



Marketing Messages

MARY CHARLESON

Credit card call highlights consumer vulnerability

“Good morning Mrs. Charleson. This is Tammy from **Mosaic Mastercard** security office calling. This call is being recorded for legal purposes. We have reason to believe the security on your credit card has been compromised. May I speak to you about purchases billed to your card the last couple days?”

That's the beginning of a call I received last week. Mastercard had obviously tracked purchase patterns and realized that something might be amiss when they saw me purchase a computer in Australia, followed by numerous small online Yahoo Wallet transactions and then attempt to buy a car in India. There were several legitimate transactions actually made by me within this 4 day time period, but the notable switch to numerous online purchases daily caused a flag. I suspect the car purchase in India made it a slam-dunk!

As reassuring as it may be to know they monitored and caught the problem within 4 days and will not hold me accountable for the transactions, it is alarming to realize how vulnerable a consumer can be. In subsequent discussion with them I learned that they believed an online compromise was unlikely, and that it was more likely a case of an unsophisticated fraudulent attempt to generate random account and expiry numbers with no name attached to find a combination that worked with an online retailer. The perpetrator, likely thousands of miles away may well still be randomly generating number combinations daily in hopes of hitting the jackpot. Although credit card companies are reluctant to lower credit limits, I have now made a conscious decision to maintain one card with a low credit limit for exclusive use when making online purchases. The next time they might not be as quick to catch it, or as generous with erasing the transactions. I'm taking no chances.

So is this type of scare apt to put Canadians off making online purchases in the future? Not likely. In fact it would appear we're one of the most e-commerce and social network savvy countries in the world. In a recent Stats Canada survey 71% of Vancouverites reported using the internet. Two thirds of us use it every day. While 57% of users went online to browse and do research, 43% engaged in commerce to buy goods or services. Almost three quarters of respondents said they were concerned (33%) or very concerned (40%) about privacy and security, and more than half (57%) were concerned about internet credit card use.

TNS Canadian Facts recently published a study of Canadians on social networking and blog usage. The poll found that online teens and young adults were the heaviest users of social networking sites, with 83% of the 13-17 years olds and 74% of 18-29 year olds having visited at least one such site. Not surprisingly, older people were less likely to have spent any time on sites such as Facebook and MySpace, but the incidence was still quite high among middle-aged and older Canadians. 60% of people in their 30s had visited at least one social networking site and 45% of those in their 40s had done so. Among those over 50, 33% claimed to have visited such a site. Considering Facebook and MySpace have only burst on the scene recently, it is quite remarkable that 53% of Canadians overall claimed to have visited a social networking site.

In November 2007 it was reported that Microsoft had acquired ownership in Facebook. Speculation at the time was that they were developing software to mine users personal data to be able to serve up targeted advertising. While Google and Yahoo had been using profiling of customer search topics to serve up advertising, the use of social networking data was a new twist. Recently Facebook launched “SocialAds”, which can be tagged onto member activities such as reviewing or buying products and then shared with Facebook user's networks. Publishers such as Random House have placed flyer campaigns for book event promotions with great success through this medium. These Web 2.0 applications hold amazing potential and are delivering real measurable results right now.

Social networking sites are a moving target however, and what's hot today may not be tomorrow. Canadians are heavy users, but guard their identity and security closely. Just ask Tammy at Mastercard.

Mary Charleson, President of Charleson Communications, is a marketing strategist, speaker, and consultant. She writes monthly and can be reached at mary@charleson.ca