Monetizing You

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Abstract:

Presents the introductory editorial for this issue of the publication.

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Article:

While this title is absurd at first read, you already know that you have a digital profile and that your digital profile has a valuation. We are not talking about the money in your bank account or other physical assets. We are talking about you.

Have you ever attended the annual Fat Tuesday celebration in the southern United States in early spring, maybe in New Orleans, Biloxi, or Mobile? Fat Tuesday is not only a U.S. tradition, but it is aligned with Carnival—a worldwide celebration.[1] In the United States, Mardi Gras is a series of parades occurring over many weeks, where the attendees throw their cares to the wind, just as the floats pass by, and revelers (attendees) beg krewe members for "throws," including plastic beads, cups, and doubloons. Fat Tuesday is the last day in this multiweek celebration.

Although Mardi Gras and Carnival celebrations occur annually and for limited time periods, we believe there is a simple analogy between Mardi Gras, social media, and personal private information. Think of social media as Mardi Gras floats (as the platforms) offering billions of krewe members (citizens) the opportunity to toss their personal information away freely and continuously. There will be attendees in the street crowds that are very happy to collect that bounty.

Supposedly, there were 3.80 billion social media users worldwide in early 2020.[2] These users generate data that, we argue, has some monetary value.

In 2016, Facebook supposedly generated US$62.23 per user in the United States and Canada from advertising.[3] Is it reasonable to argue that users' time for viewing advertisements should be compensated and, therefore, that part of Facebook's profits should be redistributed to consumers? In contrast, in advertising models based on blockchain, advertisers pay users for

viewing advertisements.[4] We are not writing this message to argue for or against these approaches—we simply expose them.

Privacy concerns obviously affect personal, private information. If consumers share too little personal information, they may lose. How? For example, consumers may lose out on the benefits when a company delivers advertisements that provide discounts. If they share too much, problems such as identity theft can easily occur.

Whether user data are protected depends greatly on the stakeholders' (for example, consumers, advertisers, and social media platforms) valuation of such data. Data privacy regulations generally consider two types of consequences: 1) allocative (the total amount advertisers are willing to pay for consumers' data) and 2) distributional (how the amount spent on data is distributed across social media platforms and to consumers).

When personal data privacy is weak, allocative and distributional effects more likely benefit social media providers. The real issue that underlies the privacy debate concerns consumers' lack of ability to control their personal information. The distributional effects of data privacy laws favor social media platforms if they can share user data with advertisers deceptively or without permission and face no penalty.

While little regulatory attention has been paid to this issue in terms of the monetary value of personal data, governments are beginning to take personal data privacy a bit more seriously. Why? Some nations now perceive new national security threats when their citizens are being improperly monitored by foreign governments.

Finally, you, as a generator of data, may unknowingly create various forms of value, including monetary, that can be attributed back to you. Will you receive anything back? Don't overlook or forget the value of the data you generate. The "system" is always watching and collecting.

References

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