutions' for that reason. But penal and medical reforms have since certainly loosened the tight

physical constraints evident in earlier centuries. Frederick Taylor, of course, introduced very strict techniques of observation and supervision into industrial factories; his innovations continue to influence workplace routines and labour practices around the world. But even this type of surveillance generally stops at the factory gates. Nonetheless, new forms of workplace surveillance continue to emerge; but rarely does it take the form of constant supervision and surveillance that Foucault described.[7]

In other words, the 'generalizable model' of the panopticon does not provide enough distinction of how surveillance might operate across different social spaces. It fails to capture the multiplicity of contemporary surveillance activities. Grocery-store scanners, security cameras, and lie detector tests all measure and track human activity. But each of these surveillance systems has separate functions and different aims. Each may be a 'disciplinary' technology, but they rely on quite distinguishable levels of consent and complicity. Individuals under surveillance may be variously ignorant, indifferent, cooperative or resistant. In their net effect and scope, surveillance systems may be pervasive, but this does not translate into a totalizing system of centralized control. Surveillance technologies may be multiple in number, but in actual operation they generally remain autonomous, decentralized and discontinuous.

The information practices of marketing research and communications provide a further example. Consumer surveillance operates through the data flows of supermarkets, magazine publishers, credit card companies, computer networks and a vast array of data brokers. Each of these entities use consumer data for different reasons; they may process consumer data only in aggregate form or in the broadest categories. Their interest in and contact with individual consumers might be highly indirect and irregular. Consumer data flows are generated under a complex mix of conditions: volunteered, mutually exchanged, automatic and routine, surreptitiously, required by law, sold and rented through third parties, traded away for material goods or far-off benefits or gifts. It is precisely those differences that we must attend to.

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[7] This is not to deny that we are now seeing new forms of workplace monitoring - e.g. keystroke counting, video cameras or e-mail interception - that often take place without the approval or knowledge of workers or unions. See Zuboff (1987) and Regan (1996).

Moreover, the panoptic model tends to neglect the specific historical conditions and often benevolent motives that accompanied various surveillance systems. State bureaucracies assist in the equal treatment of citizen's rights, and the fair apportioning of benefits to those in need. Educational tests measure aptitudes and 'intelligence' to determine the individual merit and interests of students. Security cameras can deter crime, and fingerprinting can help detect it. Social science techniques - such as demographics and statistical surveys - help to predict housing trends, population growth, migration patterns, literacy rates. Market research fulfills the expectations of ever increasing abundance promised in a consumer culture.

These surveillance techniques may derive primarily from a common modern heritage of rational administration and scientific observation; yet each emerged within unique circumstances and contingencies, shaped by particular historical junctures and institutional regimes. Their mechanisms and modes of operation are complex, ambiguous, and often paradoxical. The panoptic schema, then, remains a compelling, but rather fixed and abstract notion. It does a disservice to Foucault's own original conception of how surveillance and power operates within modern institutions. This deeper, more sophisticated analysis rests on Foucault's fluid and nuanced theory of power and its subtle intersections with the pursuit of knowledge.

Power and knowledge

Traditional theories of power focused on the macro-institutional level: i.e., that contained within and controlled by economic interests, state institutions or monarchical personages.[8] Foucault took a quite different approach. For him, the central philosophical question to be asked about power is: How is power exercised? As Barry Smart puts it: "analysis should concern itself with the exercise or practice of power, its field of application and its effects, and not with questions of possession or conscious intention" (1985, 78). Foucault labeled this new level of analysis the "micro-physics of power." This mode of inquiry required ascending steps of analysis: how very specific techniques and precise tactics of power came to achieve ever broader degrees of economic and political utility. Power was not directed from

[8] Stephen Lukes (1974) provides an illuminating critical account of these traditional views of power.

a centralized concentration of institutional forces, but was a diffuse feature of all social relationships.

It follows from this analysis that power is not strictly expressed in negative or domineering ways. Rather, power is expressed through productive and positive relationships; it does not repress or restrict individuals, but rather works to position and organize them within various fields of knowledge. "Power produces knowledge" Foucault writes. "[They] directly imply one another; there is no power relation without correlative constitution of a field of knowledge, nor any knowledge that does not presuppose and constitute at the same time power relations" (1979, 27)

This is perhaps best illustrated by looking at the emergence of the 'objective' natural and social sciences. The rise of the 'scientific method,' especially from the seventeenth century onward, emphasized empirical experiments to measure and quantify the natural world, and a 'positivist approach' to organizing knowledge, which aimed to reduce wholes to their constituent parts. For instance, the biological sciences developed highly detailed taxonomies of animal and plant species. All knowledge systems that aspired to the scientific method developed similar procedures of identification, classification, and assessment. As the social sciences emerged in the eighteenth century, a series of highly specialized disciplines arose which took human beings to be their object of study. Individual persons and human populations became, in Foucault's words, 'subjects of power and objects of knowledge.'

In studies such as *Discipline and Punish*, Foucault aimed to expose a detailed 'political anatomy' of how 'disciplinary practices' work at the 'capillary level' of organizations and social networks. For Foucault, four of the 'human sciences' - criminology, psychiatry, pedagogy, and medicine - were the exemplary institutional sites of disciplinary practices. Hospitals, asylums, military schools and prisons all engaged in various forms of 'correct training' 'normalizing judgements' and 'corrective punishments.' But it is the fourth characteristic of these 'disciplines' - the *examination*, what Foucault calls a *network of writing* - that is of particular interest here (1979, 184-194).

Each of these emerging modern institutions - hospitals, schools, prisons - found it necessary to develop highly specialized forms of organized knowledge

about their subjects. Collecting, cataloguing and administering records and files became a centrally important function for these organizations. These institutional operations of record-keeping proceeded via particular mechanisms and exercises, through:

> the production of effective instruments for the formation and accumulation of knowledge - methods of observation, techniques of registration, procedures for investigation and research, apparatuses of control (1980, 102)

In the examples presented by Foucault, the motivations behind 'observing and analysing the body' are highly specific: to define the aptitudes of students, evaluate diseases and quarantine the sick, to control enrollments and track deserters in the army. For Foucault, however, first intentions were also the crudest; disciplinary practices had much wider, subtler and more general effects: "...the correlation of these elements, the accumulation of documents, their seriation, the organization of comparative fields [made] it possible to classify, to form categories, to determine averages, to fix norms" (1979, 190).

Two key general consequences followed, in Foucault's view, from the 'vast compilation of data, the proliferation of dossiers':

> firstly, the constitution of the individual as a describable, analyzable object....in order to maintain him [sic] in his individual features, in his particular evolution, in his aptitudes or abilities, under the gaze of a permanent corpus of knowledge; and, secondly, the constitution of a comparative system that made possible the measurement of overall phenomena, the description of groups, the characterization of collective facts, the calculation of the gaps between individuals, their distribution in a given population (Foucault 1979, 190)

In short, Foucault argues, these "procedures of writing.....made it possible to integrate individual data into cumulative systems" (1979, 187).

In these passages, Foucault's analysis carries a remarkable resonance with the information practices of modern-day marketing research. Using databases and demographics, the marketing communications industry as devised a vast array of technologies and procedures to 'fix' individuals into typologies, to position groups into categories and to splinter the entire population into segmented consumer castes.

But in subtle and complex ways, these consumer categories, from 'baby boomers' to 'early adopters,' help to form and produce individual identities and social relationships within, and often beyond, the marketplace. Of course these 'identities' are more fluid than fixed; they change over time and are subject to many interpretations and interventions. But as the consumer marketplace is increasingly mediated by information, we are at the same time losing control over how and when that information is used. Our access to goods and services can be constrained, limited - or enhanced - on the basis of inferences made about our personal data - information that we may not have knowingly disclosed. In today's marketplace, power accrues to those institutions that generate or have access to information about consumers. This power is discreet and almost invisible; it arises in the wake of everyday market transactions, directed by a vast number of companies and individuals, each attempting to map out the marketplace and identify their potential customers.

Contemporary marketing research, then, is an prime example of the 'micro-practices' of 'disciplinary power;' it operates through the accumulation of knowledge and techniques of surveillance. But this power is neither omnipotent nor centrally controlled; it merely attaches itself to the mundane, functional efficiencies and fiscal imperatives of the marketplace.

Situating structures of surveillance

Of course, marketing research and communications is just one of the forms of contemporary surveillance. Data collection and information control exists under many guises. Individuals and groups are interviewed, canvassed, observed, tested, research and observed under many routine and often legitimate conditions, usually with the full cooperation of subjects. Research surveys and statistics contribute to the formation of public policy and decision-making. Polls have become a mainstay of media reportage and political activity; non-profit groups, charities, and political parties have become highly dependent on surveys, mail-lists and 'direct response' campaigns and to maintain 'issue management' and public support. Aptitude testing are standard procedures in the educational sectors, and attitudinal questionnaires are routinely used for hiring decisions in the military, police and

security sectors.[9] Demographic techniques and focus groups are now being used in American court rooms to help with jury selection and determine optimum legal strategies.[10] Geodemographic analysis and computer mapping systems are now used by police forces and private investigators (Bonhall 1995; Grescoe 1996; Smedman 1997).

All of these activities utilize informational techniques and administrative mechanisms; they would be recognized by Weber as broad, and perhaps surprising, extensions of bureaucratic methods. More recently, however, surveillance technologies are being amplified and refined in more diverse contexts. Electronic toll-highways track the movement of vehicles; security-cameras monitor many city streets; computers and digital keys make office buildings 'smart'. Biometric technologies, such as DNA 'fingerprinting' and iris scanning, pose the threat of intrusive and largely invisible, forms of intimate physical surveillance. On a much wider scale, high-resolution satellites are now being launched into space by private corporations, raising complicated questions about national security, privacy rights and the ownership of geographic information (Graham, 1996).

The net effect and widening scope of these diverse surveillance systems prompt renewed questions about the threats and power of modern technology. Mixing in the more mundane practices of social scientific research, demographic analysis, and marketing research only heightens our concern about the extensive scrutiny of surveillance technologies. For many observers, the sum total of these multiple trends indicate the 'rise of a surveillance society' (Lyon 1994), or the emergence of a 'maximum security society' (Marx 1988). Once again, as with the panopticon and Big Brother metaphors, such phrases easily provoke gloomy images of overwhelming and invincible power. As Allen Hanson (1995, 315) writes, the

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[9] Nicholas Lemann, in two articles for *The Atlantic Monthly*, "The Structure of Success in America" (Oct. 1995) and "The Great Sorting" (Sept. 1995) details the history of the US Educational Testing Service, a Harvard-based organization that invented and administered the scholastic-aptitude tests. The SAT eventually became a routine measure of intelligence and ability in schools world-wide, and continue to be used widely for entry into the diplomatic service, graduate and business schools. In Lemann's view, such widespread testing helped to both produce and maintain a North American meritocratic, professional elite.

[10] In an article for *American Demographics* entitled "Marketing the Verdict," Joe Schwartz (1993) describes how jury consultants and researchers are helping to predict jury perceptions of evidence and witnesses. He quotes Robert Landner, president of Behavioural Science Research: "I can track the

modern individual is routinely measured, examined, observed and catalogued, seemingly "suspended within a increasingly total network of surveillance and control."

Modern surveillance systems - particularly the management of personal and public data - do represent a constituent element of power in contemporary societies. The control of information forms a key juncture in the relationships between modern institutions and individuals. Surveillance systems, then, should be regarded as, to use Anthony Giddens' phrase, one of the 'consequences of modernity.' In the late twentieth century, it seems, our lives have indeed been cast under the shadows of surveillance.

This does not mean, however, that our lives are darkened by a constant looming gaze of technological structures of supervision and observation. We must be wary of overstating the scope and power of surveillance. Surveillance is not an independent force of power; it is neither perfect in its operations, nor inevitable in its dominance. Many of the analytical images wielded by Weber, Beniger and Foucault, such as 'iron cage,' 'control' and 'discipline,' can be easily (mis)read as determining, totalizing systems devoid of any human influence or action.

In the final two sections of this chapter, I want advance a number of correctives to such views, with the aim of reevaluating the relative power of surveillance practices, and their relationship to social institutions in modern societies.

Social systems, surveillance and trust

The sociologist Anthony Giddens is best known for his theory of *structuration*, a complex attempt to reconceptualize the relationship between individuals and society, or between human action and social structure. This is, of course, a perennial point of contention in philosophy and social theory; I cannot begin to do it justice here. Giddens' theoretical project, however, does provide some fresh insights into the question of surveillance and its role in modern societies.

In the first instance, Giddens' notion of structuration is presented as a critique of the dominant twentieth-century forms of social analysis, particularly that of

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responses of those 30 [mock jurors] according to their age, income and psychographic profile. I can track

functionalism, structuralism and interactionism. Typically, social theorists have focused their attention on one of two poles of analysis: the structural constraints and systemic features of society, or the conscious intentions and choices of free-thinking human actors. These two poles are seen to be separate spheres of influence, perpetually in conflict; analysts generally emphasize one over the other to explain various social and historical phenomena. Giddens, however, argues for a *duality of structure*, whereby all social structures require human agency, and all human action involves social structure. As Richard Bernstein puts it: "[R]eflexive knowledgeable human agents .... are always conditioned by and are constantly reproducing social structures....Social structures [are] always both constraining and enabling" (Bernstein 1989, 24-25).

Seen from this perspective, surveillance theory tends to emphasize the 'structural' elements of social analysis: surveillance is regarded as a system of technological control imposed by impersonal organisations to maintain an orderly functioning of trade, communication or personnel. This is somewhat of a caricature, of course, of the nuanced, sophisticated accounts of Weber, Beniger and Foucault; but the emphasis on systemic contraints is present nonetheless. More recent, popular accounts of surveillance (Gross 1980; Burnham 1980; Rothfeder 1992) are more guilty of this approach.

What Giddens accomplishes, by contrast, is a complex understanding of reflexive human action enables and reproduces the legitimacy, continuity, and power of social systems and institutions. "All human interaction" he writes, "involves the communication of meaning, the operation of power and modes of normative sanctioning" (Giddens 1986, 46). Perhaps more importantly, Giddens strives to reconnect the often separate disciplines of sociology and history by giving the static, fixed categories of structural analysis a more fluid and dynamic character. In particular, he is concerned with demonstrating how the perpetual lockstep of human action and social structure ensures the successive transformation of institutions over time and across space.

Despite his often difficult level of abstraction, Giddens further clarifies a number of problematic aspects surrounding surveillance theory. Two points

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those responses, minute by minute, for everything that goes on in the mock trial."

provide especially useful insights. The first point concerns the integration of systems via time-space relationships; the second is a discussion of how trust is negotiated and managed amongst individuals, institutions and social systems. Both points, as we shall see below, show how surveillance has become a routinized and integrated element of everyday life. Surveillance has emerged as a dynamic response to the growth and complexity of modern institutions, interacting with persons, organizations and information on many scales, and for multiple purposes. Surveillance in neither static, imposed nor impersonal; it both transforms, and is conditioned by, human invention, social strategies, and institutional structures.

In a number of his writings, Giddens positions surveillance as a central factor in development of contemporary societies. He regards surveillance as one of the four 'institutional dimensions of modernity' (Giddens 1985; 1990). (The others are identified as capitalism, industrialism and military power). Surveillance is defined as the "supervision of the activities of subject populations." Giddens locates its operations primarily in the political sphere, mainly via the control of information (Giddens 1990, 58). As with Foucault and Beniger, this notion of 'administrative power' is derived largely from Weber's insights about rationalization and bureaucracy. Giddens, however, is especially concerned with how institutional practices and structures, such as those of surveillance, are maintained and legitimized over time. How, he asks, are surveillance practices reproduced?

For Giddens, "all social systems are composed of patterns of relationships between actors or collectivities reproduced across time and space" (1981, 26). In everyday life, relationships are established amongst individuals and institutions; we speak, communicate and interact on a face-to-face basis, co-present in time and space. But today, as Giddens points out in *The Consequences of Modernity* (1990), contemporary social life increasingly depends upon interactions with others who are absent in space or time. Modernity is characterized, in large part, by the large volume and widening scope of indirect and mediated interactions between individuals and institutions. "The advent of modernity" Giddens writes, "increasingly tears space away from place by fostering relations between 'absent' others, locationally distant from any given aspect of face-to-face interaction" (Giddens 1990, 18).

Giddens refers to this process as *time-space distanciation* and cites some key instances of its historical emergence: standardized time; the railway timetable; the telegraph and telephone; transportation routes and trade linkages (Giddens 1990; Calhoun 1992). These examples, of course, have been oft-noted by many historians. But many writers, such as Beniger, tend to see them primarily as technological conduits of communication and economic progress, tightly bound to the expanding flow of information and commodities. This is, of course, very important. But for Giddens, distanciation is a much more reflexive and integrative process. It also encompasses the impressions and responses of local environments to external forces and agents. All regions and locales now feel the presence of far-distant places, reflecting and absorbing those impressions in very particular ways:

> Even the smallest of neighbourhood stores, for example, probably obtains its goods from all over the world. The local community is not a saturated environment of familiar, taken-for-granted meanings, but in some large part a locally-situated expression of distanciated relations (Giddens 1990, 109).

In modern times, then, local existence is always marked by the impressions of distant processes and activities. Daily life is increasingly became intertwined with far-away agents and organizations; mail-order firms, governments, credit agencies, publishers, stock-brokers, farmers provide just a few examples. For these interactions and exchanges to take hold between mobile, diverse populations and large-scale organizations, two key challenges had to be met. As we saw earlier, institutions sought to gather information about clients and customers. More broadly, they needed to measure and evaluate the composition of populations, as well as the behaviour and tastes of groups and individuals. As Beniger demonstrated, new routes of 'market feedback' were sought out, such as demographics, market surveys and audience ratings; additional technical artifacts, including credit cards and social insurance numbers, helped to augment these informational systems.

But a second challenge remained. People needed to accept, adapt and consent to commercial and personal exchanges with far-off, impersonal organizations. Traditionally, the conduct of civic and commercial business was intensely local and

personal. How did people learn to rely on mediated interactions with distant organizations? Or to put the question in a more current and relevant context: Why do we disclose our private interests and personal information to the distant scrutiny of strangers? The most common response is that consumers obtain many benefits and conveniences from modern technologies. These privileges allow us to overcome any unease or ambivalence we have about the power or 'control' of technologies.

But Giddens insists that the acceptance of distant communications and exchange required more than mere technological invention or convenience. Giddens notes that "the nature of modern institutions is deeply bound up with the mechanisms of *trust in abstract systems* (Giddens 1990, 83). Today, for example, even the simplest of transactions might require a considerable level of trust in the security of the phone system, the integrity of the order-taker, the reliability of the computer systems connecting, say, the credit card company and retailer, as well as the efficiencies of prompt delivery. But we rarely give such concerns a second thought. The lay person has learned to trust the intricate complexities of abstract systems in everyday life and activities. For Giddens, abstract systems consist of 'symbolic tokens' and/or 'expert systems'. These may include media of exchange and communication (money/credit/shipping) technical systems (transportation, electricity and sewage infrastructures) and professional forms of knowledge (medical, engineering, scientists) (Giddens 79-88).

Trust in abstract systems or expertise does not come easily or automatically. Nonetheless, we come to accept that the perceived benefits outweigh the risks. Over time, our relationships with distant companies or government documents are "usually routinely incorporated in the continuity of day-to-day life and are to a large extent enforced by the intrinsic circumstances of daily life" (Giddens, 90). Nor is our trust ever complete or constant. It must be communicated or reasserted at organizational access points, as in a phone conversation with company representatives, or the issuance of monthly bank or credit statements. Trust can also be assured via the 'knowledge claims' of technical experts. Few of us, for instance, would challenge the internal integrity of a phone network or insurance company. Moreover, people come to expect reliability in their relationships with far-away

strangers and institutions. Without these distant connections, we would, ironically, feel 'out of place.' As Giddens puts it: "Whatever security individuals experience as a result of the familarity of place rests as much upon stable forms of disembedded relations as upon the particularities of place" (Giddens, 109).[11]

Trust in modern institutions, however, remains highly ambivalent. Our skepticism about mediated relationships needs to be continually reassured. We may recognize the efficiencies and benefits of computer systems or large, powerful banks, but we still regard high them with suspicion or uncertainty. Giddens refers to this as the 'bargain with modernity' - a bargain governed by "admixtures of deference and skepticism, comfort and fear" (1989, 90).

A recent example can be seen in current discussions over Internet security and the future of electronic commerce. Can on-line surfers purchase goods securely on the Web? When, and to whom, can they safely pass on their credit card numbers? How can the reputation of virtual companies be assured? A number of technological solutions have been advanced, from encryption to 'digital firewalls.' Such measures are meant to assure on-line shoppers and Internet surfers of security and anonymity. But no matter how technically proficient, these 'abstract systems' will only succeed if and when they gain the trust of computer users.

As I shall discuss further in Chapter Five, similar debates and reactions are evident in the discussions over privacy and 'dataveillance.' There is significant public mistrust and uncertainty about privacy in relation to the trade and flow of personal information, both on the Internet and off. In response, many institutions are scrambling to assure their customers and clients that privacy codes are in place, or that technical systems are secure. The public's trust must be earned and communicated. All social systems - from electronic commerce to marketing research - require ongoing negotiations and interactions with reflexive human agents.

Gidden's theoretical project, then, gives us several fresh insights into contemporary consumer surveillance practices. First of all, marketing research can

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[11] It is precisely this sense of in/security that firms such as American Express play on in their promotional campaigns ("Can't leave home without it"). Airline reservations, courier delivery, long-distance phone calls, to name just a few, all rely on this dual sense of abstracted trust and security expectations.

be regarded as a 'disembedded institution,' one which links "local practices with globalised social relations, [and thus] organise[s] major aspects of day-to-day life" (Giddens, 79). Marketing research is a quintessential modern institution, mediating local interactions with distant organisations and agencies via the instruments of communication and information.

Over time, market researchers have gained a prominent position at the nexus of consumer capitalism, able to present themselves as the holders of specialized knowledges about the marketplace. But this powerful position is never monolithic nor dominant. It must be continually earned, demonstrated and renegotiated, on a number of fronts. Their specialized knowledge about consumers is one that is both shared and disputed over. Thus, as we shall see in the following chapters, marketing researchers depends upon a series of uneasy alliances with other agents in the consumer economy. This is especially true with the advertising agencies, who also lay claim to insights - albeit more intuitive and creative ones - about consumers. The knowledge produced by market researchers also had to be accepted by manufacturers, media companies, retailers. As producers and distributors of goods, services and entertainments, such businesses were perpetually anxious about consumer's needs and desires, about predictions of demand, and about how products might best be presented and packaged (Beniger 1986; Marchand 1989). Marketing research served to ease those anxieties, assuring its clients that consumer behaviour could be predicted, guided, stimulated and controlled.

As we shall see, market researchers achieved these goals through a string of related and successive strategies. First of all, marketing research findings were generally couched in highly scientistic modes of presentation. Through statistical modeling, random sampling and other mathematical techniques, researchers strived for the objective standards of modern science. Periodic borrowings from various schools of sociology and psychology also provided an academic sheen for their work. In time, marketing research would achieve professional status and itself became an accepted academic discipline.

In other words, marketing research and communications slowly emerged as a trusted knowledge system. Its smooth and efficient operations relied on sound judgement, technical expertise and symbolic communication. Established methods

emerged to discover and describe consumer habits and trends. This involved both instruments of measurement - such as ratings systems, TV diaries and consumer panels - as well as the codes and conventions of language: descriptive typologies of consumer values and lifestyles. Mutual and widespread agreement on these techniques ensured a relatively stable set of trusted relationships and economic interactions between market researchers and their clients. Moreover, these exchanges of mutual trust needed to be further extended to consumers themselves: surveys are routinely prefaced with assurances of confidentiality, utility or reward; data collection (via credit cards or mailing lists, for instance) rely on complex but routinized interactions between individual consumers, service workers, and technical infrastructures. As a knowledge system founded on technical expertise and 'symbolic tokens,' marketing research requires constant negotiation and communication with its clients and subjects. By building up trust, marketing research both extends its power and influence and ensures our consent.

Mapping the boundaries of measurement

Of course, this dynamic of trust and consent is ongoing and never complete. Most immediately, the methods and strategies of marketing research and communication are subject to considerable competition within the industry itself. Competing firms offer varying claims to knowledge about consumers. As Celia Lury and Alan Warde put it: "the different forms of information collection and processing become themselves items at the centre of commercial competition [....] Actors in the marketplace trade in informational techniques, and their own success and their legitimacy become bound up in the special knowledges at their disposal" (Lury and Warde 1997, 96). In order to keep pace with economic and social change, and maintain an edge over competitors, market researchers strive for constant innovation in tracking consumer behaviour. Qualitative methods are added to quantitative measures, more varied sources of data are sought out, new interpretive categories are invented. More direct means of 'knowing your customers' are also introduced, especially via electronic vehicles of interaction and information:

television diaries give way to people meters; 1-800 numbers are tagged onto commercials; credit, debit and 'smart' cards begin to displace cash.

Marketing research and communications now consists of many specialized activities dispersed across the consumer terrain, each offering a customized set of directions and signposts for their clients. These 'maps' of the marketplace are produced via an established range of 'calculable and replicable' operations and strategies, conducted with scientific pretension and precision. This dispersal of surveillance techniques has deepened institutional knowledge about consumers, and thus extended their power within the marketplace. But again, it is necessary to acknowledge the limits and boundaries of that power.

Despite its attention to detail and technique, marketing researchers can never be uniformly perfect diviners of social reality. The strategies of marketing research are always bound by a wide range of subjective inferences and interpretations. Nor can they transparently reflect our intimate habits and personal values. The power of marketing research does not derive from some ominous and intricate integration of perfect information.

Rather, marketing research has created a persuasive and convincing method for *representing* and *reconstructing* social life within the marketplace. The very terms 'market', 'consumption' and 'consumer' are fundamentally indeterminate, each made up from indefinite boundaries, multiple activities, and fluid identities. Yet marketing research rests on the premise that each of these subjects of research can be fixed, measured and catalogued via empirical method or interpretive technique. This utilitarian approach to knowledge perfectly suits the instrumental needs of commercial institutions: retailers, advertising agencies, media outlets. They want their data served up in bite-size chunks, pithy enough for their charts and tables.

In a number of recent books and articles, communications scholar Ien Ang has taken up these issues. In *Desperately Seeking the Audience* (1991), she critically interrogates audience research methods and strategies, highlighting its internal tensions and contradictions. Her central claim is that media audiences cannot be fully understood until we unpack the category of 'audience' itself as both an institutional and discursive construct. Ang radically questions the nature of media

audiences and the defining of their activities. While her arguments are geared specifically to television audience research, I would suggest that the same claims can be made about marketing research and the categories of consumers, consumption and the marketplace.

In Ang's view, all assessments of audiences or consumers are necessarily quantitative - reduced to numbers and columns largely organized around volume and attributes. Even the more qualitative methods are highly reductive, rendered in imperfect generalities and broad characterizations. Viewers of a television program, for instance, are calculated as units of roughly equal value; detailing their singular and subjective experiences and locations would make the ratings system impossibly complex and unworkable. Instead, ratings and surveys inevitably calculate and categorize the objects of research into simplified patterns and averages. Ang further describes in detail how 'audience measurement' and ratings became the economic and institutional foundation of commercial television. The progressive sophistication of measurement methods and technologies - from diaries to people meters - used by the industry is based, Ang argues, upon an assumption that the 'audience' is a "finite totality, made up of subdivisions or segments whose identities can be synchronically and diachronically fixed" (Ang 1996, 173).

Ang calls this a "necessary, empowering fiction....propelled by a desire to produce a fully precise representation, a completely accurate map of the social world of actual audience practices" (1996, 173). These desperate strategies, Ang claims, will ultimately "reveal chaos rather than order....because the infinite, contradictory, dispersed and dynamic everyday practices" of television viewing will always exceed and spill over the bounded closure that ratings and measurements seek to impose on it. Where it searches for certainty, it is bound to find contingency. And as Ang acknowledges, this will "probably only result in further, more insistent and more desperate attempts to map it" (1996, 173-74). This mapping of audience practices and attributes is dynamic, continual and increasingly instant; but no matter how accurate the statistical measures become, they will always be incomplete and partial.

This persistent but always contingent research program, I would suggest, has now been extended to the marketplace as a whole, and to consumers in particular. The key institutions and agents in contemporary consumer economies require that

the dynamic, diverse and pluralistic 'post-modern mayhem' of consumer practices and activities be tamed and bound. Armed with their statistical averages and interpretive categories, marketing researchers promise to do just that. But the forces of consumer capitalism today also produce precisely those conditions of chaos, a constant "uncontrollable play of social differences," of endless and indeterminate consumer behaviour (Ang, 174). Already widely differentiated by social and economic upheaval, today's 'unruly' consumer practices are further stimulated by the multitude of options and choices made available to them: satellite TV, theme-parks and shopping malls, new forms of electronic commerce and entertainment, vast and minute differentiation of products, the mass merchandising of celebrity and image, the instant aesthetics of advertising, just to name a few.

The marketing industry, then, is partly responsible for, and confounded by, the dynamics of change and diversity in a media-driven and information-saturated global economy. Marketing researchers have responded in a perfectly reasonable manner. They have sought to contain and simplify - to make sense of - the complexities of consumer markets. And as we shall see in the following chapters, their efforts have been extraordinarily successful. For all its inherent limits, marketing research has emerged as a formidable and powerful industry, one of immense pragmatic purpose and strategic value. It has devised multiple tools to survey and describe the contemporary terrain of modern commerce, pinpointing the skittish mobilities and signposts of consumer experience and opinion.

The utilitarian operations of marketing research serve as a kind of 'organizational intelligence' enabling corporate executives and managers to 'picture' their markets - their customers - in an empirical and systematic fashion. But as a productive instrument of power/knowledge, the hold that marketing research has over its subject is still precarious. As Ang puts it, "audience measurement is an incomplete panoptic arrangement." Any form of marketing or audience research can only be an indirect means of discipline and control. The objectification and subjection of the audience or market is always symbolic; it does not, Ang writes, "effect the actual discipline of television viewers [or consumers], it only conjures it up in its imagination" (Ang 1991, 87). In other words, the panoptic effects of marketing research are inscribed not by the total behavioural control over

consumers, but by the pursuit of an ideal form of control - "the constant theoretical and practical search for the best mechanisms to do so" (Ang 1991, 87).

This dynamic interplay between instrumental utility and symbolic power of marketing research is best expressed, I would suggest, by the metaphors of mapping. Ang makes constant reference to the 'streamlined map' of television audiences. Similarly, Daniel Czitrom calls the science of demographics a producer of 'crucial cultural maps.'

The contemporary marketplace is a vast confusing terrain of diffuse consumer activities, identities and experiences. By drafting multi-layered atlases of these ever-changing markets, graphing the lineaments and boundaries of consumer behaviour, marketing researchers have created a set of topographical guides and symbolic legends to their clients and customers. These road-maps have multiple uses. Corporations buy them to plan their strategic itineraries, to determine the optimum directions for their commercial vehicles. Marketers and advertising agents can locate the most populous and prosperous regions, and mark those paths with appropriate promotional messages. And consumers themselves can consult these maps, orienting their positions within the statistical and symbolic grids of the diverse social and economic landscape.

In many instances, these maps of commerce and consumption are more than just metaphors. They have become literal and material artifacts. Researchers use tools of software and information to create maps of the marketplace on computer screens. The visual representation of numerical data - as with geo-demographics and mapping software programs - are in themselves a lucrative sub-sector of the industry. Personal information now flows from the bar code to the database to a colourful digital map on CD-ROM. The aggregate sales potential of any and every North American neighbourhood are now routinely projected on 3D color displays on personal computers.

But we should not regard this mapping of the marketplace as a mere technical innovation. Cartographers, after all, have always been the leading guides to the exploration of new frontiers. Their maps have a long history as a technology in the service of power. In his book, *Mapping the Next Millennium* (1992), Stephen Hall describes how the "information encoded in maps, which we may call 'map

knowledge' has historically become a form of power and a tool for the expression of political and economic ideologies."

> Every map presages some form of exploitation. Maps invite action. Exploration, conquest, occupation, exploitation, administration and organization - action seems always inflicted upon the bare outline of a map, and the action can take many forms. [....] The domains that explorers chart, and the maps they produce, open up territories to interests that view them differently, interests that inevitably consume, exhaust and extinguish the resources that are discovered, be they gold deposits or stands of timber or dispensable human cultures. The maps serve as the ground plan, the blueprint, the graphic agenda for subsequent exploitation (1992, 383, 386).[12]

Of course, as the philosopher and anthropologist Gregory Bateson wrote: 'the map is not the territory.' Or in British writer J.G. Ballard's more specific and apt phrase: "The media landscape of the present day is a map in search of a territory." In other words, the imperfect projections and imposed boundaries of a map can never accurately reflect the actual realities of the terrain. Yet the very incompleteness of any mapping project sustains the continual search for better maps and improved cartographies. Despite these drawbacks, maps are still highly useful artifacts. We all use maps to determine our location and look for directions. They help us plan our travels, and avoid the risks of traversing new territory. So it is with the cartographies of consumption drawn up in the name of the marketing research professions.

