

Smackdown: Consumer Privacy vs. Advertiser Revenue

March 15, 2010

I attended Smackdown: Consumer Privacy vs. Advertiser Revenue and was expecting to hear good discussion about how advertising and targeting firms are battling with privacy groups to meet the needs of the consumer. I was a little disappointed in how little representation from the privacy end there was in the room. The panel opened with moderator Alan Chapell from BlueKai asking whom in the room represented the business side of consumer data and who was from the advocacy end. I was one of three people representing the advocacy end.

The talk began with defining what data they were talking about as panelists tiptoed around exactly what data is being taken by marketers and commented that nothing used is personally identifiable and is used to tailor a better online experience; however, the panel didn't really discuss one of the most important questions of user data being used for marketing - how long this data is kept and stored?

Discussion from the panelists turned to how advertisers can adapt their industry practices and data practices in the changing legislative environment. The FTC's public roundtables, in which CDT [participated](#) [1], were discussed as was legislation in Congress being proposed by Rep. Boucher. Panelists all agreed that the online advertising industry is important to the US economy and should take steps internally to improve their own practices surrounding how they handle user data. This discussion about the FTC's involvement on the issue touched off a comment from one of the panelists that I thoroughly agreed with. That was the notion that practices surrounding how users are notified about their data being used need to improve. How do we implement ways of telling consumers that their data can be used?

There was much agreement that the best way for finding an answer to this question is through companies being more open and transparent about exactly how data is used and what is being taken. This builds more trust in the consumer as companies are up front about what is being done with user data. There was some talk about the idea of icons being embedded in online advertisements that would notify users about the data and cookies being used before an ad even came up. This segued into a bigger discussion about notification and disclosure in which BlueKai was able to really stand out as they allow users to login and see what data of theirs is being stored and edit it. CDT [wrote about this](#) [2] and actually examined practices of BlueKai and RapLeaf as well.

When the discussion of cookies, trackers and privacy settings came up, that's where things got interesting. Alan Chapell did a great job of bringing up the question of whose responsibility is it to tell consumers that their data is being used. No one seems to want to accept responsibility for this. Browser developers want it to be the advertisers' responsibility, advertisers want it to be the developers' responsibility, and so forth.

As CDT has discussed for years, the issue of notification and transparency in the data collection system is vital to how businesses operate in the future. The panelists all agreed with the need for more transparency, but they don't seem to want to accept responsibility for taking the big step of making a big change in how users are notified about what and how their data is used. In fact, one panelist tried to debunk the "Who owns the data?" question by saying that since users have control on their own browsers, they have control of their data. That comment is off-track, since most browsers have default settings that allow users to be tracked by advertising networks and others. When the default option on your browser is to be giving up the data and the user is the one who must carry the burden and responsibility of educating themselves on how and why to change browser settings, something is wrong.

In the end, panelists could not agree on a method of solving the debate but all agreed that developers, advertisers and privacy advocates need to work together within the same sandbox to come up with evolving solutions to an ever-changing problem. As technology continues to advance,

it only makes sense for multiple parties to be brought to the table together and discuss appropriate practices.

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