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Online Behavioral Tracking – Some Say Simple Honesty Works Best

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There are lots of ways to track our Internet use these days – and its scary to think that each and every piece of information related to such use, including the sites we visit and the products we purchase, are “fair game” for advertisers. In particular, behavioral targeting, which essentially tracks our use of the web so that advertisers can push ads to us that are specifically tailored to our interests, gives a lot of people pause. In its recently released report, the FTC made recommendations which seek to balance the potential benefits of behavioral advertising against privacy concerns and encourage privacy protections while maintaining a competitive marketplace.

The report, entitled “Self-Regulatory Principles For Online Behavioral Advertising: Tracking, Targeting, and Technology”, is actually the result of a process begun in late 2007. At that time, the FTC sought public comment on its preliminary set of principles for self-regulation of online behavioral advertising. The latest report summarizes the comments received by industry insiders, responds to the main issues raised in those comments and establishes revised principles intended to guide the industry. Such principles include the encouragement of transparency and consumer control, with the expectation that website operators provide clear and prominent notice regarding behavioral advertising and effective disclosure mechanisms that are separate from their privacy policies so that Internet users understand what information is being collected, how and for what purposes.

However, some say its just a matter of getting Internet users to feel comfortable with what behavioral targeting does and how its used, in an attempt to dispel the widespread notion that its just “creepy” and, ultimately, an invasion of our privacy. It is certainly a daunting task, especially because much of the technology used to track Internet use is done on the back-end, which is not seen by users. While this provides efficiency for advertisers and website operators, it makes it more difficult to let users known when they are being tracked. The key issues have been, and will continue to be, notice and choice of consumers.

Although these will continue to be difficult waters to navigate for the foreseeable future, particularly in the mobile space, the advertising community is definitely taking notice that an informed and concerned consumer base needs to be convinced of the benefits of behavioral targeting in practice, as opposed to in theory. This issue also presents a conundrum for website operators and content owners that are, at all times, attempting to reconcile

maximization of user experience with the perception that their users' privacy is being compromised by technology and the monetization of advertising. There will undoubtedly be more to discuss on this issue soon. Stay tuned.

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