The contemporary marketplace is a landscape crossed with informational latitudes and economic meridians. Marketing research today has created a vast grid of data trails and digital personas, laid out within a unfolding frontier of difference and detail. These exploratory charts are commissioned and drafted by the most prominent merchants of our day, each of them intent on extending and deepening the reach of their market share. While these cartographies of consumption will

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[12] Hall's book is primarily focused on computer-driven innovations in cartography for planetary, astronomical, mathematical and animate 'landscapes.' His final chapter - "The map as fallible object" - however, is an excellent summary of the imperatives and consequences of maps for economic and social power. The issue of 'maps and power' has also been the subject of much debate in the critical and historical literature of geography. See especially Mark Monmonier, *How to Lie With Maps* (1991), and J.B. Harley, "Maps, Knowledge and Power" (1988).

always remain imperfect symbolic representations of material reality, they still serve as useful instruments for pursuing power and profit.

CHAPTER TWO

THE POLITICAL AND CONSUMER ECONOMIES OF MARKETING RESEARCH

Theories of surveillance, power and 'information control' provide useful insights into how data flows help to manage relationships between large, dispersed organizations and diverse, mobile individuals in modern societies. Information collection has permitted a rational and routinized means for administering complex activities over time and across space. These informational practices provide many benefits in modern societies. Most people have come to rely on, and trust in, these networks of information, and the institutions that manage them; on the other hand, there is also a widespread anxiety about the power that 'information control' gives to government bureaucracies and other institutions. Record-keeping practices, social science research, political polling and demographic techniques each endow vast cumulative power through the collection and organization of information.

In my view, marketing research and communications must also be seen in the context of these powerful, but often mundane administrative efficiencies and imperatives. This theoretical canvas of 'power and knowledge' allows us to see marketing research and communications as part of a wider historical development, an informational activity in broad alignment with 'the consequences of modernity.'

But this theoretical grounding is not in itself sufficient. It is equally necessary to consider the unique characteristics and specific conditions of marketing research and communications. Most importantly, an account must be given of the particular parameters within which the industry arose, what functions it fulfilled and how it forged relationships with other organizational developments within modern society.

The chapter outlines these foundational operating conditions of marketing research and communications, as they have developed through the century. Two key inter-related processes are at work here; I shall discuss them in turn. First, I outline the two distinctive periods in twentieth-century economic development; second, I describe the contours of consumer society and its institutions. In my view, this cultural economy of consumption forms the base structure upon which marketing research first emerged, and then flourished.

In discussing the parameters of macro-economic development in this chapter, I draw on both liberal economic historians and neo-Marxist theory. Following the work of David Harvey (1989), I use the terms 'Fordism' and 'post-Fordism' to distinguish two distinct 'regimes' of twentieth-century capitalist development, each configured around a coherent set of institutions, processes and social formations. These periodic regimes are marked by a relatively stable correspondence between the processes of production and the conditions of consumption. This semblance of order and stability is achieved via a loose but coherent body of social rules, norms and institutional processes that help to balance and regulate a highly dynamic, and often unstable, economic system.

In my view, marketing research has emerged as a key element in this 'mode of regulation' - an industry that functions to monitor and coordinate the flow of goods, services and information within the marketplace.[13] In particular, marketing research has played a central role in identifying the shape and scope of modern consumer cultures, archiving and cataloguing the diverse habits and attributes of the consuming population. In the Fordist period (roughly 1900-1970), these activities were not as prominent as other 'modes of regulation' - such as retailing, advertising and other 'consumerist' infrastructures, (i.e. housing and roads). Nonetheless, the key institutional innovations of consumer and market research (as it was then known) all emerged in this period, and helped to define mass-market economies.

Stretching from the early 70's to present day, Post-Fordism has, on the other hand, been a period of provenance and prosperity for the marketing research industry. The almost instantaneous tracking of commercial trends and consumer habits has proved highly suitable to the 'just-in-time' and information-driven

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[13] At first glance, the 'mode of regulation' seems to broadly conform with Beniger's notion of 'information control.' But there are important differences. Beniger emphasizes the numerical measures of 'market feedback' in sales and trade figures, and how such information promoted technological innovation in production and distribution processes. In its earliest incarnations (as we shall see) market research was indeed focused on such broad signals of marketplace activity. But as the industry matured, the attention of researchers focused more on a wider range of consumption activities, especially the attributes and behaviours of consumers. Marketing research sought to identify and label the cultural and social formations that formed around the consumption of goods, services and entertainment. In other words, marketing research plays both a strategic *and* interpretive function in the cultural economy of consumption - a template for a whole range of consumer institutions such as marketing, advertising and communications firms.

structure of today's 'flexible' economies. It has served to spur innovation, and anticipate wider economic trends towards diversity and differentiation. Marketing research, then, has come to prominence as economic processes have grown ever more intricate and complex. The industry has adapted to and integrated the diverse sources of consumer demand with the dispersed nodes of production and distribution in a globalizing economy. Marketing researchers are constantly mapping out latitudes and meridians in the shifting winds and stormy currents of a highly dynamic marketplace. They provide a reassuring set of compass points, signals and directions, not only for individual companies and entrepreneurs, but for the economy as a whole.

Of course, market researchers do not sketch out these 'cartographies of consumption' from a blank slate; rather they have learned to read and interpret the undulating contours of 'consumer culture' in all its socio-economic dimensions. This 'culture of consumption' has been primarily sustained by the long-term growth of 'middle-class' prosperity, mobility and independence in North America; by the deepening impact of mass media, advertising and popular culture on daily life; and by the increasing expression of individual and group identities through consumer goods. It is these broad set of social identities, symbolic communications and material lifestyles that marketing researchers have aimed to interpret and catalogue.

By positioning itself as experts on contemporary consumer cultures, the marketing research industry has gained a lucrative and essential foothold in the vast universe of commercial enterprise. Strategically poised to provide advice about market trends, consumer habits, and long-range business planning, marketing research provides a bellwether of reassurance in an economic environment beset by the risks and uncertainties of accelerating change, constant technological innovation, and increasing global competition.

Dynamics and development in capitalism

In *The Condition of Postmodernity* (1989), David Harvey sketches a powerful reformulation of Joseph Schumpeter's notion of 'creative destruction.' Schumpeter used the term to highlight the role of technological innovation in the gyrating

growth of capitalism; Harvey extends the argument, positioning this unwieldy vortex of dynamism as the central operating principle of capitalist development.

> Creative destruction is embedded within the circulation of capital itself. Innovation exacerbates instability, insecurity and in the end, becomes the prime force pushing capitalism into periodic paroxysms of crisis.... the life of modern industry becomes a series of periods of moderate activity, prosperity, over-production, crisis and stagnation.... Capitalism, in short, is a social system internalizing rules that ensure it will remain a permanent revolutionary and disruptive force in its own world history (Harvey, 1989, 106).

In many respects, this basic notion of constant dynamism and contradiction has been accepted across the ideological spectrum. The radical post-modern French theorists Deleuze and Guattari sum up the view in a (unusually) succinct phrase: "capitalism is always neo-capitalism" (quoted in Crary, 1984, 286). Writing of the "triumph of capitalism" in *The New Yorker*, liberal economist Robert Heilbroner nonetheless warned: "The economic enemy of capitalism has always been its own self-generated dynamics, not the presence of an alternative economic system" (1989, 98). Heilbroner quickly summarizes these internal contradictions and discords: capitalism's "propensity to generate both inflation and recession" "its intermittent speculative fevers" "threatening international economic imbalances" and "intolerable levels of unemployment." As Heilbroner reminds us, these cyclical crises derive from several recurring and related problems: market saturation, declining purchasing power and falling rates of profit - all "inherent conflicts [and] contradictions between the needs of individual enterprises and the working requirements of the whole" (99-100). This dilemma has long been a central concern of the great classical economists - Smith, Mill, Keynes, Schumpeter - and its many critics - most famously Marx and his many adherents.

However, many of these early thinkers over-estimated the threats of market saturation, gluts and over-capacities, failing to see that the shocks of inflation and waves of recession were recurrent rather than permanent conditions of capitalism. Even the more persistent difficulties, such as unemployment, rarely pose an immediate threat to the economy as a whole. Capitalism, then, has proved to be a much more resilient and resourceful system than even its most prominent

defenders expected. What are the primary reasons for capitalism's continued success? How does it manage to bypass the problems of saturation and other threats to growth? In Heilbroner's words:

> ...its driving impulse has continually extended the technological frontiers of the economy and...the special province of capitalism has always been finding ways of expanding its commodity frontiers by moving activities from the sphere of personal life into that of profitable business (Heilbroner 1989, 99)[14]

Of course, these expansions of enterprise and innovation often just perpetuate the contradictions; for example, labour-saving machinery - from the loom to the computer - tend to undercut the buying power of workers and consumers. Every new advances is met by new upheavals, which are balanced off by a whirl of resurgent opportunities, which again encounter a new succession of interruptions and difficulties. Crisis, re-evaluation and innovation are intrinsic to the very development of capitalism, and they unfold on a multi-leveled scale - across different sectors, in different countries, at varied times and increments.

For Harvey, the central engine in all this dislocation and reorganization is what Marx called 'value in motion,' - "the circulation of capital restlessly and perpetually seeking new ways to garner profits" (Harvey 1989, 107). The spheres of capitalist production, distribution and consumption are constantly being reconfigured so as to stay one step ahead of its recurring conflicts, and thus ensure growth and profitability. This persistent dynamic produces a wide range of effects and consequences, altering human habits and habitats, experiences and environments; by exploring and inventing new spheres of commercial activity, discovering and creating new commodities, and expanding the boundaries of technological innovation, capitalism continually renews and reinvents itself. As Harvey put it in an earlier work:

> Capitalism perpetually strives .... to create a social and physical landscape in its own image and requisite to its own needs at a

[14] As examples, Heilbroner cites how the "once wholly non-economic pursuits [of] family entertainment, meal preparation, housework and exercise have been 'commodified' by TV, precooked foods and running shoes." After noting how Sony Walkmans have shown how even "strolling along can be put to profitable use" Heilbroner rhetorically raises an additional, if somewhat simplistic, question: "Who knows what profitable invasions of our remaining privacy await us?" (Heilbroner 1989, 99).

> particular point in time, only just as certainly to undermine, disrupt and even destroy that landscape at a later point in time. The inner contradictions of capitalism are expressed through the restless formation and re-formation of geographical landscapes. This is the tune to which the historical geography of capitalism must dance without cease (Harvey, 1985:150).

Stages in capitalist development

For all this dynamism and upheaval, the historical character of modern-day capitalism cannot be simply reduced to one of continual flux and amorphous change. Crisis and innovation eventually settle down into relatively ordered periods of growth and stability. Harvey outlines two main periods in 20th century-capitalism: Fordism, originating in early in the century, and fully established by the post-WW II period; and Post-Fordism, which emerged early in the 1970's, and continues today. While there is much lively debate about the nomination of terms and dates, the 'Fordist' conception provides a useful - and widely adopted - schematic grid to map out the main economic transformations of modern industrial economies[15]

A central claim of Post-Fordist theorists is that state policy, economic management and productive labour relations are not in themselves sufficient to ensure the smooth, long-term economic growth and continued profits. Capitalism is always accompanied by, and to a large degree, dependent upon specific social, cultural and political formations. Harvey's work draws heavily on the French 'Regulation School,' who sought to articulate the relationship between capitalism and the conditions in which it thrives.[16] What, they asked, are connections between the essential components of capital accumulation (as outlined by Marx), and the historical forms and relations that these principles assume during a given social period and place? What social structures, cultural formations, and ideological systems develop so as to allow and encourage the continued evolution and viability of capitalism? How do these structures and formations evolve over time and place,

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[15] I do not have the space here to discuss the periodisation debates. Suffice it to say that the Fordist-Post-Fordist shift in the early 1970's shares most of the character of most other historical schemas of social-economic transformation. These include the basic theoretical timelines of post-industrialism and post-modernism. Barry Smart (1992) provides a clear, wide-ranging discussion of the connections between these various schematic outlines.

and how do they engage the cooperation and consent of human agents? Answering these questions permits us to see the complex social and structural web of relations in a capitalist society. As Martyn Lee writes:

> The agencies of capital are ... compelled to turn their attention towards the prevailing familial, kinship, gender and ethnic relations, the built environment, mass-mediated systems of communication, and the complex weave of everyday cultural norms if they are to ensure that both workers and consumers think and behave in a manner which is at best supportive and at worst not antagonistic to the long term reproduction of the accumulation process (Lee 1992, 68-69).

Such an analysis aims to refine and avoid the Marxist bugbear of economic determination. Social and political conditions, in this view, are neither static or tied exclusively to some economic foundation, nor do they follow some pre-determined, fixed trajectory of historical laws. Economic processes do not determine social and cultural norms, but rely on and work within those formations to ensure its continued growth and viability. Moreover, this dynamic of mutual reinforcement does, over time, take on a particular character and identifiable shape. Capitalist development moves through various, slowly evolving periods of historical change and social contingency, each phase effectively representing a "workable response to the material conditions within which it is situated" (Lee, 68).

To follow this view further, two terms are centrally important: *regime of accumulation* and *mode of regulation.* The *regime of accumulation* describes the manner in which the mode of capitalist production "assumes, during a certain historical period, a particular industrial character adapting a distinctive productive process and unique organizational features" (Lee, 120). These productive features can include the forms and status of technologies, particular deployments of labour, hierarchies of administration, the composition of educational and training systems. These collective processes prove to be "expedient for an efficient and reproducible schema of accumulation and growth throughout the period in question" (Lee, 120). Whenever certain geographical or political regions develop a unique composition and organization of productive forces within a given historical period, particular

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[16] The core texts of the regulation school are Aglietta (1979) and Lipietz (1987). See Piore and Sabel (1988)for a more optimistic discussion of Fordism and Post-Fordism in a North American context.

social formations necessarily accompany and reinforce those institutions in a relatively stable and long-term fashion.

These social formations, it must be stressed, are not those strictly confined within the sphere of production, but include both the material and non-material dimensions of labour, community and culture, "so as to ensure a certain adequation between transformation of conditions of production and transformations of conditions of consumption" (Lipietz 1987, 32). A recognizable regime of accumulation is established, in this view, when "there is a stable articulation between the process of production and the mode of consumption" (Aglietta 1987, 112).

This long-term stability between production and consumption can only be acheived via a substantive degree of social, political and cultural consensus, the building of an elaborate social infrastructure to accommodate the active and smooth reproduction of a particular regime of accumulation. This social infrastructure is known as a *mode of regulation*. Lipietz defines the term as the "regime of accumulation materialised in the shape of norms, habits, laws, and regulatory networks which ensure the unity of the process and which guarantee that its agents conform more or less to the schema of reproduction in their day-to-day behaviour and struggles" (Lipietz 1987, 14). The mode of regulation incorporates the economic spheres of production, distribution, consumption, state intervention and policy, but also various 'non-direct economic' aspects of social life, such as political attitudes and ideologies, cultural trends and social planning (i.e. welfare and education systems). In short, writes Martyn Lee, "the mode of regulation finds its function in the management and mobilisation of a number of institutionalized ideas, values and beliefs which are shaped into distinctive cultural practices" all of which form an "architecture of socialisation" (Lee 1993, 70).[17]

Heilbroner's words are perhaps clearer, if more prosaic: "Capitalism is a social order built upon a deeply embedded and widely believed principle expressed in the actions and beliefs of its most important representatives." Writing for a general, non-academic audience, and using the term 'regime' more broadly, Heilbroner

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[17] Some members of the "Regulation School" such as Alain Lipietz, duly acknowledge how Gramsci's notion of 'hegemony' complements many aspects of the "mode of regulation." See also Martyn Lee (1992).

cautiously suggests that capitalism is best compared to "imperial or aristocratic or Communist regimes" whereby the "largely uncritical worship of the idea of economic growth" are similar to the "doctrinal orthodoxies" of those earlier empires of faith and power. He continues:

> Suggesting that capitalism can be likened to a 'regime' rubs our sensibilities the wrong way, but the word is useful in forcing us to consider capitalism as an order of social life, with distinctive hierarchies, imperatives, loyalties and beliefs. This regimelike aspect of capitalism turns....rational skepticism of its privileges into a rationalisation of its rights and makes the working class....[its] stalwart supporters (Heilbroner 1989, 102).

Harvey and others of the 'Regulation school' argue that the relationship between specific regimes of accumulation and their modes of regulation ought to allow us to identify "many of the major social transformations within the capital-consumption-culture nexus during the twentieth century" (Lee 70). As Harvey himself puts it, such a view "focuses our attention upon the complex interrelations, habits, political practices, and cultural forms that allow a highly dynamic, and consequently unstable, capitalist system to acquire sufficient semblance of order to function coherently at least for a certain period of time" (Harvey 1989, 122).

In other words, a proper balance between a regime of accumulation and a mode of regulation results in relatively stable and efficient phase of capitalist development. Most observers place the 'golden age' of Fordism in the boom years from the late 1930's to early 1970's, a sustained period of growth and general prosperity. Harvey rightly argues that the crucial foundations of Fordism were laid much earlier, with some nascent elements going back as far as the 1890's (Harvey, 125-127). By the mid-sixties, however, the first signs of instability and uncertainty became evident, and in 1973, and oil crisis, 'stagflation' and the recession signaled the end of the 'Fordist compromise.' In Harvey's view, the breakup of Fordism "since 1973 has inaugurated a period of rapid change, flux and uncertainty...a troubled period of economic restructuring and social and political readjustment" (Harvey, 124-145). Following this difficult period of upheaval and crisis, a new and distinctive phase of capitalist development has evolved.

Post-Fordism and flexible specialization

Over the last twenty-five years, a vast array of altered conditions and directions in consumer capitalism have signaled a significant transition phase. Starting in the early to mid-70's, a distinctive shift towards more flexible and highly adaptable economy became evident. Harvey, again following the lead of others, uses the terms 'Post-Fordism' and 'flexible specialization' to describe this new and still evolving regime of capitalist accumulation and organization.

Of course, any number of designations have been ascribed to the widely felt technological, social and economic disruptions and opportunities in the last 25 years: post-industrialism, the global economy, an information society. Other analyses with similar parameters as the Fordist/Post-Fordist have come under the rubric of the 'Second Industrial Divide' (Piore and Sabel 1985) or 'disorganized capitalism' (Lash & Urry 1987).

By whatever name, most of these analyses highlight a similar list of related technological, economic and organizational developments: the pervasiveness of the computer; the growth of telecommunications; the relative decline of the manufacturing and resource sectors; the growth of the service industries; the rise of information/knowledge as a commodity; deregulation of the private sector; privatization of the public sector; the global mobility of capital (esp. the computerization of financial trading); the move from mass to small-batch production; a shift from full-time, 'secure' jobs to more part-time and contracted labour; the relocation of multi-national factories to low-wage countries; continuing automation of production; the increased efficiency and lower cost of communication services (Lash & Urry 1987; Harvey 1989).

In sum, all these changes have radically altered the way goods and services are produced, distributed and consumed over the last 25 years. These new circumstances and conditions are widely recognized across the ideological spectrum: the business press and visionaries such as Alvin Toffler and Kenneth Ohmae herald the opportunities of global economies, while neo-liberal and Marxist critics take varying, but decidedly darker views. Despite these different outlooks, there is much agreement on the basic operating elements and principles of new globalizing economy. Foremost amongst these terms is "flexibility" - most commonly used

regarding innovation and adaptability in labour processes, labour markets, the production of goods, and patterns of consumption. Harvey writes that flexibility is:

> characterized by the emergence of entirely new sectors of production, new ways of providing financial services, new markets, and, above all, greatly intensified rates of commercial, technological and organizational innovation (Harvey 147).

Much of the impetus for flexibility has come from technological and organizational processes which allowed the global expansion of production and distribution. 'Globalization', of course, is another shorthand term for the recent transformations in economic life. Modern commerce traverses and erases national boundaries; there has been innumerable and often anxious discussions of the 'borderless world' and even the 'demise of the nation-state.' Computers and telecommunications, in particular, have enabled the centralized control of distribution and management systems halfway across the globe. Large firms such as Bennetton and Nike are often cited as illustrations: both companies are largely marketing enterprises that manage and coordinate the functions of design, production, packaging and distribution at multiple sites around the world (Harvey, 145).

One of the best recent examples of flexible specialization on a global scale is Federal Express. The courier company has become high-tech specialist in orchestrating the flow of goods and information between customers, retailers and suppliers. Starting in the 1970's, it rode to success on the back of three important trends: the rise of information technology; the deregulation of airline and trucking industry; and the shift to precise targeted distribution systems and markets. For the package delivery business, those transformations provided a springboard for revolutionize the logistics of distribution. The company delivers 2.5 million packages daily to 211 countries with a fleet of 37,000 vans and trucks and 562 planes. It processes 45 million transactions daily and delivers 99% of its packages on time (Lapin 1996). Much of this massive operation relies on a rather mundane technology, the barcode:

> Couriers are equipped with portable barcode scanners that function as the primary interface between FedEx's physical network of jets and

vans, and its information network of computers, databases and operations management tools (Lapin 240).

Of course, the success stories of globalization have their darker side. These same tools of efficient transport and communications have enabled many large transnational companies to easily relocate their primary factors of capital investment and labour to areas of low wages and cheaper land. Lower taxes, laxer environmental regulations, minimum union presence, and compliant worker habits have supplemented the movement of industry to Third World countries or 'export processing zones', a trend Harvey calls the geographical dispersal to 'zones of easy labour control.'

Closer to home, the new economic landscape has produced considerable unease and rapid changes in working lives of North Americans. Flexible specialization has produced a growing - but low-paying and insecure - service sector. The traditional large employers - from auto producers, banks, steel plants, have shed millions of working and middle-class employees. The precision of just-in-time manufacturing and inventory control has vastly reduced the middle tier of managers and 'middlemen.' Union presence in the workplace has dramatically declined; the benefits and security of long employment displaced by less secure contract, part-time, and outsourcing. The net result for the average worker has been falling real wages in an economic arena of rapid change and upheaval. Combined with a greater burden of taxes and a weaker social safety net, the majority of Western consumers are beset by economic uncertainty, inequity, anxiety and stress.[18]

Of course, from the point of view of producers and capital investors, these changes are necessary and fully rational responses to prevailing market conditions: intensifying global competition, heightened structural innovation, advances in

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18 Of course, standard economic analysis points to continued growth per capita amidst all this activity and upheaval. But conventional economic measurements such as GDP – so often cited by the business and mainstream press - fail to account for many aspects in the social and economic arena. More subtle measures of growth, such as the Genuine Progress Indicator (GPI), indicate a much more troubling picture over the last 25 years, with a rash of downward trends in social security, employment, human and ecological health (Cobb et al, 1995). Certainly, 'globalization' has unsettled the traditional 'Fordist' working sectors with a triple whammy of wage reductions, unemployment and technological change. But the insecurities are evident across the social body, has been much noted, with some commentators proclaiming the death of the "middle class" (Ehrenreich 1991; Cassidy, 1995). This in turn has led to dwindling consumer confidence, with the resulting flattening of growth in areas of the economy, such as retail sector.

technology, new organizational efficiencies and market niches. This new regime of flexible specialization has renewed the tensions between monopolistic tendencies and intensifying competition in capitalism, between the centralization and de-centralization of economic power. On this point, Harvey finds fault with the analyses of Offe (1985) and Lash and Urry (1987), who argued that capitalism is now less reliant on systematic or conglomerated power centers, and more 'disorganized' in its overall command and control structures. Harvey disagrees, claiming that "capitalism is becoming ever more tightly organized *through* dispersal, geographic mobility and flexible responses" in production processes, consumer and labour markets, technological and institutional innovations (Harvey 159). A similar analysis puts it more succinctly: "Flexibility has been gained in production and administration without the loss of control" (Robins and Webster 1989, 55-57).

'Marketing intelligence' and information technologies

According to Harvey, this "tighter organization and imploding centralization" has been largely achieved by two crucial and largely parallel developments. The first, and for Harvey the most important, is the aforementioned reorganization, coordination and enhanced power of the global financial system (Harvey 160-165). The second is the creation and distribution of 'accurate and up-to-date information' and its transformation into a 'very highly valued commodity.'

> Access to, and control over, information, coupled with a strong capacity for instant data analysis, have become essential to the centralized co-ordination of far-flung corporate interests. The capacity for instantaneous response to changes in exchange rates, fashions and tastes, and moves by competitors is more essential to corporate survival than it ever was under Fordism (Harvey, 159).

Managing the operations of a dispersed units of a global corporate organization requires flexible production methods and instant modes of communication. As Barry Smart puts it:

> Information and knowledge have become crucial variables in so far as they permit large corporations to decentralize or 'demassify', and yet continue to exercise effective administrative or organizational control over an extended production network. Decentralized and flexible

> production systems require continuing streams of information on patterns of consumption in order to meet existing requirements, and anticipate if not stimulate changes in tastes (Smart 1992, 54).

This point needs to be underlined. Smart hits upon an aspect of 'informational intelligence' largely overlooked by Harvey: the integration of information nodes and streams for the purpose of monitoring consumer tastes and market trends. Harvey does note that the promotional spheres of advertising, public relations and media have "become vital weapons in competitive struggle" (160). But Harvey seems to understand 'information flows' from a largely macro-economic angle, defining it primarily as "scientific and technical know-how" or broad statistical data on commodity distribution and demand (159). For instance, his comments on the "wide array of specialized business services and consultancies capable of providing up-to-the-minute information on market trends," refer primarily to business-to-business data in the manufacturing, resource and finance sectors. Such 'economic intelligence' of course, is widely evident today, in lucrative services such as research consultancies, think tanks and media outlets such as *The Economist* and their 'intelligence unit.'

Harvey, however, barely acknowledges the role of marketing research in the contemporary economies. Post-Fordism, he writes, has been "accompanied on the consumption side....by a much greater attention to quick-changing fashions and the mobilization of all the artifices of need inducement and cultural transformation that this implies" (156). Here Harvey joins Galbraith (1973) and others (Ewen 1977) who see advertising as a form of 'demand management' - a means for producers to 'induce needs' in consumers. While these observations are certainly relevant, they fail to see how 'quick-changing' and diverse consumer formations also spurred on a parallel process: the need to organize conduits and flows of information *from* consumers *to* advertisers and producers.

Marketing intelligence has thus become a central input into production processes, product design and technical innovation in the post-Fordist era. But as Susan Cornish (1995) and Robin Murray (1989) point out, such developments in marketing intelligence or research originated largely in the retail, media and service sectors, arenas of consumer-oriented activity that the bulk of Fordist literature tends

to overlook. As I will argue in the next section - and demonstrate in Chapters Three and Four - this push to analyse and differentiate customer or audience segments via marketing research has been a key engine of 'flexible specialization' in the post-Fordist era.

A final point about the role of information technologies should also be made. Transformations in economic and social organization - such as flexible specialization - are driven not technologies *per se*, but also by the preceding or commensurate needs of powerful institutional actors. Similarly, the 'revolution' in marketing research - or the 'information economy' for that matter - did not spring wholesale from the design of particular computing technologies, but rather emerges in conjunction with particular prevailing historical and social conditions. Many accounts of the 'marketing revolution' tend to place technological inventions at the forefront of change. But we must be wary of such 'determinist' theories of historical and social change (Winner 1986).[19] In my view, technology has been just one of many forces spurring on the growth of marketing research industry. As I will show in chapters to follow, other interrelated factors were just as important: increased social mobility and demographic shifts; the emergence of large commercial manufacturers and retailers; the extension of indirect social relationships between institutions and individuals; and a continuing reliance of social-scientific and rational methods of administration.

With such caveats in mind, current marketing research activities are properly seen as deepening accelerations of already established orientations and structures in capitalism. One of most fundamental characteristics, from early in the century through to the present day, was the symbiotic - and symbolic - relationships that developed between consumers and the material commodities they purchased and used. The shape of those relationships, and the personal and social experiences they engendered is widely referred to as the 'consumer culture.' These 'cultures of

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[19] The writer Steve Talbott puts it this way: "The computer does not suddenly transform the corporation into a computational 'device' calculating the bottom line; the corporation was becoming such a machine long before the computer happened along--due to many of the same impulses responsible for the computer's eventual development. In other words, the 'determining forces' that seem to sweep us along originate more fully within ourselves than we sometimes appreciate. When we launch one of our technical creations into society, and when this creation meets a world substantially shaped by other expressions of the same creative impulses to which it owes its own birth, the results can indeed be so explosive that they seem to arise from the 'objective' machinery outside us" (Talbott, 1996).

consumption' too would have a significant impact on the processes and contours of the marketing research industry.

Fordism and the middle-class consumer

Most observers associate the Fordist-period with the long post-war boom, the happy configuration of carefully managed Keynesian economic policies, job growth, and commercial opportunities. It was characterized by on-going innovations in mass production, standardised products, 'Taylorist' forms of work organisation, tightening concentrations of capital and a range of coherent, stabilizing coalitions between the forces of labour unions, state power and corporate capital (Harvey 125-140). Equally important were the technocratic efficiencies of state infrastructure programs in housing, road and education. The majority of Western populations enjoyed, particularly in the post-War period, widespread general growth and well-being, unparalleled rises in incomes, and a vast network of housing, health and welfare systems. The result was a widely-felt mood of buoyant optimism, progress and consumer confidence.

While North America was at the centre of these developments, the Fordist model would be both exported and copied in many other countries. Mass media and entertainment propagated the successes and benefits of middle-class America, a democratic nation of free-to-choose consumers prospering in the abundance of free markets. This equation of individual freedom and consumer choice continues to be the core ideology of capitalist societies. A strong base of well-paid (and often unionized) workers formed the core of a consuming population in North America. The general middle-class prosperity spurred growth in many sectors of the mass consumer economy, such as the retailing of 'white goods,' electronics and automobiles (Robins & Webster 1989b, 334-336). But general prosperity and a stable Keynesian coalition of economic and state powers do not in themselves explain the rise of "consumer culture."

In the sections that follow, I shall briefly explore the social and cultural aspects of the emerging consumer society during the Fordist period. Such a discussion must move beyond strictly economic or political analysis. Why did this ethic of consumption become so important? When and how did the consumption

of material goods and services moved to the centre of daily experience for the mass of the population? How is it that the purchase, use and display of goods has become the primary conveyor of messages and social cues about ourselves, our experiences and social interactions? Understanding the ever-changing symbolic relationship between material goods and individuals in a consumer culture is a necessary prelude to exploring the emergence of the marketing research industry - which today has become the crucial cartographer of modern consumer environments and experience.

Critiquing the culture of consumption

Marx famously began *Capital* by addressing the "immense accumulation of commodities" in capitalist societies. One hundred and thirty years on, we live in market economies "where a truly enormous assortment of goods confronts the individual - and where the characteristics of those goods changes constantly" (Leiss, Kline and Jhally 1990, 49). Certainly, one measure of a consumer society is the sheer volume, variety and availability of goods. But to understand the true imprint of our consumer culture, we must also address our relationship with these goods, their impact on our daily experiences and environments.

In a consumer society people purchase and use goods to satisfy a vast array of human desires and wants, not just the basic necessities of survival. The security of middle-class incomes permitted increased leisure time and discretionary spending for many people. This relative abundance of wealth and free time gradually made consumption, not work or domestic obligations, the focus of everyday life. Consumer artifacts and lifestyle pursuits began to form the common goals and aspirations of middle-class existence: shopping malls, cars, the suburban single-family dwelling, electronic gadgets and entertainment, and a panoply of household appliances.

To be sure, more complex factors underlied the security and satisfactions of middle-class existence; housing subsidies, widespread infrastructures for urban and suburban development, accessible forms of communication and transportation allowed wide mobility, leisure time and travel for the majority of the population. Of course, the modern lifestyles of work, leisure and consumption often eroded

older bonds of extended family, ethnic and religious communities, as well as handicraft and other work traditions. In the consumer marketplace, everyday life slowly became oriented to relationships and social identities based on material goods and the pursuit of the 'good life' (Leiss, Kline and Jhally, 47-54; Ewen 1976; 1982, 41-81; Featherstone 1991, 14-21).

