J. Michael Locke
Musings

#41: The Dangerous Side of Data
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Usually, I write positively about the ubiquity of technology and the opportunities presented by the growing amounts of data it generates. As a business leader, you can harvest this data to improve your market segmentation, consumer targeting and expense management. Today, I write about the danger of that data for our society.

Technology has created a plethora of media options. The Chicago Cubs once gained national popularity because you could listen to them on WGN am radio on a national basis when there was nothing else on the radio. Remember your car trips turning the radio dial to see if you could find a local radio station of interest? How about television and the big three channels of ABC, CBS and NBC? The family all had to sit and collectively agree on what to watch – Bosom Buddies or Fantasy Island?

Now, every individual consumer gets exactly what he or she wants. SiriusXM offers hundreds of radio stations but most people pair their iPhone and launch a streaming app like Spotify and use their personally-curated playlist. This is leading to a collective loss of sacrifice and diminished flexibility. In all seriousness, I worry about the future of relationships when individuals have grown up getting things exactly as they want it and not having to share or sacrifice.

Tim Wu wrote an interesting piece in the New York Times a couple years ago on the how this technology-driven convenience can have negative consequences: The Tyranny of Convenience. In this piece, he wrote about how the consumer desire for convenience actually contributes to "Big Tech" dominance. He also wrote: "With its promise of smooth, effortless efficiency, it threatens to erase the sort of struggles and challenges that help give meaning to life. Created to free us, it can become a constraint on what we are willing to do, and thus in a subtle way it can enslave us."

The proliferation of media and data is also driving our polarization. Individuals can now live in a self-reinforcing "echo chamber" where they are only exposed to views they are aligned with. Data filters watch what you consume and then serve up similar information thus creating a "filter bubble." See Eli Pariser's Ted Talk filter bubbles. This is why I purposefully read things by Robert Reich and visit the CNN webpage at the same time I will visit Fox news. The data filter becomes quite confused!

Data is also structurally driving political polarization. Congressional districts can now be drawn using big data to basically ensure the election outcome. The politicians are picking their voters rather than vice versa! According to the Cook Political Report, only about 50 house seats out of 435 are really competitive: that is only 12%. This pulls congressional representatives towards the extremes and the 'middle' becomes no-man's land. Just ask my recently primary-defeated congressman Dan Lipinski. The Supreme Court recently decided not to get involved in the gerrymandering issue. It is up to us as voters to get the state referenda pushed through on how congressional districts are drawn.

So watch a different station's news tonight and then let someone else pick a radio station as you drive to get your takeout rather than Doordash.

Be safe.

jml

Second Thoughts

In Musing #28 I discussed not "oversteering" and how you can be too early to a market. As I walked around the supermarket recently, there were as many workers picking groceries for home delivery as there were individuals like myself shopping in person. It made me feel sorry for George Shaheen who famously left as head of Andersen Consulting (now Accenture) in 1999 to run the internet grocery business Webvan. Webvan raised over $800 million and went public with great fanfare but eventually went bankrupt and Shaheen was widely derided. It was just too early.