# **Behavioral Advertising**

Privacy, Consumer Attitudes and Best Practices

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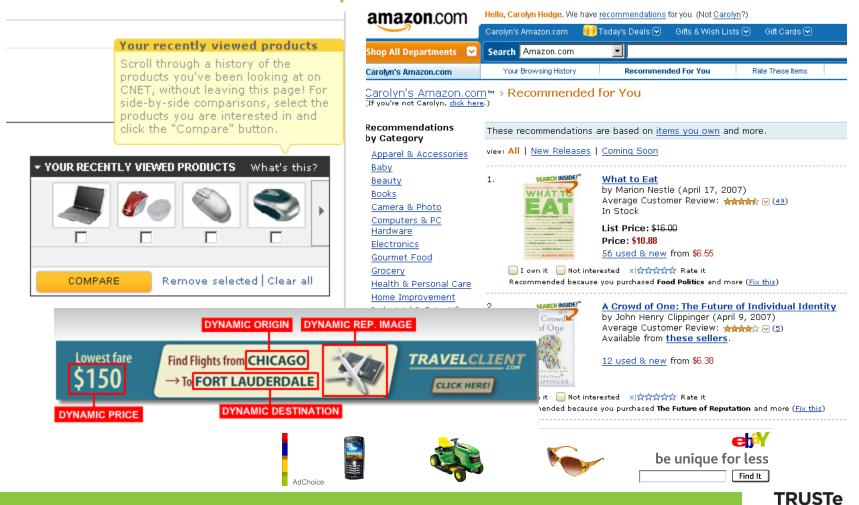




The Privacy Symposium • August 20, 2008



### Personalization Is Expected



**C** 

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### So What's the Fuss?

- Privacy Groups Ask for Online 'Do Not Track' List
  - The interactive online advertising "a virtually invisible, stealth system." Jeffrey Chester, CDD's executive director.
- Blockbuster sued over Facebook ad feature
  - April 16<sup>th</sup> Class Action lawsuit filed against Blockbuster in Dallas
- A Push to Limit the Tracking of Web Surfers' Clicks
  - State bills emerging (<u>New York</u> and Connecticut) to require consent for Web companies to use personal information about consumers for advertising.
- Concerns aired about online ad targeting
  - Federal Trade Commission reviewing comments on proposed Guidelines for Behavioral Advertising
- Watch Your Back for ISP-Targeted Ads
  - UK 's Phorm

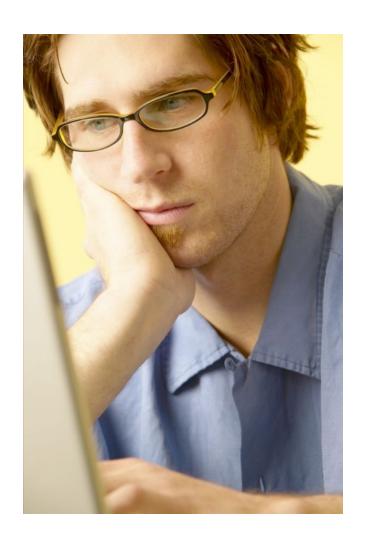


# **SURVEY RESULTS**



# Methodology

- Conducted by TNS, the world's largest custom market research company and a leading provider of social and political polling.
- Nationally representative random sample drawn from TNS's U.S.
   Internet access panel
- Conducted February 2008
- 1,105 completed interviews





# **Key Findings**

- Consumers express discomfort with tracking and targeting even when anonymous
- They desire the ability to limit and control these activities
- Internet users who describe themselves as "very competent" or "expert" in their online technical expertise are more aware of tracking and targeting than their less experienced counterparts
- Tech-savvy online consumers are more likely to take steps to control or limit targeting (e.g. deleting cookies), but their attitudes towards behavioral targeting are quite similar to selfdescribed "beginners".