In sum, an evolving culture of consumption is inconceivable without the rising incomes, abundant material goods, secure systems of employment, social welfare and subsidized infrastructure programs - all central elements of the Keynesian/Fordist post-war period. The security and satisfactions of middle-class lifestyles provided a key base of support for Fordist phase of capitalist organization. But the pillars of the political and economic base were reinforced by an array of cultural, social and political formations. The stable renewal of capitalist operations, then, are not solely ideological or economic achievements, but also requires a wide range of cultural institutions and social developments: mass media and advertising, the values of mobility and individualism, domestic leisure and family life, the promising enticements of 'progress and a better life.'

To briefly return to the language of the Regulation School, these values and institutions provided "a mode of regulation" - "a body of interiorized rules and social processes" that supported and reinforced the dominant Fordist "regime of accumulation." Put another way, the success of post-war consumer capitalism lay not only on the political and economic infrastructure, but relied on a complex set of personal habits, social practices and cultural forms that allowed "a highly dynamic, and consequently unstable, capitalist system to acquire sufficient semblance of order to function coherently at least for a certain period of time" (Harvey, 122).

This 'culturalist' conception of consumerism is an important corrective to the often narrow interpretations in many classical and Marxist accounts of modern economic life. Those traditions typically positioned consumption as a by-product (so to speak) of productive forces of industrializing economies. As Fine (1995) and Miller (1995) point out, they tend to view consumption in purely functional or rational terms; conceptualize broadly and abstractly, as in "aggregate demand;" they regard all consumers as actors motivated by self-interest, uninfluenced by external factors such as advertising.

Other views take an opposite tack, emphasizing the powerful promotional influences on consumers. Some liberal commentators, such as Galbraith, highlighted the role "demand management" in modern economies - the cultivation of consumer ethic through the mass media and the advertising, retailing and marketing of goods. In this view the successes of commodity production were augmented and supported by unprecedented efforts in image production (Leiss, Kline and Jhally 1990; Ewen, 1988). Advertising, especially, is singled out for its role in creating a consumer-led economy, inducing often unnecessary wants, and thus distorting the real needs of individuals and society.

Other analyses follow related rhetorical trajectories: mass-market consumerism is said to produce a stifling conformism, an immense waste of resources, or a harmless liberation from dull daily routines. Many critics have railed against 'cultural imperialism,' the 'coca-colonization' of non-Western countries by mass-produced Western goods and entertainment. Another approach disdains the ephemeral nature of mass consumerism, its enforcement of novelty, planned obsolence, ever-changing fashions and styles, disposability and waste (Ewen 1988, 233-258). Leading environmental critics take many of these points further, highlighting the important issue of over-consumption, in which the West consumes 70% of the world's goods, while comprising only 20% of its population (Durning 1992).

Many of these critiques are valid and urgent. But they often seem to elide a central aspect of their subject of study: the consumer. A key achievement of consumer-oriented economies has been its inexorable insinuation into our everyday lives, often displacing - or intervening - in primarily independent arenas of family, community or civic relationships. Any complete study of our consumer culture must examine the symbolic attachments and identity formations that individuals and groups have created around the abundance of consumer experiences and material goods in modern life.

Consumption and symbolic markers

> *"I'm vulnerable to identity changes because I am desperate to find a niche. I'm like Crystal Pepsi."*
>
> Software programmer Daniel Underwood
> in Douglas Coupland's *Microserfs* (1996).

Material commodities make a deep, and often symbolic, imprint in our everyday lives, and play a significant role in reinforcing the dominant institutions and formations of capitalism. In recent years, newer studies have begun to give consumption its due as a realm of activity rich in social and individual meaning, replete with historical and sociological significance. According to these scholars, the study of consumption demands an integrated and interdisciplinary approach, one that would rescue it from the abstracting web of economics. Examples of such work encompass many disciplinary traditions: anthropology (Douglas & Isherwood, 1978), geography (Sheilds 1992; Sack 1993), history (Leach 1995; Marchand, 1985).[20] The newer fields of communication and cultural studies have also foregrounded studies of consumption, placing it firmly within the nexus of media, commodity production and mass culture that made up modern societies.[21] I shall draw on this work in what follows.

Beginning at the turn of the century, the consumer marketplace inexorably moved to the centre of social interaction and personal experience (Ewen 1988). People began to think of themselves as consumers, in addition to, and sometimes displacing, more traditional identifiers like workers, family members, ethnic or religious groupings. Equally important, the marketplace began to explicitly address consumers *as* individuals (Leiss, Kline and Jhally 1990). Industry managers and leaders found the abstract equations of market conditions increasingly inadequate for their needs. They began to asked more finely-tuned questions: how and why are certain goods consumed? What type of consumer is most likely to purchase a particular product? Marchand (1988) demonstrates how ad agencies and retailers relied on broad stereotypes and their own urban preconceptions in trying to

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[20] For an excellent round-up of new interdisciplinary studies in consumption, see Miller (1995). Miller's introductory chapter to this volume is particularly persuasive in its claim that consumption has been a neglected field of study, and only recently is getting the in-depth treatment it deserves from scholars in geography, anthropology, history and other disciplines.

comprehend consumer behaviour. Nonetheless, as business operations began to reach out to distant regional and national markets, they required information about potential consumers and their characteristics.

Stuart Ewen and others have noted how over time, mass-market, consumer-oriented economies tend to "produce consumers." Such a phrase captures the alignment and identification of individuals with the goods and services they purchase - the symbolic association of selfhood with the products of a consumer economy. This process is often individualized, but extends to groups of people as well - what Daniel Boorstin (1973) called "consumption communities." Social formations develop around popular styles, spending patterns, taste cultures and habits, and become a means of identity and cohesion in the modern era. William Leiss has referred to the "doubly symbolic" aspect of goods in contemporary Western societies: symbolism evident both in the marketing, imagery and design of products, and in the way the symbolic value of goods are used and negotiated to mark differences in lifestyle and taste (Leiss, 1988).

Leiss is careful to point out that all cultures have both material *and* symbolic needs and wants, and that they vary from time and place.[22] According to Leiss and Grant McCracken (1993), this started as early as the sixteenth century, but has accelerated in modern times. By mid-century, most of our daily needs were increasingly satisfied through market transactions and the consumption of goods. The stable continuity of symbolic objects and gift exchanges in traditional societies began to fade.

> The market society broke with the fundamental proposition of traditional cultures, that there is virtue in fixed and stable forms of satisfaction, and instituted the radically different idea that enhanced satisfaction could be found in discovering new wants and experimenting with new products and consumption styles in order to gratify them (Leiss, Kline and Jhally 1988, 57).

One implication of this view is the questioning of the term "mass consumption." The ephemeral and dispersed nature of consumer habits and interpretive 'styles'

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[21] See, for instance the work of Bourdieu (1984), Ewen (1976;1988), Featherstone (1992), Leiss, Kline and Jhally (1990), R. Marchand (1985) and D. Miller (1987).

[22] See especially, Leiss (1988) and Leiss, Kline and Jhally (1990, 55-57).

breaks up the notion of consumer homogeneity. The word 'mass' is certainly an imperfect descriptor of consumer culture. It is perhaps useful as a simple shorthand term to capture the post-war spread of (mostly American) media and commodities across the world; but in many instances it has led otherwise valid critiques into monolithic condemnations. Certainly it should be clear that consumerism does not simply transmute all populations into a vast homogenous culture of like-minded consumers.

Over the last 30 years, there are many indications that the 'mass age' is over, if indeed it ever really existed.[23] The sheer quantity of goods, widespread locales, cultures and traditions, social and technological innovation, and wide variation in consumer practices have, in fact, formed a seemingly infinite range of consumer-commodity relationships. As Mike Featherstone put it: "consumer culture does not encourage a grey conformism in the choice of goods....rather it seeks to educate individuals to read the differences in signs, to decode the minutiae of distinctions in dress, house, furnishing, leisure lifestyles and equipment" (quoted in Tomlinson 1990).

Many observers, such as Douglas and Isherwood (1980) and Bourdieu (1984), have made similar points. The use of symbolic goods as social and cultural markers requires a degree of competence in judging information, goods and services, a "lifelong investment in cultural and symbolic capital and in time invested in maintaining consumption activities" (Featherstone 1991, 18). As the circulation of commodities and images become more ingrained in contemporary societies, the ways in which goods and symbols demarcate social relationships intensifies, becoming more complex and ambiguous. If, in our own time, the symbolic associations of cultural and material goods has become more fluid and fragmented, reading and interpreting those differences of taste and lifestyle becomes all the more imperative.

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[23] There are good reasons to believe that the term has always been inappropriate and ideological. Raymond Williams reminds us, for example, that the term "mass" has confusing origins with "actively opposite social implications." Williams shows how the word derives from suspicions of the mob, or the unruly crowd, but also from the revolutionary potential of the people (Williams 1976, 192-197). The German poet Rilke adds this provocative statement: "Is it possible that the whole history of the world has been misunderstood? Is it possible that the past is false, because we've always spoken of the masses?"

For Bourdieu, this is especially true for those social groups for whom cultivating self-improvement and ambition, managing relationships and lifestyles through the signals of consumption is singularly important. The economist Thorstein Veblen made similar observations a century ago, and there is little doubt that 'conspicious consumption' continues today amongst the affluent and middle classes. Bourdieu, however, makes an important extension to this argument, giving special position to the 'new cultural intermediaries,' those professionals in media, design, fashion, advertising and other aesthetic and informational occupations. These individuals perform many of the services surrounding the marketing, design and dissemination of symbolic goods. Contemporary economies provide fertile environments for these 'cultural specialists' who can provide new and creative interpretations of consumer practices and values (Featherstone 1991, 19). Many mainstream observers, from Daniel Bell (1974) to Robert Reich (1988) have noted the crucial function that these 'symbolic analysts' now play in contemporary economies.

In summary, the vast array of novel and differentiated goods produced in capitalist economies are invariably wrapped in symbolic and psychological associations, which in turn serve as distinctive markers of consumer taste and lifestyle. As Bourdieu (1984) writes: 'taste classifies and classifies the classifier.' Lifestyles decisions and habits, of course, are formed against a general backdrop of cultural, demographic and economic conditions. But the formative agents in this complex and continuous process are multiple and intersecting: the trend-makers of advertising, fashion designers and entertainers, as well as various regional formations and local styles initiated by consumers themselves. The sites and spaces of consumption, modes of distribution and exchange, product design and media dissemination also play integral roles in shaping consumer habits and behaviour. In total, each of these factors contribute, to greater or lesser degrees, toward the constant remaking of consumer identities and relationships. As Mike Featherstone writes:

> Consumption and lifestyle preferences involve discriminatory judgments which at the same time identify and render classifiable our own particular judgment of taste to others. Particular constellations of taste, consumption preferences and lifestyle practices are associated

> with specific occupation and class fractions, making it possible to map out the universe of taste and lifestyle with its structured oppositions and finely graded distinctions which operate within a particular society at a particular point in history (Featherstone 1991, 18)

This last point is crucial. We all make 'distinctions' in our social judgments and opinions. As the consumer culture matured, people began drawing upon the symbolic and social value of consumer goods to make those distinctions. Understanding these social readings and meanings soon became an important task for the 'cultural accountants' of the consumer economy - particularly for advertisers and the nascent professions of marketing and consumer research.

Producing flexible consumers

Through to the middle of the century, researching and classifying consumer formations was a secondary and largely unfocused occupation, a primarily experimental activity engaged in by media, advertising, retailing, and manufacturing firms. Nonetheless, the basic building blocks of marketing research were put in place in the 1930's and 1940's: these included statistical surveys, information processing and commercial applications of demographic data. But by the 1960's, marketing research began to emerge as a fully independent industry. The marketers and managers of consumer research became central functionaries in an increasingly intricate economy, charged with 'mapping' all the complex constellations of lifestyles, tastes, trends and habits in an expanding consumer society.

The impetus for improved and more detailed marketing research emerged alongside the break-up of Fordist economic and institutional arrangements, beginning in the early 1970's. This period also saw a much-noted fracturing of mass markets. Traditional categories and boundaries of consumption began to break open into multiple and often overlapping consumer formations. Of course, these changes took place over an extended period of time, in the context of many interacting forces and conditions. The most obvious factors - the broadening, diversifying social and demographic conditions of North American life - started in the 1960's and have accelerated into the present day. Marketing research also developed on the coattails of academic applications of the social sciences -

particularly psychology and sociology. More recently, it has made significant advances as a legitimate business tool with the adoption of sophisticated computing technologies.

This is the nexus where contemporary marketing research and communications has set up shop: an immensely profitable juncture where innovations in information technology, social and statistical sciences, and newly variegated consumer markets intersect. As a result, we have witnessed a flurry of economic activity: new companies have formed, established ones improved their data storage and collection, specialty services arose, all determined to get their own corner on this lucrative market. Marketing research became highly 'informatized,' more accessible, cost effective and adaptable. It sought out new methods to massage consumer information, to find and filter unique slices of data, and to convert it into practical action. For consumer-savvy companies in the new economy, access to detailed market research data enables quick response to changes and trends in a volatile marketplace, reducing their risks and improving their opportunities for success and profits. As Rohan Samarajiva puts it:

> In the new flexible-production economy, persuasion continues but is more customized, based on surveillance of the consumer. As the advertising-supported press and broadcasting resolved the crisis of consumption in the mass-production economy, computer and telecommunication technologies are being utilized to resolve the crisis of consumption in the flexible-production economy (Samarajiva, 1993).

To sum up, marketing research and communications firms are engaged in a 'mode of regulation,' a process of organizing the marketplace - and labeling its components - so as to exploit and manage it. Research has moved from being a descriptive aid to advertisers, to being an active and productive shaper of consumer culture and economic strategy. It is an industry that 'produces consumers,' shaping and naming them in accordance with the needs of its clients and the dominant orientation of the economy. But consumers are also active participants in the economy, and every act of consumption alters their experience of the market, shifts the levels and tastes of consumer demand, which in turn are noted by astute marketers. In Susan Cornish's words:

> The market is a moving target that producers must constantly learn about through the continuous acquistion of market intelligence in order to develop the next round of production innovations. It is the market intelligence component of marketing, therefore, that makes the product-consumption cycle dynamic, due to the iterative and interactive process of mass negotiation that develops between producers and consumers (Cornish 1995, 332).

Strategic collection of consumer information have thus made marketing a subtle and shrewd enterprise, one able to constantly assess consumer demand and target highly specific slices of increasingly fragmented markets. As Harvey outlined, capitalism derives its power from constant dynamism and continuous innovation. Marketing research has now become a key generator of dynamic innovation in a consumer-oriented global marketplace. It has become a powerful mechanism promoting perpetual change in both production and consumption processes - a circular process of market intelligence and consumer response that expands and intensifies the trends toward increasing product differentiation, market segmentation and 'flexible specialization.'

Of course, the institutions and specialists engaged in marketing research and communications do not see themselves in such grand terms. And there is little doubt that these grand 'economic and cultural contexts' are not felt in any immediate way by marketing researchers. For them, their practices are much more prosaic and technical in nature. They are simply following the short-term pressures of commerce and demands of management. Indeed, many of these technical innovations and institutional arrangements tell a fascinating story - the largely overlooked early history of marketing research.

In the two chapters that follow, I shall provide a sketch of how the marketing research industry arose alongside developments in the retail trade, the advertising business, information technologies and the social sciences. Chapter Three will trace the evolution of marketing research through the Fordist period, from the turn of the century through to the late 1960's. Chapter Four picks up the history of the industry as it establishes itself as a specialized profession in the late 1960's, and highlights its ever-more prominent influence in the current era of post-Fordist economic organization and 'flexible' consumer formations.

CHAPTER THREE
FORDISM AND THE EMERGENCE OF MARKETING RESEARCH

Over the course of its century-long development, the marketing research industry has introduced and adopted a wide range of strategic innovations and technical practices. In my view, these innovations have come to play a crucial role in mapping and shaping the contours of consumer demand and capitalist economies. But it took many decades for marketing research and communications to reach its current phase of widespread influence.

This chapter shall provide a largely descriptive account of early developments in consumer and market research. This period of growth and innovation stretched roughly from the beginning of the century to the late nineteen-sixties. Throughout most of this period, the nascent industry of market research had a marginal presence in the economy as a whole; its greatest impact would be in the field of advertising and mass media, each of which required information about their audiences. Related research activities also emerged in the retailing and consumer goods industries, as managers came to recognize the value and efficiency of careful research and planning. Considerable technical assistance emerged from advances in the social sciences, and related research methods being used by governments.

In most respects, then, marketing research augmented, and borrowed from, already established commercial and technical institutions. Each helped to create and mobilize mass consumption within a rapidly growing industrial economy. Marketing research practices and strategies tended to follow and reinforce the broad parameters of the Fordist regime - seeking to identify and catalogue the overall patterns of consumer demand and demographics in a mass industrializing economy. But as market economies expanded, encompassing a wider and more diverse set of products, customers and activities, the old problem of coordinating capacity and demand became more complex and multi-faceted. The most enthralling - and efficient - solutions were provided by the emerging professional ranks of marketing researchers, and their specialized combination of social scientific expertise, technical know-how, and psychological insight.

Making sense of mass markets

The advances of nineteenth-century industrialization had a wide range of effects. Large factories sprouted up; the extraction of resources quickened; workers moved to the cities, their lives ticking to the rhythm of time-clocks. Fordist production methods also increased the flow of goods and the scope of trade. Commercial exchange between distant strangers and organizations expanded, eased by roadways, railways, canals and commercial credit systems.

These changes also encouraged new forums and methods for the merchandising of consumer goods. Mass production of standardized products were assembled and packaged in unprecedented volumes. This veritable parade of goods signaled a new era of progress, a dazzling display of invention, luxury and variety. For consumers, the choices before them were marvelous, but also overwhelming and confusing. The sheer volume and range of goods thus confronted manufacturers and merchandisers with some difficulties. Business and sales managers had to convince consumers to purchase these new and often strange commodities.

Of course, a number of strategies were already in place. The large urban retailers turned consumption into a colourful feast of pleasure and display. Advertising proved to be an effective means of promoting new goods, often making frivolous seem desirable, the novel necessary. Advertising and commercial promotions were distributed via the new vehicles of mass communication. Powerful rotary presses permitted large printing runs of newspapers and catalogues by the mid-nineteenth century. Mass mailing by rail and the expanding postal system permitted wide distribution of catalogues and promotions.[24] Popular books and movie theatres also experimented with early forms of advertising. With the arrival of radio, the basic blueprint of relations between media, advertisers and the promotion of consumer goods was laid out.

Advertising served two main functions within the growth of national commerce: a valued source of revenue for the new media of communication, and a means to inform consumers about new products and businesses. Advertising

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[24] Montgomery Ward mailed a 540-page catalogue throughout the continent in 1887; Sears mailed over 75 million general circulars and sales catalogues in 1927 (Boorstein 1973, 128). In Canada, Eaton's and the Hudson Bay Company also had long established catalogue divisions.

invited and encouraged consumption, communicating information about goods and services to national audiences in order to stimulate or reinforce overall demand for these products. Few would dispute this last point: advertising allows producers to create demand for goods.

However, the precise degree and level of influence of advertising and other promotions on consumer behaviour was - and remains - a matter of some dispute and debate. The large advertising agencies were installed in big city offices, staffed largely by urban educated men, distant from the spreading national markets or the concerns of working families. Roland Marchand (1988, 52-87) describes how the agencies faced the constant dilemma of "keeping their consumer audience in focus." In practice, their anxiety translated into a range of stereotypical portraits of 'mass' and 'class' consumers, depictions of the 'typical consumer' and stumbling attempts to understand the 'mass mind' of the 'simple folk.' In drawing these pictures of their audience, advertisers relied on informal observation and intuition - and on the media in which they placed their ads. Given the economic relationships of the industry, this last approach was problematic:

> .....Media portraits of the typical consumer were often skewed by the desire to entice the advertiser..... Newspapers and magazines [were] bent on convincing manufacturers and agencies that their readers were ideal consumers, with modern ideas and plenty of purchasing power (Marchand 1988, 77).

Nonetheless, the need to describe - and circumscribe - consumer markets became an important task for advertisers. Their clients expected them to 'take the consumer's pulse.' The agencies began to spearhead research efforts on behalf of both the media and manufacturers. Advertising, in other words, was of limited utility, unless accompanied by equal effort in measuring the reach and effectiveness of promotional messages.

These early research activities marked the beginning of very significant development: the transference of information control and statistical measurement onto a much broader social field - the enormous consumer economy. Whereas surveillance techniques were previously applied within specific institutional sites for specific functions, now the rational calculus of statistical measurements would

be cast across the entire array of commercial activity and consumer behaviour. Over the long decades of its evolution, marketing research and communication would set its sights squarely on consumers everywhere, from the broadest demographic and market trends, to regional variations in taste and attitude, to the unique habits of individual households.

Marketing research, then, served to bridge two previously distinct arenas of control: rationalized information gathering, and consumer persuasion or worker management. Weber and Beniger, as we saw, highlighted the role of rationalized bureaucracies and the technical control of information flows in streamlining organizational efficiencies. Workers were supervised, their daily tasks monitored and coordinated; citizens were registered and documented, so as to ensure the dispersal of state benefits; modern administration also enabled communication and trade of goods across vast distances.

Political economists generally point to other methods of worker coercion and compliance, many of them functioning as corporate policy. David Harvey (1989, 126), for instance, notes the Henry Ford's famous implementation of the 'five-dollar, eight-hour day' at his factories. This not only ensured 'assembly-line discipline' but was also meant to provide 'sufficient income and leisure time' to consume automobiles and other mass-produced goods. Ford also relied on social workers and moral persuasion to encourage a modern ethic of 'rational consumption.' Other economists such as Galbraith, as we have seen, pointed to the role of advertising. In Stuart Ewen's words, "the functional goal of national advertising was the creation of desires and habits" (Ewen 1976, 37).

The unique feature of marketing research was, and remains, its melding of strategies: information flows and management were now directed to the everyday habits of customers, their responses to promotional messages, their identities and status *as consumers*. Information collection began to emerge as a important factor within commercial environments and organizations. Of course, many of these early efforts were amateur, incremental and awkward. But they nonetheless signaled a significant and coordinated instance of information control with specifically commercial objectives. Consumers were now seen to be legitimate subjects of research and objects of scrutiny.

Once the field and objectives of marketing research had been broadly determined, data sources and technical assistance emerged from many corners: media audience surveys; retailing research; social sciences such as psychology and sociology; government statistics; the national census; inventory systems of leading manufacturers; information processing systems. In the sections below, I will outline some of those innovations, and their role in building a professional marketing research industry.

Consumer and audience research

The demand for research and information on markets and consumers came from many quarters. Social scientific surveys had already engaged researchers in academia and government at the turn of century. Historical accounts of the period (Bartels 1962, 1976; Pope 1983; Beniger 1986) agree that the key innovations in "commercial research" or "trade investigation" began around 1910; by 1935, marketing research had become a serious enterprise, specialized and differentiated around a wide arsenal of techniques and methods.

James Beniger lists the various initial appearances of the technical research practices: ad testing (1906), systematic retail statistics (1910), questionnaire surveys (1911) coded mailings (1912) publisher's circulation audits (1914) house to house interviewing (1916) saturation (1920) and dry waste surveys (1926) sampling theory for large surveys (1930) retail sales indices (1933) (Beniger, 379-380). Each of these techniques and methods remain familiar today, and many of them are still in use by commercial or specialty firms.

But marketing research in this early period was not restricted to questionnaires and information gathered by commercial researchers. Quantitative research by government and academic institutions also gained a foothold in this period, often under contract for industry. Thus in 1910, a systematic collection of statistical data on retailers had been published by the Harvard University Bureau of Business Research and the National Retail Dry Goods Association (Bartels 1962, 117).

Nonetheless, it was the media and advertising agencies who had the most interest in gathering information on consumers. By the 1920's, vast monies were being spent on new and experimental advertising forms, but there was little notion

of how effective these new-fangled promotions actually were.[25] The formulaic appeal of the new national magazines were clearly oriented to specific audiences; the stories and illustrations were pitched with various appeals to emotion and interest: romance, luxury, politics, business, celebrity. Yet it remained unclear how reading habits and lifestyle traits were related to purchasing behaviour. How did the mass of consumers respond to advertising appeals? What products sold best? What types of packaging, displays and sales pitches most influenced purchases? How did sales vary in different regions, cities, or stores? Would effective advertising alter or improve the sales of certain products?

The advertising agencies had always proudly claimed 'special' knowledge about consumer behaviour. But the creative advertising elite were often confounded by the consuming masses, whose tastes and interests were often so different from their own. The wide appeal of new products and retail palaces put into question many of their earlier intuitions or assumptions. The urban copywriter could only guess at the tastes of distant regional markets. Anxious to defend their professional reputations - and justify their billings - advertisers turned to more scientific methods for "measuring, evaluating and responding to the inscrutable consumer audience" (Marchand 1988). In general, these new avenues of consumer research took three forms: *secondary data* on the sales of products or of an industry in general; individual or group *interviews* to gather consumer responses to products; *surveys* of mass media audiences or particular groups of consumers.

Dedicated research departments had been established by Curtis Publishing and the J. Walter Thompson advertising agency by 1910. Both firms pioneered the use of market statistics. Curtis, the publisher of the *Ladies Home Journal*, the *Saturday Evening Post* and other magazines, helped launch the research career of Charles Parlin. In 1911, Curtis hired Parlin to collect data on agricultural implements; he spent six months interviewing manufacturers, retailers and farmers and issued a 460-page statistical report. In subsequent years, Parlin went on to complete similar volumes such as *Department Store Lines* and *Automobiles*. Each of these helped to predict industry trends and increase trade advertising in Curtis publications (Bartels 1962, 108-109). J. Walter Thompson commissioned national surveys of retail

[25] The department store maven John Wanamaker pronounced: "I know that half of the money I spend on

businesses; their reports described the makeup of consumer populations in the major US cities and listed retail stores by state and type (Beniger, 381-82).

Many companies wanted to be assured that their advertising budgets were not being wasted in inappropriate or overlapping media. Audits and 'keyed' advertisements emerged to reassure clients. Coded coupons were attached to ads placed in different magazines, and agency researchers tabulated the returned coupons. But questions remained about how representative these returns were (Marchand 1988, 75). A group of national advertisers led by Kellogg's started a mail-out questionnaire survey of magazine readership. As advertisers began to seek independent means to verify circulation numbers, the larger publishers sponsored and funded the Audit Bureau of Circulation in 1914; within two decades 90% of American magazine circulation figures were audited through the bureau (Beniger, 382-83).

But these audits would not work with the newest advertising medium: radio. "While a publisher could identify his subscribers and locate his newsstand sales, the radio broadcaster could only guess who might be listening" (Boorstein 1973, 154). In the early years of radio, stations orchestrated free giveaways so as to draw responses and thus a 'picture' of their audience. But by 1930, the 'Crossley ratings' were introduced, named after a market researcher who based his system on random phone calls. Five years later, Arthur Neilsen installed 'audimeters' in a random sample of radio households; these devices could record listening times and stations, which could then be tabulated to determine the popularity of specific programs. This ratings systems did not make money for Neilsen until they were applied to television; however, his creation of retail-sales indices were earning him over one million dollars annually by 1937 (Beniger, 382-384).[26]

In Canada, the first marketing research operations began in 1929 at the Montreal advertising agency, Cockfield Brown, and was followed by the Toronto agency McKim in 1932. The same year Ethel Fulford and Associates became the first Canadian firm to do radio audience measurements. The firm changed its name to

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advertising works. The problem is, I don't know which half."

[26] In the words of Frank Webster and Kevin Robins, Neilsen cast his company "in the role of the Frederick Winslow Taylor of retailing and communications. Time and motion study was applied to the movement of products across grocer's shelves, and to the movement of viewers across broadcast advertiser's programs" (Robins and Webster 1986, 36).

Canadian Facts in 1937, found major clients in Proctor and Gamble and Lever Brothers, and continues to operate today. Media surveys of readership were conducted by *Maclean's* in 1928, and the *Toronto Star* in 1930 (Blankenship et al 1985).

Canadian efforts were strongly influenced by - but still lagging well behind - research innovations in the US; many Canadian researchers had learned the trade at American agencies like Ayer & Son. Neilsen set up a Canadian subsidiary in 1944, and proved an immediate success with its new concepts of 'market share' and 'test marketing.' The same year also saw the founding of the Bureau of Broadcast Measurement, collaboratively sponsored by media, advertiser and agency associations. In 1941, the Canadian Institute of Public Opinion was formed, instigated by the American survey pioneer George Gallup, who had been asked by the *Toronto Star* and Southam Newspapers to set up a polling operation (Blankenship et al, 35-36).[27]

Innovations in retailing and credit

As the nascent forms of research and forecasting were established by advertisers and media, related 'scientific' feedback techniques began to migrate into the world of retailing. In-store surveys were already commonplace. Soon less obtrusive techniques were employed. In 1932, Henry C. Link heralded the use of cash registers and computing cards to measure sales transactions:

> The most highly developed technique for measuring buying behaviour is that made possible by the electric sorting and tabulating machines. These ingenious devices have made it feasible to record and classify the behaviour of the buying public as well as the behaviour of those who serve that public, on a scale heretofore impracticable (Robins and Webster 1989, 335).

Link's effusive prose marks the first visions of the highly sophisticated electronic and computerized systems so common in supermarkets today:

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[27] Gallup, of course, went on to found his own research and polling firm. Beginning as a professor of advertising and journalism in the 1920's, Gallup began to survey newspaper readers about editorial features and advertising recall. His findings made an immediate impact. He was hired by the Young & Rubicam agency, staying for 16 years, where he initiated large-scale survey techniques to collect and evaluate marketing data.

> Whereas by ordinary methods hundreds of transactions may be recorded, by this method thousands may be possible but, what is more important, the deduction from these records of important summaries and significant facts have made relatively easy. The technique developed by various merchants, with the use of these devices ... is the quantitative study and analysis of the human behaviour in the *nth degree* (Robins and Webster 1989, 335).

While Link's technical vision was slightly ahead of his time, he was clearly animated by the possibilities of rational control and observation in the retail context. The push to quantify purchasing behaviour arose in the context of new forms of retailing: the department store and the supermarket.

In her history of the department store, *Counter Cultures* (1986), Sheila Benson cites a whole range of innovations that spurted the growth of these pioneering 'palaces of consumption': increased store sizes; division of space and labour into departments; diversification of goods on display; adoption of the one-price system; promise of refunds and no obligation to buy; the introduction of limited credit. These developments, however, were not conscious attempts to build a "new kind of store" but rather tactical decisions made in the face of a quickly changing social and economic fabric.

Department stores sought to attract the demands and desires of a new class of urban bourgeoisie; according to Benson, these large urban retailers became "the followers and shapers of taste, dynamic museums of a constantly changing way of life attuned to style and propriety" (Benson 1986, 22). The appeal was aimed primarily at women, both as customers and as workers. The number of saleswomen across the US jumped from under 8,000 to over 58,000 between 1880 and 1890; in Macy's New York store, women comprised 80 per cent of its work force (Benson, 23). As customers, women were enticed by the dual promises of home comforts and the sophistications of modern life. The department stores emphasized personalized, attentive service, and offered a range of new 'domestic' goods. They also encouraged loyalty and devotion to modern fashion and lifestyles via the instant gratifications of consumption (Benson, 83-86).[28]

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[28] Women consumers were largely seen to be unruly and irrational, subject to easy persuasion (Marchand 1988, 66-69). The response from most quarters was to make consumption rational; purchasing behaviour

Another significant reorientation of merchandising occurred with the introduction of retail credit. Consumer credit was spurred by national advertising campaigns, and the spread of urban retailing in department stores, grocery chains, franchises, and variety stores. Credit and installment plans stimulated interest in new and expensive goods such as furniture, appliances and cars. But by 1920, food and clothing could also be purchased on credit (Arena 1996). Acquiring goods on the promise to pay required the introduction of credit reporting, which in turn formalized the introduction of information and quantification in consumer transactions. As Joe Arena puts it: "[Credit reporting] marks the historical moment when individuals were quantified *as consumers*, an identity they exercised daily" (Arena, 424).

The emergence of retail credit reporting had several - and sometimes paradoxical - consequences. First, traditional and localized virtues such as character, reputation and trustworthiness were submitted to quantification and authentication; in many instances, this had 'democratizing' effects, for credit extended access to goods for the working classes. But credit reporting also 'institutionalized a deeply embedded system for monitoring the economic behaviour of the new middle classes by the business elite" (Arena, 424). This gave powerful authority to distant agents of commerce - who promised that 'character' could now be measured with scientific detachment. Consumers were reassured that credit reporting only affirmed the hard-working honesty of most citizens, and would reveal only the 'deviant' few who abused credit. Over time, most consumers were persuaded to "overcome their reluctance, rooted in strong norms of privacy and propriety, to reveal themselves to strangers" (Arena, 426).[29]

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needed to be controlled and orderly. "The housekeeper of today... must become a trained consumer and an efficient 'purchasing agent,'" wrote Christine Frederick in her 1920 book, *Household Engineering: Scientific Management in the Home* (Ewen 1976).

