Beneficial Spyware

Presentation to 9th Annual Conference

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A Somewhat Contrarian View

• Sure, Spyware sucks….  
  – I know from personal experience!!
• But spyware technology can do useful things too  
  – Can we separate the good from the bad?  
  – If not, is the bad sufficient to justify stopping the good?  
  – (assuming that spyware can be stopped in the first place)
Beneficial Spyware: Ebates

• Online provider that aggregates consumer purchases and helps consumers get rebates on all online purchases
  – All purchases made from Ebates site directly credited
  – Spyware installed to track and credit online purchases from other sites

• Most marketing rebate programs assume that few consumers will go through hassle to obtain rebate
  – Creates “money illusion”, where prices quoted are net of rebate
  – Rebate processes are deliberately cumbersome, to minimize redemption
  – Ebates makes rebates much simpler to obtain for consumers, can increase amount of rebates consumers receive that they are entitled to
Ebates Participating Retailers

• More than 700 online sites
  – Circuit City, Best Buy, Sears, JC Penney, Dell, Expedia

• Rebates can be as much as 25% of purchase price

• No charge to consumer for enrolling

• Consumers paid quarterly
The Fine Print

• Ebates’ users must install the “Moe Money Maker”, a spyware program that tracks online purchases
  – Must also enable cookies on their browser
• You authorize Ebates to have access to all your purchase information, so they can obtain the rebates
  – Ebates sells “non-personalized” versions of these purchase data to other third parties
Who should choose?

• Should consumers have the right to download software that tracks their purchase behavior?
  – No cost to enroll
  – Spyware download clearly noted
  – Other sale of information disclosed
    • (though only in the fine print)
    • Unclear what “non-personalized data” means