



## Big Brother Bell Is About to Become “Relevant”

### Description

*By Cameron Conway*

This weekend, **Bell** (TSX: BCE, NYSE:BCE) will be rolling out its new “relevant advertising” program, a program designed to study and mine the habits and preferences of its customers in order to customize the types of advertisements people will see on their smartphones.

According to Bell’s website (read more [here](#) and [here](#)), the program will operate like this: “Bell collects data such as websites visited, apps downloaded, and search terms, and aggregates the data into broad user group profiles to deliver to customers ads that are most relevant to them.” There is a way to opt out, but it’s not clear whether many of Bell’s subscribers are aware of this feature, and its consequences.

Bell appears to be following in the data-mining footsteps of online giants such as **Google** and **Facebook**, except those two companies are online-only entities with (mostly) ad-supported business models. Bell is an Internet service provider — the gatekeeper of customer information.

### Beyond wireless

Bell’s plans take this initiative well beyond its wireless markets with plans to expand this data monitoring to Internet and television services, giving the company the ability to monitor everything you are watching on whichever device you use. (Unlike **Microsoft**’s X-Box One, which just watches you!)

All of that information will be processed, categorized, and “bundled” for advertisers, presumably allowing Bell to charge a premium for certain market sectors (i.e., male, Vancouver, sports fan, aged 18-35). If Bell is successful with the “relevant advertising” program, it could become a precedent encouraging rivals such as **Rogers**, **Telus** and **Shaw** to do the same.

### Poor timing

With the recent revelations of online spying by agencies such as the NSA and CSEC — not to mention further allegations of Google, Microsoft, and others giving these agencies their user information — the

general public is already uneasy of groups monitoring their online activity.

All this could make Bell's customers a little uneasy, considering the potential access the fully rolled out "relevant advertising" program will have to their personal lives. Already, complaints about the program have been raised by consumers, privacy watchdogs, and federal opposition members. These concerns have also triggered a probe from the Privacy Commissioner of Canada.

### **Unexpected consequences**

Bell had a 30% drop in year-to-year subscriptions from June to September, which contributed to a 35% drop in third-quarter profits. The company is grappling with the newly regulated two-year contracts.

The question is, Will these concerns and public uneasiness translate into lost customers for the wireless giant? Is the risk of unsettling its nearly 8 million (total) customers worth the extra revenue from advertisers?

Or is this is the future of marketing, where every digital action someone takes produces an advertising reaction? (Having action-to-reaction advertising could also produce rather awkward conversations for families with shared data plans...)

The "relevant advertising" program rolls out on Saturday. Bell investors should pay close attention to initial scuttlebutt about the new service.

### **CATEGORY**

1. Investing

### **TICKERS GLOBAL**

1. NYSE:BCE (BCE Inc.)
2. TSX:BCE (BCE Inc.)

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### **Date**

2025/07/02

### **Date Created**

2013/11/14

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