[29] Joe Arena provides a fascinating account of how popular culture and the mass media helped consumers overcome their reluctance to the credit system and its requirements for disclosing personal information. In his view, 'popular discourse not only eased the acceptance of credit but of surveillance technology in general, and thus contributed to the ideological outlook of 'the information society'" (Arena 1996, 423).

Processing the consumer

If the credit system began to move economic exchange into the abstracted realm of information, the new retailing outlets still had to pay special attention to managing physical spaces and the movement of consumers. By the 1890's the department store "was the leading force in American retailing" (Benson, 31). These large stores had unique problems: the downtown real estate they occupied was enormous and very expensive; the bigger stores were burdened with costly storage and delivery spaces, complex inventory, financial and administrative functions; large work forces had to be managed even as daily operations handled the unpredictable 'hordes' of customers flowing through the aisles. In 1904, Marshall Field's had as many as a quarter of a million people pass through in a day (Benson, 27, 28).

Design innovations helped solve many of these operational problems.. Elevators, escalators, and cash registers were introduced. Store fixtures, aisles and departments were redesigned; products were displayed in a more orderly and colorful fashion; custom made fixtures replaced tables and ordinary shelves; excess stock was removed to storage rooms. Even simple items like coat hangers, drawers and sample cards were important components in making service more functional and efficient. The arrangement of goods was explicitly tied to sales goals:

> The most valuable selling space went to those departments which promised the greatest productivity in terms of sales revenues. Diligent controllers closely calculated the revenues produced by each square foot of selling space and regularly reallocated space according to profit showings (Benson, 44-46).

The flow of both customers and cash was carefully analyzed, and came to shape the design of physical spaces. Department stores were no longer mere palaces, but also factories, with daily operations laid out in predictable system of scientific control. Monitoring and channeling consumer movements became an important tool for store managers.

Similar design principles were taken up by other retailers, such as the supermarkets and chain stores. In 1916, Charles Saunders opened his first Piggly Wiggly store. This grocery outlet was explicitly designed to process people through

the store; Saunders channeled his customers through turnstiles and a single maze-like aisle, forcing them past every shelf of products. The journey was completed at the exit turnstile, 'manned' with one employee and a cash register.

Such 'self-serving' stores showcased goods for inspection by consumers. The aisles, shelves and fixtures of the new chain stores became "avenues of display," which prompted a new visibility for packaging. Commodities became increasingly standardized by weight and size, and were designed to provide a communicative function; in the absence of salespersons, the packages would "have to sell themselves....the 'dummy carton' began to play a leading role in store windows and on counters" (Boorstin 1973, 445-46). The National Biscuit Company had already moved away from bulk production consumer packaging, and effectively used trademarks, brand name labeling, and national mass advertising in a coordinated marketing strategy.[30] National advertising and brand loyalty gave the larger manufacturers enormous leverage over retailers, as they centralized production, charge lower prices, and controlled entry by competing firms.

As the retailers lost direct control over the demand, volume and prices of the goods they stocked, they turned their full attention to the customer. They now sought to directly attract the consumer to the goods. This reinforced the already growing interest in systems control and design, 'flow' analysis, and inventory management. The net effect of all these innovations allowed the supermarkets to sustain unprecedented turn-over of stock *and* customers. The retail business became an "open-processing system," concentrated on turning high profits with large volume at low margins. Many of these retail innovations were technical and mundane - from the shopping cart to the bar code - but proved to be very effective.

Customers, on the other hand, remained the unpredictable variable. Store interiors were carefully designed to make shopping a positive and pleasurable experience for customers, efficient and controlled for managers. But individual purchase decisions remained a mystery, and consumer behaviour continued to be inscrutable. Retailing had become a kind of consumer laboratory, but many

[30] Nabisco's Uneeda biscuit - its octagonal shape being another innovation, using arbitrary physical differentiation to distinguish an ordinary product from its competition - was the subject of the first million-dollar ad campaign. Within a year of its introduction, the soda cracker was selling at a rate of ten million boxes per month (Beniger 1986).

questions remained unanswered. Were purchasing decisions impulsive or deliberate? What messages informed their buying patterns? What exactly motivated the mass of consumers? Too busy with their daily tasks to delve deeply into such questions, advertisers, retailers and business managers increasingly turned to an emerging professional cast of marketing specialists and experts.

Managing inventories with information control

Many large manufacturing firms also had to deal with unwieldy operational functions and inventory flows. They struggled to manage their widening groups of sales forces, suppliers, distributors and merchandisers. National markets were lucrative, but carried with them a special set of problems. Monitoring market demand and sales trends was especially difficult; the perennial problem of over-capacity loomed. A sharp recession following World War I left many North American companies with overstocked inventories; there was a unforeseen crash in automobile sales in 1920. This gap in knowledge precipitated crisis in the auto industry. General Motors was close to bankruptcy; the company set about to restructure its organization.

As both Beniger (1986) and Alfred Chandler (1977) have shown, the key element of this reorganization was Alfred Sloan's careful effort in monitoring sales for predictive purposes. His plan was essentially a system of sales forecasting - the first systematic industrial application of 'market feedback' principles in modern manufacturing. In 1924, Sloan instituted regular estimates of the current and future demand for automobiles. This allowed for careful coordination amongst the newly separated sales, distribution and production divisions, and foregrounded the importance of information inputs from dealers and consumers. Deliveries, orders and inventory were analyzed and forecasted, and this information was used to align inputs with outputs (Beniger 1986, 310-11; Chandler 1977, 150-51).

Sloan was an electric engineer by trade who "appreciated the value of communication and feedback for control" (Beniger, 313). He understood that the vast reach of modern industry required wider and continuous inputs of information. The growing automobile industry had already revolutionized factory and administrative operations of modern industry, carefully controlling the

processes of production through a variety of new techniques and innovations: Taylorism and scientific management; Henry Ford's assembly-lines; quality control; the sciences of human and industrial relations begun by Elton Mayo; automatic control - "the process of replacing human tasks with machine functions" (Beniger 291-317).

The idea of gathering statistical information via market feedback, then, was just one in a long line of innovations in the automobile industry. But it signaled an important shift, nonetheless, moving the imperative for control to the more abstracted realm of information. Moreover, market feedback extended technical rationalization beyond the production floors and into the streams of consumption:

> Sloan's new system extended control of production from the factory through his distributors and dealers to the consumer himself - toward the ideal that literally no automobile would be built unless a customer had already agreed to buy it (Beniger, 311).

Sloan's reforms allowed General Motors' to recover quickly from the recession of the early 1920's; by 1924 its market share had more than doubled. This growth came at the considerable expense of Ford, who refused to fine-tune his production lines according to consumer demand ("any color, as long as its black"). GM survived the Great Depression of the 1930's in much better shape than Ford, and never again relinquished its lead in the lucrative automobile market. Sloan's multi-divisional and integrated structure - coordinated through long-range market forecasting - became a model for other large industrial enterprises in the 1920's and 1930's.

The science of numbers: statistics, polls and surveys

Of course, other market feedback methods had been experimented with for many years. The term questionnaire entered general public discourse in 1908, the same year that saw the Pittsburgh Survey, the first American social science survey of the general population. House-to-house interviews ran from casual to systematic. J. Walter Thompson had sent copywriters to interview housewives to get a feel for consumer tastes; the *Chicago Tribune* did standardized door-to-door interviews for its advertisers in 1914; Curtis Publishing ran saturation surveys with up to 97% of all

households in towns in Kansas and New York. Curtis also conducted a series of innovative "National Pantry" and "Dry Waste" surveys, inventories of cupboard shelves and trash in selected towns and states (Beniger, 363). Advertising agencies were compiling indexes of buying power by area, and canvassing consumer attitudes in retail stores. But as Marchand points out, these surveys were infrequent, often crude and "of questionable value in providing market feedback" (Marchand, 76).

Market studies and surveys were clearly aiming for scientific measurements. Their aspirations were aided by the U.S. Census Bureau, where mathematical statisticians such as Morris Hansen were adopting sampling techniques in large-scale surveys. Sampling theory showed large saturation surveys were a waste of time and resources: smaller samples would yield roughly the same results (Herbst 1993, 43-68). Sampling methods provided the impetus for the proliferation of national public opinion polls, and specialized market surveys; random sampling enabled market research to be reasonably accurate, economic, and accessible to many more firms. The private sector began to enter a domain of large scale research that had previously reserved for governments.

Statistical research and census taking had been proceeding apace in government departments for some decades. The 1880 U.S. census collected information on 215 subject areas, up from five subjects in the previous census; the sheer amount of data spurred such innovations as the adding machine and other tabulating devices. Herman Hollerith's punch cards were used in the 1890 census, allowing for massive savings in time and cost, as well as improved accuracy. Information processing became a central activity of state bureaucracies, applied to tax collection, maintenance of employment records, and automobile registration (Beniger 408-412). Information on manufacturers and retailers were collected in the 1890 US Census. In Canada the Dominion Bureau of Statistics was formed in 1918, and by 1940 was publishing reports such as *Consumer Market Data*, which included "some of the salient facts of population, production, and distribution, broken down into small geographic units convenient for the market investigator" (Blankenship et al 1985, 37).

These market 'investigations' reveal how government agencies aided the rise and growth of commerce. As Robert Heilbroner puts it: "ordinarily the

government endorses the aims and objectives of the business community and bends a great deal of its efforts toward creating a framework with which business can operate smoothly" (1989, 103). In his book *The Visible Hand* (1977) historian Alfred Chandler shows how much of the spread and breadth of 'managerial government' in the US was directed towards the economy. Substantial administrative efforts were directed specifically to the gathering information on markets and consumer behaviour. Ironically, many of these initiatives were initiated by governments generally hostile to state intervention in the economy.

Why was the deployment of state sponsored statistics and surveys so important for commerce? Generating data on distribution and consumption helped alleviate the unstable cycles of overproduction. As Secretary of Commerce in 1921, Hubert Hoover had sought to put off the problem of overcapacity by "adjusting our economic processes so as to make dormant demands effective." By improving distribution and "securing its diffusion into consumption" Hoover believed he would eliminate "the barriers between goods and people" (Leach 1993, 355-356). Noting that "we are almost wholly lacking in the basic data of distribution," Hoover created a labyrinth of research offices within the Commerce Department "to investigate domestic, commercial and industrial problems with particular emphasis on marketing." A number of divisions were mandated to "study consumer habits and preferences for all types of commodities...to discover what the consumer really wants" (Leach 360).

The Bureau of Foreign and Domestic Commerce was the most important to these research divisions. From 1921 to 1930, its budget grew from $100,000 to $8 million, and personnel grew from 100 to 2,500. Run by a Harvard economist and historian, Julius Klein, the Bureau aimed to provide complete and continually updated data on distribution systems, consumer markets, pricing changes, and the purchasing power of both local regions and foreign markets. As Klein wrote, "in these days of highly sensitive commercial organisms, of closely knit, almost magical systems of communications, of instantaneous economic repercussions around the world, precision of information is of paramount importance for every merchant, manufacturer, banker and shipper" (Leach, 363).

Governments today continue to follow this formula of servicing the information needs of economic activity. This type of research data, however, generally addressed large-scale business conditions and the broadest of consumer preferences. Detailed consumer and market research would require a more sophisticated group of specialists and professionals.

Marketing theory and professionalization

If the basic elements of marketing research were beginning to be understood, they remained unevenly applied. While statistics, survey sampling, market forecasting provided a empirical picture of markets, more difficult questions about consumer behaviour remained. Copywriters and advertisers often preferred to rely on inspiration or intuition in design their promotional pitch or appeal. The marketing business had conflicting strategies and techniques, ranging between rational calculation and creative impulse.

For many businessmen, the application of scientific methods to marketing problems was appealing. Already in 1916, a new business text devoted a chapter to market research, and a full book was published on the subject in 1919 (Bartels 1962, 112). In the early 1920's, Percival White developed concepts such as the "measurability of markets" to enable market prediction and control, and became the first widely known marketing research theorist. In 1931, he published the first manual for field workers in marketing research, entitled *Marketing Research Technique.*

On the other hand, many advertising agencies still presumed that consumer behaviour was irrational and fickle; the best advertising strategies still required emotive and imaginative approaches. But again the insights of 'modern science' were hard to ignore. The emerging discipline of psychology seemed a particular good fit. Walter Dill Scott's *Psychology of Advertising*, first published in 1908, had a major impact on the profession. Scott argued that humans were "creatures of suggestion," and so he stressed advertising concepts such as 'the appeal' 'association' and 'persuasion' (Leiss, Kline and Jhally, 138-139). Working with data gathered from coded mailings in 1912, William Shryer confirmed this view: consumers responded to suggestive stimuli and images. Reason may be peculiar to human beings, he

wrote, but this doesn't mean it is their prevailing guide to action; rather, they are "creatures of habit" (Beniger, 386).

Determinations of psychological traits and consumer motivations were of considerable interest to advertisers and their clients. Behavioural psychology lent its methods and experiments to marketing, and came to be known in the trade as motivational research. In contrast to statistical and scientific methodologies, motivational research "rooted the selling act within the human personality by directly applying psychological constructs to advertising" (Leiss, Kline and Jhally, 144). The overriding assumption again was the irrational consumer, susceptible to suggestion and hidden associations, and as such it came under substantial criticism for its presumed exploitation of people's hidden desires and insecurities. Nonetheless, proponents of motivation research - such as Ernest Dichter - achieved much success, and leading agencies like McCann-Erickson applied the research to great effect. Some agencies complained that over-reliance on research stifled creativity and imaginative design in advertising. While the most successful agencies seemed have generally settled on a combination of both strategies, in many respects, the debate continues today (Leiss, Kline and Jhally, 145).

The social sciences - including psychology, anthropology, and sociology - had a very strong influence on marketing and advertising. Consumer behaviour itself became a serious academic pursuit, and by the 1950's and 1960's, hundreds of textbooks and research studies had been written on the subject. Some of the more prominent titles included: *Science, Technology and Marketing; Consumer Buying Habits; Drugstore Brand Switching and Impulse Buying; In-Store Traffic Flow; Toward Scientific Marketing; Household Decision-Making.* Two random quotes from *Consumer Behaviour*, a collection of papers published in 1968, indicate the ongoing orientation of the marketing sciences:

> With the advent of sophisticated mathematical models, renewed interest [has been] shown in conducting experimental studies leading to an explanation of the process of brand preference behaviour. To date the most important of these studies have been their reliance on realism and their emphasis on brand loyalty as a probability process (Stafford 1966).

> Customer satisfaction with a product presumably leads to repeat purchases, acceptance of other products in the same line, and favourable word-of-mouth publicity. If this presumption is correct, then understanding and control of factors influencing customers' satisfaction should be useful for marketing management (Cardozo 1964).

These quotes reveal the emerging concerns of marketers as consumer culture matured through the 1950's and 60's: brand preference and loyalty; maintaining customer satisfaction over time; the value of repeat purchases and product lines; the concern to monitor consumer demand and preference over time. With those goals in mind, research efforts continued to been refined and coordinated: media research included circulation audits and audience ratings systems; market surveys indicated personal preferences, spending habits and leisure pursuits; advertising research utilized consumer panels, ad testing and other methods of screening prospective messages. Combining these efforts allowed advertising design to proceed in the broad context of "detailed and accurate knowledge of consumers and audiences" (Leiss, Kline and Jhally, 143).

The convergence of these strategies was codified by the *marketing concept*, a notion first proposed by business theorist Peter Drucker. Over the next two decades, the marketing concept was broadly accepted and adopted by brand managers, academics and marketing practitioners. The basic goal of business marketing, argued Drucker, is to continually strive to provide greater consumer satisfaction. For too long, he claimed, companies have been absorbed with production processes or product refinement; marketing had been seen merely as a sales tool to push product, a view both limited and short-sighted. The aim of marketing, wrote Drucker, was to "make selling superfluous." The central idea was to pull customers in and satisfy their needs so as to ensure repeat purchases. The emergence of the consumer movement - that is, dissatisfied consumers - was the "shame of marketing" (Drucker, 1986).

Most marketing texts cite the early and successful implementation of the marketing concept at General Electric and Pillsbury Foods in the late 50's (Darmon 1989, 5; Oldland 1990, 25). In the decades that followed, this broader vision evolved into the "marketing management concept." Now marketing was redefined further

as an integrated communications process in which research, design, promotion and service are all precisely planned and tracked (Leiss, Kline, Jhally 1988; Stanton et al, 1985; Darmon 1989). Marketing, in this view, subsumed the more limited and traditional activities of advertising and selling. Even the advertising agencies, for instance, came to recognize that concerted efforts at research, strategy and design were much more effective than intuitive or untested promotion and selling. Advertising slowly became integrated with other marketing functions (Leiss, Kline, Jhally, 124-129). Just as important, the customer was now repositioned as the central concern of business.[31]

In essence, the marketing concept signaled the further integration of advertising with other marketing functions such as research, strategy and design. By the early 1960's, this integrative approach was being heralded in the trade press, and by the advertising agencies, who saw an expanded role for their skills and activities. Above all, the marketing concept implied reciprocal communication with and research about consumers and audiences. As a contemporary historical overview of advertising agencies put it, the marketing concept was "a reaction to public needs and desires, sometimes even before those needs and desires have been stated....It means listening to the public, primarily through research, and providing what it will buy, and buy again" (Harper et al 1963, quoted in Leiss, Kline Jhally, 129).

As these concepts and theories were put into practice, marketing research and communications emerged as a respectable profession across the business landscape; by 1959, one in five advertising agencies in Canada had a research department (Darmon 1989, 11). In 1960, the Professional Marketing and Research Foundation was founded in Canada; by 1970 it had 150 members. Of course, relative to the vast range of business activity, these numbers are small; marketing research had name recognition, but its ideas and practices would take some time to fully permeate the modern commercial enterprise. Nonetheless, the 1950's and 60's were a crucial period of innovation - particularly for its technical methods and conceptual theories.

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[31] Even so, old habits die hard. As late as 1970, a survey of business executives and managers found that 50% of the executives agreed that marketing concept had been adopted by their companies, while only 32% of the marketing managers expressed the same view. Clearly, top executives could speak of lofty goals, while actual business practice lagged behind (Oldland 1990, 25).

The stage was set for the full maturation of marketing research and communications; the industry began to prove itself after decades of toil and experiment in the shadows of the ad agencies, mass media and manufacturers. Then, beginning in the early 1970's, accelerating economic and demographic change began to set off an extended period of often unsettling diversity and transformation in a widening global marketplace. All these multiple transitions provided new opportunities for marketing researchers; perpetual commercial change demanded continuous and innovative research strategies. In an era of flexible economies, marketing research firms (and its various communication and promotional offshoots) were well positioned to pitch their ideas, technologies and strategies across the consumer arena. It is to this period of tumult and opportunity that I turn to in the next chapter.

CHAPTER FOUR
MARKETING RESEARCH IN FLEXIBLE ECONOMIES

Over the past several decades, we have witnessed a whirlwind of technological advances, rapid social change, vast and growing diversity in world markets and local cultures. Starting in the early 1970's, the steady economic growth long enjoyed in Western economies began to stagnate and stumble, stunted by inflation, overcapacity, global competition, as well as crisis and shake-ups in virtually every sector of business. As we saw in Chapter Two, this period of prolonged economic uncertainty and readjustment has come to be called post-Fordism. It has been marked by regular cycles of recession, changing employment patterns, de-industrialization and the restructuring of production processes. The resource and manufacturing sectors were hit particularly hard. But the stimulations and threats of global competition and technological change also presented many opportunities.

As many observers (Harvey 1989; Piore and Sabel 1988) have noted, two factors - flexibility and specialization - have become emblematic of economic innovation and vitality in the post-Fordist era. Companies needed to be quick to adopt to changes in market demand, and to satisfy narrower segments of the marketplace. Goods were manufactured with increasing speed, in smaller and more varied volumes; product lifecycles shortened, inventories were supplied 'just-in-time' and labour was sub-contracted or outsourced. Batch production and short runs were easily achieved with computer software and programmable assembly. The key elements of flexible specialization - downsizing, restructuring, outsourcing, organizational and technical innovation - have taken place across the economic landscape, from steel mills to supermarkets.

Most analyses of post-Fordism, however, have tended to privilege the production and trade-oriented aspects of flexible specialization: the dynamics of global competition, and sectoral changes in industrial processes. Manufacturers have moved off-shore, service businesses have expanded, Western companies have de-industrialized and reorganized. The role of new technologies and organizational innovation has also been much noted. Shakeouts and reinvestments have sparked

renewed growth in key Western sectors and companies. Computing, telecommunications, and transport are most often cited as prime examples.

But few have noted how the matrix of marketing research innovations and technologies have also played into, and reinforced, flexible specialization. This chapter shall examine ongoing transformations in marketing research and communications in the context of post-Fordism. As in the Fordist era, the connections to the media, marketing and consumer goods industries have been crucial. But many analyses of post-Fordism overlook the consumer sector of the economy. Contemporary consumer economies have been marked by evolving demographic shifts, more varied consumer formations, greater product assortments, and new sites and avenues for commercial exchange. All these changes required tighter coordination and communication within organizations, and beyond to suppliers and markets. As the currents of supply and demand flowed at multiple scales - local, regional and global - swift access to accurate market data became essential for flexible business decisions and responsiveness.

The adoption of information systems for inventory control proved especially important, reducing costs and improving productivity. Capturing this data for marketing purposes was the next logical step. Monitoring consumer demand and tabulating their preferences emerged as a fine-tuned predictive tool for many marketers and retailers. Businesses increasingly sought to integrate consumer communication and response into all aspects of commercial exchange. Direct marketing, affinity cards, coupon programs and bar codes all arose or re-emerged with a view to collecting detailed consumer data. The marketplace is now laced by a network of information. Marketers create 'digital personas' - statistical and symbolic reflections of consumer interactions and activities. These 'data shadows' hover over, and influence, many commercial transactions, particularly those conducted with distant organizations or by electronic means. The emergence of the Internet and electronic commerce seems certain to exacerbate these tendencies.

Post-Fordism, then, has also been marked by a decisive shift from aggregate-level demographic analysis to a much finer-grained level of marketing research. Conceptions and strategies of 'market feedback' 'demand management' and 'information control' have been utterly transformed by the parameters of flexible

specialization; consumers, too, are now 'processed' in small batches and short runs. Niche markets and targeted groups are packaged and labeled, delivered to clients who need to re-orient their business strategies, re-locate a retail outlet, or excavate new markets. By pinpointing precise signposts within diverse, elusive and expanding consumer markets, marketing researchers have emerged as the pre-eminent mapmakers of post-Fordist economies, measuring the latitudes of cultural trends and meridians of consumer tastes.

Marketing management and planning

By the mid-1960's, the marketing industry was mature and established enough to warrant a sense of its own history. Typical marketing textbooks outline three stages of its historical development: production-oriented (1900-1930), sales-oriented (1930's-1960's) and marketing-management (mid-60s to present) (Bartels 1976; Stanton 1985). The first stage is characterized by its emphasis on production planning and control, where the sales department simply sells company output, at prices often set by production or financial executives. While many of the tools of research and promotion are in place, marketing - as an independent entity - barely exists at this point. The post-depression era placed more urgency upon sales staff. In the second stage, sales forces were larger, better organized and given more responsibilities and status. Promotion and sales gained new respect, but are still faulted for 'hard sell' approaches, where the needs of the customer were ignored or misunderstood.

In the third 'mature stage', marketing management rises to a new prominence in business planning and strategy. Sales comes under the direction of marketing executives and management; other divisions such as inventory control, product planning and design begin to be strictly coordinated with marketing research. As marketing gets reconceived as a function of management, its findings and concerns are introduced at the beginning of the production cycle; marketing was no longer relegated to end-of-the-line sales and promotion. Marketing, in this view, has achieved its full potential, integrated into all company operations, influencing all aspects of business organization, policy and direction (Stanton 1985; Darmon 1989).

This periodisation of marketing history, of course, betrays a self-regarding notion of progress and advancement, but nonetheless positions the industry's growing prominence within the historical annals of business enterprise. This on-going self-promotion and redefinition of the goals and direction of marketing research is furthered as well in the popular and business press. Particularly since the 1980's, an astonishing range of journals and books have dispensed advice on the techniques and tools of 'the new marketing.' The marketing industry, not surprisingly, knows how to sell itself exceptionally well, and packages its every innovation with new twists and pitches: 'guerrilla marketing', 'after-marketing' 'one-to-one marketing' 'customized marketing.'

Beyond those multiple labels, a few common directions in marketing management can be detected. First, the customer-orientation concept has been extended and refined. As we saw, Peter Drucker had long argued that "the first order of business is to create and keep a customer" (Drucker 1986). Consumer needs and interests come first, in this view, and business planning and management should always monitor consumer satisfaction and respond to customer wants and needs. Thus, virtually every marketing textbook distinguishes marketing from mere selling in its first pages. Thomas Levitt put it simply: "Selling focuses on the needs of the seller, marketing on the needs of the buyer" (Levitt 1983). Customer service became the new clarion call of smart marketers; good service required efficient means to track consumer tastes and preferences.

Secondly, marketers discovered that the simplest way to tabulate consumer interests was to group and categorize them. A vast and widely differentiated marketplace needed to be broken down into identifiable divisions. *Market segmentation* (the term was coined in 1954) proposed that all consumer markets could be segmented into a number of basic demographic and behavioral groups, defined within a limited grid of tastes and traits: income levels, family size, neighbourhood types, leisure habits, interests, and purchasing behaviours.[32] By the late 1960's, a handful of psychological, cultural and lifestyle categories were added; this came to be known as *pyschographic* profiling (Sampson 1992). By the mid-

[32] Market segmentation was first introduced into Canada in 1964 by Market Facts (a subsidiary of the American firm), along with a mail panel of over 12,000 families and the first tracking studies in the country (Darmon 1989, 11).

1970's, segmentation and psychographics were industry orthodoxy (Shaw 1993; Stanton 1985).

Of course, segmentation strategies required the constant and on-going collection of information about consumers. The methods for gathering consumer data quickly expanded. Public sources of information, from the Census to land-title records, were made more accessible, while commercial data firms proliferated and specialized. Pollsters branched out into marketing research, designing focus groups and telephone questionnaires. Contest entries and warranty cards were explicitly designed with information retrieval in mind. Magazine publishers and other firms discovered that subscription lists and other similar databases of consumer information were a goldmine of 'marketing intelligence.'

These three factors - a renewed consumer focus, market segmentation, the collection and sorting of consumer data - each keyed perfectly into the 'marketing management concept.' Marketing research provided feedback on design ideas, promotion strategies and service functions (Stanton 1985; Darmon 1989). For instance, detailed research enabled strategic decision-making about the 'marketing mix' - how to find the most effective balance of promotional efforts to target the most desirable consumers. In this manner, advertising strategies were slowly subsumed under the umbrella of marketing management. Both product and campaign planning could be fully pre-tested, refined at each step of production (Leiss, Kline and Jhally 1990, 147).

Fabricating fragmented markets

The biggest proponents of marketing management were those companies that produced, sold and promoted goods to the consumer through the traditional media. The consumer goods industry - groceries and foodstuffs, health, hygiene and drugstore products, household electronics, automobiles - commanded very large advertising budgets, and controlled numerous product lines and brand names. They were especially concerned with business-to-consumer relationships, and had extensive media and public relations departments to communicate with the public. The consumer goods industry, and their advertising agencies, were very sensitive to

consumer opinion and trends. This made them the leading innovators in the marketing profession, a training ground for the best executives (Oldland 1990, 25).

On the other hand, the entrenched tactics of marketing professionals would prevent many of them from detecting some on-going shifts in consumer environments. Most agencies and media-buyers had long acquired a dependence on the broad appeal of brand-names, prime-time programming, and standard methods of audience and market measurement. Beginning in the 1970's, the shift away from mass markets began to be evident on a number of fronts. Product labeling, design and marketing broke away from the one-brand-for-all into product differentiation; consumer products brandished 'new' 'improved' 'special formulas,' and product lines were repackaged to appeal to varied regional, generational and lifestyle tastes. Network media audiences declined and fragmented with the appearance of cable, satellite and pay-per-view systems.

For many observers, the specialization of the magazine market in the 1960's was the forerunner of media and marketing fragmentation in the decades to follow (Neumann 1992; Barnes and Thomson 1994). Such transformations are now evident across the cultural and economic landscape. The mid-century stimuli of mass-consumption (large-scale advertising, broadcast media, department stores, suburban lifestyles) have given way to a much more complex and mobile hybrid of consumer activities, practices and structures (niche retailing, spectacular shopping malls, discount warehousers, direct mail and home-shopping). New marketing ventures and experiments have proliferated: telemarketing, infomercials, product placement, ads painted and postered on buses, buildings, bathrooms. Institutionally, marketing firms have globalized *and* specialized; large firms have merged, with active accounts on every continent; smaller 'boutique' firms fill regional differences, sectoral industries, or generational niches. Advertising campaigns, in turn, are spread over a larger world-wide canvas, but remain attentive and adaptable to regional tastes and lifestyles. Globalizing post-Fordist economies, in other words, has been accompanied, especially in Western markets, by the 'demassification' of media delivery systems and the splintering of marketing strategies. The composition of consumer markets is remeasured with new instruments, monitored

at varying scales and grids, depending on the particular aims and expectations of clients.

As Ien Ang (1991) and Barnes and Thomson (1994) have shown, the development of new audience measurement techniques illustrates the ongoing institutional tensions across the television industry, especially with regards to the divergent strategies of mass appeal and specialization. In 1987, under pressure from competitors and the new cable networks, the Neilsen company introduced 'people meter' technology. It provided data on the television viewing behaviour of individual audience members. The cable networks contended that they were delivering demographically attractive audiences with their narrowly targeted programming; but they complained that aggregate household data, even that collected by Nielsen's combination of diaries and audimeters, underestimated the reach and specificity of their audiences. On the whole, people meter data confirmed the suspicions of the cable industry; advertisers preferred their target audiences, and cable revenues rose. The main networks, to their consternation, found that people metering suddenly confirmed what many had long suspected: VCR's and cable channels had drained their audience share, and their most loyal viewers were, in the main, not particularly attractive to advertisers (Ang 1991, 80-81).

The people meter example demonstrates that the means and methods of audience measurement emerge from the interplay of multiple forces. So-called 'advances' in ratings systems are not merely the result of a few companies and their desire for more accurate measurements. Ratings are determined by client interests and influences (in this case, those of the ratings firms, media companies and advertisers), by the active cooperation of 'actual' audience members, and by existing perceptions of the always evolving marketplace. Together these influences help fabricate tentative representations of given audience segments. The constitution of audiences and markets is never merely an untainted empirical project; modern consumers are socially-constituted in ways that are institutionally effective, that have social meaning and economic value within a particular time and place. The 'reported figures' of an given audience or market are shaped via a complex set of cooperative alliances and institutional negotiations. Whenever market conditions change, or as new technologies emerge, a fresh set of institutional alliances and

strategies must be arranged. This includes assuring an acceptable degree of cooperation and consensus from the subjects of measurement: audiences and consumers. To return to Giddens' phrase, a negotiated set of 'trust relations' is required to sustain and expand mechanisms for measuring markets.

In other words, the flow of data, and the portraits it forms, both reflect and cement the institutional relationships within the ratings industry. As Barnes and Thomson put it: "the logic of the [media] specialization process - that smaller, more homogeneous audiences offer audiences more value per person than larger, more heterogeneous audiences - requires acceptable audience data to operate. Without that data, the audience has no reality for advertisers, and, consequently no value" (1994, 91-92).

Surveillance with a smile

Various forms of 'consumer surveillance' have profilerated across the entire spectrum of modern economies. The 'metrics' of measurement are now applied to consumers and citizens, not just TV audiences. And as Ien Ang has noted, the research industries are always pursuing more detailed and more perfect methods. Tabulating consumers has become more extensive, more precise, and more routine. Innovations in information technologies have certainly enabled and extended consumer communications for marketers and businesses. But these streams of data must also require professional mediation: customer information must be creatively interpreted and organized, and then translated into operational decisions. The collection of consumer data is more than technological invention. It is also a vital resource for business, a key professional specialty, and thus an integral part of contemporary marketing management.

Of course, the industry sees these transformations in very pragmatic and positive terms. The *Harvard Business Review* puts it simply: "Effective marketing relies on a two-way information flow between the marketer and the prospect" (Bessen 1993). Tom Guald, a Vice President of marketing at Canadian Tire, spins it this way: "It's essential today to know your customer and pay more attention to the individual. To be competitive, you've got to create and build a relationship and reward the customer for shopping with you" (Simms, 1994).

