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A Look into Online Advertising

Introduction

On the daily basis we interact with advertising. It believed that advertising is becoming essential part of economy, which is why many companies are changing the way they do advertising. Behavioral advertising is now the well known marketing strategy, however it has created many concerns regarding the ethical issue behind it. The paper will explain the current technologies use for behavioral targeting, the issues implied with this marketing strategy, and two possible course of action that could help the ethical concerns about ad targeting.

Ad Targeting Technologies

Behavioral Targeting has become one of the most popular strategies to help companies publicize their products and obtain a bigger audience. Companies rely heavily on advertising, and behavioral targeting is one of the most widely used strategies. But how exactly does behavioral ad targeting work? Behavioral targeting is very specific, therefore in order for companies to tailor the best ad for someone. They have to learn about the customers that they are planning to target, this means that they have to rely

on technology to help them. Companies track the customer's activity and store data to create a profile that will help them learn about each individual. In order to collect the data, companies use technologies such as cookies, web beacons, persistent IDs, and third party vendors. All of these technologies, help companies gather information in different ways. Cookies are text files that store user's web browsing information if the application contains cookies then there is a good chance that information is collected. Although cookies are the most common way to collect data if the consumer cleans the browser's cookies than companies no longer have access to it. Another method to collect data is through, web beacons, this technology unlike cookies can not be erased and allows companies to always have the browsing data. Web beacons are transparent images, placed on the website or application, that track activity and send it to a data collection center. Another technology, that is being widely implemented especially in social media, is persistent IDs. A persistent ID is an identification number given at login of a site. This ID then allows for record collection across devices. For instance, if user logs into to facebook through a laptop and then through a cell phone, if the company is using cookies and web beacons then they have data from two different devices and can not be related. However, if they are using a persistent id then all data collected from all different devices can be matched to a specific user. All of the data they collected then it is given to algorithms that will determine that best ad given a user's online activity. Aside from this technologies, companies also obtain user information from other vendors, such as social media and rewards programs. All of these methods allow

companies to learn about their users to provide them with a personalized and better shopping experience.

Ethical Issue

Advertising has two basic jobs, to persuade someone to buy a product and to inform their audience. In the past advertising was mainly done through the radio, television, and billboards. More recently, online advertising and new advertising strategies are providing customers with personalized and relevant ads. Along with these new strategies, controversies around target advertising also rose. According to Ben Walker, "every day 2.5 Quintillion bytes of data are created" around the world. This is a lot of data that companies can use to improve target advertising. However, the question is the collection of personal data without knowledge is violating consumer's right of privacy? A research done at Ryerson University showed that 68% of their responders felt that companies are invading their privacy. About 57% of the responders thought that target ads were invasive and "creepy". Consumers are concerned that too much data is collected for ad targeting, that leads to a negative view for targeting.

Although the amount of personal data that is obtained for ad targeting is concerning there are some benefits for the consumers are aware of it. Research showed that about 57% thought advertising is important for that internet and the free services. Just in android's play store, 70% of the applications are free and about 80% of free applications rely on ads. Consumers do not pay and prefer to watch an ad for the service. However, with targeted advertising, there is a drawback of having ads for free

services. With personalized advertising, consumers only see ads that are relevant to them, creating a "filter bubble". This means that consumers are not exposed to other content. This can lead to misinformation. It appears like advertising has both benefited and hinder society. Which leads the question should target advertising be banned?

Course of Action I - minimize Ad Targeting

Advertising, in general, has helped companies promote their services. Companies reached to their audience through the use of advertising. Ad targeting has made it easier for companies to learned about their consumers, however, it has raised privacy concerns. Although privacy is a concerned, consumers have benefited from the use of free services which are promoted by advertising. This is a tough situation for both companies and consumers either group can be affected negatively and positively if targeted advertising is banned. Therefore a better option would be to minimize the use of ad targeting. By minimizing ad targeting, companies would be able to still promote their products and consumers would not have to worry about data collection as much. In this situation, we are dealing with large groups of stakeholders. Companies want to be able to make revenue by promoting their products and services. On the other hand, consumers want to be able to surf the web without having to worry about their data being collected. If we analyze this course of action under the utilitarian approach, we need to be able to weight the good and the bad for both parties. Minimizing ad targeting would negatively affect companies economically since companies would have less accuracy targeting their consumers. Consumers would lose interested in their ads since

