



'Behavioral Targeting' : Consumers in the Cross-hairs

By Max Sutherland

Search-engine queries and visits to websites generate a potential goldmine of market research information about us. It is used to aim ads at us with increasing pinpoint precision. Few people have any idea that they are being tracked, profiled and targeted in this way. The worry is not so much that it is happening as that it is happening in a near-vacuum of regulation.

Dr. Max Sutherland's column is published monthly and posted on the web at www.sutherlandsurvey.com.

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When we use search engines we are vaguely aware of how this generates a data base of our search histories that is located somewhere in cyberspace. But few people will be aware of the extent to which this data is being used.



You would probably be surprised at how many online publishers, search engines and advertisers are collecting information about you when you search and browse the web and when you visit various sites from day to day. Increasingly this information is pooled and 'shared' (via middleman entities called ad networks).¹

Just as the books in our bookcase reveal a lot about us, so too can our searches indicate what we are interested in, what we are concerned about, what we buy, what we read, where we travel etc..

That's only just the beginning. Ever shopped at Amazon? If you have then you will know that when you return, it recommends a list of books you might want to purchase. Amazon infers your interests from your past purchases and any titles you have previously looked at on Amazon.

"Behavioral targeting" is an extension of this and the term 'behavioral' is used loosely. Technically it is not you personally being identified but the behavior of your computer. It infers your interests from the behavior of your computer - what you type into search engines and websites.



Behavioral Targeting

Many websites place a cookie (an identifier) on your computer so that they are able to identify visitors when they return. The information from past visits can be potentially analyzed alongside our broader search engine queries.

If that is not scary enough, imagine if various websites pooled their information about you so that next time you visit, ever so much more could be known about you. Well that is indeed what is effectively beginning to happen. It opens up a hugely expanded ability for web advertisers to target the right kinds of web ads at us because this information makes possible a pretty good prediction as to:

- Whether we are currently in the market for any particular product
- What products we are in the market for
- What our interests are
- What types of appeals we seem to respond to
- What demographic group we belong to.

The sites we visit, the searches we make, the articles we read and what we buy can all potentially be used. Advertising platforms like Yahoo profile their visitors this way and say to advertisers: “Looking for car shoppers, soccer moms or recent shoppers in any category? We have them.”

There is already an extensive capacity to merge and integrate this information that is revealed by us when we use search engines and visit websites. The extent of that information doesn't stop there either. To access many sites we are asked to register (or 'subscribe') and while registration is usually free, it does often require us to enter demographic details like age, sex and post code. Such sites can then use this in conjunction with the broader data base of information on our web surfing and search behavior to more precisely customize the ads they display to us on their pages.

And all this happens behind the scenes without us being much aware of it.

But wait...there's more!

Are you a member of a social network site like Facebook or MySpace? Such sites encourage you to enter more extensive profile information to give your 'friends' more information about you. Many people will include information like who their favorite celebrities are, their favorite bars, bands, foods and even their political and religious views. This opens up a whole new dimension of potential targeting. Reveal such information and you make it even easier to predict what appeals to you and to what ads you will react favorably.

Few people have any idea that they are being tracked, profiled and targeted in this way. This is a practice that is quietly flourishing in the relative absence of regulation. And regulation has been slow coming because in a sense behavioral targeting is regarded as a simply an extension of ad targeting practices that have been accepted for many years.

Advertisers have always directed ads into publications or television programs that attract particular target groups (e.g. 18-35 year old males). On the web, if you haven't given them your demographic information directly, these advertising networks can infer it from your behavior. For example, if you frequently visit sports and car websites and read global warming articles on news sites and you bought tickets to a number of rock concerts recently, then statistically, the chances are pretty high that you are a male aged 18-35 years.

But web advertisers have less need to target us by *demographic* group anymore because they can target us more directly by indicators that we are in the market for their product. For example, are you in the market for a luxury car? If you recently searched for articles comparing the safety of Lexus and Mercedes and visited various car comparison sites and one or more car dealer's sites, then chances are pretty high that you are about to buy a luxury car. So, when you go on the web next time, don't be surprised if the ads on the pages you are reading turn out to be ads for luxury cars.

Now that is not much different to what has gone on in the past except for one important difference – the extent of information collected that is going on in the background without your awareness.

These ads can even be modified and tailored on the fly to match your information in the nanoseconds before they are displayed online. The technology to do this is very sophisticated. If, for example, you have recently searched information about coffee makers and you are now reading today's news headlines on a website, perhaps you won't be completely surprised if an ad for a retail store like Target features an ad for coffee makers. You might be a little more taken aback however that it is the Target store *nearest to your home* and lists which coffee makers are in stock there. All it takes to make this happen is your post code and your recent search history.

Or, if you have recently been on a site comparing models of cars and been researching safety, don't be surprised if later when you are reading today's news online that the ad displayed is not

just any old ad but a Lexus ad and not just any old Lexus ad but a Lexus ad that focuses specifically on safety. Having pinpointed what you are interested in, the website can serve up the best available Lexus ad to match your message interest – the one on safety.

How much more precise can this get? In the relative absence of regulation, there is no real limit. We are heading down a path of ever greater precision in message matching.

Application to Political Campaigns

Tailoring local ads with local messages to run in local media is nothing new to political campaigning. However, online behavioral targeting takes this to an even finer level of precision.

In addition to your locality, you can be targeted by your interests and your concerns with issues such as climate change, abortion or gender-equality. As the Chief Marketing Officer of a company providing this type of service explained: “it becomes possible to identify people who are most engaged in and motivated by the issue based on sites they've visited, searches they've made, offers and ads they've been responsive to and communities of interest. ... Online there's a far richer pool of data to work with, including sites they visit, petitions, polls, or types of publications — and within those publications, specific articles they've read”.²

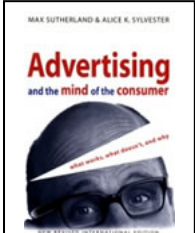
Conclusion

The world is continuously grappling with the formulation of policy in regard to the web. Every new technology presents regulatory challenges. How will our regulators respond to this one presented by the practice of behavioral targeting?

Indeed, how will we respond? As consumers we are increasingly in the cross-hairs but the result can be seen as positive as well as negative; it depends on how you look at it. The positive is that the ad spaces we are exposed to will more and more be filled with ads that we *want* to see. Less stuff of no interest to us will clog up our web pages. The pages that we see will increasingly reflect products, brands, messages and things that we are more interested in.

The other side of it is that this means increasing temptation for us to spend. How reconcilable is that with a new global order that encourages us to minimize our carbon footprint? Perhaps of more immediate concern to many more people will be the privacy issue – the collection of information without their knowledge that goes on in the background. Privacy is a sensitive issue.

At this point, what is worrying is not that this practice of behavioral targeting is happening so much as that it is happening silently and in a near-vacuum of regulation. As ads in cyberspace become more polished and alluring, it will be imperative (in more ways than one) that we *'watch this space'*. As Joe Public and Jane Citizen become more aware of this practice, stand by for an outraged response and a heated societal debate.

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Notes:

¹ With names like 'BlueLithium' which was gobbled up by Yahoo; 'Tacoda' which was taken over by AOL; '24/7 Real Media' acquired by ad agency conglomerate WPP; 'Doubleclick' which is likely to be taken over by Google.)

² Leggiere, P. (2007). BT: Ready for Prime-Time Politics. [MediaPost's Behavioral Insider](#).