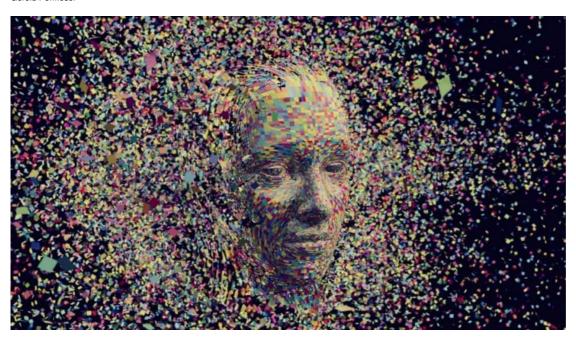


https://blog.en.erste-am.com/profiling/

The primal fear of "Profiling"

Gerold Permoser



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I once studied psychology for two terms. Not of my own volition – it was an administrative error. Somebody had printed "Psychology" on my enrolment slip. Unfortunately, I did not attend any seminars in those two terms, which I now regret as a manager. But although I did not attend a single seminar, I still learnt something from the experience. Many people harbour an undefined fear of psychologists. Every time I told somebody I studied psychology, I could sense a certain reservation. I would always interpret it as the fear of people of someone being able to look inside them and know what they were thinking. And, let's be honest: have you never had the thought "Thank God nobody knows what I am thinking right now"?

That was many years ago. Nowadays, Google, Facebook, Amazon et al. do know quite well what we are thinking. And apparently even better than we do ourselves and the people who are close to us. The story of the woman who received promotional material for nappies before she herself knew that she was pregnant is the stuff of legends. And it is not that difficult. After all, we like to relinquish this sort of information voluntarily. Do you agree for XXX to have access to your contacts? Do you agree for XXX to have access to your current location? Those are questions that pop up during the installation of almost every app. We do sometimes wonder why the app needs contacts and mobility profiles to remote-control our stereo, but in the end, we agree. In many cases, we have no choice anyway. If you click "no", the download stops, and that's that for you and this particular app.

What I find interesting is our dismay when somebody tells us what our data are used for.

Who are you voting for?

In the run-up to every election, people discuss who will be voting for whom. Many of us refrain from revealing too much; we say that this information is our own business and nobody else's. After that, we visit www.wahlkabine.at, answer 20 questions, and are amazed (at least I am) at the result, which somehow fits and yet comes as a surprise. These 20 questions are enough for the supposedly anonymous internet to know how we think.

At the supermarket check-out, I get bored easily. I am too impatient to wait. I sometimes bring a book, but if that is not an option, I like to profile people. A look into the shopping trolley and at the person pushing it, and I feel like I could answer a few questions about them. — Single? Kids? Income? Political affiliation? Religion? Answers to questions that people often do not like to answer (at least not honestly). Imagine you have access to these data day-in, day-out, every year. How fast you would have the answers to those questions that somebody may not have wanted to answer

Personally, I find Big Data and its potential use a very interesting topic. I cannot begin to imagine what these data can be used for and in how many different ways they can be cross-referenced. I am aware that this form of analysis can be useful, but there is of course also the risk of misuse. I also think that companies have to be able to shoulder that responsibility. We as citizens have a right to it. At the same time, I believe that many people also have to assume their share of responsibility; complaining about data misuse while handing over data that in a one-on-one conversation one would never reveal does not add up.

Mag. Gerold Permoser

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Gerold Permoser has been Chief Investment Officer at Erste Asset Management since early April 2013.

He is responsible for all asset management activities and investment strategies for all investment funds held by the Erste Asset Management Group in Austria, Germany, Croatia, Romania, Slovakia, the Czech Republic, and Hungary. Before joining the company, he served this function at Macquarie Investment Management Austria KAG. Permoser has gathered experience in investments since 1997.

He began his career as a fixed-income analyst at the Creditanstalt in Vienna. He moved to asset management at Innovest KAG in 2000. He made significant contributions in the investment field there and advanced to CIO (director of asset allocation and research). Gerold Permoser studied at the University of Innsbruck and is a CFA charter holder. He offers training at the University of Vienna and at various post-graduate institutions for analysts and portfolio managers (i.e., at VÖIG, the Association of Austrian Investment Fund Companies).