Consumer privacy and online advertising: Ethical issues in remarketing and user tracking

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Thanks to highly sophisticated tracking tools and the ability to link online and offline user data, businesses of all sizes now have access to unprecedented insights into consumer behavior. Remarketing, the targeting of ads to consumers who have previously visited a business's website, is one powerful way this data is being used to power businesses’ digital marketing strategies.

From the perspective of an advertiser or individual business, the benefits of remarketing are well established. By providing extremely targeted advertisements to online users, the advertiser is able to remind potential customers about products that they are already interested in and potentially induce a purchase.

However, from the user’s perspective, remarketing can sometimes seem “creepy” and invasive precisely because it makes the user aware of how much data is being stored about their online behavior. This perception is even more likely when the user is targeted by aggressive remarketing strategies that show multiple ads per day to the user across multiple websites.

We will address how user identity and behavioral information are exchanged throughout the online advertising ecosystem, between ad buyers, ad publishers, ad networks and third party software providers. While there are safeguards in place to anonymize behavioral data stored about a user, the potential for data leakage raises privacy concerns about the use of consumer data in remarketing and other forms of personalized advertising. For example, once a user completes a purchase on an e-commerce website (after clicking on an ad from a remarketing campaign), it is possible for a user’s behavioral profile to be linked to their email address, social media profiles, and other personally identifiable information (PII). These concerns are compounded by the increasing use of cross-device tracking to target the same users on their smartphones, tablets and laptops.

As part of our presentation, we hope to provide the audience with a clear understanding of remarketing and its technical underpinnings as well as facilitate a discussion of related ethical issues surrounding the use of personal data. The presentation will be particularly of interest to individuals that teach courses that address marketing or online privacy.

Keywords: Remarketing, online privacy, advertising