For industry insiders, then, modern marketing strategies are meant generate and reinforce 'improved customer service' and 'closer consumer relationships.' By the mid-1990's, these tactics have largely converged around the term 'relationship marketing and management.' Building better relationships with consumers has again been predicated on management and marketing theories promoted by Peter Drucker, Philip Kotler and many others (Shimp 1990). The central notion here is that it is much cheaper and more efficient to keep current customers than to bring in new ones: "customer retention is far more important than customer attraction" (Drucker 1993; Kotler 1994). Customer loyalty, interest, and repeated purchases, in this view, are best maintained by superior customer service, and precise attention to their individual needs and wants. Over the last decade, then, marketers have been prompted to deeper investigations of consumer attributes and purchasing preferences (Sellars 1993).

As the motivations of marketing have evolved, traditional tactics and methods have reemerged in new forms. The remarkable resurgence of direct marketing is a case in point. Relegated to the margins during the mass-media era, the responsive capacities of mail-order and catalogue companies are now major advantages. Direct-marketing methods have since been adopted by banks, advertisers, and large retailers. The key material advantage for most direct-marketers were their mail-lists, a template of customer addresses and purchases. As computers became cheaper and more accessible, the form and content of these lists became highly adaptable. Relational database software vastly enhanced the volume and speed in which consumer information could be processed and correlated. By the early 1990's, *database marketing* had spun off into a formidable marketing specialty in its own right, complete with professional associations and trade journals.

Both direct and database marketing have, in turn, provoked voracious appetites for consumer and market data. The sources and conduits for this information comes in all forms, from standard surveys to credit card records. The most remarkable of recent changes, however, is the streaming of sites of commercial exchange into nodes of *transactional information*. Again, the model here is the credit card, the first broad attempt to precede, accompany or mediate consumer

transactions with information. Combined with the capacity of computers, electronic tools such as bar codes, scanners, 'frequent-shopper' or membership cards provide retailers and other businesses with detailed portraits of customer purchase habits and histories.

In the following sections, I will outline the parameter of direct and database marketing, and two of their most prominent progeny: affinity cards, and electronic-point-of-sale systems. But as I will argue below, these electronic mediations of commercial exchange are the mere foreshadowing of a more extensive transformation: the emergence of the *networked marketplace*. The leading edge of this frontier, of course, is the Internet and the rush to establish a world of electronic commerce. Smart cards, and other stored-value identifiers, are further indications of this trend.

Again, these innovations provide key benefits for the modern, time-pressured consumer. Prime among them are accessibility, mobility and convenience; consumer interactions are quicker and easier. For companies and their executives, on the other hand, these informational systems provide substantial cost savings and further control within the marketplace. Data collection again facilitates the prediction of sales, and thus the reduction of risk in a highly uncertain and elusive marketplace. Information erases the often daunting distance between customers and suppliers; the more companies know about their customers, the better service can be provided, and the more loyal customers will become. 'Getting close to the customer' as the *Harvard Business Review* puts it, "now has a definite high-tech ring" (Bessen 1993). Consumer surveillance, in other words, is being sold as customer service.

Direct marketing

In its earliest incarnations, direct marketing was largely conceived as a non-broadcast promotional practice, concentrating on postal services such as direct mail, flyers, inserts and catalogues. The key advantages of direct marketing are its ability to "build a two-way, long-term relationships" with the consumer. As a vehicle of commercial communication, direct marketing provides both an "offer and a response mechanism" which can yield immediate concrete measurements of

effectiveness and evaluation (Shimp 1990; Stewart 1992, 2). Proponents of the direct-marketing approach consistently draw out the distinctions between general advertising and direct marketing.

In their view, mass advertising is an expensive, dated and often ineffective medium. It relies on one general message for everyone, and uses repetition and saturation to build awareness over time; with few reliable methods for response or evaluation. By contrast, the primary objective of direct marketing is to channel information streams and collect immediate responses from individuals. This allows for continual refinement and targeting of offers. The key goal is to build a relationship with the consumer, so that customer loyalty and value can be cultivated over time (Shimp 1990). Of course, some of these so-called distinctions and advantages are rather self-serving. For instance, mass media advertising has been primarily responsible for brand-name recognition and customer loyalty.

Nonetheless, by the 1990's, the boundaries between traditional media, advertising and direct marketing were becoming very blurred. Traditional media, from television to billboards, increasingly incorporated direct response mechanisms - 1-800 numbers, for instance - into their campaigns. Despite this merging of activities, three basic categories of marketing can be roughly drawn:

- *Direct response advertising:* direct mail, catalogues and telemarketing.
- *Direct response mass advertising:* newspaper inserts, unaddressed mail, private delivery, direct response television, controlled print circulation.
- *General advertising media:* newspapers, radio, television, magazines.

The first two streams of direct marketing practice stretch across the terrain of traditional broadcast media, general print delivery, and direct mail systems. With these multiple practices and media in mind, the Canadian Direct Marketing Association (CDMA) now defines it activities widely:

> a range of activities designed to offer information, goods or services to members of the public and the business community by mail, telephone or other direct means, based on prior knowledge, or assumptions about, the addressees interests, so as to elicit a direct, measurable response and establish a mutually beneficial relationship (Canadian Direct Marketing Association, 1993).

By the mid-1990's, this highly specialized field of marketing had made a substantial mark in the world of commerce and promotion:

- In 1995, Canadians bought over $10 billion in goods and services through direct marketing, up from $7.1 billion in 1988, and $4.5 billion in 1984 (Stewart 1994, Alaton 1996).
- In 1995, Canadian businesses spent over $2.5 billion annually on purchases through direct marketing (CDMA 1993).
- The direct marketing industry employs over 200,000 Canadians (CDMA 1993).
- Direct marketing share of all net advertising in Canada has risen from 20 per cent to almost 25 per cent in 1995 (Alaton 1996).
- Direct mail revenues are consistently larger than revenues for totals for all television advertising, in both US and Canada (Stewart 1994).
- In the United States, 1995 sales reached $53 billion in the telemarketing, direct mail, catalogue and TV shopping sectors (Alaton 1996).

Database Marketing

In 1990, two prominent American direct marketers defined their business activities simply and succinctly: "An interactive system of marketing which uses one or more advertising media to effect a measurable response and/or transaction at any location" (Hoke & Stone 1990). This seems an all-encompassing definition, up-to-date and signifying its technological maturity and confidence. Two years later, the two marketers felt compelled to update their definition in *Direct Marketing* magazine, adding the phrase: "with this activity stored on a database."

This seemingly banal addition signaled a crucial shift in marketing communications. The potential of relational database systems was suddenly being recognized. In a widely noted speech in 1992, Joe Cappo, the publishing director of *Advertising Age*, declared: "We are in the midst of an upheaval that is tearing apart the framework of marketing. It's a revolution" (Feschuk, 1993). For Cappo and his colleagues, this 'revolution' was a serious threat to traditional ad agencies. The threat arose directly from two "alarming" trends, according to Cappo. The first was widely recognized: the ongoing fragmentation of network television audiences; the second was just beginning to dawn on the industry: the substantial shift of promotion expenditures away from big agencies and media outlets to other non-

media marketing systems such as direct mail, coupons, and telemarketing (Shaw 1993).

The solution, Cappo declared, lay in the emergence of database marketing. "This is marketing intelligence," he said. "Agencies should have gone into this 20 years ago.....This is the way things are going to be in the future. The application of computer sciences to marketing is a long-term trend that will profoundly change the way advertisers sell their products" (Feschuk, 1993).

What do databases add to direct marketing? On the face of it, not much. In his book *MaxiMarketing* (1993), Stan Rapp positions database marketing within the traditional concerns about service and sales: "Any marketing process in which useful, relational information about prospects or customers is stored in the company's database and is used to continue the relationship or stimulate sales." Others, such as Stephen Shaw, a leading database marketer in Canada, deliberately highlights the management opportunities afforded by databases. His definition, outlined in a detailed article in the *Canadian Journal of Marketing Research* (1993), focuses on the technical finesse of database marketing:

> By collecting data about individual customers and distilling it into actionable marketing intelligence through segmentation analysis and profiling, one can develop strategies and programs to maximize customer value and build loyalty, using targeted, personalized communications to maintain an ongoing interactive dialogue with the most desirable existing customers (Shaw 1993).

This description amply highlights the long-term aims of modern marketing, and marks the present pinnacle of its three central goals: the emphasis on customer satisfaction and retention; the precise segmentation of customers in micro-marketing environments; the translation of vast volumes of available data into intelligible and actionable information.

Database marketing, then, is simply a giant technological leap into the future; it has merely accelerated and automated already well-established marketing strategies and goals. Transactional networks routinize the collection of data and enhance its scope. Relational databases, in turn, quickly 'merge and purge' vast overlays of aggregate and individualized data in huge volumes. Databases can then create a vast array of multiple, customized cohorts and fields of data, casting tightly-

meshed informational webs at different scales, from regional groupings to city profiles, from neighbourhoods portraits down to character sketches of individuals.

But the basic marketing motivations remain the same. For market researchers, consumer data facilitates cost-effective and measurable decision-making for businesses and clients. It reduces uncertainty, enables predictability of demand, increases the probability of sales. Marketers have long understood that past behaviour is the most reliable predictor of future behaviour. Repeat customers are extremely valuable - it costs three to five times more to attract and find new customers. One marketing specialty, known variously as syncho-graphics or life-cycle analysis, points up these strategic concerns. Using data drawn from hospital and school records, land-title and real-estate firms, marketers plot out household lifecycles, noting birthdates and anniversaries, or specific 'life-events and spending milestones,' such as house purchases or new-born kids. By timing their promotional pitches or gifts to specific dates and events, marketers believe they can ensure customer loyalty and satisfaction.[33]

In sum, the five central pillars of an integrated database management program can be isolated as follows (Shaw 1993).

- *Monitoring consumer behaviour:* transactional networks and databases provide a 'virtually limitless capacity' to store customer purchase histories. Tracked at both summary and individual level, personal preferences are monitored, enabling strategies to influence consumer decisions.
- *Predicting consumer behaviour:* disaggregated data is mined for predictive variables through regressive analysis and other statistical techniques. Consumers can be ranked from high to low, based on the desired propensities and characteristics.
- *Segmenting customers:* further statistical methods, such as cluster analysis, allow for much more refined consumer profiles and segments. Such analysis will draw on external public and private sources, as well as customized, proprietary data.
- *Maximizing customer value:* the precise value of future earnings from individual customers can be estimated, and used to "guide the allocation of

[33] An item in one of a series of reports on database marketing by the *Globe and Mail* illustrates how this works in the banking sector. Canadian banks are composing 'complete picture of their clients" through 'predictive modeling' that analyses 'customer life cycles.' This allows the banks to track customer's "major financial 'decision-points' like getting married, buying their first home and so on, through to retirement." "We do know an awful lot about these customers," admits a Royal Bank vice-president, "but it allows us to get a better focus and viewpoint of that customer" (Simms, 1994).

marketing resources. The customer base can be stratified by lifetime value in order to identify the best performing, or most promising, segments."

- *Managing customer relationships:* the careful integration of consumer information into marketing strategy enables continuing and hopefully beneficial communications between companies and customers. Messages can be tailored to individual needs and preferences, and further refined through the monitoring of response.

Databases and other informational marketing programs have been widely adopted across many types of industry and enterprise; an explosion of companies and consultancies have appeared on the scene, many providing specialty services in list brokerage, cluster analysis, mailing services, and software designers. Many companies combine these services, providing vertical integration in the database industry. Dun and Bradstreet is one such company in the US; Blackburn Polk Marketing Services and Compusearch are comparable Canadian firms. Other companies have found extremely small niches in the database marketing; one such firm supplies mailing lists of gay homeowners in North America, others specialize in specific regional areas or income brackets. Increasingly, consumer information is rented and sold across different industry and ownership groups. A recent US survey by Donnelly Marketing Inc. revealed that 85% of manufacturers and retailers believe they will need database marketing to become competitive past the year 2000; 56% are currently building databases and 10% plan to do so (Berry, 1994).

Marketing research and management has now become deeply dependent on information, sourced from databases and other computing systems. Many initial sources of data are much more mundane and paper-based: contest entries, magazines subscriptions, coupon redemption. Each of these banal daily exchanges are increasingly destined for database crunching. Many new spaces and avenues for consumption are now explicitly designed to facilitate electronic and automatic monitoring of transactions. While many small and medium-sized companies can run modest database programs, building a comprehensive network of consumer information requires substantial investment effort. The database industry is already dominated by just a handful of major companies: Dun and Bradstreet; MetroMail; Information Resources International; R.C. Polk and TRW. US-based MetroMail is known primarily as a list broker. The firm draws "information from over 3,500 sources to trace the affairs of 85 million households." Their database holds up to 25

pieces of data on every identified individual, including ownership of credit cards, responsiveness to mail-order and political orientation (Larson 1992). In Canada, most of these firms operate through subsidiaries, such as Blackburn-Polk Marketing Services.

Two pioneering innovations in database marketing are affinity-card programs and electronic point-of-sale systems.

Affinities of information

Perhaps the most prominent database-driven marketing programs are the frequent-flyer plans introduced by Canada's national airlines in the mid-1980's. Introduced to minimize customer erosion in an era of deregulation and fare-slashing, these programs quickly helped identify which customers and regions provided the strongest revenue base. Full-fare business travelers, it was discovered, were a mere fraction of card holders, but were significant contributors to total revenue. This information allowed the airlines to stratify their membership base, and provide incentives to their most desirable customers. These programs soon became an integral part of airline marketing strategy; by 1992, Canadian Airlines had over 2 million members in its program, while Air Canada counted over 1.5 million Aeroplan members (Shaw 1993).

By 1996, frequent-flyer programs had been linked to a vast range of firms and industries. You can collect Air Miles with gas purchases, credit card use, and long distance charges. One hundred and fifteen Canadian companies now sponsor Loyalty Management's Air Miles program, which now has over 5.2 million Canadian member households. In Western Canada, up to 80% of the population actively collect Air Miles. Loyalty Management collects and sorts data on spending habits, and uses it to tell sponsor companies where to build new stores and how to stock them. The information also allows companies to refine their mailing lists and direct marketing strategies. A Loyalty Management VP claims that they can triple the normal 2% response rate for direct mail, and in some cases reach an 18% or 20% response (Belford 1996).

Aptly named "loyalty" or "affinity" programs, these marketing systems are designed to encourage repeat purchases, and thus loyalty to the sponsoring company

or brandname. Proprietary, or in-house affinity programs have proved particularly successful for some time, particularly in the retail trade. Zellers launched the Club Z program in 1987; by 1993 they had over 7 million members, with almost 80% of transactions using the Club Z card (Southerst 1993; Shaw 1993). Other large retailers, including K-Mart and IKEA, have entered the database game; Sears Club has 4.7 million members, the A&P chain 2.5 million.

A number of cross-sector database alliances and programs have quickly followed suit. In 1992, GM paired itself with MasterCard, and within two years built up a database of 12 million members. In recent years all of Canada's major banks have realigned and correlated their many record-keeping systems through powerful parallel-processing computers. The Royal Bank's Marketing Information File required a four-year investment of $15 million, and was put into full operation early in 1996 (Wilson 1996). Telephone companies in both the US and Canada now offer long-distance rewards programs; MCI's Friends and Family program has 8 million members. Consumer goods manufacturers such as Kraft and Philip Morris have each built databases with over 25 million names (Berry 1994).

Many of these companies have amassing customer names and purchase histories for decades, but are only now converting them into marketing incentive programs. A whole new techno-savvy industry called data-warehousing & data-mining has sprung up to service companies who need to make company information intelligible and useful. "We don't have any more information than we did 10 years ago" says a Royal Bank executive. "It's our ability to access that information, to listen to that and put pertinent offerings in front of clients and proposals that are meaningful" (Shaw, 1994).

Of course, these 'loyalty relationships' make it inconvenient for consumers to switch to a competitor. Amassing 'AirMiles' with Canadian discourages future flights with Air Canada or other non-affiliated airliners. Many of the long-distance discounts only work if the customer invests time and energy to form a network of friends and family to sign on. As one marketer noted, changing long-distance carriers means "reinventing one's relationships" (Berry 1994). There is plenty of reason to cast a skeptical eye on the supposed benefits and discounts of loyalty

programs as well; even the most meagre free gift or flight can require years of weekly gas or credit card purchases.

Nonetheless, the success of these programs is undeniable. They have achieved a kind of digital version of brand-name loyalty. In doing so, they ensure the retention of the most valuable customers and promote 'frequent shoppers'. Moreover, these technologies permit an intimacy between customers and companies; they allow corporations to declare that they know and understand customer needs. The Royal Bank declares that it serves "one customer at a time." Closer consumer relationships are indeed at the heart of contemporary business practices, but the intimate dialogue is primarily one-way. Marketers want to know all about us, but how many shoppers have heard of MetroMail or Blackburn-Polk?

Retail by detail

The average grocery store carries over 20 thousand items. Over 10 thousand new products are introduced every year. Shoppers are spending less time in supermarkets than they used to, down to an average of 21 minutes from 28 minutes 10 years ago (Bessen 1993). For many decades food and snack manufacturers leased out the optimum space in grocery stores and kept strict control over promotional displays and coupon programs. Every year since 1990, in-store promotional expenditures have grown by 25%. These companies now buy ad space on shopping carts, at checkout counters, on TV's in the aisles. Supermarkets are a primary site of consumer research; designers have determined the optimum layout for premium sales; manufacturers routinely pay incentives for the best display areas and shelf space. In many respects, retailers are in the 'real estate business' (Hitt, 1996).

At the core of the retailing revolution sits a innocuous but remarkable piece of technology: the bar code. A tiny piece of black and white information, the Universal Product Code (UPC) is seemingly everywhere, imprinted on virtually every packaged product on the planet. At once generic and unique, the bar code is a data machine, a digital language read only by computers. A generic rectangle of pure, unadulterated information, the UPC forms the foundation for efficient inventory control and the precise tracing of individual purchase histories. While developed for the retail and grocery trade, it is now commonly used in warehouses,

security gates, libraries, for personal ID cards, and as we saw earlier, by Fed Ex couriers.

In the retailing industry, bar codes are integrated with electronic point-of-sale terminals (EPOS), allowing for flexible, 'just-in-time' distribution:

> With a full EPOS system, as goods are purchased by the consumer, within-store stock levels are adjusted, orders for deliveries are made automatically, goods are made ready for dispatch form automated warehouses, fresh supplies to the warehouse are requested, and invoices are matched and paid by an automatic accounting system. Moreover, up-to date sales information is available on-line to management, and sales can be analyzed line-by-line, store-by-store, region-by-region, and informed decisions regarding shelf allocation, stocking policy, product promotion, new store location strategy etc., can be taken (Wrigley 1990, 18).

More recent experiments combine grocery scanner data with affinity cards and set-top boxes. For instance, participating households key in personal codes while watching television ads, and also present 'member cards' at local grocery stores. This allows companies like Arbitron and BehaviourScan to precisely correlate viewing habits with supermarket purchases.

For many analysts, scanning systems have helped to tip the balance of power in consumer retailing. The benefits largely accrue to retailers over manufacturers, big retailers over small retailers, and also promote the growth of independent data brokers. Point-of-sale data are a primary resource for many of North America's largest information firms, such as Dun and Bradstreet or Information Resources International. In Canada, grocery-store data is largely controlled by the A.C. Neilsen Co., and is estimated to be worth $70 million annually (Wicker 1993; Strauss 1994).

Database management has transferred knowledge about sales and customers back to retailers, who can use it as leverage with manufacturers and distributors. As leading management consultant Peter Drucker put it:

> The only information about the marketplace we have is what the customer buys, and now we have it in the form in which it immediately becomes operational information. It can immediately transform itself into orders to the manufacturer, into decisions to

> discontinue this item because it doesn't move, or to increase our promotion of said item. It immediately becomes an operating decision. What that gives the retailer basically is power. Information is power now (Drucker, 1993).

The classic example here is Wal-Mart. By combining centralized-buying with detailed customer information systems, Wal-Mart can demand steep price discounts on specific product lines, and apply further pressure on manufacturers through the introduction of private-label brands.

Moreover, as one retail consultant argues in the *Harvard Business Review* (Bessen 1993), similar forces provide substantial advantages for the large chains over regional ones. The example used here is A&P:

> By combining the frequent-shopper database with demographic and life-style data, central-office analysts can further understand customer needs. In cooperation with store managers, merchandise buyers at company headquarters select products and prices tailored to customer preferences at each store and region. An individual A&P store now reflects its locale, including shelves of ethnic foods, and, at the same time, it offers cheaper prices than a regional competitor (Bessen, 155).

In other words, database programs allow large firms to act like local ones. "Micromarketing techniques...are critical to the survival of large players, since they allow big companies to own niches in the manner of smaller, more flexible competitors (Bessen, 151). But they also retain the advantages of big firms. "Complex customer information systems may require investments of up to $100 million, and it may take years to build the technology and collect the data....small or even mid-size competitors will find it difficult, if not impossible to play this game" (Bessen, 159-160).

On the other hand, more recent advances in microprocessors increasingly allow even small stores and chains to manage and maintain their own POS or database systems. *The Globe and Mail* reported on a Vancouver firm that markets on-line loyalty programs for a network of participating restaurants. But the trend clearly runs in the other direction, where even the largest companies can "function like the smallest ones, creating a bond with customers by offering personalized services tailored to individual needs" (Wilson 1996).

Micro-marketing the media

Contemporary marketing research is widely considered a perfectly legitimate, necessary and progressive function in today's capitalist marketplace. Its operative strategies and benefits have become economic orthodoxy. Prominent journals such as the *Harvard Business Review* routinely feature lengthy articles on realizing 'your customers' full profit potential' by building 'behaviour profiles' and 'maintaining transactional streams' (Grant and Schlesinger 1995). Bookstore shelves sag heavily with business textbooks and popular tomes touting the wonders of 'informational capital' 'relationship marketing' and 'data mining.' The bottom-line advantages of marketing research and communications are clear. Barbara Canning-Brown, a Toronto business consultant, makes the point this way: "It's a way of building a lifetime relationship instead of a one-time transaction. [....] The key to using data-base marketing is to link your customer with their purchase history. Because then you can calculate the value of your customer base. And you can calculate the value of each stage of the customer management cycle" (Arnaut 1995).

Marketing research and communications is now a multi-billion dollar industry. It has split off into a panoply of specialty services, methods and labels: geo-demographics, syncho-graphics, 'customerization', computer matching, predictive modeling. Executives predict a bold and prosperous future. Joe Cappo, the publishing director of Advertising Age, believes that 'databases will replace media as the primary marketing vehicle of the next century' (Cappo 1993). Futurist guru John Naisbitt insists that "direct marketers are at the forefront of where everybody is going to be" (Rothenberg 1997). Marketing research operates across an ever wider and diffuse arena of activity; it is used by 'mom and pop' stores, universities, manufacturers of all size and type, governments, arts organizations, home-based businesses.

The growth of personalized services and products - via the precision filters of databases and other research tools - is perhaps most evident today in the media and creative arts industries. As we have seen, the specialization of some sectors, such as magazine publishing, have been on-going for some time. Television infomercials and cable specialty channels are more recent examples. Now, however, media

companies are poised to make the leap from mere narrow-casting to a kind of hyper-specialization, where programming and products will be designed and mixed for particular individuals and households. The much-heralded convergence of cable, computer and telecommunication networks form the technical framework of these developments: digitized delivery systems will permit distribution of what cyber-futurist Nicholas Negroponte call 'the daily me' (Saunders 1997b). But again, the entire concept rests on an intimate and constantly updated knowledge of consumer habits, tastes and interests.

As I will outline shortly, workable prototypes of the 'daily me' are already available on the Internet: PointCast and other 'push technologies' being the prime examples. But the precise personalization of content delivery is also apparent in the more traditional media. The publishing industry, for instance is now absorbed by the trend to 'mass-customization.' It has transformed the editorial content, design and distribution of some of North America's premiere magazines. Publications such as *Time*, *Newsweek* or *Maclean's* no longer strictly aim to reach the greatest number of readers each week. Increasingly, they seek to deliver a 'smaller, carefully selected group of readers to an increasingly fickle group of advertisers. Where once these magazines "boasted of their enormous readerships....today they flaunt the high incomes and consumer habits of their readers" (Saunders 1997a).

As a result, *Time* magazine now produces hundreds of distinct editions every week. Using advanced printing techniques and satellite communications, *Time* alters and re-edits its content to reflect various national, regional and demographics tastes or interests. Typically, this involves changing the 'standard edition' and inserting, for example, Canadian content. This creates the illusion of an all-Canadian edition. It is this 'split-run' technique that has created such angst and anxiety for Canadian publishers and policy makers.

The motivation behind this dissection of audiences, of course, is the battle for advertising dollars. *Maclean's* offers advertisers 21 distinct editions, "including a 'platinum edition' directed at the 80,000 readers who earn more than $75,000 a year." Similarly, *Time* magazine subscribers "can each get their own custom-printed edition, with articles and ads aimed at their personal interests" (Saunders 1997a).

Television, too, has been fractured by the splintering of audiences. Broadcasters now tailor both their stations and shows at specific age, gender and income groups. Specialty-cable networks, in particular, are customizing programming using database research techniques, drawing on information from census studies, mail-surveys, TV-ratings and scanner data. This allows advertisers to both design and place their ads for the right target groups. Conversely, it allows them to avoid inappropriate or low-spending sectors of the population. Television advertisers now regard mass heterogeneous audiences as inefficient, a 'waste' of promotional efforts, especially give the cost of production and air-time. Pinpointing very specific audiences is much more lucrative; not only can databases and surveys identify the most responsive audiences, and those with the highest disposable incomes, but they also demonstrate segmentation strategies are the most cost-effective method for retaining customers, recruiting new ones, and thus increasing sales. The risk of product launches, program production, or marketing plans are thus reduced; such strategic advances, of course, accrue only to those firms willing and able to absorb the expense of extensive research.

Tracking some trends

It seems certain that audiences and markets will continue to fracture - both as a result of broad social and demographic change, and the continuing desire of researchers to identify and label new market segments. This prompts consideration about what direction the marketing and media industries are headed. While always speculative, the signposts in today's communications landscape point in some fairly clear directions. In my view, three key trends can be highlighted; each is already well established and accelerating. The first concerns the blurring of advertising and content amidst the proliferation of media and programming. Closely related is a second issue, the growing influence of marketing research on creative expression. The third examines the tracking of consumers in cyberspace. I shall take up each of these in turn.

The first trend is most evident in the growth of infomercials and sponsorships in cultural and media programming. As both programs and audiences converge upon very narrowly defined interests and topics, the margins for profitable

return will also decrease. Media producers will be more likely to seek out creative alliances with topic-appropriate sponsors. Corporate funders will move beyond mere sponsorship, and assume creative control of programmes. Similarly, producers could create custom programming for certain companies, featuring appropriate subject areas, complete with corporate advertising and product. Trade and specialty magazines, and newspaper 'advertorials' are established examples. The trend is now spilling over into television. The Life Network recently broadcast three episodes of their 'Just Ask' show to financial topics, each show fully sponsored by the Royal Bank. Another show on Life, 'Sue Warden's Craftscapes,' was created by the craft-supply store, Micheal's of Canada, and features only crafts from that store (Saunders 1997b). As cable television breaks out into further tiers of specialty programming - from the Home and Garden channel to the Sci-Fi network - the once-clear distinctions between programming and advertising seems certain to blur. The same process is emerging quickly on the Internet: advertisers are working hand-in-hand with publishers to co-produce Web-pages (Voight 1996).

Not all media productions are steered into specialization by databases and consumer surveys; mass-appeal entertainment seems certain to prosper in various forms. In many such instances, marketing research will move beyond the constitution of audiences. Its effects will be more strongly felt throughout the production process, from the scripting of programs to the casting of characters. A second consequence of marketing research, then, is its infiltration into the very processes of cultural production and expression.

Such changes are likely to be both subtle and far-reaching. Marketing research can radically alter the relationship between audiences and performers, between markets and producers. Hollywood studios now routinely test-market their films, questioning preview audiences about the preferences for actors, plot elements and multiple endings. Samplings of public opinion and market research techniques intervene in and re-shape the creative process. Public engagements with and imaginary responses to cultural entertainments and events are now screened through the 'scientific' apparatus of market research.

The creation of theatre extravaganzas as *ShowBoat*, *Ragtime* and *Sunset Boulevard* provide some evidence of this. Produced by Garth Drabinsky's Livent

Corporation, these large musical entertainments are predicated on large audiences, multi-city tours, and extensive 'brand-name' promotions. And like most entertainment event producers, Livent routinely engages in post-show customer marketing and communications. This service, what marketing professor Terry Vavra would call 'after-marketing' enables the theatre company review audience responses to shows, to promote the new season, and build up their annual subscriber list.

But Livent has also taken marketing techniques into new realms and directions. "We never do anything without doing thorough market research," says one of Livent's producers. "It determines the elasticity of prices, the awareness of cast, the possibility of repeat customers." Drabinsky's "most striking addition to the world of theatre" writes Doug Saunders (1996), is the "constant and overarching use of consumer research, polling and focus groups." Livent has even brought "consumer research and marketing strategy to bear on the creative process, placing advertising agencies at the very centre of the show."

> These techniques are employed not just as marketing tools, but as the very muse that drives script development, staging, musical arrangement and virtually everything else in the launching of the play. [....] 'We do huge amounts of research' Drabinsky said. 'You do enough research to get a show written, to rid yourself of risk.' At every stage even before the scriptwriting has begun, audiences and potential customers are polled and their responses are use to rewrite scenes, alter special effects cues, and create what Drabinsky calls 'applause moments' and 'tear duct activity.' [....] 'During the previews of our show in Toronto, every night we will have researchers at the theatre' [....] By the time the show opened in New York, it was at least 20 minutes shorter, lines had been excised and scenes altered - all the result of focus-group research (Saunders 1996).

It is hard to say how far this market testing and pre-programming will go. But as John Seabrook noted in a recent *New Yorker* article about how marketers are 'bullying content providers,' the trend is clear:

> In an increasingly cluttered marketplace, the content, which the creator supplies, and the idea about the content, which the marketer confects, become harder to distinguish from each other [....] There seems to be a new kind of creator emerging, whose job is execute the wishes of marketers and the executives in a creative way - to synthesize various

ribbons of creative input- rather than to be a solitary auteur (Seabrook 1997).

Does the constant scientific probing of audience perceptions and preferences represent a subsantila drain on our individual and collective creativity? Does every creative act and idea have to be pre-tested by consumer panels and statistical surveys? Will the rush to avoid economic risks - to meet the imperatives of the bottom line - crimp our public and private imaginations?[34]

Point and Click: tracing web surfers

The third trend spins off the mass-customization of products, programming and lifestyles that I assayed earlier. As noted, this has been apparent in the selective binding of magazines, in pay-per-view and cable television, and in the quickening pulse of seasonal fashions and sub-cultures. Now this hyper-individualization has found its apogee in the Internet. The digital interactive network has proved to be a fertile environment for constructing and expressing the myriad circus of contemporary culture and social communication. As a communications medium, the Internet is peculiarly attuned to the micro-slices and marvelous minutiae of 'post-modern' lifestyles and interests. For many, it is also the medium best suited to the precision and personalization required by contemporary marketing research and communications.

In its early years, the Internet appeared to be a self-perpetuating display of social expression, cultural obsessions, and personal idiosyncrasies, from the banal to the bizarre. Graphical interfaces and 'search engines' soon appeared, organizing and 'taming' the Internet, making it more attractive and accessible for wider audiences. Most importantly, the unique advantages and opportunities of its interactive networked architecture were becoming widely recognized, especially by commercial interests.

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[34] An additional example may help to illustrate the point. When the test pilot for the TV series *Seinfeld* was screened, the NBC research team declared it was the 'worst testing pilot of all time.' Test audiences rated the show very poorly; most executives thought the show should be abandoned. But then NBC programming head Brandon Tarkitoff understood that many of the 'greatest breakout hits' test poorly 'precisely because they are different' (Fecan 1997). Will other cultural executives be so daring and visionary?

But from the beginning, as *The Wall Street Journal* has noted, the Internet "has been a medium in search of a viable business model" (Bank, 1996). For powerful industry stakeholders, the most compelling dream was that of 'convergence:' a melding of television, computers, and telecommunications. Of course, other equally compelling visions were also held up: broad utopian notions of on-line democracy and communication, or an anarchic digital renaissance of creative expression. Elements of all three visions continue to evolve, compete and co-exist. It seems evident, however, that the vast - and largely untapped - potential for selling, marketing and distributing goods and services on the Internet is slowly edging out other uses. In very short order, 'electronic commerce' has evolved from dream to rumour to viable experiment. How exactly 'convergence' and 'the business model' will proceed remain an open question. But a number of directions, limits and pressures are already becoming clear. Already these changes are shaping the constitution of Internet hardware, content distribution and users.

