

Johnny Ryan @johnnyryan Fri Oct 22 05:59:12 +0000 2021

New data: tracking-based ads imperil rights & publisher sustainability.

They divert data & revenue from publishers (and cause disinformation, fraud, dangerous data leakage).

@paultang @AlexandraGeese @BirgitSippelMEP @echo_pbreyer @kimvsparrentak @woelken

<https://t.co/fJGQX3xq1p>

@paultang @AlexandraGeese @BirgitSippelMEP @echo_pbreyer @kimvsparrentak @woelken Tracking-based ads siphon publishers' audience data to Google & Facebook.

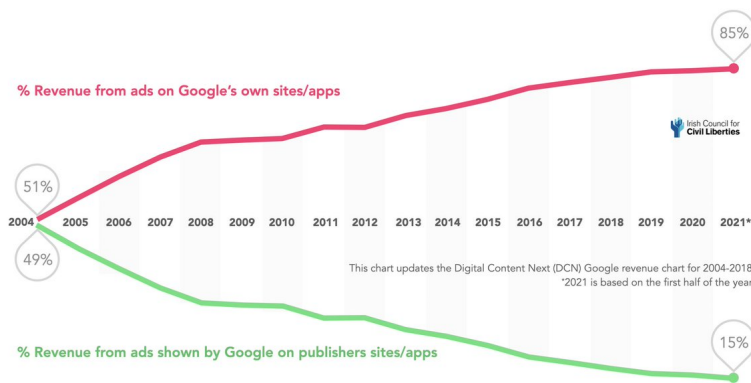
(Publishers, read Google's terms carefully <https://t.co/ZdFOwosf1D>) /2 <https://t.co/m4qOG0fWvj>

Since 2004 Google has moved its ad revenue comes from placing ads on publishers' sites to higher margin ads its own websites and apps. It does this with the benefit of data taken from publishers.

Tracking enables this.

Thanks @jason_kint who highlighted this first.

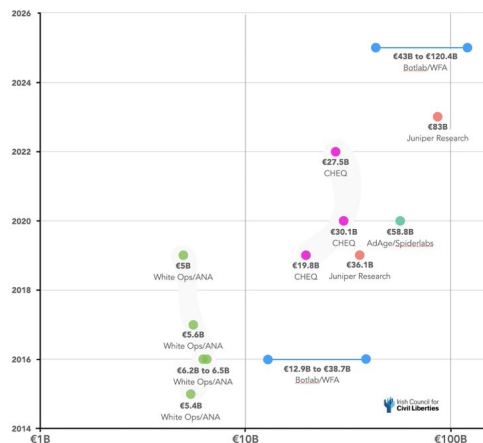
/3 <https://t.co/pXc3hgsXXI>



@jason_kint Tracking-based ads facilitate fraud "bots" (that behave like humans on publishers' websites/apps to draw tracking-based ad spending back to fraudulent websites/apps).

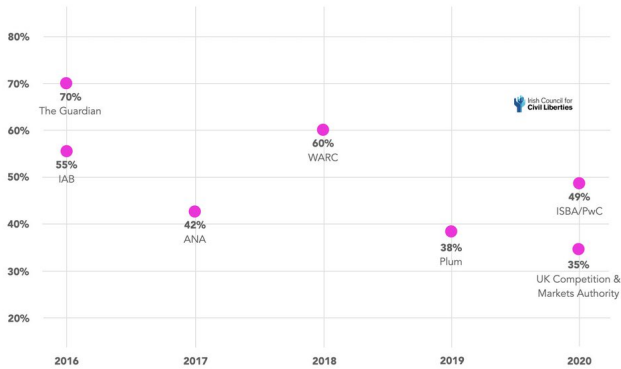
Estimates of fraud are huge. € billions. But the industry has no authoritative view of the cost of ad fraud. /4

<https://t.co/ili7ITyp6h>



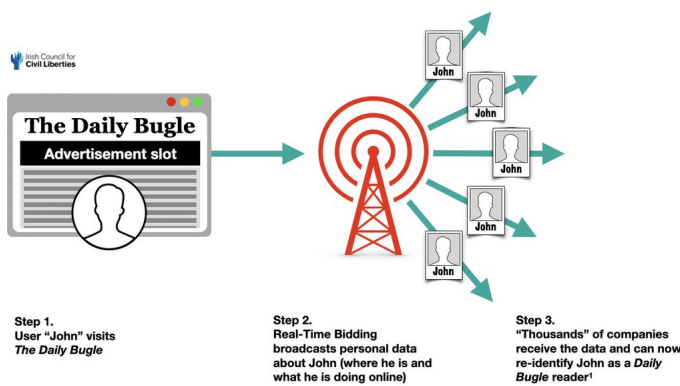
The tracking-based ad industry is dominated by intermediary tech firms, not publishers. These "adtech" firms connect advertisers to publishers, and extract € billions large hidden fees, known as "adtech tax".