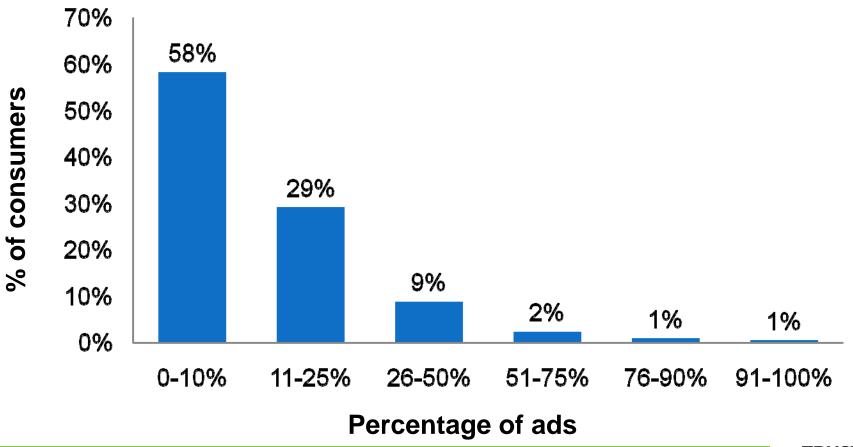


# Relevance of Online Ads



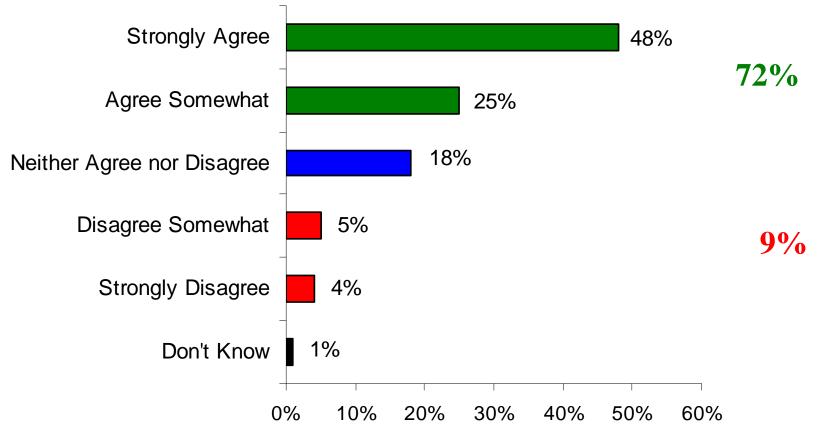


# What percentage of ads that you see while browsing online are relevant to your wants and needs?



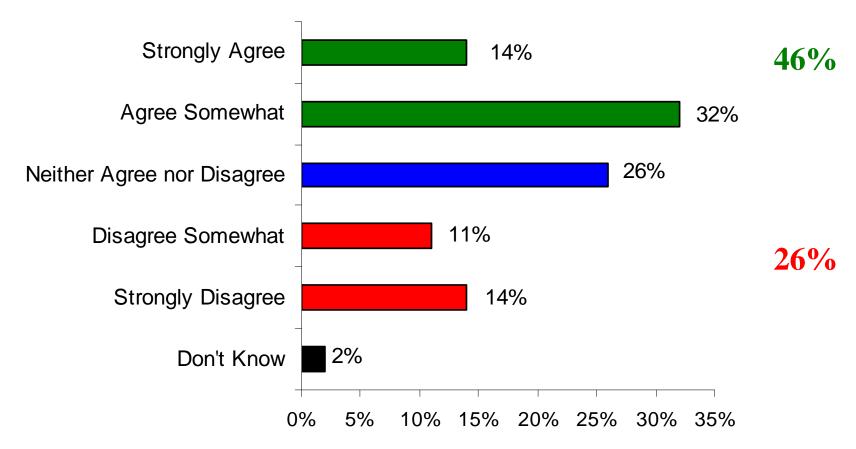


I find online advertising intrusive and annoying when the products and services being advertised are not relevant to my wants and needs.





# I like seeing ads for coupons or promotions from online stores and brands that I have purchased from before.





### The Disconnect: More Relevance, Less Tracking?

- Consumers say that only a few of the online ads that they see are relevant and most consider irrelevant ads annoying
- A benefit of behavioral targeting is supposedly more relevant ads being served to online consumers
- But only one-quarter are comfortable with tracking, provided that it is conducted anonymously