The debate over the Web 'business model' comes down to a very basic question: how does one make money by creating Web sites or by generating transactions on the Internet? By the mid-90's, three basic options were apparent: charge-per-use, paid subscription and advertising. But as Hunter Madsen, VP of business strategy for *HotWired*, has pointed out, the first two quickly became 'non-starters'. Both those options require an infrastructure and a loyal audience that does not yet exist. Moreover, the culture and design of the Net ensures a constant spillover supply of 'information that wants to be free' (Madsen 1996). Advertising has thus emerged as the principal revenue generator for Web publishers and content providers.

By 1995, corporate web sites and commercial advertising were spilling across the World Wide Web. The presence of advertising and commerce on the Web - as well as the sheer growth and novelty of the medium - prompted feverish efforts to track net surfers' attention and interests. Internet service providers began to monitor the number of 'hits' or visits to Web sites; banner-ads were designed to note the number of 'click-throughs.' More ambitious tracking methods soon followed: Netscape created a piece of software, known as 'cookies,' which automatically created logs of Web surfing activities, including the duration of site

visits, resources accessed, and transactions made. Cookies provided a key advantage: they tracked usage across many sites, not just one. Even so, the net result (so to speak) of these measurements remained vague. The significance of Web site 'hits' was uncertain; in many cases, such numbers were little more than bragging points. The call for accurate and standard measurements began in earnest (Hoffman and Novak 1997).

These calls grew louder as on-line advertising became more prevalent. Web marketers and ad agencies moved swiftly to define and design the nature of digital promotions. The first major effort was the ad banner: a narrow slice of digital real-estate, squatting uneasily on Web page corners. Banner ads boldly wave brand slogans and icons at computer users. But most observers regard them as unsatisfactory creative spaces and sluggish generator of revenue. As oblique occupiers of promotional space, banners make a weak impact with surfers. As pale 'click-through' invitations, they fail to build brand image and positioning within the infinities of cyberspace. Consequently, banner ad rates vary widely; on their own, they do not provide sufficient income for most digital publishers. Other experiments in Web advertising have emerged: corporate web sites, brand modules, co-branding. This last, as noted earlier, threatens to "separate the church and state of ads and editorial." Many commercial web sites are grandiose, sprawling messes; more recent designs tend towards modesty and subtle messaging (Madsen 1996).

Given the vast array of experiment and possible placements, advertisers increasingly demand evidence that Web marketing works. They want effective Web ads to make a lasting impact with attentive audiences. They want to see the 'metrics.' Here the Internet stands on firmer ground. Web sites and ad banners offer "sophisticated targeting strategies that no other medium can match." They can find an "audience according to the target's domain, ISP, browser platform, time of day, company, search topic, nation of origin and cookie trail" (Madsen 1996, 208). With these figures in hand; agencies and marketers have been reevaluating on-line advertising, looking to additional economic models and promotional concepts. Web designers and marketers are streamlining sites, or playing with animation, software 'applets' and other enhancements. These experiments are certain to continue for some time (Taylor 1997). But at this point, Web advertising seems to be

settling somewhere between digitized direct marketing and personalized narrow-casting. Again, finding the right 'business model' is key.

Three recent Internet innovations - web-auditing, push media and software agents - provide a broad indication of where on-line marketing is headed. All three efforts are already widely used and well-capitalized. They further illustrate the direction, shape and speed of convergence on the Internet: the how, what and where of Web content delivery. On all of these issues, the ongoing constitution of Web audiences, and the methods by which they will be tracked and profiled, is crucially important.

Web auditing is similar to traditional ratings services. Advertisers use media for the delivery of audiences, in predictable quantities, at standard, comparable and efficient prices. As Web designers sought more ad revenue, proven access to stable - that is, measurable and predictable - audiences became absolutely necessary. In early 1996, a number of independent firms appeared on the scene, offering digital auditing services. A firm called DoubleClick created software that built profiles of Internet surfers: their email addresses, physical locations, surfing habits and transactions. By March 1996, it had already identified the 'cruising preferences' of 10 million Web surfers, adding 100,000 more per day. The company has contracts with 55 Web sites including GE and USA Today; it also has deals with over 100 advertisers, such as IBM and Nissan (Voight 1996). Caught off-guard by these quick-step upstart efforts, old-line firms such as Neilsen have moved into web auditing, complete with their own digital yardsticks and off-shoots.

Push media takes the Internet closer to the model of television. From its inception, the Web has been a 'pull' medium: visitors actively point and click through information and images. New services such as PointCast and Backweb turn this structure on its head: they 'push' content to viewers, delivering customized information and advertising straight to the user's screen. A personal menu of data, news and entertainment pops up directly on the computer's platform, on the start-up screen or as a screen-saver. The success of 'webcasting' provoked a virtual stampede of experiments and alliances: Philips, Sony, IBM, Time-Warner, AT&T, Viacom, NBC, and, of course, Microsoft have all crossed strategic strands and wires in 1996 and 1997. The resulting acronyms - WebTV, MSNBC, PCTV, ITV - are

the first true working models of the convergence dream.[35] Each of these services consciously draw on the broadcast model: schedules, channels, programs, digitally delivered to a passive viewer on a screen. The difference, again, is the personalized stream of choices, pre-programmed to an individual's profile and preferences. Following the push-media model, companies such as Microsoft are programming digital channels for diversified lifestyles and activities: travel, classified and real-estate listings, technology, music and automobile sales. These myriad avenues into on-line commerce will broaden and deepen the necessity for tracking consumer profiles and transactions.

Software agents jump-start the ability to trace Internet surfing into the world of artificial intelligence. Software agents are pieces of computer code that enable people to navigate through the Internet, helping them make decisions and transactions as they surf. The agents act like discerning personal assistants "that over time can learn a person's tastes - in music or news topics, for instance - and start making useful recommendations" (Lyons 1997). Consumer surveillance again meets customer service, this time in the form of a digital servant.

Until recently, such technologies were the stuff of science-fiction and futurists.[36] Now, however an American company called Firefly has actually created software agents, tested them in prerelease markets, and sold them to firms such as Barnes and Noble and America Online. There is no telling how far this might go. But the market for the 'metrics' of on-line habits and transactions is heating up. Firefly already has a dozen competitors, including IBM and Microsoft. With web technology primed for personalized services, the automated sorting of individual preferences and tastes has enormous potential. A mini-industry has quickly sprung up around these digital assistants and the data they file (Lyons 1997).

But there are a number of stumbling blocks. First of all, software agents require the cooperation of people. They need some initial training. Web surfers are

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[35] Of course, most of these technological innovations are subject to often dizzying hype and expectation. It is worth recalling that some earlier experiments in convergence - such as interactive television - quickly failed. Much caution is thus required. Radical media revolutions in media technology are being declared almost monthly. Push media is one of the latest. See, for instance, the March 1997 issue of *Wired* magazine (Kelly and Wolf 1997). Nonetheless, push technologies and its variants will make up a key sector of the new media market for the foreseeable future.

first asked to rate their preferences for services and products. You submit a list of, say, your top ten jazz CD's. Your picks are instantly compared to preferences of others, additional selection lists are bounced back, you again select more favourites. After numerous iterations and updates, new CD's or music promotions are sent your way. Additional applications are plentiful. Over time, agents would be able to plan travel itineraries, booking the cheapest fare, and recommending restaurants and hotels according to your tastes and needs. Sounds great. Or does it? For Firefly to work, users have to learn to trust the process. Software agents requires training and trust, from both parties, in both directions.

The concern about trust also extends to the issue of privacy. "Software agents can keep track of ever Web site you visit, every product you buy, every photograph you download" (Lyons 1997). That data could be shared or sold to anyone. But because agents will, in theory, help to boost sales and brand impressions, companies tend to highlight the benefits - 'it saves time, it's helpful, it's free' - and downplay concerns about implicit consent and contracts. To assuage these fears, and restore trust, Firefly, Netscape and Microsoft have recently proposed to establish an 'open profiling standard' that aims to "balance privacy concerns of individuals with corporate desires to use personal information for one-to-one marketing." Internet users would allow their personal information to flow to a visited Web site, but "users will be able to decide what, if any, part of their personal information can be distributed" (*The Globe and Mail*, May 2, 1997).

As we shall explore in the next chapter, the privacy challenges are indeed complex. For marketers, technology firms, consumers and policy makers, the debate around privacy and personal information flows has multiple dimensions. Both solutions and conflicts regarding privacy crossover with issues of economic ownership, access to information rights, the accuracy of data, copyright concerns, consumer rights and personal freedoms. Privacy is an arena of contested space, a zone of negotiation that requires consent and trust from multiple parties. Moreover, Internet data flows are just one of many radiating vectors of information in ever expanding 'networked marketplace'. Every node and conveyance of

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[36] Nicholas Negroponte called them 'knowbots' and 'intelligent agents.' More imaginative and sophisticated versions were dreamed up by the speculative writers William Gibson and Neal Stephenson: both writers refer to them as 'avatars.'

commercial exchange now becomes a site of paradox and promise, looming with lucrative potential and uncertain threat. Only one thing seems certain. The future of marketing research is coming on very fast, spreading across an intensifying environment of highly personalized commerce and communication.

Conclusion: scanning the future

> *We sit in Television City cubicles, VR rigs strapped to our skulls. grokking people's Profiles in n-dimensional Demotainment Space, where demographics, entertainment, consumption habits and credit history all intersect to define a weird imaginary universe.....*
> Neil Stephenson, "Spew" *Wired Magazine* (Oct. 1994)

The concerns about marketing research and communication cannot, however, be simply restricted to those of personal privacy. In this chapter, I have attempted to demonstrate the multiple contexts within which marketing research has developed, and pointed to some of its consequences and effects.

Post-Fordist transformations have been marked by processes of flexible re-organization and increasing specialization in the production and distribution of goods and services. The marketing and media revolutions of past decades has followed a similar trajectory. But as I have argued here, these changes are not only the result of technological innovation, expanding markets or increased channel capacity. A central force in these changes has been the redefinition and reconstitution of audiences and markets. This slicing and dicing of consumers reinforces - and recreates - an ever-evolving matrix of 'post-modern' consumer formations and identities. Beyond that, the precise mapping of consumer trends and market data has utterly transformed the means by which goods and services are designed, produced, distributed, advertised and sold. Marketing research is now an essential link in the circular chain of contemporary capitalism.

Over recent years, marketing research has also splintered into myriad forms, techniques and industries. It can operate on a vast scale - sector-wide data mining and warehousing - or be used for very particular tasks - tracking the purchasers of yogurt at one grocery store. The management of consumer data proceeds across a plethora of commercial sectors and businesses. Closely related techniques are used for political campaigns, fund-raising drives, and academic research. In most

instances, computer-driven relational databases and 'customer information systems' form the technical core of research operations. But the prevailing motivations are ones of precision and personalization. Institutions gather detailed information about consumers and markets in order to 'know customers better.' More knowledge, they say, means better service and greater efficiencies. Everybody wins.

But as Foucault reminds us, knowledge is always intertwined with power. As with other 'scientific' systems of knowledge/power, marketing research engages a "network of writing" which inscribes and integrates individuals into cumulative categories and serial averages. Such detailed dossiers give corporations added means to exercise control over the marketplace. This control is never absolute; but the capacity to collect and sort information extends one's ability to predict behaviour and direct decisions within a given arena. The construction of consumer data can be converted into real material advantage. It can influence human action, shape the built environment, alter creative expression. Marketing research today routinely affects and sustains product designs, advertising campaigns, competitive strategies, public relations efforts, service relationships and policy agendas.

The 'dataveillance' of consumers may very well improve customer service, encourage technical innovation and drive economic efficiencies. But we should not be sanguine about some of its other consequences, however subtle or indirect. I noted how highly-targeted media programming is especially susceptible to special interests and corporate influence. Excessive reliance of market testing and consumer research may also be crimping the public imagination, and stifling the creative and cultural arts. Some observers worry that 'image tribes' - as they are defined by market researchers - are tearing apart social cohesion and national communities (Turow 1997). Commentators of the post-modern persuasion would see marketing research and 'dataveillance' as a rationalized reification of the field of signs, simulated expressions, and 'play of differences' in contemporary social-cultural practices and experiences. In my view, marketing research likely plays a partial and perhaps substantive role in each of those arenas. But it can only be one of many factors, interacting in complex matrix of social and economic forces. It is, ironically, too early - and too difficult - to 'measure' the effects of consumer

surveillance on many aspects of social change and transformation. More 'research' will need to be done.

But there is little doubt, to my way of thinking, that marketing research has become a significant tool of economic and social power in contemporary societies. By placing human subjects under routine scrutiny, and converting those observations into statistical and symbolic categories of knowledge, marketing research has become an agent for, and institution of, power and influence. Of course, this capacity for cataloguing information is never autonomous. It relies on a wide network of economic resources, technical know-how, and professional expertise. Marketing research intersects with, reinforces, and extends existing relationships of power.

Nonetheless, marketing research usually requires the cooperation and consent of consumers. But exactly what role do consumers play? Where are the subjects of 'dataveillance' positioned within this field of power and knowledge? As we have seen, marketing research is being effectively 'sold and promoted' as a tool of improved efficiencies and service. But not all consumers buy this argument. Most consumers, I suspect, respond to consumer surveillance with an uneasy admixture of ambivalence and quiet alarm. They see some of the advantages. But they also know they are losing control over their own information. They see the consequences for their personal privacy. Most people feel powerless to do anything.

Evidence is growing, however, of activism amongst concerned citizens. *The New York Times* reports a 'grass-roots back-lash against telephone sales-pitches,' whereby consumers have devised various tactics to annoy callers.[37] A recent survey indicates that 'nearly three-quarters of Canadians consider marketing calls 'unwelcome and intrusive' (Gooderham 1997b). Pollsters are acknowledging an increasingly high rejection rate - recipients who simply refuse to answer questions or else hang-up. This problem seriously threatens the validity of many survey findings. A group of artists in England have created a Web-site to mock and subvert

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[37] Two of a number of responses collected by consumer groups: "First, you'll have to tell what kind of underwear you are wearing" and "Yes, my spouse is at home, but I never let him (her) to talk to strangers." (*The Globe and Mail*, June 30, 1997, A18). In addition, a service known as the "Phone Butler' is being marketed to senior citizens in the US. Pressing the star key activates the following message to unwanted telemarketers: "Pardon me, this is the Phone Butler, and I have been directed inform you

frequency shopper-programs and the 'misuse' of personal data: 'Two-Way Loyalty Works One Way,' they claim (Everett-Green 1997).[38] A number of privacy protection and advocacy centers have also emerged in recent years, especially on the Internet.[39]

Some of these activities are short-lived or diffuse in their impact. Privacy remains the primary concern for most people. But there are related concerns which are also quite serious. Many people object to a central assumption of the entire marketing research enterprise: 'you are what you buy.' The ideological umbrella of consumerism presumes people, as individuals and as social beings, can be defined primarily by their relationship to the marketplace. Others point to the inequities inherent in the disclosure of personal information. It is quite difficult, for instance, for people to access their own data, and to correct any inaccuracies. Some observers point to the potential for - or evidence of - 'red-lining.' Marketing categories could be used to exclude groups of consumers from certain goods and services. Slotting consumers into undesirable cohorts of data may restrict their access to discounted offers, loans or mortgages approvals, or otherwise restrict or discriminate against a consumer's 'rights'. I shall return to some of these issues in the next chapter.

Many of these objections arise, I suspect, because consumers simply do not trust many of the mechanisms of marketing research. These suspicions are only partly connected to privacy or the lost of control over personal data. The mistrust also derives from an intuitive sense that even the most detailed of marketing profiles are misleading and incomplete. These doubts are likely rooted, in part, in personal experience: people recall the limited choices that questionnaires and surveys provide; many queries prompt uncertain or dishonest answers; the complexities of opinion or experience cannot be reduced to tabulated responses. A recent cartoon expressed this well: "Preserve the Mystery of Life" it read, "Lie to a Pollster."

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that this household must respectfully decline your inquiry. Kindly place this number on your do-not-call list. Good day" (*The Globe and Mail*, October 3, 1997).

[38] This sarcastic campaign by Art.Net can be viewed at: http://www.irational.org/tm. Amongst their activities are efforts to fake marketing questionnaires, encourage phony responses and 'hijack' loyalty cards and numbers.

[39] The best of these is the Electronic Privacy Information Centre (http://www.epic.org.). They provide links and information on many other privacy advocates and issues.

Many other consumers recognize, irrespective of any familarity with the work of Ien Ang, that data shadows are fictional constructs, always imperfect and often wildly offbase. Some of this is based in inevitable errors. Mistakes pass from file to database and the inaccuracies are compounded. But many people also understand that even the most accurate of marketing profiles are just as prone to subjective inferences or enhancements. They can see that terms like 'boomers' 'assertive independents' or "Furs and Station Wagons" are little more than generic labels. Many consumers might accept the utility of these taxonomies, but they also resent and resist such categories for themselves. Of course, we all use such categories, to navigate and interpret our experiences and environments. But many consumers, especially those most actively engaged in material culture and symbolic style, refuse to be reduced to categories and cohorts. They want to assert creative control over their own lives and activities. And some consumers are boldly claiming a fair price for daily data they so effortlessly produce.

An employee at *Wired* magazine expressed this desire perfectly in their September 1997 issue:

> [Our] names, addresses, attributes, habits and histories are bought and sold each day. Yet the aggregation of personal facts we present and represent tells a story, a narrative even, of our journey through life. Are we not the authors? If we must lubricate the ups and downs of the information economy with our life stories, we should at least come to profit from it. Let the facts that describe us become not dividends for the data miners, but the assets of our business, the business of being alive. Your choice of cola, your telephone number, your mother's maiden name - demand that the law recognize these things are all truly yours, to be licensed and sold only by you as you see fit. The coupling of facts is a creative act, and those facts - our stories - should belong to us (Claburn 1997).

Of course, *Wired* magazine is a rhetorical oasis for radical assertions of individual rights and privileges in the information age. But similar claims for 'market solutions' to the privacy conundrums that flow from the trade in personal and consumer data are being heard in many quarters. It is one of many challenges to be faced by privacy advocates, policy makers, business leaders and consumers in the years ahead. It is to those challenges I turn to in the next chapter.

CHAPTER FIVE
PRIVACY IN A NETWORKED MARKETPLACE

The networked marketplace is now upon us. Buying, trading and selling increasingly takes place in a three-way nexus: the physical person, the corporate entity, and vectors of information that bind them. Marketplace interactions are mediated by electronic terminals, telephones and wallet cards adorned with bar codes and magnetic stripes. Proprietary data networks merge and purge vast conglomerations of financial, inventory and customer information. These data crunchers spit out endless variations of mailing lists, market profiles and psychographic portraits. This collection of consumer and market data enable businesses to predict demand and manage risk in an erratic and fast-moving global economy. The creation of remarkably detailed consumer profiles also assist and influence the design of marketing strategies, and reinforce individual and group identities with material goods and consumerist lifestyles.

But for many people, these 'data shadows' present a more immediate and sensitive issue: the erosion of privacy due to unwanted disclosures of information. The sheer precision and volume of personal data allows many institutions to construct near-perfect facsimiles of our lifestyles, movements, attributes and habits. In many cases, the collected information is of a highly personal nature, or may have been collected without any form of consent. As a result, consumers are increasingly asking themselves some urgent questions: How did they get my name? How do they know that about me? Don't I have a right to control my personal information?

These questions and concerns about privacy in the marketplace are urgent and complex. Moreover, they follow upon a long trajectory of earlier social, technical and economic developments that have blurred and altered traditional realms and values of privacy. The distinction between what is public and private has been transformed by the division of workplace from home; the rise of modern celebrity and the popular press; telephones and television; urbanization and building design. Less pervasive, but more ominous technologies also threaten our collective and personal sense of privacy: video cameras and hidden microphones; workplace surveillance; telephone tapping; remote-sensing satellites; fingerprinting

and other biometric identifiers. As a result, many industrial democracies have implemented privacy law and regulations in recent decades.

This chapter shall evaluate changing notions of privacy, and the complex challenges of implementing privacy policies today. The private sector has thus far largely escaped the net of privacy legislation in most Western countries. Bold initiatives for data protection have been established in Europe. A number of voices are clamouring for national legislation in Canada to govern private-sector information practices. In the meantime, a patchwork of voluntary privacy codes, standards and 'fair information practices' have been introduced by various governments and agencies, in Canada and abroad. Other potential solutions include privacy-enhancing technologies, marketplace mechanisms and consumer education. This chapter shall examine each of those proposals.

I shall argue that while a wide set of policy prescriptions are certainly necessary and welcome, several key stumbling blocks remain. Legal remedies in themselves will not resolve the challenges of contemporary marketplace surveillance. Narrowly defined or regionally-based privacy regimes seem unlikely to constrain cross-border data flows. Privacy laws and regulations must also struggle to keep up with technological advances, powerful commercial interests, strategies and sophistication of current information practices. More crucially, the very concept of privacy may not be equal to current structures of consumer capitalism. Privacy advocates need to directly confront the main source of privacy erosion: the essential role that personal data now plays in contemporary economies.

Personal information is a very valuable commodity in the marketplace. Private sector firms process and exchange such information in pursuit of customers, sales, efficiency and competitive advantage. This trade in consumer data fuels a number of very lucrative industries, including, but not restricted to, marketing research and communication. Consumers too are beginning to recognize the 'value' of their personal data. For many, privacy is an important but rather remote and vague concern; the links to information practices are tenuous and uncertain. Privacy advocates will need to fully explore and demonstrate those connections if a reasonable measure of consumer autonomy and personal privacy is to be maintained in the networked marketplaces of the future.

Modernity and the multiple dimensions of privacy

The concept of privacy is a highly complex and historically fluid one. The term is notoriously difficult to define, constantly plagued by "terminological fuzziness" (Lyon and Zuriek 1996). The first sentence of Alan Westin's seminal work, *Privacy and Freedom* (1967), reads: "Few values so fundamental to society as privacy have been left so undefined in social theory or have been the subject of such vague and confused writing by social scientists" (Westin, 1). The nature of what is public and what is private, and the division between these domains, remains one of the most difficult and enduring questions of social theory (Moore 1970; Sennett 1978; Thompson 1993, 238).

Most historians place the emergence of the modern sense of privacy in the period between the 16th and early 18th century (Moore 1970; Lyon 1994, 179-98). During this period, privacy emerged as a zone of retreat and solitude, a refuge from the pressures and pretense of public life and spaces. Private life was promoted by new forms of economic life, the emergence of cities and towns, the decline of collective ritual, the internalization of religious life. Gender relations and individual identity also shaped and reflected the values and spaces of private life. The private is usually associated with domestic life, the traditional preserve of women, home, family and security (Duby 1988). Beginning in the 17th century, daily work patterns and economic activity began to migrate to industrial factories and public offices; work outside the home became the 'official and professional' domain of men. These divisions of public and private substantially altered much of our urban building design and domestic architecture (Rybczynski 1986). History reminds us, then, that privacy is a dynamic social relation, always tempered by cultural values and physical environments, bounded by particular societies, places and times. The public and private realms of social life are always connected and interdependent, defined against each other.

These ambiguous and shifting boundaries continue into the twentieth century. Over the last hundred years, privacy has become closely associated with liberal notions of autonomy, freedom and individuality. It is regarded as the locus of personal life and identity, a separate zone apart from the pressures of social life. Privacy allows for a 'withdrawal from accountability,' a personal space free from

interference and intrusion. Privacy has thus been associated with solitude, intimacy, confidentiality, autonomy - all values highly regarded in modern civil societies. David Flaherty quotes Arnold Simmel in this regard: "Any invasion of privacy constitutes an offense against the rights of the personality - against individuality, dignity and freedom" (Flaherty 1989, 9). This is the dominant sense of privacy in modern societies, bound up in contemporary values of personal space, social mobility and individual liberty (Flaherty 1989, 9-10; Gandy 1993, 185-189; Lyon 1994, 184-189).

This broad notion of privacy immediately dispenses with three common misperceptions. First, privacy is not simply synonymous with secrecy, with having 'something to hide.' Such equations would allow privacy concerns to be easily dismissed or ignored. Privacy issues are relevant to all persons and groups who seek to maintain a personal zone of dignity and reserve, free from outside intrusions. Second, privacy has never been an absolute value. There has never been a clearly articulated division between the public and private spheres. Historically, human activities have always ranged across both realms, the boundaries between them continually altered by individual choices *and* the circumstances of social contexts and conventions. Concerns about privacy are thus always balanced against other values. Third, privacy is multi-dimensional. Alan Westin, for instance, distinguishes three categories of privacy: the physical, the psychological and the informational (Westin, 1967). But as we shall see, these multiple dimensions both overlap and intersect in dynamic ways. For instance, physical protection and spatial boundaries usually provide added psychological privacy and security. Likewise, informational intrusions - telemarketing calls or intercepted e-mail - can be felt as assaults on physical or psychological privacy.

It is also necessary to recall that, in many respects, we now enjoy *more* privacy than in the past (Shils 1966; Nock 1993). Many scholars point to specific improvements in the security of person and place, each occurring within complex set of changing social and economic circumstances. Edward Shils notes that the privacy of personal and primary relationships was both 'sustained and furthered' by economic and social changes in the late-nineteenth century: urbanization, the decline of moral authorities, increased residential and occupational mobility.

According to Shils, the amount of privacy - what he calls "the proportion of their total range of activity and thought that was disclosed only to those to whom the actor chose to disclose it" - has actually *increased* (1966, 320-321). For Stephen Nock, these conditions of advanced privacy are still true today:

> In the course of a typical day, are modern Americans better able to escape the watchful eyes of others than their grandparents were? Are there more opportunities to seclude oneself behind closed doors than there once were? Are more areas of life legitimately viewed as beyond others' scrutiny? (Nock 1993, 12).

In this context, privacy emerged as a largely unintended middle-class privilege, its benefits flowing to individuals in favourable social circumstances. Personal privacy was enhanced by greater mobility, improved housing, the lessening of moral and religious strictures, the dissolution of extended families, looser community ties, security and self-sufficiency amongst the middle and working classes. Privacy was further attained, and widely expected, within the domain of daily activities, of immediate social spaces and boundaries, particularly in the home. As Erving Goffman reminds us, modern life is in large part a society of strangers, one populated by largely anonymous urban and suburban dwellers. In contemporary circumstances, we have escaped the immediate and daily scrutiny of neighbours, family members, religious and civil authorities so common in colonial times and agrarian life (Flaherty, 1972).

What Shils calls the "golden age of privacy" derives, then, from the grand achievements of the eighteenth and nineteenth-century liberalism. The commercial and industrial revolutions set off home and property as the secure refuge of the family. Individual autonomy and independence were the pillars of democratic reforms and modern political philosophies. But these 'sacred domains' of privacy were primarily physical and psychological in character. Heading into the twentieth century, however, some novel threats to this 'refuge' of private space became steadily apparent. Most of these concerns issued from the expanding flow of information and communications, via the media and other large organizations. Shils centered his 1966 essay, for instance, around the 'information explosion' generated by knowledge-gathering by governments, as well as by academic

professionals, commercial researchers, and intelligence services (Shils 1966). Later commentators, particularly in 1970's, would focus on computerization and data banks; for some, this indicated *The Rise of the Computer State* (Burnham, 1980). But we would do well to remember, along with Foucault, Giddens and Beniger, that modern societies have been 'information societies' from their inception. As informational relationships between institutions and individuals have expanded and accelerated, they have challenged and altered the boundaries and expectations of privacy. Two common responses ensued: a call to 'protect' against privacy intrusions, and assertions for a 'right' to privacy.

Privacy 'rights' in the information age

It was in a now-famous 1890 *Harvard Law Review* article, written by the American jurists Warren and Brandeis, that the claim for a "right to privacy" was first declared. Arguing for the maintenance of the "sacred precincts" of private and domestic life, Warren and Brandeis insisted on the necessity for privacy in a world of ever-more pressing social demands. "The intensity and complexity of life attendant upon advancing civilization," they wrote, "have rendered necessary some retreat from the world." They thus conceived of privacy as the "right to be let alone." The individual has a right to determine "to what extent his thoughts, sentiments and emotions shall be communicated to others." In asserting this right, Warren and Brandeis reached to the traditions of common law, and the principles of an "inviolate personality." Warren and Brandeis set out their 'right to privacy' directly in response to press accounts of the private lives of public figures, including Warren himself.[40] In doing so, they positioned privacy squarely against the growing external intrusions of modern life.

Following that formulation, privacy has been primarily defined as an *individual* right, oriented around solitude and anonymity, a protection against outside interference and publicity. Privacy rights are placed at odds with social interests and activities. In other words, privacy was conceived in classic liberal

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[40] The American historian Stephen Kern (1985) notes that this landmark article was triggered "by the harassment that Warren suffered in 1883 when a newspaper published lurid details about his married life." Kern further cites a *New York Times* article from 1904 complaining about "Kodakers lying in wait" invading the privacy of public figures. The penny press, in particular, was exploiting a widespread fascination with the private lives of celebrities and other 'public' persons.

terms as a *negative* right: the ability to protect against or prevent unwanted communication or publicity. This broadly corresponds to Westin's notions of physical or psychological privacy: non-interference in one's private affairs. The 'mechanisms of intrusion' that Warren and Brandeis cited continue to multiply: telecommunications, video cameras, wiretapping, computers, and satellites. Intrusive publicity from the mass-media and unscrupulous photographers continue to raise conflicts around privacy and freedom of the press.[41]

When considering the realm of 'informational privacy' in his seminal book *Privacy and Freedom* (1967), Alan Westin argued for a more *positive* right to privacy. He defined the right to privacy as an individual's or group's claim to "determine for one's self when, how and to what extent information about one's self is communicated to others" (Westin 1967, 39). There is a clearly discernible shift away from seeing privacy as a protection *against* intrusions to the assertion of a 'right' to *control* access to or flows of information about oneself. What remains intact is the notion that privacy and social participation are competing desires, an arena of conflict and negotiation that each individual must resolve. Westin believes that every individual seeks to establish a balance between the two, through a "personal adjustment process" (1967, 7). In other words, privacy is viewed strictly in terms of its value to the individual.

David Flaherty has enlarged and itemized these 'rights' in what he calls the "privacy interests of individuals in information about themselves" (Flaherty 1989).

- the right to individual autonomy
- the right to be left alone
- the right to a private life
- the right to control information about oneself
- the right to limit accessibility
- the right of exclusive control to access of private realms
- the right to minimize intrusiveness
- the right to expect confidentiality
- the right to enjoy solitude
- the right to enjoy intimacy
- the right to enjoy anonymity
- the right to enjoy reserve
- the right to secrecy

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[41] The tension between publicity and privacy is more complex than ever. The relationship between modern celebrity, the media and privacy is just one aspect of a many-sided issue; Gates (1997) and Robertson (1997) each provide a fascinating - and highly contemporary - accounting of those concerns.

Flaherty sees this list as an "inventory of the ultimate values" that ought to serve as a basis for more "detailed information-control principles and practices" such as data-protection laws. In other words, any such list of privacy rights are necessarily idealist in conception, while in practice "the protection of privacy requires the balancing of competing values" (Flaherty 1989, 6-9). As we have seen, such values can include the freedom of the press, a public interest in the provision of government services or maintaining criminal records, and many legitimate business interests, such as efficiency or innovation. All privacy advocates, including Westin and Shils, recognize the need for a careful weighing of these values and interests; most also see, with Flaherty, that the forces "promoting surveillance are so powerful that playing field is hardly level" (1989, 10).

The question then becomes: how can privacy interests best be established to counter these powerful forces? More specifically, are current conceptions of 'privacy rights' - which flow from a claim to assert individual control over personal information - adequate to the complex matrix of contemporary data practices in the private sector, particularly in marketing research and communications? Is the individualist conception of privacy too narrow? Is there a wider social or collective value in privacy? How might these 'rights' be transferred to practical principles or implemented in law? Are privacy rights best asserted through a 'property right' in personal information? I will address each of these questions in the sections that follow.

As we have seen, most legal and philosophical approaches to privacy stress the goal of protecting an individual value or interest. Westin assume that people can fully control, barter or trade information about themselves. On the face of it, this is plainly unrealistic. Even in the most mundane circumstances - think of everyday gossip - who can ever fully control the flow of information about themselves? The arena of commercial and administrative information flows is much more complex. To be sure, people do often willingly share or disclose information about themselves in exchange for goods or services. But in practice, they have little control over the dissemination or usage of their information.

