

Column Verizon gives away cool freebies, as long as you give away your privacy



Free tickets to see Lady Gaga in concert are among the Verizon Up rewards. The catch is you have to agree to share your personal information with marketers. (Getty Images)



By **David Lazarus**

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Would you give up your privacy for a shot at free concert tickets, [Uber](#) rides or Apple Music tunes? Verizon is betting the answer is yes.

The telecom giant has unveiled a new loyalty program that it says will provide customers with “experiences you won’t stop talking about” and “rewards you really, really want.” All you have to do is spend at least \$300 on your wireless bill or some other Verizon service.

Oh, and one other teensy-weensy thing: You have to enroll in a marketing program called Verizon Selects, which “uses information about your web browsing, app usage, device location, use of Verizon services and other information about you” to target you with ads.

“All sorts of companies — Google, Facebook — are already in the data-collection business,” said Paul Schwartz, a law professor at UC Berkeley and co-director of the Berkeley Center for Law and Technology.

“Now we’re seeing older companies — cable companies, cellular companies — placing a greater emphasis on it,” he said.

Verizon’s brazen attempt to bribe people into giving up their privacy underlines the growing importance of leveraging customer data as a revenue source, especially for businesses that may not be experiencing significant growth in sales or market share.

“Information and a competitive edge derived from a large number of users whose data a company can mine, and to which it can market, is in some cases the most valuable asset of a digital company these days,” said Orly Lobel, a law professor at the University of San Diego.

Give Verizon this much credit: It’s not just snatching away people’s privacy without offering something in return. The company’s rewards program, called [Verizon Up](#), does provide some nifty perks.

Along with discounts on future device purchases, Verizon says credits can be used to “get exclusive access to prime sporting events, shows, concerts and live experiences.” There also will be so-called Dream Tickets for “once-in-a-lifetime/money can’t buy experiences that will be available to select customers.”

I don’t know if these benefits are as cool as Verizon makes them sound, but the vast majority of companies violate customers’ privacy without a second thought. Verizon at least is open to some give and take.

That said, the company’s generosity looks primarily like a way of obtaining blanket permission for access to the entire candy store of customers’ lives.

Kristen Walker, a marketing professor at [Cal State Northridge](#), said consumers may not realize how much they’re giving up just to get their hands on a fast freebie.

“They are surrendering a wealth of personal information and behavioral data,” she said.

This is data that marketers crave — the sort of info that helps them keep tabs on your activities and spending, and that uses your personal interests to make their sales pitches more effective.

It also makes Verizon a heavyweight among peddlers of personal info, a one-stop shop for consumers’ likes and dislikes.

But the fact that Verizon does a miserable job of disclosing details of the program should be a big red flag.

The company acknowledges prominently in its online “[frequently asked questions](#)” about Verizon Up that you have to be a member of Verizon Selects. But it doesn’t reveal until the 40th out of 42 questions that this means having your web browsing, app usage and location spied on.

Worse, you have to go to a [separate FAQ](#) for Verizon Selects to learn that the marketing program involves not just your online activities but your real-world address and “information we get from other companies (such as gender, age range, interests, shopping preferences and ad responses).”

This is where you also discover that being clever and turning off the location setting on your smartphone won't prevent Verizon from knowing where you are at all times. The company will still track you via its wireless network.

And Verizon will be sharing your information with Oath, the company it created after recently purchasing Yahoo and combining it with AOL. Oath consists of more than 50 digital properties, including HuffPost, Yahoo News, Yahoo Sports and [Tumblr](#).

On top of that, any information gathered through Verizon Selects will continue to be held by the company for up to three years.

Sanette Chao, a Verizon spokeswoman, told me customers can opt out of Verizon Selects after enrolling in Verizon Up and still be part of the rewards program. “Choice and control,” she declared.

However, when I went looking for the opt-out disclosure earlier this week, I found that it wasn't conveyed to subscribers until they downloaded Verizon's app onto their phone and began the enrollment process.

Moreover, the language Verizon used to inform people of its opt-out provision was anything but straightforward: “You can change your choice about relevant advertising at any time. Your choice here doesn't affect any of your other Verizon services.”

I asked Chao why Verizon didn't disclose the opt-out in advance and why it didn't use plain language in making the disclosure. She didn't respond.

But when I checked the Verizon Up website again Thursday, I discovered that the company had quietly made a change. It now says:

“Participation in Verizon Selects is required to enroll in Verizon Up. However, once enrolled in Verizon Up, you have the option to opt out of Verizon Selects. This will not impact your Verizon Up enrollment.”

Better late than never.

A few years ago, I wrote about [Verizon's Smart Rewards program](#), which offered points not for money spent but cellphone use. Those points could be used to “save big on restaurants, entertainment and other local deals.”

The catch? You guessed it. Customers also had to sign up for Verizon Selects.

Last year, Verizon tried offering customers 1 gigabyte of free wireless data usage — enough to watch about 68 YouTube videos — but only if they signed up for Verizon Selects.

The company may be getting more creative with its rewards, but its goal remains the same. It wants customers to open the floodgates on their personal information and not think twice about how the company uses it.

“Once data is out there, it's out of your control,” warned Nancy Kim, a professor of Internet studies at California Western School of Law. “As technology improves, companies will come up with better ways to combine and exploit that data for purposes that we may not be able to predict now.”

Sure, free tickets to see Lady Gaga sound pretty sweet. Even a free Uber ride seems like a good deal.

Ask yourself, though: Do you think Verizon is losing money with these offers?

Of course it isn't.

Which means the company is getting from customers something more valuable than what it's doling out — in this case, something much more valuable.

For that reason, I vote thumbs-down on Verizon Up.

David Lazarus' column runs Tuesdays and Fridays. He also can be seen daily on KTLA-TV Channel 5 and followed on Twitter @Davidlaz. Send your tips or feedback to david.lazarus@latimes.com.

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