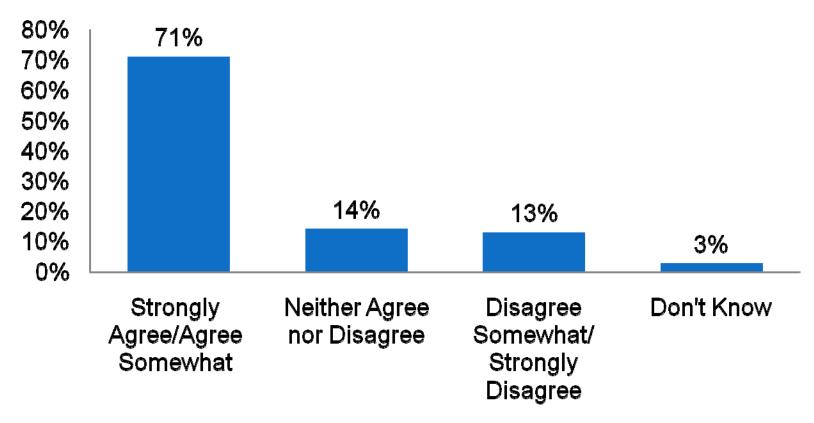


# **Awareness of Behavioral Targeting**



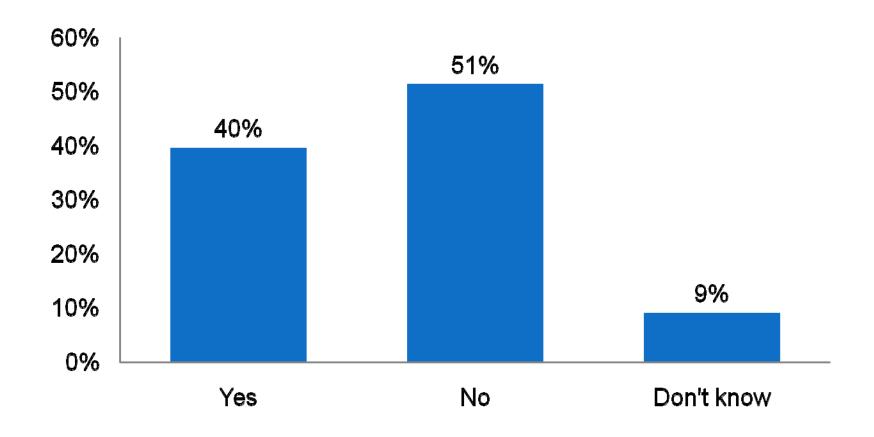


When I am online, I am aware that my browsing information may be collected by a third party for advertising purposes.





# Are you familiar with the term Behavioral Targeting?



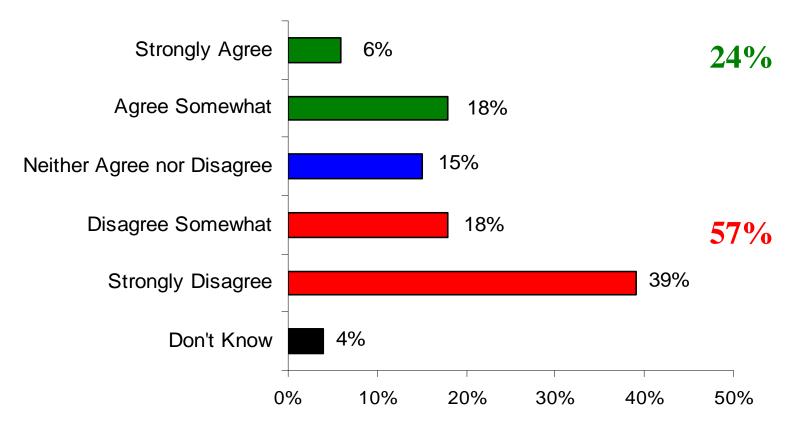


# **Attitudes Towards Behavioral Targeting**



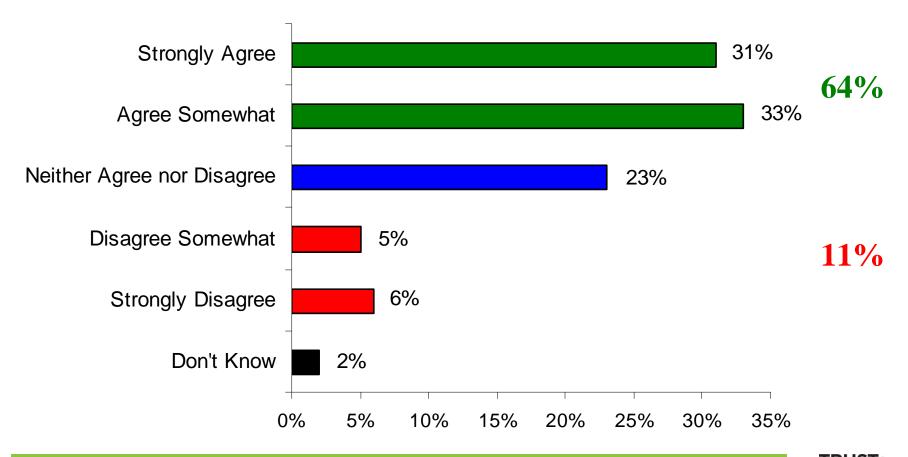


I am comfortable with advertisers using my browsing history to serve me relevant ads, as long as that information cannot be tied to my name or any other personal information.



