

Beneficial Spyware

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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