Retailers Are Tracking Where You Shop -- and Where You Sleep and Who You Are Sleeping With

Ву

- Companies use location data to analyze customer behavior
- 'We don't want to erode trust,' one mall landlord says

Retailers are finding all kinds of uses for location data from customers' phones.

Hill Country Galleria in Bee Cave, Texas, used the information to determine that a lot of shoppers owned pets. So it installed water fountains, babysitting stations and "Santa Paws" photo ops for furry friends. The time customers spent in the mall rose by 40 percent, according to CBRE Group Inc.

A shopping center in Chicago found it was drawing customers from Asian neighborhoods, so it decided to fill a vacancy with a high-end Asian specialty grocer.



DogSpot station at Hill Country Galleria.

Source: CBRE Group Inc.

<u>Dunkin' Brands Group Inc.</u>, which opened 278 new doughnut shops in the U.S. last year, employed phone data to make sure the new stores wouldn't siphon customers from existing locations.

Retailers are following the trail of electronic bread crumbs left by millions of customers. And it's helping them at a time when the industry is suffering.

They're buying mobile-phone data that can track where and for how long people shop, eat, see movies -- and where they go before and after. It allows them to determine personal details that paint a picture of who consumers are. That helps them decide what kinds of shops to open and how to advertise.

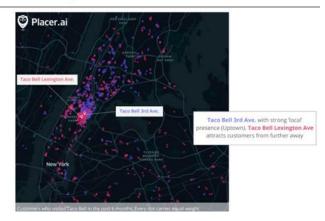
The information is transforming the business. And it's raising privacy concerns.

The idea of being tracked by businesses makes some people uneasy. Every company interviewed for this story said it chooses not to use information that could identify individuals. But for the most part they're on an honor system because rules governing data remain relatively lax.

Location Data

The practice is called location analytics, and worldwide the industry is expected to grow to \$15 billion by 2023 from \$8.35 billion in 2017, according to mobile-data company Placer.ai. More than half the retailers <u>surveyed</u> last year said they partner with third-party firms to collect location data.

Unique Customer by Home Location



Placer.ai's location data shows where Taco Bell customers live.

It's a far cry from the days when mall owners would draw concentric circles on a map to determine where to advertise.

"Historically, we've only been able to look at theoretical behaviors of people," said Alan McKeon, chief executive officer of Alexander Babbage Inc., which packages and sells location data. "Now we can look at where we're actually drawing from, and we discovered that the trade areas look nothing like we used to think they did."

Dropping Pins

Phone apps gather user data throughout the day, dropping pins on locations and collecting latitudes, longitudes, time stamps and device IDs. Aggregators, such as UberMedia Inc., buy the information and sell it to analytics companies like Alexander Babbage that clean it up for retail landlords to use. Typically, his company pays in the six figures for the data, McKeon said, while packages for retailers run as low as \$15,000.

UberMedia says it keeps an eye on 800 million active devices per month, and has 14 trillion total location observations and 4.5 years of historical data.

To glean details, including an individual's age, income, ethnicity, education level, number of children and more, firms connect the phone's evening location with U.S. Census data.

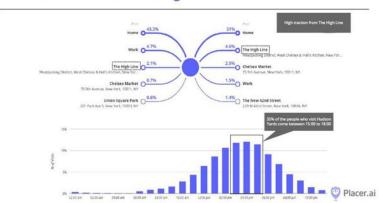
"We don't have any information about who owns the device, so the way that we contextualize the information is we look at where the phone sleeps at night," McKeon said.

Location data isn't the only thing being tracked. There's also psychographic data, which includes a person's behavior and spending habits, and social-media chatter.

'Nerd Culture'

Spatial.ai, a startup that studies online conversations, collects location data for 72 categories -- from "nerd culture" to "farm culture" -- and helps businesses determine whether specific personality types correlate with sales. Frequent topics in the "hipster" segment, for example, include antiques, vinyl record albums and coffee.

Hudson Yards -- Visitors Insights



Placer.ai analyzed when people visited Hudson Yards, a new development in Manhattan, and where they went after.

Working with Spatial.ai, shopping-center landlord <u>Brixmor Property Group Inc.</u> identified a lot of online talk about "girls night out" in the neighborhood of its shopping center in Newtown, Pennsylvania. So Brixmor opened a "female friendly organic concept" called Harvest Seasonal Grill instead of, say, a steak restaurant, according to Brixmor CEO Jim Taylor.

"You get a much better sense of the commuting patterns of the community that utilizes your center, and it's oftentimes quite revelatory," Taylor said.