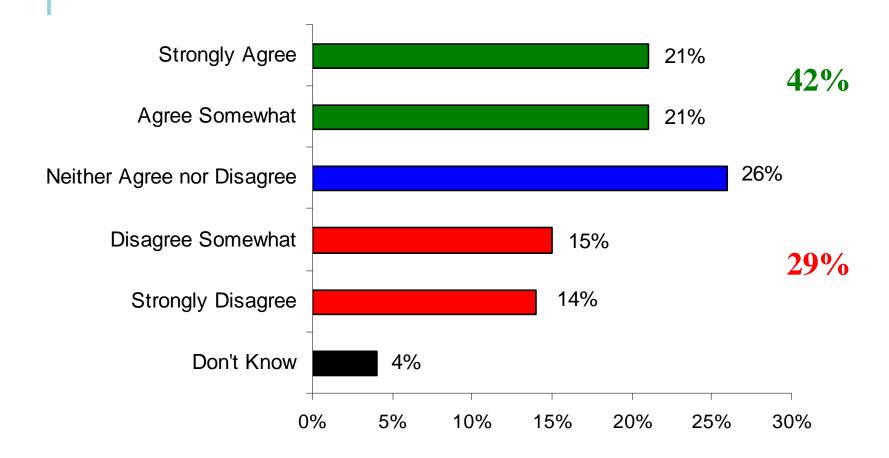


# If given the option, I would choose to see online ads from online stores and brands that I know and trust.





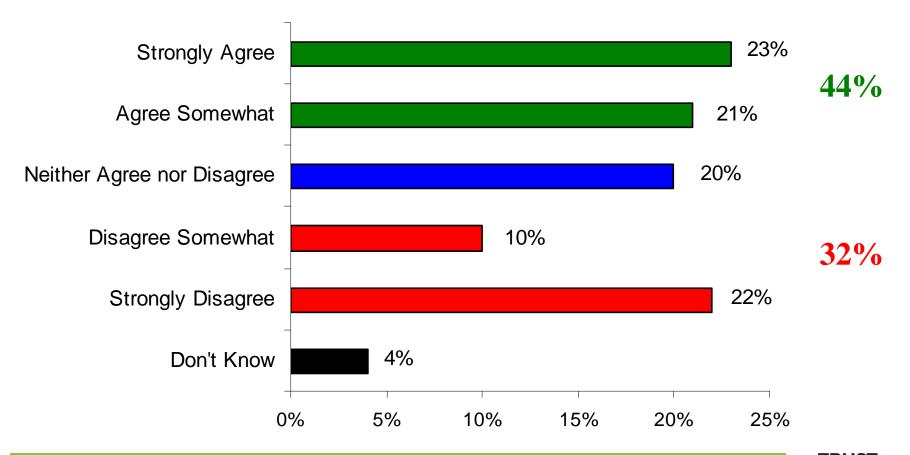
# 42% would sign up for an online registry



I would sign up for an online registry to ensure that advertisers are not able to track my browsing behaviors, even if it meant that I would receive more ads that are less relevant to my interests.



