



Google and Facebook Exposed At Last!

By [Carol Kopp](#) Feb 15, 2012 9:20 am

Here's why their latest enhancements scared the daylights out of millions.

Michael Lewis, author of *Boomerang: Travels in the New Third World*, is the rare business writer who can make even the Icelandic [financial](#) crisis entertaining.

That's what I posted on my [Facebook](#) page recently. Funny thing: The instant I hit "post" to share that little book recommendation with my friends, an ad for a luxury apartment in Reykjavik popped up on the page.

And that illustrates the real privacy issue for Internet users today. Like it or not, we are all public persons now. Every step we take online is tracked, recorded, packaged and resold. The dirty little secret is that the tools used to interpret all this [data](#) are so crude that much of that information is misleading or false. And the ways the data potentially can be used are downright dangerous or at least, as in the case of that poor advertiser with the empty apartment in Reykjavik, worthless for targeted marketing purposes.

Judging by recent ad displays, junk e-mail, and miscellaneous spam I have received, a giant database somewhere contains the following "data" about me: I speak Turkish and Spanish. I run my own small business. I am anxious to lose weight, and distressed by the inadequate length of my eyelashes. Most of this is not true, and the rest is nobody's damned business but mine.

This unease—the sense that each of us is being followed by a doppelganger that eerily doesn't resemble us at all—seems to be reaching critical mass, judging by the outbreak of Web chatter. This may

be because Facebook and **Google** ([GOOG](#)), the Web's leading manufacturers of doppelgangers, have just made enhancements to their services.

The announced changes really are “enhancements,” in terms of their potential to improve the services they deliver to us, and to their advertisers. But they also incidentally revealed just how much data they have collected and stored about each of us. The changes are:

Google's Privacy Change: Google [announced plans](#) to consolidate all the data that it has gathered, for use across all Google products. This allows for additional personalization of both content and advertising. But the announcement also makes it clear that Google has stored your every search and chat session. It has your Gmail contact list and your Google+ entries. It knows your phone number and the numbers of everyone you've ever called. It knows what you've watched on YouTube. It knows what destinations you mapped while on the road, and where you were when you mapped them.

Facebook's Timeline: The Timeline now on your front page is a virtual scroll back in time, through every comment you ever posted, and every reply they got. You are encouraged to add any amount of information about your tastes, pursuits and past history that you care to [share](#). And those entries, too, will live forever.

Some people find this seriously creepy. So what, you may well ask. These companies have insinuated themselves into our lives to the extent that we couldn't give them up if we wanted to. So, the business repercussions of privacy concerns are many, and potentially as varied as the number of countries in which they operate, which is all of them. For starters:

The European Commission [recently proposed](#) strict new rules, and big fines for violating them, on the collection and use of personal data. These include a requirement for the person's explicit permission to collect data, and also the “right to be forgotten.” The latter means that if the user withdraws that permission, the company must erase all data it holds on that person.

In the US, the [Federal Trade Commission \(FTC\)](#) [requires](#) that a company disclose to customers what information they are collecting and

how they are using it. Google, after a little data mishap, last year signed a settlement with the FTC that basically promises it won't screw up for the next 20 years. The Electronic Privacy Information Center, a consumer group, has already [sued the FTC](#), alleging that Google's new privacy policy violates that agreement. US Rep. Edward Markey, D-Mass., [has called for an investigation](#), too.

As much as Internet users are griping about their privacy, they might prefer that government stay out of the debate. As Jim Harper, director of Information Policy Studies for the Cato Institute, puts it: "[The company should answer](#) to the community (and no other authority). This conversation is the corrective."

Web Weekly In Brief:

Facebook Is Not the Only Network

Investors considering dabbling in Facebook [shares](#) might assume that it will dominate its space forever. But while it may be The Social Network, it's not The Only Social Network. Three others appear to be gaining visibility, including one that had been left for dead and two startups.

- MySpace [has signed up one million](#) new users since December 2011, when it launched a new music player as part of its revamp into a hub for entertainment. It can now boast of holding the rights to 42 million music tracks, more than Spotify or Rhapsody. MySpace plummeted from its peak of 76 million unique visitors per month to 33 million last year before it was dumped by **News Corp.** ([NWS](#)), which paid \$580 million for it in 2005 and sold it for \$35 million.
- [Path](#), which calls itself "a smart journal," was designed as a mobile social network, and is available as an app for Apple and Android devices. It has about 2 million users so far. It promises that your data is private by default, as opposed to public unless you figure out how to turn it off. Unfortunately, Path messed up on their privacy vows only last week, but the apology was abject.
- [Pinterest](#) is a social network with visual appeal. It encourages people to "pin" anything that interests them at the moment on a personal page, creating a kind of dynamic bulletin board to share with friends. The site is still invitation only—smart move, because it makes them look exclusive, which is not a Facebook attribute.

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