



Book: *The Numerati*
Author: Stephen Baker
Book Club Discussion:
June 10, 2010

Discussions are open to CADM members only. Guest passes are available by contacting CADM.

Please email George Buckley: info@CADM.org.

Think it's possible to live off the grid? Think again. Our every action – purchases, votes, web queries, phone calls – all of these provide The Numerati with enough data to predict our every move for years to come.

Stephen Baker's work, *The Numerati*, is a fascinating look at the “new math intelligentsia,” the mathematicians, computer scientists and engineers who collect and organize personal data, apply artificial intelligence to sort it and ultimately place each one of us into behavioral buckets. From there they can predict our consumer, political, social, medical – even illegal - activities.

In each chapter, Baker interviews experts on the forefront of data mining and modeling. He speaks to IBM about its efforts to classify employees by skills, rank and select them for projects based on optimization algorithms, and taps Accenture to reveal the intricacies of consumer segmentation.

The author discusses how political campaigns sort us into demographic/psychographic “tribes,” and explains the application of artificial intelligence to comb and categorize online personal opinion for brand-building.

Baker reveals how casino protection programs have been applied to the NSA's anti-terrorist work, investigates how our home environments can be programmed to sense our illnesses, and suggests that Google's algorithmic page ranking and online dating have more in common than you'd think.

Our Brainstorm group felt *The Numerati* was a good primer for the uninitiated, even though some craved more in depth math specifics. Issues of control, relevance and ethics were significant talking points.

We discussed pending privacy legislation on data collection and modeling: Who's driving it? Is it even necessary if so many feel the benefit of consumer rewards outweighs the cost of giving up our personal information? Should legislation include the collection of anonymous data? Or should companies simply provide greater opt out alternatives in order to remain exempt?

Most felt that the application of home health sensors came closest to an invasion of personal privacy. Yet we all saw the tremendous potential of marketing a service to monitor the health of our senior relatives.

While we're collecting huge amounts of data today, will the demand for identifying its relevance and predictive power shift our focus to collecting “the right data,” and interpreting it, tomorrow?

We wondered whether “people analytics” will become relevant within or across specific industries. What will happen to smaller businesses that might not be able to afford it? Could employee profiling be leveraged not just by companies, but also by individuals to prove their own value in the workplace? Similarly, can we consciously create our own “tribes”? Whether we like it or not, those who determine the measurements or classifications involved in these resulting algorithms have a heavy hand in the way we'll be sorted.

Rating: 7 out of 10

Next Discussion: August 12, 2010

Robin Hood Marketing: Stealing Corporate Savvy to Sell Just Causes by Katya Andresen.