# If I saw a button or icon on a display ad on a site that said "Click here to reduce unwanted ads" I would click it.



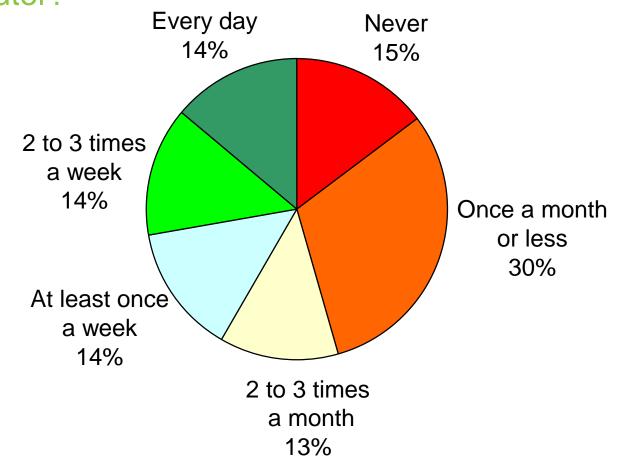


# Personal actions taken by consumers



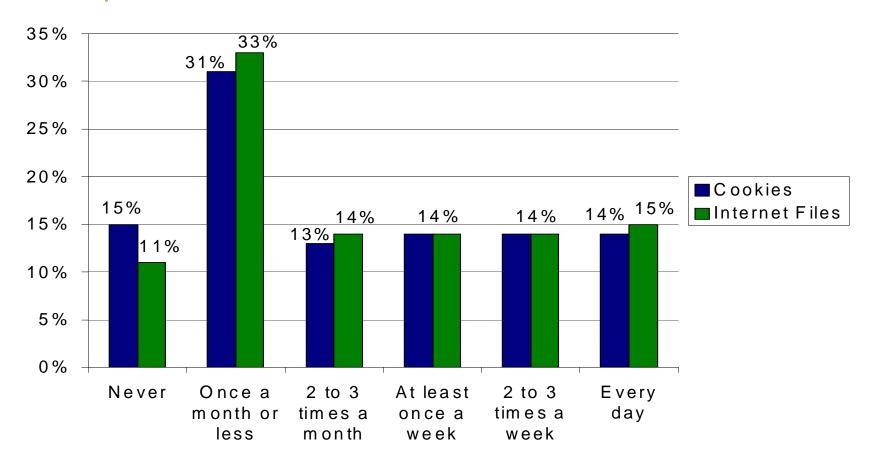


How often do you delete cookies stored on your computer?



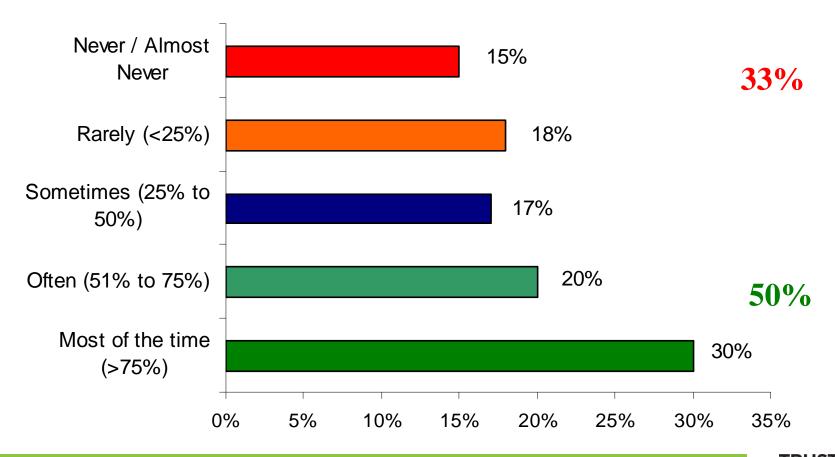


# How often do you delete Internet files stored on your computer?



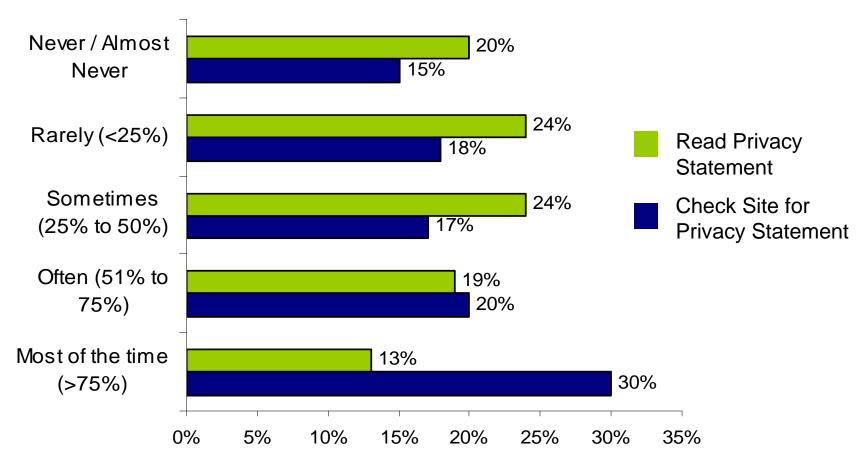


When you are giving personal information to a website, how often do you check to make sure the website has a privacy statement?





# When you are giving personal information to a website, how often do you read the privacy statement (if provided)?



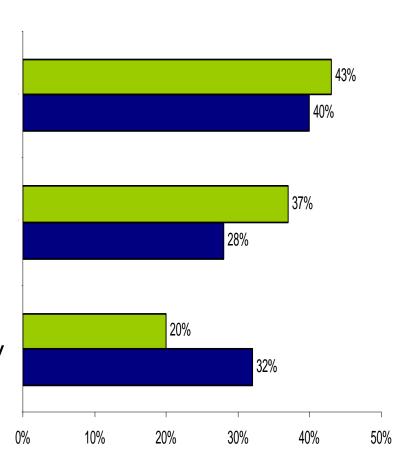


### Self-assessment about protecting PII online

I know how to protect my personal information online and consistently take the necessary steps to do so.