35-70% of every ad € goes to adtech, not the publisher. /5 <https://t.co/SG67YXIRpB>



Tracking-based advertising turns legitimate publishers' audiences in to commodities that can be bought cheaply on low value & disinformation websites.

It also causes the largest data breach ever recorded. /6 <https://t.co/EiiVt2ogYM>



This broadcasts what everyone on the Internet is reading and watching, and where they are, many hundreds of billions of times a day. And that lets us all be profiled based on where we go in the real world, and what we do online. /7 <https://t.co/KYerLwAeGU>

The biggest data breach ever recorded

Tracking-based ads (RTB) broadcasts by biggest "ad exchanges"



Index Exchange	120 billion daily broadcasts to unknown number of companies	Verizon Media	? (600 billion requests) daily broadcasts to unknown number of companies
OpenX	100 billion daily broadcasts to unknown number of companies	AT&T/Xandr	131 billion daily broadcasts to up to 1,647 companies
PubMatic	100 billion daily broadcasts to unknown number of companies	Google	? (Active on 9.8 million websites) daily broadcasts to up to 1,042 companies

Tracking-based advertising allows legitimate publishers' audiences to be profiled and micro-targeted cheaply on low value & disinformation websites.

The IAB Audience Taxonomy standardises how people are profiled, including politics & religion (see <https://t.co/M0YNphiJ9p>) /8 <https://t.co/l451cZpmog>

Unique ID	Parent ID	Condensed Name (1st, 2nd, Last Tier)
193	191	Demographic Personal Finance Very Low Net Worth
194	191	Demographic Personal Finance Low Net Worth
195	191	Demographic Personal Finance Mid Net Worth
196	191	Demographic Personal Finance High Net Worth
197	191	Demographic Personal Finance Super High Net Worth
198	1	Demographic Politics
199	198	Demographic Politics Conservative
200	198	Demographic Politics Green
201	198	Demographic Politics Independant
202	198	Demographic Politics Liberal

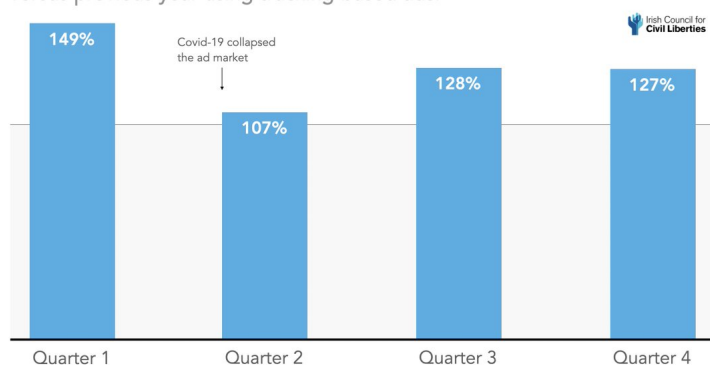
Practical evidence from publishers shows that revenue increases when tracking is removed.

Actual ad revenue increased by 149% when Dutch publisher NPO replaced tracking-based ads with contextual ads.

(Revenue even grew despite Covid-19's severe impact on the ad market.) /9 <https://t.co/UAKdfW78iE>

Revenue increase from removing tracking

Increase in publisher (NPO Group) revenue in 2020 using context-based ads, versus previous year using tracking-based ads.



Websites operated by a Norwegian news publishing group earned an average of 391% more for contextual ads than tracking based ads over 12 months. Bravo @BuggeErik

(H/T @ka_iwanska, who I think first told me about Kobler)

/10 <https://t.co/gMQr3TkJ5C>

Contextual v tracking-based ads

Quarterly average ad price (CPM) on websites in a Norwegian news publishing group, July 2020 - May 2021



Also... TV2, a major Norwegian news website, reports that ads sold through Kobler's contextual targeting return a 210% higher average price than competing tracking-based ad targeting. @BuggeErik

See the full report at <https://t.co/fJGQX3xq1p>

TechCrunch has the story on the negotiations currently underway at the European Parliament on whether to ban or curtail tracking-based ads, and some of the data in our report.

<https://t.co/JbDegZAG3Z>