In most cases, when personal information is collected, it is quickly integrated with other types of information. Personal data becomes valuable as part of the

aggregate of company records. Many types of personalized information, such as telephone numbers, are legally considered to be the property of the organization, not the individual. Consumer data is routinely sold to or exchanged with other organizations, or can be repackaged by third-party information brokers. Information held by one firm is often considered valuable to other organizations. There is also increasing trade between 'public' and 'private' agencies, even as the traditional boundaries between state and commercial organizations are breaking down. As Colin Bennett puts it:

> 'Public' agencies regularly use information from banks and credit card companies for 'public' purposes. 'Private' bodies regularly use mailing lists derived from 'public' agencies. 'Public' functions, once performed by 'public' agencies, are increasingly, in the age of privatization, performed by 'private' agencies (Bennett 1996b, 255).[42]

Moreover, in many public or state agencies, information disclosures are non-voluntary, or required by law. Tax and property records, social security information, and driver's licence data are supplied for the 'public good.'

In other words, most people today have few opportunities to control or understand precisely where and how their own personal information might be used. The 'networked marketplace' of information is capricious, its flows are unpredictable. In these conditions, the implications for personal privacy are unclear; people are forced to exchange information and make privacy choices with incomplete knowledge about the conditions of disclosure. Some degree of personal control of information may be asserted, but is always done so in circumstances of uncertainty and asymmetry of power.

Consumers are thus at a disadvantage when negotiating the conditions of information disclosure and exchange. "Information is not a thing, an entity" write Kevin Robins and Frank Webster. "It is a social relation, and in contemporary capitalist societies it expresses the characteristic and prevailing relations of power" (Robins and Webster, 1988). These asymmetries of power take many forms in relationships of information. Mail order, catalogue or telemarketing offers may

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[42] One local example of this - as I write this - is the privatization of BC Online. Serious questions are being raised about the maintanence of privacy provisions as the adminstration of public data bases are sold to private concerns. See Boei (1997).

adjust prices or discounts according to presumed income or interests. Statistical profiles, postal codes, and telephone exchanges have been used to refuse or alter offerings of insurance plans, mortgage rates, and bank loans. Data streams routinely precede voice contact on many computer-assisted telephone services; callers classified as bad credit risks or unlikely sales prospects are re-routed to busy signals, queues, or recorded messages (Novek et al, 1990; Ruggles 1993).[43] This is particularly troublesome when data collected is inaccurate, improper inferences are made or when consumers are unaware of how and when such data is being used. In sum, the trade in personal information can reduce consumer sovereignty, by restricting their relative position of negotiation in the marketplace.

These disadvantages are overlooked in the liberal or individualist notions of privacy, which assert that every person can set their own levels of privacy, and make consumer choices accordingly. But people are rarely able to simply choose or establish such preferences. It is more common for 'privacy choices' to be offered *by* organizations *to* consumers, often under highly restrictive conditions. Examples include such 'negative marketing options' as 'opt out' provisions on information forms, and 'block' options in Caller ID telephone services. In these cases, consumer privacy will not be protected unless explicitly requested by individuals. The onus is on the consumer; the default option is full disclosure and trade in personal information. In sum, the informational relationships that now intersect everyday economic exchange are increasingly shaped by varying contingencies of trust and distrust, doubt and persuasion, power and negotiation. Privacy can not then simply be reduced to a matter of personal preference. Boundaries and expectations of privacy, rather, are shaped under the influence of multiple social forces and institutional interactions, particularly those within the marketplace.

Negotiating privacy in the marketplace

At present, the marketplace gives consumers very limited options with respect to their personal privacy For many, the only option available is to exchange

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[43] To my knowledge, documented cases of such 'redlining' are relatively rare. In Canada, such activities could contravene sections of the Competition Act, i.e. 'discriminatory pricing.' But it is not clear if this would apply in business-to-customer exchanges. To my knowledge, no such cases have been tested.

information for some immediate material benefit or incentive. People seem willing to 'trade-off' privacy for commercial or service benefits. Even the promise of convenience or 'ease-of-use' is reason enough to disclose personal data. Many people seem to accept the loss of control over their data; any felt loss of privacy is vague or fleeting. This has led some observers to claim that "people do not care enough about privacy to value it" (Gotlieb, 1996). Any such conclusions, however, are premature.

As Priscilla Regan points out, these 'trade-offs' are now acceptable because privacy is increasingly viewed as an item of "purely individualistic calculation." This is the result, Regan argues, of the liberal tradition of 'privacy rights' - where "privacy inheres in the individual as individual" (Regan 1996a, 33.) Privacy is reduced to an end in itself.[44] As we shall see, such liberal conceptions ultimately look to the marketplace to resolve privacy concerns. Many privacy scholars argue that personal information should be "defined as property right" (Westin 1967, 324-325). These marketplace solutions come under many guises, and are often persuasive and powerful. But as I argue towards the end of the chapter, they present a number of shortcomings, and throw up additional problems as well.

By contrast, Priscilla Regan argues that "privacy's importance does not stop with the individual." She claims that recognizing the "social importance of privacy will clear a path for more serious policy discourse about privacy and for more effective public policy protecting privacy" (Regan 1996a, 33). Privacy, she argues, also serves common, public and collective purposes (Regan 1995; 1996a, 33-39). In widening the value of a 'right of privacy', Regan seeks to emphasize the integral connections between personal privacy and engagements in public life, between individuals and social institutions. Privacy is necessary to create and maintain relationships and interactions in a pluralistic realm of civic, commercial and non-profit organizations. To support this claim, Regan points to polls that indicate that people's concerns about privacy center on their relationships with institutions, not with the intimacies or friendships of personal relationships (Harris and Westin 1979, 1990). Moreover, in this view, the autonomy and security of privacy provide benefits not simply to atomistic individuals, but to the society as a whole. On a

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[44] James Rule calls this narrow vision an *aesthetic* notion of privacy (Rule, 1991).

more pragmatic level, privacy assures individuals of confidence and integrity in their everyday communications, affording a crucial degree of trust in their interactions with institutions and other individuals. This is quite evident today on the Internet, as the providers of electronic commerce and communication rush to assure customers and web surfers of 'security' in their digital interactions.

The disclosure of information, then, can never be a fully independent or personal decision. It takes place within a complex matrix of economic incentives and social conditions; it requires negotiation between individuals, groups and institutions. Nor does surrendering personal data indicate acquiescence to computer surveillance or an indifference to privacy concerns. In most instances, it merely demonstrates the unequal position of consumers relative to information brokers, communication companies, or marketing firms. The loss of privacy is a symptom of a greater degree of institutional power and the control such agencies maintain over the conduits of information.

What is required, then, is an expanded and more pragmatic vision of privacy, one that is fundamentally *strategic* in nature. Rohan Samarajiva points in this direction, calling for a more balanced and socially nuanced definition of privacy. He sees privacy in terms of an ongoing negotiation: "the capability to implicitly or explicitly negotiate boundary conditions of social relations" (Samarajiva, 1993).[45] This does not mean, however, that privacy boundaries can be set through the simple assertions of individuals; rather, our 'subjective' expectations are always conditioned by economic, technological and cultural forces. This broader conception rescues privacy from an 'individualist' or 'protectionist' approach, and elevates it to much larger stage, one of mutual standards, obligations and responsibilities. These would be established through careful evaluation and negotiation among multiple parties, adaptable to varying circumstances. Of course, this should not preclude persons from safeguarding their personal privacy; indeed, consumer vigilance remains centrally important. Ideally, this would compel private-sector institutions to recognize the mutually beneficial advantages of widespread privacy protection

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[45] Samarajiva borrows this insight into a nuanced privacy negotiation from research in the social and behavioural psychology (Petronio, 1991). It places the management of information at the centre of all types of relationships and insists that managing and coordinating private information "contributes to a sense of autonomy and independence." In this way, the "management of privacy . . . balances individual identity with social interaction" (Petronio, 1991).

and regulation. It would shift the onus of privacy away from individual consumers onto all organizations that collect, process or trade in personal information.

While the root concept of privacy is often burdened by opaque definitions, substantial efforts have nonetheless been made to establish legal and regulatory frameworks to constrain privacy erosion. Many of these efforts have been inspired by growing public concern about privacy issues. A 1992 EKOS survey revealed that more than 90 percent of Canadians are concerned about privacy issues; 80 percent believed that computers endangered their sense of privacy; 60 percent believed there is now less privacy than there was a decade ago (EKOS Research Associates, 1993). In a 1993 survey by Equifax, a majority of Canadians (64 percent) agreed that "consumer have lost control over how their personal information is used by companies." A more recent 1994 poll by Gallup Canada showed 85 percent of Canadians feared loss of privacy as a result of using the 'information highway' (Rowan 1994).

These findings demonstrate that citizens and consumers voice concern about privacy primarily in the context of their relationships with institutions. American surveys indicate similar findings: increasing concerns about privacy stem from the intrusions of technology, government files and marketing activities. Privacy is not seen to be endangered in personal relationships and domestic situations - those environments where people have the most control (Harris and Westin 1990, 1991; Regan 1996, 35). Only 18 percent of those surveyed by EKOS said they had experienced serious privacy invasions; of the 3 per cent who gave examples, 'crime, physical disturbance and harassment' topped the list. Another way to interpret these findings is to distinguish between privacy invasion and privacy erosion. Direct privacy intrusions are comparatively rare; but there remains substantial concern about and high awareness of privacy, even if the sources of privacy erosion remain abstracted and diffuse. Consumers sense a real loss of privacy, in other words, but allow that these infringements are 'invisible' and 'out of control.' They are attributable only to the broadest forces: governments, bureaucracy, marketers. Moreover, consumers can identify few avenues to slow the erosion of privacy or mitigate information disclosures. Hence, consumers are both anxious and ambivalent about privacy issues.

Regulating privacy

Privacy laws, regulations, and 'fair information practices' for the public sector have already been established in a number of Western countries. While not without their problems, many of these policies have met with a reasonable degree of success; in a few jurisdictions, similar standards or laws are being extended to the private sector. But regulating privacy in the global information economy presents some formidable challenges. Information is a highly valuable commodity in the private sector. Attempts to restrict its flow will be met by substantial political, legal and economic arguments. Additional measures for the private sector will need to be considered: international agreements, technical solutions, and a number of marketplace mechanisms. As Colin Bennett writes: "The 'search for solutions' in any jurisdiction must encompass the full range of different policy instruments within the 'toolkit' of data protection" (Bennett, 1996). The pressure to solely rely on technical fixes or marketplace solutions, however, is considerable; countering such one-track solutions will be the greatest challenge ahead for privacy advocates. Consumers must be assured of their privacy in order to be full and active participants in the social marketplace. Negotiating a balance between privacy and participation will require that equitable conditions of trust, obligations and responsibilities be established by marketplace institutions, complete with a strong set of privacy guidelines and compliance rules.

Nonetheless, the present 'information age' presents substantial new challenges to privacy. Most of the response, in Western countries, have been formulated as legal protections and regulatory principles.[46] I have cast these multiple efforts into three general categories, outlined in detail below: privacy laws and rights (including federal, provincial and sectoral statutes in Canada); fair information principles and privacy codes (with special attention given to the European 'Directive on Data Protection'); and privacy standards. I shall discuss each of these in turn, beginning with the constitutional protections and international conventions, then to legislative regimes, especially those in Canada, and then on to

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[46] The best treatments of privacy policy and legislation are David Flaherty's *Protecting Privacy in Surveillance Societies* and Colin Bennett's *Regulating Privacy* (1992), two excellent comparative studies; Priscilla Regan's *Legislating Privacy* (1995), a study of US privacy laws and traditions; and H. Jeff Smith's *Managing Privacy: Information Technology and Corporate America* (1995), a study of the ambiguities of information privacy in US commercial sector.

a variety of self-regulatory codes and principles. While few of these regulatory regimes apply directly to questions of information practices in the commercial sector, both the questions posed and solutions provides by these efforts are nonetheless highly relevant to issues of marketing research and 'dataveillance.'

Privacy Rights and Laws

Despite the voluminous discussion of 'privacy rights' in legal and academic circles, the 'right to privacy' has only rarely been explicitly protected in national or state constitutions. Statutory and common law provisions are much more common, particularly with regard to concerns about privacy and data protection.

The Canadian *Charter of Rights and Freedoms* does not include an explicit right to privacy; only section 8 provides a limited right to privacy through the right to be secure against unreasonable search or seizure.[47] The province of Quebec, by contrast, has entrenched a general right to personal privacy in Section 5 of its *Charter of Human Rights and Freedoms:* it guarantees everyone the right to respect for his or her private life.[48] Canada does subscribe to the *Universal Declaration of Human Rights,* set out by the United Nations in 1948. Article 12 states that no one shall be subjected to arbitrary interference with his or her privacy and everyone has the right to legal protection from such interference. This declaration, however, is not legally binding or enforceable. (Alter 1996).[49]

Starting in the mid-1960's, a wide-ranging debate emerged about computers and privacy, prompting a flurry of reports and commissions in Canada, the United States and Europe. These concerns prompted a number of significant data protection laws at national and state levels. By the late 1980's "every Western industrial nation either [had] a data protection law in place or [had] one under active consideration" (Flaherty 1989). The first Data Protection Act was enacted in the German state of Hesse in 1970. Sweden passed the first national data protection act

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[47] In 1991, the Privacy Commissioner of Canada formally appealed for an express right of privacy be added to the Constitution. Such a right, however, was not included amongst the proposed - and ultimately unsuccessful - amendments of the Charlottetown Accord.

[48] A 'right to privacy' is enshrined in both Quebec's Charter of Human Rights and Freedoms (1975), and its Civil Code (1991), where privacy is recognized as an attribute of personality.

[49] Canada also subscribes, however, to the binding and enforceable *International Convenent on Civil and Political Rights,* set out in 1976. Article 17 of the Convenent restates article 12 of the Universal Declaration.

in 1973. West Germany followed with the Federal Data Protection Act in 1977. In general, these laws sought to 'ensure against the misuse of personal data' and 'protect the personal interests of the individuals affected by the storage and retrieval of their data' in the public sector.[50] The respective Acts also established data protection commissioners, agencies or directors-general, committed to independent oversight and implementation of the legislation.[51]

By contrast, the United States still does not have a data protection agency; it is virtually alone amongst Western industrial democracies in this regard. The US did pass a federal Privacy Act in 1974, which was quite influential in its time, especially for its innovative code of 'fair information practices' for the collecting and handling of personal data by the federal government. The Act itself, however, has been largely ineffectual, burdened by weak and very diffuse oversight mechanisms, and rife with loopholes. Of particular concern is the Act's concept of 'routine use', whereby agencies are permitted to disclose a personal record "for a purpose which is compatible with the purpose for which it is collected." At a oversight hearing in 1983, one commentator noted that "in practice this has come to mean any use which an agency deems to be appropriate" (Flaherty 1989, 323). The United States does, however, have a substantial record of sectoral legislation, as well as a long history of court decisions that provide often flexible remedies for protecting privacy (Flaherty 1989, 305-320).

All of these legislative efforts, including subsequent Acts in France, the Netherlands, Australia, New Zealand and other countries, cover the processing of personal data in the public sector: that is, government departments, agencies and, in many cases, bodies such as the police, municipalities, and universities. A pressing issue for most of these countries is the extension or applicability of such laws to the private sector. I shall attend to those questions shortly. But first I will outline privacy provisions and protections in Canada.

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[50] It is interesting to note that explicit definitions of privacy or surveillance have not generally been considered necessary for effective legislation (Flaherty 1989, 30-35; Lawson 1993, 437).

[51] These oversight bodies and 'watchdogs' often have quite different levels of responsibility and powers of compliance in different countries. But in general, they are responsible for the following functions: complaints investigation, resolution and mediation; advice on privacy implication of new technologies and information practices; research and reports to governments; public education. See Flaherty (1989) and Bennett (1992).

Federal and Provincial Statutes in Canada

As with many other countries, Canada established a *Task Force on Privacy and Computers* in the early 1970's. Subsequent legislation was passed in two stages, in both cases coupled with related legislation. The Canadian Human Rights Act of 1977 introduced principles of fair information practices for the federal public sector, and created the post of the privacy commissioner. It was widely understood to be a "very modest piece of law-making," largely an "experiment to find out where the problems really were in data protection" (Flaherty 1989, 245).

The 1982 Privacy Act was paired with an Access to Information law, and came into force in 1983. The Privacy Act set up a separate office for the privacy commissioner, and gave it a more active role. The Office no longer only responds to complaints, but can launch independent investigations and audit the compliance of government institutions to the code of fair information practices (sections 4 to 8 of the Act). Many aspects of oversight and statutory responsibility, however, are shared with Parliament, the Treasury Board, the Department of Justice, the Federal Court of Canada and the heads of individual government bodies; this has resulted in considerable diffusion of decision-making powers, and requires the privacy commissioner to be a strong and active catalyst to ensure effective implementation (Flaherty, 248-252). A 1987 report by the Standing Committee on Justice and Solicitor General recommended that the Privacy Act be amended to apply privacy protections to the federally regulated private sector. This has not yet be done.

Provincial Acts are now in place in Quebec, Ontario, Saskatchewan, Alberta and British Columbia. Each of these acts largely conform to, and in some cases, strengthen the provisions of the federal law. Each provincial act also established respective privacy commissioners. British Columbia, in particular, is considered to have amongst the most effective public sector privacy legislation in the world; it has particularly strong oversight and compliance mechanisms, and its directives have the force of law in most instances. The BC Act also extends to universities, police forces, municipalities and other public sector agencies.

In Canada, only the province of Quebec has enacted data protection laws for the private sector. Quebec's "Act Respecting the Protection of Personal Information

in the Private Sector" (Bill 68) came into effect in mid-1994, and requires marketers who are collecting personal information to obtain informed consent. The Act expands upon the standard definition of consent to include knowledge of the intent of such data collection, the use to which it will put, the length of time it will be kept, and the right to access and correct it. Businesses are compelled to ensure the information is up to date and accurate and may not release it to a third party without permission from the consumer. Failure to comply results in substantial fines and penalties. The Act entrusts an independent tribunal with responsibility for settling disputes. For many privacy advocates, Quebec's Act is a model of data protection.

It remains to be seen whether similar statutes will be enacted in other provinces. A more likely scenario is legislation at the federal level. In the fall of 1996, then Liberal Justice Minister Allan Rock promised privacy legislation pertaining to the private sector would be in place by the year 2000 (Duffy 1996). Other possible federal initiatives, such as constitutional entrenchment of a right to privacy, are probably even further off; such measures would require much more political and public consciousness of privacy issues than is currently evident.

Sectoral Statutes

Beyond Quebec, private sector information practices remain largely unregulated in Canada. To be sure, sectoral statutes in Canada do address certain issues in the commercial sphere. The Telecommunications Act (1993) has two sections which directly pertain to privacy. Section 7i affirms that the Canadian telecommunications system has as one of its objectives to "contribute to the protection of the privacy of persons." Section 51 of the Act covers unsolicited telecommunications, noting that it is "necessary to prevent undue inconvenience or nuisance, giving due regard to the freedom of expression." But while this legislation displays good intentions, it sets out no mechanism to distinguish or prioritize competing objectives contained within the Act. The privacy provisions rarely set out a effective regime to balance privacy with other values and interests. For instance, the Telecommunications Act includes goals to "foster increased reliance on market forces" and encourage "innovation in the provision of

services."[52] The widening arenas of telecommunication channels and services also need to be addressed. Will the newer cable, cellular and satellite services be covered by the privacy provisions of the Telecommunications Act? (Straatsma and Murray 1996).

In most cases, North American jurisdictions rely on existing legislation covering the marketplace to regulate the information practices of marketers. The Competition Act of 1986 covers unfair and deceptive marketing practices, and can be extended to misleading practices in direct mail, for example. But the Act does not broach issues regarding the exchange of personal information in commercial transactions; these might be more properly placed within the sphere of consumer protection laws. In Canada, such laws generally fall under provincial jurisdiction. For example, a number of Provincial Acts set out rules about credit and banking records; these rules determine what type of information can be collected and how it can be used. While these laws provide ample access to personal credit data, and recourse to correct inaccuracies, few Canadians even know that they have such rights.

In the absence of adequate legislation for the private sector, Ian Lawson points to common law and torts as the only current possible remedies (1993). In an exhaustive review of case studies, Lawson suggests a number of legal avenues: torts regarding trespass to the person or chattels (i.e. one's papers and possessions); torts of nuisance and negligence; torts of defamation; breach of contract and/or confidence. Lawson acknowledges, however, that few such torts have been tested in Canada with regards to private sector information practices, and that excessive reliance on individual court actions is less than desirable. In conclusion, Lawson concurs with Colin Bennett, writing that "legislation to protect privacy must therefore be the subject of careful planning and sophistication from several perspectives." Furthermore, and perhaps with the legislative actions of Quebec in mind, he states: "A statutory regime of data protection, however, emerges as a

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[52] Two important test cases regarding information management and telecommunications have implications for consumers. The first concerns incoming call identification or call management services. The CRTC decided that Canadians would not have to pay for instituting a program of "universal call blocking." In the second case, the use of automatic dialing devices was heavily curtailed. Unlisted numbers had to excluded, and customer complaints about two or more unwanted telemarketing calls

significant priority, if only to conform with the new international standards for the protection of personal information in the private sector" (Lawson 1993, 442).

Fair information practices and voluntary codes

The first efforts to establish internationally-relevant privacy codes regarding information practices originated with the Council of Europe in the late 1960's. Over a decade of work produced Convention 108, a resolution to "protect individual freedoms by placing limits on the collection, storage and transmission of personal information" (Cavoukian 1995; Bennett 1992). The US Department of Health, Education and Welfare developed the Code of Fair Information Practices in 1973. The Organisation for Economic Development and Cooperation (OECD) adopted and extended these guidelines in 1980, as part of provisions concerning 'transborder data flows.' These guidelines set up what are now commonly known as 'fair information principles' and are recognized internationally. As noted earlier, these principles have been incorporated into privacy legislation and policy in many countries.

At a minimum, fair information practices or principles involve the following:

- *right of notice*: the need to obtain informed consent when data is collected, to clearly notify of purpose for the data collected
- *right of reply*: the ability of an individual to access her records, confirm or challenge their accuracy, and obtain correction
- *limits and use*: limits can be set on the collection, use, and type of data, i.e. data must be gathered for specific purposes, and used within specific time
- *prohibitions on third party use*: limits on disclosure, loss, or unauthorized use; additional prohibitions on non-related or secondary use
- *protection of security*: technical safeguards against unauthorized access.

These principles have the primary advantage of flexibility. They can be adopted under a range of varying conditions: as a supplement to legislation (as in New Zealand, the Netherlands and Britain); as internal or voluntary guides for companies (such as credit card and credit reporting firms); as constraints on certain practices or functions (do not mail/call services in direct-marketing companies or

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within 30 days could result in five-day suspensions by the local telephone company. Further infractions could lead to termination of service. See Straatsma and Murray (1996).

associations). They have been very useful in publicizing privacy concerns and educate consumers, citizens and corporate managers about the complex issues involved.

Fair information principles have been adapted as voluntary technical and professional codes in the private sector. In Canada, voluntary codes have been set up by several information-intensive industries, including telecommunications, insurance and banking.[53] Voluntary codes provide several advantages. Compared to a set of rules 'frozen in a statute,' codes can be easily adapted to rapid technological change. Codes can be specifically tailored to particular activities, with several codes perhaps applying to large data users. They also allow for close cooperation between data users and data subjects (Lawson 1993, 431-432). Private sector codes can help fill the gaps left by the slow pace and jurisdictional difficulties of legislative action. Voluntary codes were therefore initially endorsed by the Privacy Commissioner of Canada, the Justice Department and other levels of government (Privacy Commissioner 1991, 16-17; Lawson, 432). With a few years, however, some of these views changed. In its 1994-1995 *Annual Report*, Canada's Privacy Commissioner stated: "It is evident that a self-regulatory and entirely voluntary code is out of step with both the enormous social implications of technological change, not to mention rising public concern....Voluntary codes not only deprive the public of legal protection, but may well deceive us into relying on a chimera" (Privacy Commissioner 1995, 15).

Some of the weaknesses and drawbacks of private-sector privacy codes have been noted by Colin Bennett (1996b) and Ian Lawson (1993). In general, self-regulation of this sort usually suffers from fundamental conflicts of interest. Regulatory powers and principles tend to derive from a self-interested perspective, rather than that of the public interest. Complaints processes are often located within the same organization that holds the personal data in question. Many industry codes are not necessarily accompanied by careful internal analysis or audits of actual data-processing practices. Jeffrey Smith (1994) argues that corporate managers see

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[53] In Canada, these include the Canadian Life and Health Insurance Association's model guidelines for a "Right to Privacy" (1980); the Canadian Banker's Association's *Model Privacy Code for Individual Customers* (1990); Bell Canada's *Code of Fair Information Practices* (1992); and the Canadian Direct Marketing Association's *Code of Ethics and Standards of Practice* (undated).

privacy codes as 'symbolic statements' of what they hope or perceive to be company practice. Private sector codes or voluntary regimes are often developed so as to forestall statutory intervention.

Most significant, none of these codes embody any effective sanctions for non-compliance. As Ian Lawson points out, even the harshest penalties, such as cancellation of membership in the professional body, will "not have a dramatic impact on the activities of a company with poor information practices" (Lawson 1993, 433). Sanctions that do apply are not industry-wide, but are restricted to association members; restrictions on data practices are reliant on consumer complaints or action.[54] Company-specific codes are even more problematic. No sanctions of membership privileges are available. Responsibility for ensuring compliance rests within senior management ranks; this is true with Bell Canada's code, for instance. This provides few or no avenues of remedies or compensation to injured parties when the code is violated (Lawson, 1993. 434).

In addition, many observers note that private sector codes are adopted when they accord with their market or profit interests (Bennett 1996; Cavoukian [redacted] Smith 1994). Businesses generally have technical or fiscal incentives to install security measures or restrict data collection to 'relevant' or 'specific' purposes. But private sector companies are much less likely to implement or maintain practices that entail substantial financial resources or staff time. The result is what Jeffrey Smith calls privacy 'gaps' and 'dissonances.' In his book *Managing Privacy* (1994), Smith highlights the "drift/external threat/reaction cycle" prevalent in corporate decision-making processes regarding privacy. This leads to substantial problems with a "policy-practice gap." In an extensive study of corporate policies and interviews with business executives, Smith found that few companies or executives expressed interest in adopting or leading privacy policy initiatives. Those firms who lead the pack "saw this goal as one of competitive advantage - having better controls on privacy than competitors, and promoting that advantage to people" (92-93). For

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[54] For instance, the Canadian Direct Marketing Association's 'code of ethics' covers over 1000 members, representing 80% of the direct marketing industry in Canada. It provided various mechanisms to "opt out" or remove your names from mailing lists. It also allows consumers to see and correct information held by member companies. Of course, as with most voluntary codes, the onus on the consumer to restrict these information practices. In the absence of consumer action, personal information may be freely traded to third parties.

Smith, these hesitant and piecemeal attitudes "leave large holes in privacy policies and leads to numerous gaps between [official] policies and actual organizational practices" (Smith 1994, 95). In other words, privacy principles and voluntary codes are more extensively discussed than applied.

The European Directive

Private sector adoptions of fair information practices or privacy codes will only be marginally effective in the absence of other strong policy or legal instruments. This was clearly recognized by the drafters of Quebec's private sector act. Similarly, in July 1995, the member states of the European Union adopted a "Directive" on the "Protection of Individuals with Regard to the Processing of Personal Data." This directive was adopted after five years of consideration, consultation and lobbying by various stakeholders. The Directive contains provisions covering both the public and private sectors, and all member states were expected to incorporate it into their national legislation within three years (by 1998). The Directive governs the collection, storage, use and communication of data, and clearly recognizes a citizen's right of access to and correction of information concerning their person.

One of its provisions (Article 25) has garnered much notice, especially from international businesses and marketers. This provision restricts the export of personal information from a European country to a country that fails to offer "adequate" level of protection. This 'adequacy provision' has since spurred much discussion and uncertainty in business and regulatory circles in North America. According to most privacy advocates, including the Federal Privacy Commissioner, only Quebec's private sector law (Bill 68) will meet the EU standard, but the voluntary, self-regulatory codes used in the rest of Canada will not. The Directive may also prove to be a serious impediment for some Canadian businesses in the information industry (Alter 1996; Bennett 1996a).

There has also been considerable consternation in US business circles, where no law or policy comes close to the European standard. In this respect, privacy protections may give some Quebec and Canadian information companies a

'comparative advantage' with regards to 'adequately protected' transborder data flows of personal information.

Privacy Standards

Some other arenas of regulation offer more immediate and intriguing potential. Regulatory standards such as that proposed by the Canadian Standards Association are one such measure. In 1992, the CSA began investigating a national privacy standard for the handling of personal information by Canadian companies and organizations. In September 1995, the CSA ratified the "Model Code for the Protection of Personal Information" and released it publicly in March 1996. The code is meant to parallel the certification procedures of 'quality management standards' such as the ISO-9000 series currently being adopted widely by private sector firms in North America and abroad.

The CSA Model Code details how personal information should collected, retained, kept up to date, used and disclosed, following an agreed upon set of principles. The CSA code is in many respects an adopted version of the OECD principles; it does, however, place more emphasis on enforceability and compliance. Each organization must designate an individual to be accountable for compliance with the fair information principles. This puts more responsibilities and obligations onto organizations, rather than placing the onus primarily on consumer or clients. Moreover, the standard represents a significant step in consensus-building on complex privacy issues; stakeholders included various Canadian levels of government, consumer groups, key industry sectors and privacy advocates.

Colin Bennett sees several advantages to the standards approach, as compared to current voluntary practices and codes in the private sector.[55] He argues persuasively that the CSA Standard represents a unique Canadian approach to data protection. It can be, in his words, "more sensitive to emerging technological advances and business interests in the increasingly interconnected and competitive global economy" (Bennett 1996b).

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[55] Colin Bennett was a participant/advisor to the CSA Model Code process. See his *Implementing Privacy Codes of Practice: A Report to the Canadian Standards Association* (Rexdale: Canadian Standards Association, 1995).

A privacy standard could be a important reference in private and government contracts for data processing services. It would measure up to the Quebec Bill 68 provisions regarding interprovincial data flows, and the 'adequacy' provisions set by European data protection authorities. For instance, organizations would be pressed by clients, customers and governments to demonstrate a fair degree of privacy controls in their information practices. To gain accreditation to the standard would require independent and regular privacy audits.

At time of writing, however, no decisions of yet been made about mechanisms for implementation and oversight. According to Bennett (1996b), once an adequate registration system is in place, the CSA Model Code would "cease to be a voluntary mechanism... [and] would build a more consistent and credible system of verification than occurs at the moment." Businesses and other organizations would be required to "produce a code and an operational set of guidelines." Over time, a registration scheme would provide a consistent means to evaluate and monitor the claims made by companies about their information practices. Certification procedures would be similar to those of ISO-9000 standards. This would signal a real advance over voluntary codes, which provide few opportunities for verification and compliance.

Most importantly, the CSA Model Code might encourage the adoption of privacy standards and principles throughout the marketplace. It could promote more consumer awareness; become a 'reference' standard in private and government contracts; help align information practices to international standards, such as the 'European directive.' On a more pragmatic level, adopting such a standard may simply induce commercial firms to gain competitive advantages through pro-active privacy protections; or conversely, they could avoid the adverse publicity often associated with privacy. All in all, the CSA Model Code should promote more accountability in Canadian business practices that affect privacy (Bennett 1996b)

But the CSA standard cannot stand alone. It must be accompanied by existing and new sectoral codes; the 'ombudsmen' function of Privacy Commissioners; a framework to enforce compliance through registration; privacy-enhancing technologies, and finally an improved legal regime in Canada and elsewhere.

Indeed, Canada's Privacy Commissioner suggests that the CSA Code needs to be more than a prototype for volunteer codes. Its greatest contribution may lie in its "embodiment into national framework legislation - a national standard of privacy protection against which all sectors can be held accountable" (Privacy Commissioner 1995, 15).

The future and limits of privacy legislation

What can we realistically expect, over the short-term future, with regards to privacy legislation? The calls for regulation have certainly grown louder in recent years; the boldest (and most optimistic?) voices proclaim that privacy has become the dominant consumer issue of the nineties.[56] Many of these voices come from predictable quarters, oriented to their own agendas. For several years now, the Canadian Privacy Commissioner's office has been calling for "national privacy legislation to establish principles and frameworks" for both business and government. Privacy advocates and business leaders, no doubt thinking in strategically 'realist' terms, claim that 'privacy protection makes good business sense.' Liberal cabinet minister Allan Rock echoes those voices, arguing that "Business and other private institutions must come to regard the protection of privacy as not simply an abstract civil virtue, but an element of sound business practice" (Duffy, 1996).

