PERSONALIZED ADVERTISING AS A MEANS OF DATA COLLECTION

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This paper deals with the future of advertising and how it can affect the privacy of the Internet users. It explains why consumers are so mistrustful of advertisers, and how advertisers can earn back their customers' trust.

In today's world the Internet is a part of everyday life for more than a half of the human population, which means that any advertisement on the Web will likely be seen by much more people than on TV or billboards. However, with the evolution of data storage and its processing, a completely new way of advertising was born: personalized advertising.

Personalized advertising uses the principle of analyzing user's data and making a possible interest list based on it, which in turn allows advertisers to target the user with specific offers they might be interested in.

However, how much data is actually collected, and what happens with it afterwards?

The 2019 survey conducted on 1000 US adults showed that 97 % are concerned about the privacy of their data, and that around 62 % do not read privacy policies or terms of service [1]. This is likely caused by multiple data breach incidents like the 2015 Ashley Madison incident, which saw a dating site get hacked and a tremendous amount of personal data got leaked, leading to multiple suicides. This shows how what you say, write or search on the Internet can become a powerful tool against you for scammers, criminals or, perhaps unexpectedly, advertisers.

Nowadays big companies are desperate to get as many customers as possible and top their competitors, which means delivering the interest in that product to possible buyers, and that is where the marketers and advertisers come in. On the Internet, where tens of millions of people surf each day, it is their job to find possible buyers, and to do that they employ data gathering techniques which allow them to distinguish ordinary surfers from people that might be interested in their products. This is the point where personalized advertising is used. It compiles the preferences of a user and targets them with the advertisement of the product, in hopes that they will be interested in buying it. But how much data is collected, and what data is collected?

If you surf the Internet, you probably already know about cookies – the way sites gather data to give you better search results or improve your experience on the site. There are multiple types of cookies that gather different types of data. Anything you do on the Internet is stored in the WWW, and if you think it is safe and secure, you might be wrong.

Because more than 90% of the Internet users do not know how to track their own data, personalized advertising might become the easiest legal way to gather information about you, shattering the concept of anonymity and privacy on the Web, rivaled only by professional spy agencies and hackers. That data can be used in 2 ways: the good and the bad.

The good way to use that data is to target you with more relevant advertisements, improving your experience on the Web. Another good use is to help authorities identify and prevent possible crimes or help people with mental problems by directing them to a therapist.

The bad way to use that data is to sell it to corporations, scammers, cyberterrorists or spammers. It completely destroys trust, and may cause serious problems for the user. This also has a serious effect on company-consumer trust, forcing people to be even more discreet and unwilling to share data in fears of it being leaked.

The 2019 survey also showed that almost 85 % of the customers will not forgive a company, even if they trusted it previously, which makes regaining trust even more difficult. If combined with the fact that 80% of the consumers believe that their data is being sold, it may lead to customers leaving on a faulty basis in fear of their privacy being compromised [1].

This lack of trust makes it more difficult for marketers to do their job without scaring away their customers due to a misunderstanding, and with how the big corporations handle our personal data, the situation is highly unlikely to improve.

91 % of consumers also want their government to impose stricter regulations to protect their data [1]. It may be a good thing for advertisers, as it will reduce the risk of customers leaving on a faulty basis, since

they will now be reassured by their government, but these regulations may kill personalized advertising as a whole, as they may be too limiting, which might make it impossible to form a user profile based on their online activity.

In conclusion, we can safely say that the problem of privacy is at its peak. And the only way advertisers can solve it is to build a trusting relationship, and maintain this trust by not selling the customer data.

References:

1. Trust Is Golden: How Brands Can Prioritize Privacy in the Age of Data [Electronic resource]. – Mode of access: https://tealium.com/resource/whitepaper/how-brands-can-prioritize-privacy-in-the-age-of-data/. – Date of access: 29.03.2022.