



Three Trends Shaping the Future of Consumer Privacy Online

By Jessica Hawthorne-Castro

In November 2016, Verizon outlined a plan to combine consumers' offline information—postal addresses, email addresses, device type, etc.—with browser cookies in order to be able to sync personally-identifiable data with an individual's browsing history and mobile app usage. Following similar, previous announcements from Google and Facebook, Verizon is “accelerating its tracking efforts despite consumers’

privacy concerns,” according to an article at the tech news website *Recode*.

“Coupled with all of their customers’ browsing history and app usage,” author Jason Kint writes, “this mass of customer data will make for a rich competitive product to Facebook and Google.” There’s just one problem: This practice requires explicit opt-in consent from consumers under new Federal Communications Commission (FCC) privacy rules. Although the rules are not yet required to be adopted, Kint



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points out, “It’s hard to argue that Verizon’s plan doesn’t violate the spirit of the rulemaking.”

Advertisers that infuse their campaigns with truthful, accurate information will be the true winners.

Verizon's latest move is just one piece of a larger puzzle that advertisers have been grappling with since the internet went mainstream (and even earlier, in the offline world): how to best protect consumers' information and data while also using that information to create successful, targeted advertising campaigns. Achieving that balance isn't always easy, but as ERA and its members proved in the early 1990s, responsible advertising doesn't necessarily require a high level of government regulation and oversight. In fact, much of it comes down to common sense and good business practices.

As we move into 2017, here are three key trends in consumer privacy to which agencies and their clients should pay close attention:

Increased federal intervention.

When companies tell consumers they will safeguard their personal information, the Federal Trade Commission (FTC) can and does take law enforcement action to make sure that companies live up to these promises. Section 5 of the FTC Act bars "unfair and deceptive acts and practices" in or affecting commerce, and the agency also enforces other federal laws relating to consumers' privacy and security.

In February 2016, FTC settled a suit against the tech firm Vulcan, which it says unfairly replaced a popular web browser game with a program that installed apps on consumers' mobile devices without permission. In the works since 2010 (but not yet set in stone), FTC's proposed "Do Not Track" mechanism would allow consumers to choose whether they want to allow websites to collect information about their internet activity and use

it to deliver targeted advertisements and for other purposes. If companies continue to cross the fine line between "fair" and "deceptive" advertising practices, expect to see FTC examine more legislation, and take more actions against firms that don't follow the rules.

Better policing of internet content.

There was a time when the entities (and individuals) publishing information for public consumption were credible and experienced. They were expected to hold themselves accountable for accuracy, check facts, and use credible sources. Fast-forward to 2017, and most of those rules have been replaced by the free-for-all of the internet, where pretty much anyone can post, read, review, and watch whatever they please.

As the recent presidential election proved, you can't believe everything you read or watch online—a point that companies should keep in mind as they use the medium for advertising and content-sharing. Anyone can send out a tweet that is fabricated, watch it get picked up by the local news, and then stand back as readers consider that information to be "fact." We're at a point in the internet's maturity curve where the medium really needs to be policed for truth; we can't just continue to publish with an anything-goes mindset.

The media, marketers, agencies, stations, and other online entities need to step up and take responsibility for the information that they're publishing. Or as Monica Lewinsky pointed out in a recent TED Talk, "The Price of Shame," freedom of expression is a constitutional right, but it doesn't mean we can ignore the need for good social

responsibility, judgment, and values surrounding that freedom.

ISPs being held accountable for digital consumer privacy. During the first half of 2016, digital ad revenues in the United States reached a record \$3.3 billion, according to the Interactive Advertising Bureau. And while they are an appealing vehicle due to their ability to channel the right advertisements to the right shoppers, digital ads can also expose consumer information and data in new ways. Now, internet service providers (ISPs) are being held accountable for these practices.

In October, FCC announced a new rule requiring ISPs such as AT&T and Comcast to ask consumers for permission to gather and share data deemed sensitive. (The FCC's order specifically restricts data collection by ISPs, but has little impact on the broader online tracking rules outlined above in point No. 1.) Marketers and digital agencies insist that they already police themselves well, according to a recent story appearing in *The Economist*. "They consider data on browsing and apps, in particular, to be essential for targeted advertising. Under the FCC's rule, consumers can opt in to share this information, but firms fear that many will not."

Expect to see more hair-splitting on issues related to consumer privacy online in the near future—and particularly as digital ad revenues continue to grow. As rules concerning privacy mature, and as more companies come under scrutiny for practices that cross the lines between good and deceptive practices, at least one thing will remain constant: Ethical, consumer-focused business practices will reign in the offline and online worlds. Advertisers that operate with the customer in mind, help minimize the volume of disinformation spread online, and infuse their campaigns with truthful, accurate information will be the true winners. ☒