Nor is Canada alone in debating the urgent need for uniform or omnibus statutes of private sector privacy laws regarding personal data protection. This sense of urgency has been heightened by astonishing growth of 'information highways,' the Internet, and the Global Information Infrastructure (to use just three of the current catch-phrases). In all advanced industrial countries, there is widespread recognition that regulatory regimes can not keep pace with new technologies nor with the conflicting interests they carry with them. In 1985, the US Office of Technology Assessment made the following sober statement:

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[56] Some privacy advocates, such as Marc Rotenberg of the Electronic Privacy Information Center in Washington, DC, extend these bold claims even further: "Privacy will be to the information economy of the next century what consumer protection and environmental concerns have been to the industrial society of the 20th century" (Gleick 1996)

> Public policy on the use of information technology to electronically monitor individual movements, actions and communication has been based on a careful balancing of civil liberty versus law enforcement or investigative interests...New technologies - such as data transmission, electronic mail, cellular or cordless telephones, and miniature cameras - have outstripped the existing statutory frameworks for balancing these interests (quoted in Bogard 1996, 133).

In the 1990's, the emergence of the Internet, Pharmanet and other public and private networks has only heightened these concerns. Growing public anxiety, daunting technological innovation, and demands for 'rules of the road' by governments, businesses, scholars and activists all demonstrate a need to respond to privacy issues. Calls to action are now being heard from several fronts in Canada.

The Information Highway Advisory Council (IHAC) recommended in 1995 that national legislation be developed to establish fair information principles on the information highway, supported by effective independent oversight and enforcement mechanisms. Their proposals "would require sectors or organizations to meet the standard of the CSA model code, while allowing the flexibility to determine how they will refine their own codes." According to IHAC, this "flexible legislative framework" would help "create a level playing field" across both public and private sectors. At the very least, the IHAC proposals have the merit of pushing for an equitable and significantly improved environment of privacy protection and fair information practices. Specific questions regarding implementation and enforcement in an evolving technological landscape remain unanswered however.

The present ad-hoc regulatory regime in North America certainly leaves much to be desired. Current laws are fragmented, spread across a number of special statutes and focused too narrowly on specific privacy infractions. This has been especially true in the United States, where privacy legislation has tended to address immediate threats or crises rather than long term concerns.[57] Too often privacy laws are driven by crisis, what American law professor Joel Reidenberg, calls "a rather haphazard and unsatisfactory response to [narrowly defined] privacy

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[57] The classic and oft-cited example here is the US Video Privacy Bill. this law was quickly passed by US Congress after newspapers published the video rental records of Supreme Court nominee Robert Bork. The "Bork Bill" clearly addressed the fears of Washington politicians and other powerful figures; but it fully neglected other more pressing and pervasive practices of similar character - for

concerns" (Flaherty, 1991; Regan 1995). In exploring the frontiers of law and regulation, we would do well to heed the words of Jeffrey Smith:

> [It] is not clear....that this scenario will actually result in a stronger privacy environment; rather it may simply represent an excessive reliance on the 'regulatory fix.' If past experience is any indication, the laws will be of reactive and narrow nature, protecting individuals in some small areas while leaving other areas largely untouched (Smith, 1995, 14)

We need to recognize the limits of even the most stringent legal regimes. Privacy laws are not always the most appropriate means to contain or confront contemporary information practices. There are always difficult questions about jurisdiction. Omnibus legislation in practice could develop into a 'heavy regulatory' hand, burdened by additional levels of bureaucracy. David Flaherty has shown this to be the case in Sweden and France (Flaherty 1989). The law is a two-edged sword. Privacy legislation can also be interpreted as little more than a minimal concession to already well-entrenched practices. Laws and regulation merely set out the ground rules and limits of acceptable behaviour by governments and businesses (Wilson 1988, 49-52).

On the other hand, a legal framework does carry a number of unique characteristics. Only law can define boundaries which no organization would be allowed to cross; a legal regime can designate independent mechanisms and arbiters to ensure compliance to privacy rules and standards, and to administer penalties when rules are broken. In a civil society, effective and enforceable legislation is still the best option available.

A national legal regime can, however, be usefully supplemented by sectoral laws, voluntary codes and fair information principles. Colin Bennett and others (Simitis 1987; Samarajiva 1997) make persuasive arguments for a flexible legislative regime that is augmented by a widespread registered standards and volunteer industry codes. Model codes, privacy standards and fair information practices can help relieve regulatory authorities from constant monitoring and verification of laws. Registered industry standards are sometimes more effective as sanctions than

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example, records of consumer purchases. And it should be noted, the law has not prevented companies such as Blockbuster Video from building 50-million-person databases.

government fines. Incorporating the 'full range' of policy instruments will be necessary for governments, businesses and citizens to fully confront the complex and often confounding array of privacy issues we continue to face. But there remain many barriers to even the most flexible and broadest proposals. The practical and political viability of legislative approaches is still open to question.

Continuing challenges

To maintain or strengthen the value of and right to privacy, consumers, citizens, legislators and privacy advocates will continue to face a number of key challenges: strong commercial interests; marketplace solutions, such as 'information property rights'; rapid technological change; political indifference and diminishing expectations of privacy amongst the public. In concluding this chapter, I will briefly sketch through each of these difficult challenges and conflicts in turn.

Commercial interests

The most complex and daunting of challenges to implementing effective privacy regulations will come from the vested interests of commercial enterprise. The corporate claims follow the familiar lines of free-market thought. Privacy regulations can be interpreted as a form of state intervention in the free market. Legislation restricting the type and scope of consumer data obtained by companies could be construed as restraints on trade and the free flow of information, or as a restriction to free speech guarantees. As Oscar Gandy has noted, both the courts and the general public seem willing to concede 'legitimate business interests' in the collection and use of consumer data. Gandy quotes the US Supreme Court decision *Tureen vs. Equifax* which allowed that "it may be necessary for [companies] to have information which normally would be considered private, provided the information is legitimately related to a legitimate purpose of the decision maker" (Gandy 1993, 196-198).

The claim of legitimate business interests is certainly expansive. The collection and exchange of consumer data demonstrably improves the quality of marketing communication strategies. Sophisticated consumer information systems help to stimulate innovation and efficiency in the marketplace. There is little doubt

that detailed consumer information is increasingly necessary to effectively coordinate production with demand in the economy. Accurate sources of detailed consumer information is essential to reducing risk and uncertainty in the contemporary marketplace - for both small and big business. These claims are particularly persuasive in a globalizing economy of flexible specialization and complex consumer formations. There seems little doubt that the economic and administrative incentives to survey and sell personal data and consumer transactional information will continue to override the often abstracted virtues and rights of personal privacy.

Concerns about restraints on the free flow of information are evident in the response of North American business interests to the European Directive on data protection. Priscilla Regan (1996b) has itemized wide range of these business concerns. Two quotes from American corporate executives are typical:

> "[B]ecause of local custom and rigid privacy laws, the free-flowing credit information that fuels the US consumer credit market just isn't available in Europe. That hinders credit judgements and makes it nearly impossible to aim marketing pieces at likely prospects."
>
> "[The informed consent requirement is] too old-fashioned for the split-second world of interactive data communications and manipulation. As a practical matter, getting permission from everyone in a database would stifle the free-flow of information about financial transactions and credit reports, as well as employee and customer databases" (quoted in Regan 1996b, 169-170)

Regan shows that American businesses responded to the Directive by lobbying for changes to the data protection policy through their European counterparts and other business associations, rather than lobbying for change in US laws. "The essential reason for adopting this strategy was that the status quo at home represented business interests," Regan argues. "Rather than being worried about whether American policy as a whole is considered 'adequate,' American business are more likely to focus on their businesses in particular" by adopting voluntary codes of 'fair information use' (Regan 1996b, 168, 173). Such codes will be presented as evidence of privacy protection; the success of this strategy remains to be seen. Some American executives even advocate a "data protection authority in the US to help

business in Europe" (Regan, 174). Needless to say, this is not what privacy advocates have in mind.

A more fundamental and hardline argument proposes that the right to privacy must fall away in the face of commercial free speech guarantees. This claim carries weight particularly in the US, where some marketing executives wish to define customer lists as free speech, and thus protected under First Amendment rights (Gandy 1993, 106-108). But as Gandy points out, such a position is still quite controversial, and a number of counter-arguments have been put forward. For instance, Gandy cites arguments that commercial speech serves primarily instrumental purposes, and thus have limited claim for the full protections of free speech in the liberal tradition: "Whereas usefulness is relative and broadly conditioned, individual liberty is more broadly absolute" (Gandy, 193). In other words, market-based freedoms should be distinguished from other expressive freedoms. While largely focused around the perennial questions of American jurisprudence, these basic tensions regarding limits and freedoms are the heart of the privacy debate, and will not be easily resolved.

Property rights in information - the marketplace solution

For many observers, the most immediate and appropriate solution to these continuing conundrums can be found in the marketplace. In this view, regulatory rules and procedures are incapable of determining the boundaries between legitimate information flows and unreasonable intrusions into personal privacy. The answer is: Let the market decide.

Accordingly, a number of legal scholars and privacy advocates in the United States, including James Rule, Alan Westin and Anne Branscomb, have advanced various proposals for 'property rights in personal information' (Rule and Hunter 1992; Branscomb 1994; Gandy 1993, 205-209). Personal data could be leased under contractual agreement and therefore eligible for royalties. Individuals would formally trade these rights for goods and services. They could then choose their own comfort level of privacy, and make their own determinations of what personal data could be sold or traded. On the face of it, this solution has its merits. If the collection and use of personal data came under formal contracts and agreements,

this may bring us closer to the 'negotiated' concept of privacy. Individuals could obtain more direct and transparent control over their personal information; organizations that failed to comply to agreements on use or consent could face penalties under tort law. This open exchange of personal information may even be technically feasible under certain environments like the Internet. But the concept still raises many troubling issues.

The first question regarding the 'marketplace solution' concerns the nature of the exchange - in most cases, there is an implicit contract between parties. Most data transactions between individuals and institutions are informal and invisible. Data may be exchanged in conjunction with a material exchange with a person's knowledge. Individuals rarely are able to monitor nor control the use of information after disclosure. The average consumer is simply not equipped - in terms of time, knowledge or skill - to fairly negotiate their privacy with regards to information transactions. A marketplace in personal information would be characterized by serious inequities - individual consumers would be negotiating from an unequal position. Moreover, the sheer costs involved in managing and negotiating such 'privacy contracts' suggests that 'collective enforcement of privacy rights' is justifiable on grounds of economic efficiency (Gandy, 205-207).

This raises a second question about 'marketplace solutions,' this one about the status of informed consent. A fair market exchange of personal information could presumably require an explicit agreement between parties regarding the use of data and the consequences for individual privacy; such consent might even up the inherent inequities of the relationship. But again, the sheer cost and administrative burden of gaining meaningful consent for data transaction makes this highly unlikely. Gandy argues persuasively that the marketplace - and the courts - would simply continue to assume or 'fictionalize' consent, when no actual consent was received (Gandy, 208). Of course, this again places the individual consumer on an unequal footing within the marketplace.

Moreover, it seems neither practical nor desirable to have privacy bargained over at every instance of economic exchange. As Priscilla Regan suggests, values of privacy can not be so easily 'divided' into such components; nor should we expect people to 'set' their own privacy levels (Regan 1996a, 37). But these concerns are

already being addressed in business circles.[58] Writing in the *Harvard Business Review*, consultants John Hagel and Jeffrey Rayport argue that "consumers will not bargain with vendors on their own." Rather, they predict the emergence of companies they call 'infomediaries' who will "seize the opportunity to act as custodians, agents and brokers of customers information, marketing it to businesses on consumers' behalf while protecting their privacy at the same time" (Hagel and Rayport 1997).

The formation of such companies are again based on the perception that consumers are "willing to release personal information if they can profit by doing so." In their view, new technologies such as smart cards and the World Wide Web are shifting the balance of power to consumers: "users will be able to choose whether to release or withhold information about themselves." Given the novelty and relatively narrow reach of these technologies, such a claim seems naive, or premature at best. Moreover, Hagel and Rayport admit that "only a handful of companies" will be positioned to become infomediaries; this would likely only create another asymmetrical layer of informational relationships between corporations and consumers. Their prediction of a 'shift in power' may create new companies (or more likely, provide new lines of business for existing data-rich companies), but it certainly would not level the playing field. Nonetheless, predictions of innovative marketplace responses such as 'infomediaries' or 'privacy management' seem perfectly plausible.[59]

In any case, we already have a widespread market in personal and consumer information; but at this point, it is one in which individual consumers play almost no active or formal role. We may freely trade or volunteer personal information; we may submit or disclose data unknowingly along with material purchase; we may pass on credentials or identification in order to obtain goods or credit. But these data transactions are all incidental to the primary act of consumption or exchange; as

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[58] Political leaders seem equally enamoured of these ideas of late. Andrew Shapiro (1997) reports that a US presidential advisory panel noted "the intriguing possibility that privacy could emerge as a market commodity in the Information Age."

[59] In a more recent book, another pair of US business consultants make the bold, but quite plausible claim that "within a decade privacy management will be one of America's great growth service industries." See Taylor and Wacker (1997, 122-123, 223-229).

such, our personal information - and the resulting erosion of privacy - has all the classic characteristics of an 'externality.'

> To the extent that business obtains and uses personal information without a market mechanism to govern the exchange, business is a classic free rider in the economy. It consumes a common property resource without covering the externalities related to its extraction or use. (Lawson 1995, 4)

But who owns personal information? If personal information is valued as an element of human dignity - the autonomy and integrity of one's private life - then it should be protected and managed as public resource and a social good. Privacy, in this view, has both a personal and a social value (Regan 1995; Lawson 1993, 442). But the traditional liberal claim of a 'right to privacy' presumes that right resides with the individual, even if the protection of it needed the underpinning of state laws and regulation. As such, privacy is regarded as an assertion of the 'right' to 'own' and 'protect' information about ourselves. Anthony Westin was explicit about this: "[P]ersonal information, thought of as the right of decision over one's private personality, should be defined as a property right" (Westin 1967, 324). He expanded on these views before a US House Committee on Government Operations in 1991. This view, while controversial amongst privacy advocates, conforms perfectly with traditional conceptions of free-market economies. A number of court rulings, on the other hand, have given private firms ownership over specific forms of personal information.[60]

Determining the value of personal information, and who can own it remains a very difficult question. Viewed as property, information has some unique and unusual qualities. It is certainly not a scarce resource; it is not depleted when used or shared; consumption tends to increase its value, when its 'value' can be measured at all (Branscomb 1995; Lawson 1993, 441-442). Extending and formalizing the role of the market in personal information and privacy negotiations will not

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[60] Anne Branscomb (1995) reports that, according to several US court decisions on telemarketing issues, telephone numbers are owned by telephone companies, not residents. In addition, Branscomb notes that relational databases, containing personal information, have already received copyright protection in several jurisdictions.

easily resolve these issues. Indeed, it will only raise a new series of onerous questions.

When does the property right in information - that is, ownership - transfer to a commercial entity, say a marketing firm, or credit agency? If personal information is compiled or aggregated with other data, who does it belong to? Who or what mechanisms would determine the value of personal information in the 'free' marketplace? Would affluent and frequent consumers get larger royalty cheques? Could privacy protection be bought for a fee? Where does personal information end, and aggregated forms of merged, inferential and amended data begin? Would individuals lose control and ownership of their own data once a marketing firm has slotted it into creative categories like "New Aquarians" or "Poolsides and Patios?" How and when does personal information get transformed into commercially-owned, and copyright-protected intellectual property? As Anne Branscomb (1995) points out, these are amongst the most confounding issues that we face in the information age; most of these issues have not yet been tested by Canadian nor American courts.[61]

With or without the 'marketplace solution,' personal information in its multiple forms is very quickly becoming another tradeable asset - a very valuable commodity. For the foreseeable future, this situation is likely to leave the control of personal information in the hands of those firms and organizations that dominate the networked marketplace. As more corporations begin to seek 'synergies' and 'convergences' in the circular flows of information, entertainment and dataveillance, consumers are faced with fewer opportunities to mitigate the loss of control over their personal information.

Technological change, technical solutions

As noted earlier, most observers recognize that privacy laws lag far behind technological change. New digital technologies have lengthened this 'regulatory

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[61] One area of intriguing potential is a reconception of information privacy and personal data as a special instance of trade secrets. Corporations legally restrict the disclosure of information about their trade practices, capital goods and expenditures. A related instance of 'trade-related protections are shield laws, which allows journalists to protect their sources. Both of these 'trade-secret protections' are concerned with the consequences of disclosure - should the same right be given to individuals?

gap,' a situation exacerbated further by the continuing challenges of economic uncertainty and rapid social change. The pressures to enact laws pertaining privacy and personal data nonetheless persist. Under such conditions, legislators tend to formulate laws that embrace general principles of wide latitude to ensure adequate protection against "future eventualities" (Bennett, 1996b). There seems good reason to doubt the effectiveness of such bold statements and broad principles. For many, rapid technological change can only be met with technical solutions.

Many potential futures seem to await us, signaled at every turn. The worldwide telecommunications sector is globalizing and deregulating under the auspices of the World Trade Organization. Brand new industries are being built around the lucrative trade in consumer information. Detailed auditing of 'web surfing' habits is just one example. Smart cards and electronic cash will also provide new conduits and nodes for the tracing of transactional information. The scope of Internet commerce is growing, though its much-hyped potential is uncertain, perhaps even overstated. Bar codes and biometrics seem certain to become the key functional artifacts in new identity card schemes; in the physical realm, smart homes, security systems and 'transport informatics' are geared to trace and monitor our movements at home, at work and on the road.

Each of these new developments are sure to complicate the already difficult challenges of regulating privacy. Whether it is data highways or digital cash, continuous flows of electronic data will soon be crossing into new and unforeseen boundaries, seeping into and mediating our daily lives and habits. In the face of this soon-to-be future, privacy-enhancing technologies, such as public-key/private-key systems using blind digital signatures, show some real promise (Information and Privacy Commissioner/Ontario 1985; Levy 1994). In essence, these technologies provide a type of 'identity protection' through the encryption of data; digital psuedonyms will separate a person's actual identity from their transactions and communications. But as the protracted American debate over the Clipper Chip indicated, state and business security interests are sure to insist on exceptions and 'back-doors' to any scheme geared to perfect anonymity.

(Branscomb 1995; Gandy 1993, 191). Again, to my knowledge, such an approach has not yet been tested by the courts or legislators.

But for all their technical ingenuity, tools such as blind signatures will be limited to certain environments and specific functions. They may provide protection in specialized electronic exchanges - such as the Internet - but seem inapplicable in more prosaic, everyday transactions - subscription data, mailing-lists, telephone systems. Even in arenas where encryption technologies may have a role - say, credit, debit or 'stored value' cards - service provider firms will have little incentive to develop them without strong demands from the public and privacy advocates. The organizations that run information infrastructures are sure to prefer the status-quo - where consumer data can be freely collected and catalogued according to their own needs, and then packaged for the information marketplace.

Political will and privacy expectations

This brings us once again to a key determinant of the future of privacy rights and protections: active political debate, and heightened public awareness about the issues at stake. But there seems little reason to expect an improvement on the confused, contradictory and limited responses to privacy and surveillance concerns to date.

As this chapter has outlined, there is no shortage of thoughtful and often effective proposals to maintain a balance between privacy and contemporary information practices. Privacy codes, directives and standards are being implemented at various organizational levels, by industry sector and jurisdictional arena. State-driven privacy regulations and commissions have proved to be relatively successful at adjudicating privacy issues in the public sector; that is no easy task, given that the entire concept of privacy represents an substantial obstacle to the self-defined goal of many government departments, and that the offices of privacy commissioners are inevitably small players in the highly conflicted arena of political bureaucracies, interests and power. Technical and 'property right' solutions may hold some promise, but seem just as likely to reduce privacy considerations to the instantaneous calculus of the marketplace. Voluntary principles such as 'fair information practices' come closer to asserting a positive right for privacy, but come up against inadequate compliance and enforcement mechanisms.

This leaves us with the creation of a full-fledged statutory or constitutional right to privacy. To be equal to today's environment of information-saturated organizations and the experiences of consumers, new privacy laws must bring private-sector practices under their purview. But we have yet to see the required groundswell of concern from either legislators or the public. Yet now even the Canadian Direct Marketing Association is calling for national privacy legislation to govern the private sector. Once a strong proponent of self-regulation, the CDMA has become the first industry group in Canada to call for such action (Alter 1996; McKenna 1995). Nonetheless, the political climate for such efforts remains chilly. It is certainly not a top priority, and any initiatives at the federal level are sure to be met with intensive business lobbying. In promoting privacy issues, politicians have few strong constituencies to turn to - no 'identifiable external group' which will or benefit' from implementing statutory privacy rights (Gandy 1993, 195, 222). In such circumstances, as Oscar Gandy points out, we more likely to see continuing "legislative protections against excesses, rather than an affirmative effort to protect fundamental rights or freedoms" (Gandy 1993, 195). The jurisdictional and political tightropes in Canada make constitutional protection for privacy even less likely.

Moreover, even the most legitimate and well-meaning of policy proposals are faced with inexorable technological change and organizational imperatives within the expanding marketplace. It remains doubtful whether vaguely-articulated privacy values can do more than provide stop-gap measures within a highly networked information economy:

> New forms of dataveillance are straining the credibility of the theory of information privacy, of the data protection laws it underpins, and of the agencies that have to enforce those laws. At best, these agencies can only respond at the individual level. They can ensure a certain transparency of the process; they can establish rules for data quality and integrity; they can insist on credible cost-benefit analyses before data matches are conducted; they can receive and resolve individual complaints -- but they cannot *stop* dataveillance (Bennett 1996, 256).

Political will and policy development requires widespread public interest and input. Citizens and consumers, in Canada and elsewhere, need to be vigilant about privacy rights and protections - especially within the policy parameters already

established in law and 'fair information practices.' As we have seen, Canadians show serious concern about privacy issues and intrusions when prompted by polls; but in the jumble of everyday choices and habits, many people fail to assert their privacy 'rights' or question where their personal data goes or how it is used. This is not merely the result of indifference; most people have neither the time nor knowledge to fully affirm existing privacy protections and policies.

But even that remains an inadequate explanation. Polls may indicate a genuine public anxiety about technological and informational intrusions; but these feelings, I suspect, are both amorphous and ambivalent. On the whole, the majority of people have diminishing expectations of privacy. They have no clear sense of precisely where or how privacy erosions originate; they quite correctly recognize the complexity of and conflicts inherent in regulating privacy; in their personal lives and immediate environments, most people still enjoy a good measure of privacy and security; they no longer look for or expect government action to resolve these issues; and, in the pragmatic weighing of political and social priorities, protecting personal privacy is not even near the top of the list. For the average citizen (as defined by pollsters and politicians) informational privacy remains an abstracted and distant concern, and has none of the visceral, emotional or fiscal import of many other key public policy concerns.

An effective privacy regime - a full 'tool-kit' of statutory rights, voluntary codes and industry standards, fair information practices, and encryption technologies - will require a three-pronged level of influence and action: political leadership, a significant shift in organizational culture and enhanced consumer education. Such a happy confluence of political will and consumer vigilance is, I suspect, many years away.

CONCLUSION

Up until recently, the role of marketing research and communications in contemporary capitalist economies has not drawn much sustained interest. Economists have focused on technological and organizational transformations in production, labour and trade; more critical accounts in political economy and economic geography have also privileged those arenas. Communications scholars have paid substantially more attention to issues of marketing, but have focused largely on the functions of advertising, promotion and packaging.

Marketing research, by contrast, gathers and organizes information about product markets, existing consumers and potential buyers. This 'marketing intelligence' generates inputs into production processes, product innovations and marketing strategies, such as product differentiation and market segmentation. In this way, the marketing research industry has positioned itself at the very nexus - the nerve centre - of a consumer-oriented marketplace and the 'information economy.' Its activities are thus intricately tied to the globalizing geographies of material production, trade flows, communication links and economic transactions.

My examination of the marketing research industry has delved into four broad arenas of discussion: theories of surveillance and power; political economy; history; and public policy of privacy and data protection. At the outset, I argued that surveillance systems must not be regarded as autonomous forces of power, nor as independent conduits of technological control. Rather, surveillance is always immersed in, and responsive to, particular social goals, human designs and institutional structures. Marketing research has certainly extended the capacities of surveillance into the consumer marketplace. But this form of consumer surveillance emerged as an efficient and effective management tool, helping to coordinate the daily operations and strategic imperatives of modern businesses organizations.

As such, marketing research has expanded the reach of administrative rationality, bringing technical proficiency, precision and specialization into the realm of the consumer marketplace. Marketing research has also absorbed the dynamic relationship between power and knowledge into its strategic operations.

The collection of research data enables action and influence; the construction of knowledge produces power. Marketing research thus extends the already asymmetrical relationships of power within capitalism, providing further economic advantages to those institutions that store, process and organize consumer data.

Marketing research, then, has to be understood within the political economy of consumer capitalism - the relationships between manufacturers, retailers, advertising agencies, media outlets and consumers. A central problem for all commercial producers and retailers is to ensure a market for their products. At the turn of the century, marketing emerged to address those anxieties, promising to manage uncertainty and reduce risks in the marketplace; consumer demand was managed and stabilized by advertising and the 'four P's' of marketing, through 'downstream' images and information flowing from producers to consumers. Market researchers took an opposite tack, seeking to generate and manage the flow of 'upstream' information, via various social-scientific methods for divining consumer behaviour. Through these strategies of 'information control,' marketing research firms could lay claim to specialized knowledge about consumers; in demonstrating the value and utility of their expertise, the industry began to stake out a position of power and influence within consumer capitalism. Consumer surveillance became an artifact of commercial competition and comparative advantage.

In outlining the history of marketing research and communications through the twentieth century, I argued that the industry has both reflected and reinforced the broad parameters of capitalist development. In mass industrial markets, large quantitative measurements and broad demographic categories were sufficient to register broad consumer demands and link them with Fordist production processes. Up until the mid 1960's, marketing research played second fiddle to the larger orchestrations of manufacturing, advertising, retailing and mass media. It was nonetheless a period of significant innovation and growth for the industry.

In recent decades, the marketing research industry has truly come into its own, moving to the centre stage of commercial activity. It has now mastered a remarkably wide set of instruments, integrating vast data sources and research strategies, arranging them through sophisticated and sensitive methods of

qualitative interpretation and analysis. These techniques have had numerous consequences. Virtually all sectors of commerce have reconstituted their markets around precision and personalization; companies use detailed data to build life-time customer relationships. These informational affinities alter the balance of power within the marketplace: large firms are able to act like small local ones, and also have greater capacities to pre-test products, sales and marketing strategies, and the location of new outlets. Marketing research, then, has both anticipated and spurred on the post-Fordist era of 'flexible specialization,' even though most theorists of the post-Fordist persuasion have tended to downplay the key role of consumer marketing in their formulations. I have argued, by contrast, that marketing research and communications must be recognized as a key instrument of economic power in contemporary capitalism.

The very nature of marketing research industry, however, ensures that its power is always provisional and partial. Measurements of audiences, consumers, and markets are fundamentally indeterminate and contingent, 'necessary, empowering fictions' in Ien Ang's words. That is, marketing research practices can never provide a perfectly accurate portrait of consumer behaviour or market trends; they only *represent* consumer experiences and marketplace relationships. But for commercial institutions, these *reconstructions* of the market are serviceable, functional models that provide valuable insights and lucrative rewards. The marketing research industry has thus become a primary purveyor of myths and narratives about markets and consumers. Through an established set of 'calculable and replaceable operations' it constructs a series of plausible stories about consumer culture and economic relationships, peopled with a manageable cast of consumers/characters in well-scripted roles. It all makes for a brilliant stage production: the audience is reasonably entertained, the box-office sells out, the producers are happy, and the extremely talented playwrights, directors and actors are very well paid.

Despite its imperfections, marketing research routinely engages in an often surreptitious mining of virtually every aspect of our personal, social and economic lives. For many critics and consumers, this represents a serious threat to personal privacy. These concerns will certainly be exacerbated in the foreseeable future, with

its digital economies and information highways. There seems little doubt that consumers will continue to find themselves the subjects of surveillance, the objects of expert knowledge, the constructs of mediated information. How might consumers and citizens respond? What measures might best mitigate privacy erosion in the information age?

In my view, the potential for an effective privacy regime to cover commercial sector information practices certainly exists. An ideal regime would include the full 'tool-kit' of privacy policies, as Colin Bennett has pointed out: statutory rights, industry standards and codes, the widespread use of fair information practices and encryption technologies. Much recent discussion and debate - in social theory, policy circles and legal journals - have helped to outline many of these solutions. But implementing such proposals will require considerable effort from, and cooperation among, politicians, business leaders, privacy advocates and consumers themselves. Moreover, legal and regulatory regimes need to carry both effective and enforceable penalties, and to anticipate or adapt to changing economic and technological conditions. It remains to be seen whether data protection regimes will be equal to contemporary marketing practices, cross-border data flows, and constant technological change. In addition, today's political and economic climate is highly resistant to any government efforts that appear even vaguely interventionist; those laws and regulations that do emerge to govern that private-sector may only institutionalize - and legitimize - current practices.

In the absence in legal or regulatory action, other options are appearing on the horizon. Consumers are increasingly demanding compensation for the use and trade of their personal information. Marketplace mechanisms and technical innovations hold out some promise to address privacy concerns in a flexible and direct manner. I have little doubt that many market-oriented solutions will emerge. 'Privacy management' is poised to become a legitimate commercial enterprise; one can easily imagine 'information custodians' or 'brokers' negotiating between consumer privacy interests and the appetite of commercial firms for personal information. Other schemes - from royalty payments to software agents to new encryption technologies - are already established or being experimented with.

But exclusive reliance on technical solutions or marketplace mechanisms is sure to raise many other issues and problems. Can the values of privacy be simply divided up or bargained away in exchange for monetary benefits? If personal information is accorded 'property rights,' it seems likely to produce, at least over the long term, a society of privacy-haves and privacy have-nots. The marketplace will not provide a 'level-playing field' for consumers in their interactions with large information-hungry institutions. Technical fixes and marketplace solutions must be preceded or accompanied by a full set of statutory or constitutional protections, available to all. Only a common set of ground rules - and continued education and vigilance - will ensure that consumers will be able to maintain the autonomy and integrity of their personal information.

Yet this seems a very tall order. The largely abstract values of privacy seem unlikely to withstand the concrete, immediate benefits of individual mobility, consumer convenience and widespread economic forces. Marketing research and communication is already a very lucrative business, fueled by valuable personal data. Contemporary information practices cannot be uninvented; consumer surveillance cannot be stopped. It remains very difficult to imagine - in the long run - how data protection and personal privacy can avoid being absorbed into the expansive economies of information and consumption. In at least some circumstances, data protection and privacy 'rights' will almost certainly become the privilege of selected consumers, purchased for a price.

Viewed from another angle, one further ironic counterpoint regarding privacy may also be noted. Marketing research has helped spawn a veritable industry of micro-marketing trends, from product differentiation, individualized customer service, targeted media, niche shopping, and personalized mail delivery. Programmable 'push media' promises daily flows of information and entertainment for individual tastes and interests. This hyper-personalization of economic exchange clearly represents a further expansion of 'privatized reception' of commodities and cultural expression. Targeted communication and customized commerce may very well encourage the physical and psychological dimensions of privacy, as consumers 'cocoon' themselves behind security gates and phospher

screens, even while their mediated transactions leak the details of their domestic activities.

After all, privacy is a multi-dimensional concept, an arena of contested and conditional space. Zones of private activities and personal information will always be negotiated over, by individuals and the institutions they deal with. Laws, regulations, and standards can each provide some explicit boundaries around private activities and transactions. These spaces are already being duly marked and labeled by marketing researchers and other practitioners in the information trade. Most companies cannot afford to trespass blindly into personal territories; many do so unintentionally. Mapping out private and personal boundaries will be in the long-term strategic interests of commercial businesses, if only to ensure smooth and trustworthy customer service. The question remains: Who exactly will draw the outlines of privacy and data protection, and with what instruments?

The cartographers of consumption are engaged in a highly competitive enterprise. Every marketer, information broker and consumer list service wants to produce their own customized maps, coloured and oriented to their own set of projections. On the face of it, larger volumes and varieties of maps are their best option - the most efficient means for locating the signposts and frontiers of personalized products, fractured audiences, and consumer groups. An economy of 'flexible specialization' demands flexible and specialized maps, each one of them geared to surveying and tracking of legitimate business interests. In my view, nothing can prevent the proliferation of such vast commercial atlases. We can only insist upon a standard set of scales and grids, so that individual consumers and businesses can both reference a common legend of regulations and codes - a minimal level of personal information privacy that cannot be traded away.

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