

COLUMNS

Privacy that keeps pace with technology as self-regulation goes mobile

September 9, 2013



By **Lou Mastria**

For the mobile Internet to reach its full potential, it will require an economic engine that supports the free and low-cost content that Internet users demand.

Internet advertisers recently took a critical step toward ensuring the long-term health of that engine by issuing detailed guidance applying the industry's self-regulatory program to the mobile environment.

The mobile Internet is at a precarious stage in its evolution.

Everyone knows that mobile is the future, but the business models that will support that future remain works in progress. Taking what we know from the desktop world, users want a rich, diverse array of content and services available at little or no cost.

To provide that experience, innovative advertisers are moving quickly to develop new advertising models that work within the particular contours of the mobile technology environment.

And while that process is moving at meteoric pace, last month's self-regulatory announcement should provide assurance to users that it will follow strict, clear rules of the road.

Mobile tops desk and lap

Just over two years ago, the six leading national advertising trade associations formed the Digital Advertising Alliance (DAA) and charged it with developing a self-regulatory program to provide users with education and choice regarding interest-based ads.

Since that time, the DAA program has become a staple in the desktop environment, establishing the rules of the road for participants and non-participants alike, and backing its principles with two independent enforcement mechanisms.

In July this year, DAA **issued binding guidance** on how the DAA principles are to be applied on mobile platforms, and set in motion a process that will see the DAA program fully adapted to the mobile environment within the coming months.

Going forward, all mobile advertisers will be required to follow the DAA guidelines, regardless of whether they participate actively in the program or not.

In addition to carrying over the existing principles for transparency and control to the mobile advertising environment, the mobile guidelines impose new restrictions on directory data such as contact lists and precise location data.

Anyone who has followed the DAA knows that mobile has been an urgent priority for the organization, and the reason is simple: the mobile Internet is growing at a rate that far exceeds the traditional PC and laptop environment. Morgan Stanley research last year projected that the number of smartphones and tablets would surpass desktops and laptops in terms of sheer numbers connected to the Internet globally not in the distant future, but this year. By 2015, the number of mobile devices attached to the Internet could be double that of desktops and laptops.

This is a computing revolution, occurring at Internet speed, and everyone throughout the Internet ecosystem will need to adapt and fast.

Advertisers understand the stakes of this tectonic shift as well as anyone in the space.

If the vast majority of Internet content video, blogs, news and services is to remain free or affordable to consumers in the mobile realm, they must evolve the economic engine that makes that possible in the desktop/laptop browser space.

Simply stated, if advertisers want to deliver the right message to the right audience in the coveted mobile app space, they knew they needed to adapt to the privacy challenges of mobile. We all understood that an educated consumer is the key to long-term health of this promising real-estate.

Program guidance

The new guidance principles address the issues of transparency and control for certain data collection practices that are specific to mobile devices: data collected across different applications, the collection and use of precise location data, and data in personal directories.

Among other things, the new guidance provides for enhanced notice to users of mobile third-party applications about data collected on a particular device over time and across different applications; enhanced notice and consent to uses of precise location data; and user authorization for collection and use of personal directory information.

The guidance affirmatively extends the DAA program's existing protections for sensitive data collection, as well as the DAA's restriction on the use of covered data for eligibility purposes to mobile.

Finally, it reiterates that these data collection practices are within the scope of the DAA's existing accountability program.

In the desktop/laptop environment, interest-based advertising has emerged as a powerful tool for preserving the "long tail" of diverse content on the Internet.

Current research suggests that consumers buy products and services from interest-based ads more than twice as often as they do from other sorts of online display advertising, which leads to greater efficiency and approximately 2x revenue for publishers of content and providers of services.

For the small publishers and content providers who depend on advertising to support their work, this technology can make all the difference in building a sustainable business.

The DAA self-regulatory program exists to ensure the viability of interest-based advertising by ensuring that users understand it, are comfortable with the technology and, most importantly, have the choice to decide how and whether they experience it.

In the traditional desktop and laptop space, DAA currently provides users nationwide real-time pinpoint control over how and whether their data is used to generate relevant ads.

More than 25 million people have visited DAA program sites, and more than two million users have exercised choice not to receive interest-based ads.

The DAA's challenge is to provide the same transparency and control on mobile platforms, so that mobile developers can support the innovative content, services and tools that users demand.

WHILE THE LAUNCH of the mobile guidelines was a critical step, our urgency has not diminished. If anything, mobile now becomes an even greater focus as we work with the industry to develop the technologies and standards that will support a functional, easy to use DAA program in the mobile space.

The reason we are confident that that we can meet this challenge is because a self-regulatory effort such as the DAA

program allows choice and protections to be built directly into the architecture of the advertising network, rather than clumsily bolting it on after the fact or hiding it from view.

In the desktop space, the DAA program is ingrained in the technology in a manner that provides consumers real-time choice without upsetting the efficacy of interest-based ads for those that choose to use them.

The coming months will be very busy for us, but the results will be worth it.

Lou Mastria is managing director of the [Digital Advertising Alliance](#), New York. Reach him at lou@aboutads.info.

© 2020 Napean LLC. All rights reserved.

American Marketer is published each business day. Thank you for reading us. Your [feedback](#) is welcome.