Using MIS InClass 9 *A Group Exercise*

Do You Have a Club Card?

Sources: Shutterstock.com and Superstock.

A **data aggregator** is a company that obtains data from public and private sources and stores, combines, and publishes it in sophisticated ways. When you use your grocery store club card, the data from your grocery shopping trip are sold to a data aggregator. Credit card data, credit data, public tax records, insurance records, product warranty card data, voter registration data, and hundreds of other types of data are sold to aggregators.

Not all of the data are identified in the same way (or, in terms of Chapter 5, not all of it has the same primary key). But, using a combination of phone number, address, email address, name, and other partially identifying data, such companies can integrate that disparate data into an integrated, coherent whole. They then query, report, and mine the integrated data to form detailed descriptions about companies, communities, zip codes, households, and individuals.

As you will learn in Chapter 12, laws limit the types of data that federal and other governmental agencies can acquire and store. There are also some legal safeguards on data maintained by credit bureaus and medical facilities. However, no such laws limit data storage by most companies (nor are there laws that prohibit governmental agencies from buying results from data aggregators).

Acxiom Corporation, a data aggregator with $1.2 billion in sales in 2009, has been described as the "biggest company you never heard of." Visit www.acxiom.com and complete the following tasks:

1. Navigate the Acxiom Web site and make a list of 10 different products that Acxiom provides.
2. Describe Acxiom's top customers.
3. Examine your answers to items 1 and 2 and describe, in general terms, the kinds of data that Acxiom must collect to be able to provide these products to its customers.
4. In what ways might companies like Acxiom need to limit their marketing so as to avoid a privacy outcry from the public?
5. According to the Web site, what is Acxiom's privacy policy? Are you reassured by its policy? Why or why not?
6. Should there be laws governing companies like Acxiom? Why or why not?
7. Prepare a 3-minute presentation of your answers to items 3, 4, 5, and 6. Give your presentation to the rest of the class.

Q5 How Do Organizations Use Typical Data Mining Applications?

Data mining and other business intelligence systems are useful, but they are not without problems, as discussed in the Guide on pages 330–331.

Data mining is the application of statistical techniques to find patterns and relationships among data for classification and prediction. As shown in Figure 9-19, data mining resulted from a convergence of disciplines. Data mining techniques emerged from statistics and mathematics and from artificial intelligence and machine-learning fields in computer science. As a result, data mining terminology is an odd blend of terms from these different disciplines. Sometimes people use the term *knowledge discovery in databases (KDD)* as a synonym for data mining.

Data mining techniques take advantage of developments in data management for processing the enormous databases that have emerged in the last 10 years. Of course, these data would not have been generated were it not for fast and cheap computers, and without such computers the new techniques would be impossible to compute.