

Case Study 1: Selling Advertising – Effective or Invasive?

Background

Garfield Lee Inc. (GLI) is a professional services firm that provides financial investment and planning advice to Canadian customers. GLI recommends a suite of mutual funds managed by the Bank of Montreal, but its main offering is personalized investment planning for short- and long-term goals. GLI consults on and manages all the financial needs of its clients from budgeting, education, retirement, and estate planning to the arrangement of mortgages and loans. The firm maintains a detailed profile on each customer.

Current Situation

Glenn Edwards, senior director of corporate marketing, has been tasked with finding new revenue streams for the firm. Over the past decade, GLI has developed a series of cutting-edge products that include a personal budgeting application and an interface that allows clients to see every aspect of their finances on one screen. Each application/product provides incremental income to the firm.

At the last meeting of the executive committee, Glenn presented a proposal to leverage the information the firm collects about its clients. The program will involve developing an application that will mine client data to develop customizable advertising groups that could in turn be sold to online advertising aggregators. For example, clients who have a child involved in athletics (based on information mined from client personal budget data) would be offered discounts on equipment, lessons, clothing, and so on.

In his presentation, Glenn argued that clients will benefit from lower costs for activities and expenditures that are already a part of their budgets, and since GLI is involved in the clients' budgeting process (through a budget planning software application), offering savings on budget items is a natural extension.

The committee will decide on the data-mining proposal before the next meeting.

The committee has asked you to draft an analysis of the data-mining program in terms of privacy. The existing GLI privacy statement does not address the type of activities involved in the program.

Activities and Discussion

1. What client privacy issues should you raise in your report?
2. How would the program need to be structured in order to comply with PIPEDA?
3. Develop a communication strategy (with a sample email) that explains the program to clients.
4. What are some of the ethical issues involved with using GLI client data?