they won't be as relevant. On the other hand, consumers would be less worry about their information being collected. under the utilitarian approach, minimizing would be the best option because companies would not totally lose their revenue since they would still be allowed to use advertising as a marketing strategy. Consumers would worry about less about their privacy, however, because companies would be making fewer revenue consumers would not be able to take advantage of free services. For example, In 2015 google made over \$75 million just from advertising, which allows them to make provide consumers with free services like Gmail. A decrease in revenue can possibly reduce a number of free services that we received from google. Both sides would be affected, there is some good and bad that comes by the minimizing ad targeting, however, both are satisfied with the outcome.

Under a duty-based approach minimizing targeting, would be the right thing to do. Companies should respect the fact their consumer's consumer have the right to privacy and they do not want their personal information floating around different companies just to better their advertising. Under this approach, companies are required to protect the consumer's personal information as well as do no use it for the company's benefit. If companies are to follow duty based ethics, then they should not use their data to better improve their marketing. A company that follows the duty-based approach would do the right thing even if it meant to a decrease in their revenue. Under this ethics, all consumers will feel safer since no company would use personal information for ad targeting. duty based ethics emphasizes on equal respect, therefore consumers are the winners under this approach. Duty based approach for minimizing targeted

would mean that all companies are required to minimize that use of behavioral ads, however doing this would mean that now there is set rules that companies would have to follow, decreasing the chances for creativity and growth on marketing strategies.

Ad Targeting Technologies

Course of Action II - Do not Track

Another action that can be taken in order to solve ad targeting problems is to implement the do not track technology. Do not track is policy and technology that allows the user to opt out of tracking services, advertising networks, and social platforms. Currently, there are only certain websites and third parties that allow opting out of tracking and ads. Consumers should be allowed to decide whether they want to be part of the behavioral advertising experience or not. It is up to one to make the best decisions that make one a happy person, therefore if ads make you unhappy then opting out from them is the best. This kind of thinking is of someone who follows an egoistic approach. Under this approach the consumer is given an option they no longer have to be victims of targeted advertising. In Egoism we can see some flaws, in this situation the do not track action, consumers are only thinking about they make them happy, not taking into consideration other factors such as the loss of revenue for companies, therefore, leading to the reduction of free services and possibly jobs. In an egoism point of view, the consequences only matter if it affects the individual making the decision, not all of the groups. In this situation, however, both parties have positive consequences. If the user can opt out of tracking and ads then he/she is happy, and

because there are consumers who are aware that ads need then companies will still be able to collect data and provide those who want a better experience. At the end, it is up to the consumer, to make the decision.

Although do not track technology seems to be a great option, that can possibly be a good option for everyone, this technology still trying to make its way through. Allowing less collection of data can lead to inaccurate Ad targeting, lost of revenue for the companies, and lastly, the consumers will be less info about products.

Conclusion

Overall, I think we need to learn more about advertising and where it belongs in society. We all have seen those really good ads that tell about these great non-profit organizations making great things, and we also saw that ad that lures us into buying the product that we possibly did not need. These two scenarios are the kind of things confuse consumers we love the benefits that advertising provides us with, however, we hate the methods companies are using to lure us into buying their products. I personally think that we should be allowed to decide whether we want to be part of the online advertising experience, however, it does sound a little bit egoistic from my part. to think only about what I want and what makes me happy when there are other factors that should be taken into consideration. I love free services, however, if opt out of tracking and advertising, do I still have the same right to use the free services? well, I

would say no right. This is why I think that the better option would be to regulate and minimize targeted ads. Minimizing behavioral targeting provides both consumers and companies with a positive outcome. Minimizing targeted advertising is the best for both sides because companies will lose little to no revenue and they still able to collect data to continue with their marketing strategies. Consumers will not have to worry about invasion of privacy and there will be bombarded with less advertising. I think this is a good balance for both consumers and companies since we live in a money-driven society.

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