I know how to protect my personal information online but don't consistently do so.

I don't really know how to protect my personal information online.

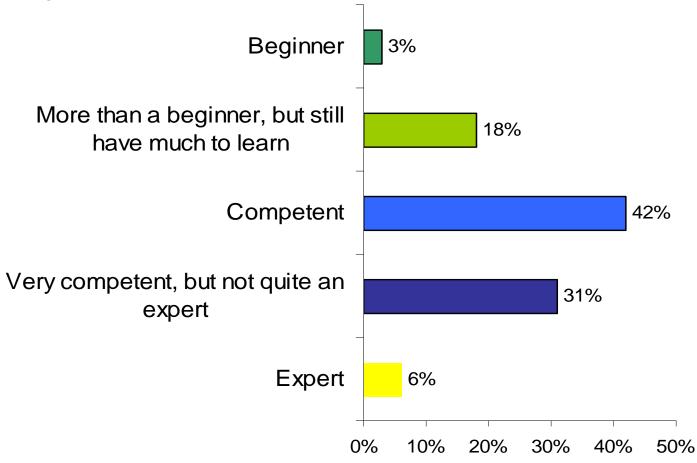


Feb. 2008



Oct. 2004

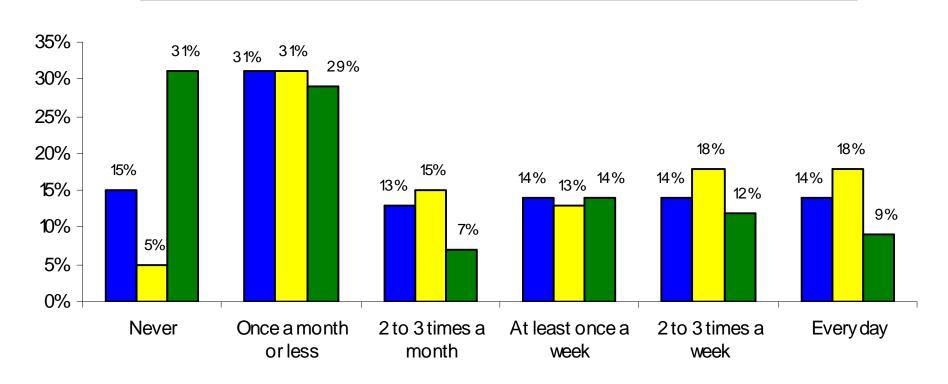
# How would you describe your online technical expertise?





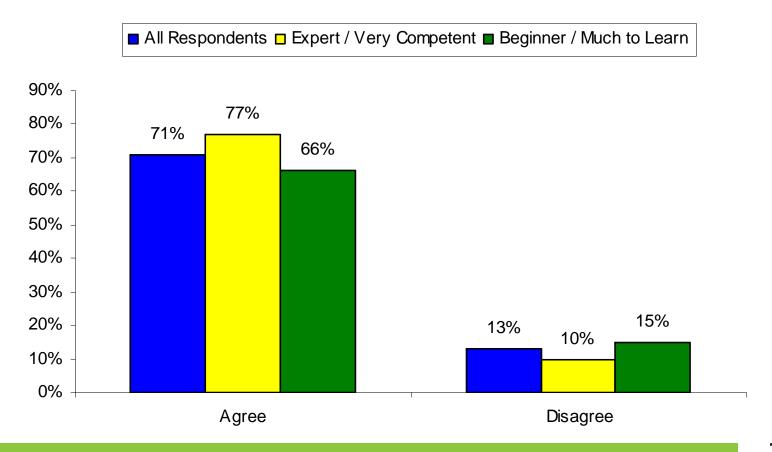
### Cookie Deletion by Level of Online Technical Expertise