Privacy concerns are creeping up. As the market has become more competitive, some providers have started to cut corners, said Laura Schewel, CEO of StreetLight Data Inc. She said her firm, which studies travel patterns to help improve urban planning, lost a potential client to a competitor because it refused to sell "raw trips," or trips by individuals. StreetLight only sells data about groups of people. That way, if it were ever compromised, personal details would be protected.

"We don't want to use technology in a way that erodes trust," said Brixmor's Taylor. "As a shopping-center owner, you want to bring in vibrant uses that generate lots of sales, lots of traffic and allow you to grow rents over time."

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Google Staffers Share Stories of 'Systemic' Retaliation

By Mark Bergen and Josh Eidelson

April 26, 2019, 3:43 PM PDT Updated on April 26, 2019, 5:39 PM PDT

- AI researcher says she was punished for raising concerns
- Employee suggests Google is chasing defense giant Lockheed

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Hundreds of Google staffers met on Friday and discussed what activists allege is a frequent consequence of criticizing the company: Retaliation. Two leaders of recent company protests said they've been mistreated by managers and collected similar stories from other workers at the world's largest internet company.

The claims of retaliation are the latest in a series of internal upheavals over issues ranging from the use of artificial intelligence for military purposes to executive misconduct and the rights of contract workers. <u>Alphabet Inc.</u>'s Google set the standard in Silicon Valley for employing and retaining scores of highly-trained computer scientists. But the recent troubles have hurt its reputation. Employees registered a decline of faith in Google's executives in recent internal surveys. Several software coders refused to work on a project for the Pentagon last year, spiking the contract, and some resigned in protest.

In November, several employees organized a company walkout over payouts to executives facing sexual assault allegations. Around that time, the activists gathered 350 accounts of employee concerns.

On Monday, two of those organizers, Meredith Whittaker and Claire Stapleton, wrote an email saying Google had punished them because of their activism. The two asked staffers to join them on Friday to discuss the company's alleged actions, and during the meeting they shared more than a dozen other stories of internal retribution that they had collected over the past week. Like many meetings at Google, participants could watch via a video live-stream and submit questions and comments.

"Now more than ever we need to reject retaliation, and reject the culture of fear and silence that retaliation creates," read an email from the event organizers, which Bloomberg News viewed. "The stakes are too high."

"We prohibit retaliation in the workplace and <u>publicly share</u> our very clear policy," a Google spokeswoman said in an emailed statement. "To make sure that no complaint raised goes unheard at Google, we give employees multiple channels to report concerns, including anonymously, and investigate all allegations of retaliation."

Whittaker is a researcher at Google specializing in artificial intelligence. She co-founded a research group, AI Now, that is affiliated with New York University. Whittaker wrote to her colleagues in an email that she was told she would have to "abandon my work on AI ethics."

Stapleton, who works in the marketing department at YouTube, alleged that she was informed she was being demoted and later told to take a medical leave she didn't need. After she retained a lawyer, Stapleton said, the company "walked back my demotion, at least on paper," but "the environment remains hostile and I consider quitting nearly every day."

In the email, Stapleton said that she arranged a meeting with Google's human resources division after flagging changes to her job. She was told to go on sick leave. When she replied that she wasn't sick, Stapleton wrote, the HR director said, "We put people on it all the time."

On Friday, Whittaker and Stapleton shared additional information about their situations in an internal post to colleagues.

Whittaker said that her manager, whom she did not name, told her that her AI ethics work "was no longer a fit." The manager said Google's cloud division had plans to massively increase sales by "being everywhere Lockheed is," according to Whittaker. That's a reference to the defense company Lockheed Martin Corp. Google's work with the U.S. military was the subject of employee protests last year. A Google spokeswoman declined to comment on the mention of the cloud business.

Whittaker tried to get transferred to another Google AI team, a move she said was supported by Jeff Dean, the company's head of artificial intelligence. Soon after, Whittaker was involved with another protest: an employee petition against the appointment of Kay Coles James to an AI ethics counsel organized by Google. The company ended up scrapping the group.

Two weeks after the petition, Whittaker said she learned that her planned transfer had been canceled and that her role at Google would be changing. "Continuing my work at AI Now and my work in AI ethics was not on the table," she wrote.

Oona King, Google's director of diversity strategy, rejected at least one of the employee's claims. "I can genuinely say when I've looked at the details of one of the cases, it isn't as it appears here," she wrote, according to a message viewed by Bloomberg News.

