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From: Roxie Dinstel
Re: Pinching Pennies to run Mondays on page A-3
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Buying that new snowmachine may have been just the start of your purchase. Now you are getting advertisements and offers for all kinds of equipment to go with the snowmachine. Why all of a sudden, are you getting offers for specialized equipment that you didn’t before? There’s money in it. Consider this information from lowcards.com on how your purchases guide specialized marketing offers.

Think twice about what you buy with a credit card because your personal shopping is collected by Visa, MasterCard, banks, credit card issuers, and smart wallets, and then sold to advertisers and marketers.

Like it or not, advertisers and businesses want to know about your spending habits so they can target you to buy their products and services. Credit card networks and issuers have enormous databases of purchase and shopping data that they aggregate, package and sell.

Every purchase you make says something about you. This data is collected and you are grouped with others who have similar interests and spending patterns. Businesses then deliver ads aimed specifically to your group.

Even those buyer loyalty cards that we all have from the grocery store track your purchases so they can target the coupons you receive at checkout.

For years, “cookies” have been used to gather information about your online behavior to create a personal profile and target ads based on that profile. Access to credit card transaction data fills in the gaps with purchases you’ve made in the offline world.
Your name, social security number and bank account are never disclosed to the business or merchant. Customers are represented by numeric codes so individuals remain anonymous.

Through third parties, banks and credit card issuers can partner with retailers to offer you deals based on your purchase history. These offers can appear with your billing statement or pop up when you log into your account. You may receive an offer by text or email.

CNN reported that merchants pay banks an average fee of 10% to 15% of the purchase price of a product each time a customer uses a discount that is generated from the bank’s data. The bank takes nearly 25% of that fee and pays the rest to an intermediary that works with both banks and merchants, like Cardlytics. So if you purchase a $500 item, the merchant pays a fee of up to $75; the bank receives about 25% of this or $18.75.

In their terms and conditions, credit card issuers disclose that they can share personal information about people with outside companies for marketing. Visa has filed patent applications for ways that will use credit card transaction data to target digital ads and personalize other content. Visa's profile generator will include non-transaction data from your address as well as information from social network websites, credit bureaus, search engines, insurance claims and even DNA databanks.

MasterCard lets people opt-out from these kinds of programs by filling out the info at www.mastercard.us/privacy under “Data Analytics Opt-Out” and “Web Analytics Opt-Out.”

Shopping with smartphones, like Google Wallet, is an easy way for companies to gather information. Google Wallet describes its broad use of data in its privacy policy: When you use the Processing Service to conduct a transaction, they collect information about each transaction, including the transaction amount, a description provided by the seller of the goods or services being purchased, the names of the seller and buyer and the type of payment used. They may also collect transaction data from your use of the Mobile Wallet. For example, if you use the Mobile Wallet Application to make a purchase at a merchant or download a merchant coupon, the company may obtain information regarding that transaction from the Mobile Wallet Application, from the merchant and/or a partner, as applicable. The information may include the date and time of the purchase, the store location, the amount of the purchase, and the offer associated with the transaction.

Google Wallet says it uses this information to: Provide offers, coupons and other similar products to you for goods or services that may be provided by merchants, partners and other third parties alone or jointly with Google; to provide products and services, including the display of customized content and advertising; to perform auditing, research and analysis in order to maintain, protect and improve its services and develop new services.
Our financial life is an open book. Be aware of how this information is used and if your card gives you the option, you might want to opt-out of these advertising offers.

In one of my earlier columns, I was talking about saving money by correctly using hot water in your house. I want to further clarify the statement on turning down the thermostat on your hot water heat. I stated that it doesn’t save energy to turn the thermostat up and down daily if you have hot water heat. No doubt, when you aren’t burning oil to keep the house warm, you are going to save energy. So turning down the thermostat will result in less energy used.

However, it takes the house some time to recover and warm up again after a thermostat is turned down by several degrees. The walls, furnishings, and surfaces get cool and must be re-warmed—using additional energy. So you might want to consider just turning the thermostat down a few degrees and leave it there. By going from 70 to 68 (or even 65) and leaving it there, you will save 3% per degree dropped. Just put on a sweater if you get a little cool.

I took research from another cold-winter state’s Extension Service and added my own experience. As with all research, not everyone agrees and not everyone’s house is the same. It is important that you gather information from several sources and see how it applies to your home.

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