■ All Respondents □ Expert / Very Competent ■ Beginners / Much to Learn



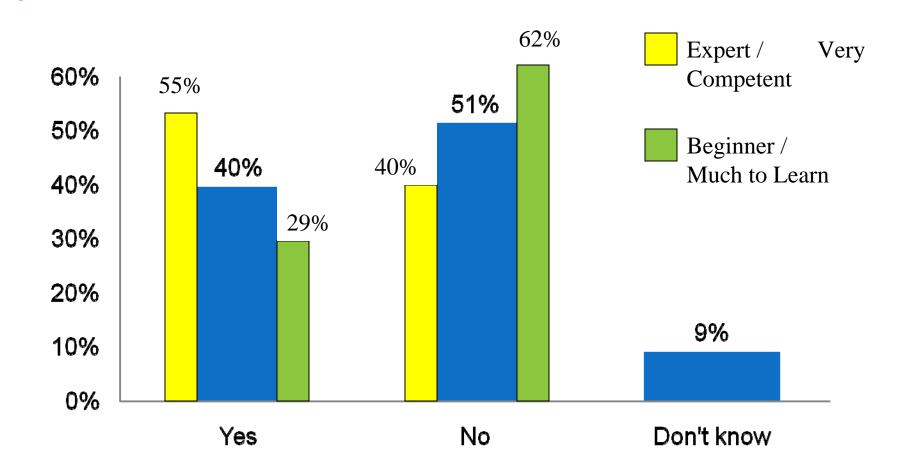


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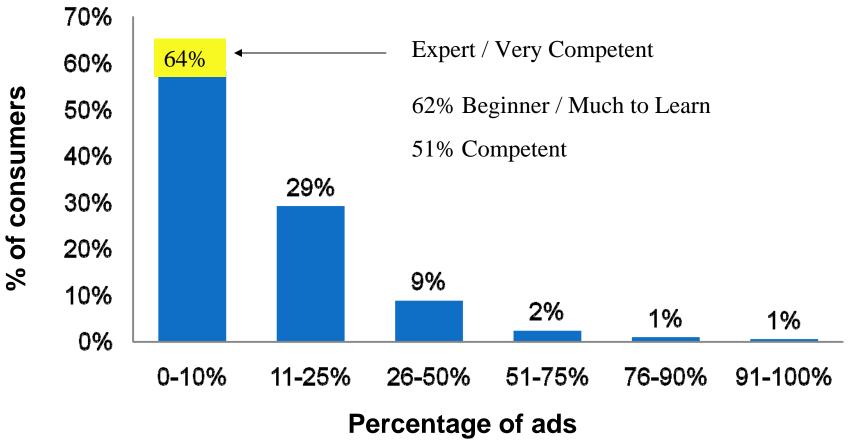


# Are you familiar with the term Behavioral Targeting?





# What percentage of ads that you see while browsing online are relevant to your wants and needs?





# **BEST PRACTICES**



# TRUSTe Program Requirements that Currently Address Targeting and Tracking

- TRUSTe requires sealholders to disclose the use of first party and third party tracking technologies on the site
- Opt-in is required if sensitive PII is transferred to 3rd parties using Web beacons
- If information collected via tracking technologies is linked to collected PII - then the that information is considered PII and all our requirements around PII apply



# Forward Perspective on Behavioral Advertising

### Consumer Education

- all commercial beneficiaries should be accountable in providing education, notice and choice to consumers, where appropriate
- Sliding Scale Proactive Notice
  - sliding scale for notice and choice should be employed based on practices and privacy implications
- Accountability
  - Websites where tracking and targeting is initiated, collected or used, as well as ad networks serving behavioral advertising, should all participate in providing privacy information and options to consumers





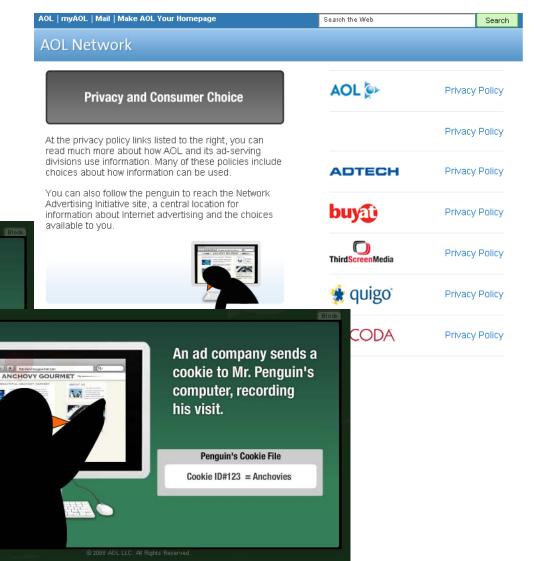
For more information from AOL

privacy choices:

Click Here.

