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The ads have eyes - is surveillance advertising worth the risk?

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In today's hyper-connected world, few things are eerier than being spammed with hundreds of furniture ads immediately after having a WhatsApp conversation with a family member about your impending move. Or talking to your significant other about craving pizza for dinner, only to see Uber Eats banners popping up everywhere you look. Surveillance advertising is alive and well and has become a subliminal part of modern life.



From the apps you use (weather, dating, and social media, to name but a few) and the websites you visit to the purchases you make, your internet-connected phone tracks almost everything you do to paint a detailed portrait of your interests, preferences, and demographics (location, gender, age, race, and religion).

Much of this data is then used for surveillance advertising, serving individuals with targeted ads based on their behaviour and activities. But it could also serve other purposes – and this is where the line starts to blur. With little transparency and loose enforcement of regulations, no one truly knows where or how this private information is being used and, perhaps, abused.

Critics argue that this is one of the main concerns about surveillance advertising. Apart from the obvious issues around the violation of privacy, the invisible and invasive nature of this kind of marketing can be considered manipulative. By delivering specific ads to consumers who match certain profiles, surveillance advertising has been accused of depriving people of the power of choice and free will. More so, with enormous volumes of personal data being <u>sold off in a matter of milliseconds</u> to the highest-bidding advertiser, consumers are more vulnerable to <u>data exposure</u>, <u>identity theft</u>, <u>and malicious activity</u>.

Not to mention the negative psychological effects of ads following you everywhere you go. Some argue that targeted advertising can be <u>harmful</u>, especially for <u>children</u> who are pummelled with personalised ads from a young age. Recently, online advertising platform <u>OpenX was fined \$2m</u> by the Federal Trade Commission (FTC) for collecting personal information from children under 13 without parental consent.

This settlement serves as one example of the FTC's mission to shut down surveillance advertising. After President Biden announced that he would prioritise anti-trust and surveillance advertising regulations, the commission has opened several investigations as part of this push. Those in favour of the petition have called for a return to traditional, contextual advertising – the kind we have been practising for the last century.

However, major media companies and global news agencies are <u>standing firmly against the regulation</u>. Big players, including CNN, the New York Times, Fox News, and the Washington Post, all rely on digital advertising and utilise user

tracking. Their trade group representative, the Interactive Advertising Bureau (IAB), insists that the modern media industry would fall apart without mass data collection and data-driven advertising.

The irony, of course, is that these media outlets are expected to report on privacy violations and intrusive tracking, yet here they are farming out their advertising to ad tech platforms, which siphon data from apps, websites, and ad brokers, or buying and selling data themselves.

While it isn't clear what will happen with surveillance advertising legislation, one thing is certain: the public is becoming increasingly aware of the value of their personal information and data privacy issues. And with <u>few benefits and more risks</u>, more businesses and governments will likely start moving from intrusive surveillance advertising to privacy-friendly contextual advertising that ensures more control, transparency, and accountability.

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