Executives at YouTube and Google Cloud sent messages to staffers earlier this week disputing the accounts of Stapleton and Whittaker, according to a person who had seen them.

Several current and former employees took to Twitter on Friday to register complaints using the hashtag #NotOkGoogle, a riff on the company's virtual assistant product. "This is just the tip of the iceberg," wrote Alex Hanna, a member of Google's cloud division.

"I am grateful that I quit Google," <u>wrote</u> Liz Fong-Jones, an engineer and outspoken critic who left the company earlier this year.

"This is a pattern, these are systemic issues, and we will change if only by speaking up and acting together," Stapleton wrote in the email.

Google management publicly endorsed the employee walkout in the fall, giving the blessing for staff to vent frustration. But as dissent continued to rise inside Google, the company's lawyers <u>urged</u> the U.S. government to give companies more leeway to reign in rebellious employees from organizing over workplace email.

Google made that filing in a case pending before the National Labor Relations Board involving alleged retaliatory discipline against an employee. Another complaint involving alleged retaliation against staff was filed with the agency this week.

(Updates with details of researcher's allegations in 12th paragraph.)

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Google Announces More Policy Changes After Employee Protests

By <u>Josh Eidelson</u>

April 25, 2019, 4:31 PM PDT



Google employees during a walkout in Mountain View, California, in Nov. 2018. Photographer: Michael Short/Bloomberg

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Google unveiled another round of policy changes to address employee concerns about misconduct at the world's largest internet search company.

Staff can now lodge complaints and concerns about harassment and other misconduct at work via a new website. During meetings related to investigations, workers will have more freedom to bring along colleagues to support them. There's also a new program to provide better care for employees during and after investigations, the company said Thursday.

"We want every Google's global director of diversity, equity, and inclusion, Melonie Parker, wrote in an email to employees, which was also posted publicly online.

By June, the <u>Alphabet Inc.</u> subsidiary will also complete a dedicated site for receiving concerns from temporary workers and vendors. Last year, temporary, vendor and contracted staff became a <u>majority</u> of Google's workforce.

The latest changes come nearly six months after thousands of Google employees around the world staged walkout protests to demand changes to the way the company handles misconduct. In response, Google announced last November that it would stop forcing employees to handle sexual harassment and assault claims in arbitration rather than in court.

In February, the company announced a <u>more sweeping</u> change; dropping so-called forced arbitration for all current and future employees and allowing them to instead pursue courtroom class actions for all kinds of workplace complaints. Such moves, Parker wrote, "are all big changes that I hope show our real commitment."

The internet giant came under fire this week from two leaders of last year's walkout. They alleged in a message posted to internal mailing lists that Google has been retaliating against them. Google denied the claims. The employee activists, whose message was first reported by Wired, plan to hold a "town hall" meeting about the issue on Friday.

"What we see here is Google management scrambling to placate workers in the face of serious claims that the company retaliates against organizers and those who speak up about harassment and discrimination," the advocacy group Tech Workers Coalition said in a statement Thursday.

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Google Accused of Retaliating Against Staff in New Labor Case

By <u>Josh Eidelson</u> and <u>Mark Bergen</u> April 25, 2019, 6:17 PM PDT

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A <u>complaint</u> has been filed with the National Labor Relations Board accusing <u>Alphabet Inc.</u>'s Google of violating federal law by retaliating against an employee.

The filing was made this week by an unidentified individual and the case has been assigned to the agency's New York office, according to the agency's website. It involved an alleged violation of a New Deal-era ban on punishing employees for involvement in collective action related to working conditions, according to a case summary posted online. An attorney listed as representing the complainant didn't immediately comment in response to an inquiry.

It's unclear who the complainant is. Over the past year, staff have <u>protested</u> over workers' <u>rights</u>, a divisive military <u>contract</u> and the company's <u>handling</u> of sexual misconduct. Tens of thousands of Google employees around the world participated in a November walkout, demanding changes. The company's since addressed some of the organizers' demands, announcing it would let employees pursue claims as class actions in court rather than forcing them into arbitration.

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This week, the internet giant came under fire from two leaders of the walkout, who alleged in a message posted internally that the company has been retaliating against them -- a claim Google has denied. The activists, whose message was first reported by <u>Wired</u>, announced a planned town-hall meeting on the issue Friday.

Those employees could not be reached for comment. A Google representative declined to comment on the new filing but pointed to a previous statement about the walkout organizers' claims: "We prohibit retaliation in the workplace, and investigate all allegations. Employees and teams are regularly and commonly given new assignments, or reorganized, to keep pace with evolving business needs. There has been no retaliation here."