AOL 🗽

about online advertising and



**AOL Penguin Campaign** 



# Sliding Scale for Notice and Choice

Type of Advertising	Definition	Obligation
Sensitive Personally Identifiable Information Advertising	The use of sensitive personally identifiable information for the purpose of behavioral advertising.	Opt-in consent
Personally Identifiable Advertising	The merger of information that, by itself, can be used to identify someone — such as name, e-mail address, physical address, or telephone number — with data collected through multi-site or behavioral advertising for the purpose of ad targeting.	Prospective use: Opt-out choice Retroactive use: Opt-in consent
Behavioral Advertising	The tracking of a consumer's activities online across multiple, unrelated sites  — including the searches the consumer has conducted, the web pages visited, and the content viewed  — by a third party in order to deliver advertising across multiple, unrelated sites targeted to the individual consumer's interests.	Opt-out choice
Multi-site Advertising	Online advertising across multiple, unrelated third-party sites.	Pass-through notice: make reasonable efforts to require website operators to link to a privacy notice on their home page
Online Advertising	The logging of page views or the collection of other information about an individual consumer or computer for the purpose of delivering ads or providing advertising-related services.	Link to privacy notice on home page; follow reasonable security and data retention obligations

**Source: Microsoft Corporation** 



### Proactive Notice and Choice in Advertising



My eBay > My Account > Preferences > Advertising Preferences

### eBay AdChoice

We may use information we have about you to make sure the you as we can make them. We think these relevant AdChoic information we use for AdChoice follows the eBay Privacy Po

We may work with other companies, like website operators a information with other website operators and our ad network you (like eBay search terms, demographics and categories of don't share your personal information with any of these compidentifying you.

You have choices about whether we use your information in the information with our ad network partners and you can tell us websites. Anywhere you see the advertising link, you can clip AdChoice, you'll still see ads, they just won't be tailored to you

- Yes, please use my information to show me relevant a
- Yes, please use my information to show me relevant el

Save

Cancel

### AdChoice

We may use information we have about you ton the eBay site or elsewhere, are as relevant think these relevant AdChoice ads will persor experience. Any information we use for AdCh Policy.

Look for the "ADVERTISEMENT (about)" label how your information is used.

Yahoo! is our ad network partner for this ad. Vonly anonymous information about you, like and categories of interests. Yahoo! may also about it's own users to select which ads to diabout Yahoo!'s ad practices, including how to

#### AdChoice Preferences

If you're an eBay user, you can also mana; your My eBay account.

Yes, please use my eBay information eBay's ad network partners.

If you opt out of AdChoice, you'll still see ads on eBay, but we won't send any information to Yahoo! to customize those ads. Due to Yahoo!'s current systems, information we've already sent may continue to influence the ads you see for up to three months. You can tell Yahoo! to immediately stop customizing your ads on eBay by using their opt out.

Save







be unique for less





## Opt-In for 3<sup>rd</sup> Party Sharing: Disclosures for Beacon Advertisers

### SHOP • COM

#### i. Facebook Beacon

SHOP, COM is a Facebook Beacon-enabled site, Facebook Beacon allo purchase, on SHOP.COM through Facebook. When you make a purch you are logged-in to Facebook and whether your privacy preferences SHOP, COM with your Facebook friends and network members. If you on SHOP.COM and if your privacy preferences in your Facebook Prof the action information sent by SHOP.COM in conjunction with Persona as your Facebook Profile) and shares it with your Facebook friends a you are not a Facebook user or logged into your Facebook account a discard the information SHOP.COM has sent to it. To learn more about

Facebook has recently created an FAQ page with a tutorial describing describes how users can either universally opt-out or, on a partner-b appear in their newsfeed.

The tutorial can be found here: http://www.facebook.com/beacon/fac

### We've added more privacy controls

Close

- Friend of friend privacy: expand who can see your profile, photos, notes and other content.
- . Friend list privacy: control exactly who can see what by including or excluding certain friends or friend lists. Look for the "Customize" options.

### Privacy



Control who can see your profile and personal information.



#### Search >

Control who can search for you, and how you can be contacted.



#### News Feed and Mini-Feed ▶

Control what stories about you get published to your profile and to your friends' News Feeds.



#### ♠ Applications ▶



Market information is available to applications you use on Facebook.

#### **Block People**

If you block someone, they will not be able to search for you, see your profile, or contact you on Facebook. Any ties you currently have with a person you block will be broken (friendship connections, relationships, etc).

#### **Block List**

You have not blocked anyone.

Person:

Add

TRUSTe

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# Don't give visitors and customers any reason to worry about data collection and use practices.

- Go beyond the privacy statement
  - Matter-of-factly incorporate some disclosure of tracking and targeting as part of your product or service value proposition.
- Provide a "what is this" button to explain how your customization works.
  - Primary purpose on websites is not to read notices but to transact and build experiences
  - Opt-out rates are low but address the vocal minority
- Make sure your service providers, agencies, and others are following industry standards for privacy notice and disclosure.
  - Many of the serious complaints or issues TRUSTe encounters are privacy breaches by marketing vendors.

