

Advertising Technology

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- Marketing increasingly involves the collection, sharing and use of consumer data.
- A few examples:



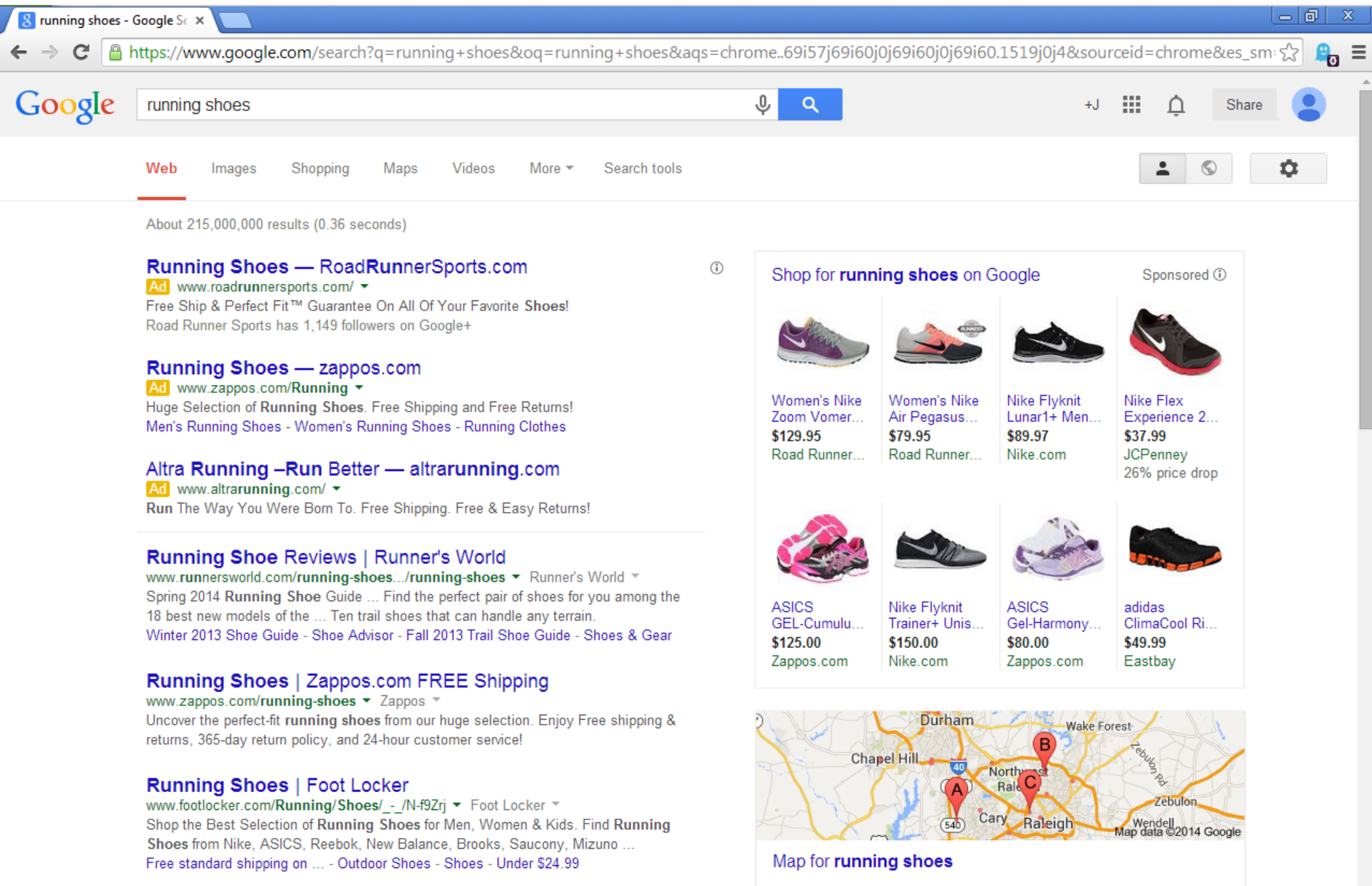
Online Advertising



Controls:

- AdChoices Icon (device specific)
- iOS: Settings > Privacy > Advertising > “Limit Ad Tracking”
- Android: Settings > Ads > “Opt out of interest-based advertising”

KEYWORD TARGETING



CONTEXTUAL TARGETING

The screenshot shows the Empire Online website with several ads. An orange arrow points from the 'The Future Of Film' article to a 'Movie fan website' label. Another orange arrow points from a 'Destiny' game ad to an 'Ads for Sony PlayStation game' label. The website features a 'Destiny' game banner at the top, a 'Trending On Empire' section, and a 'The Future Of Film' article. The 'Destiny' ad includes a 'BUY NOW' button and a 'WATCH LAUNCH TRAILER' button. The 'The Future Of Film' article includes a 'BUY NOW' button and a 'WATCH LAUNCH TRAILER' button. The 'Destiny' ad also includes a 'Also available on PS3' button.

Movie fan website

Ads for Sony PlayStation game

Contextual targeting – ads that appear on a website or app that are targeted to the audience of that website or app

FIRST-PARTY TARGETING*

The screenshot shows the Netflix homepage with the 'Movies You'll Like' section highlighted. The section features a congratulatory message and four movie recommendations, each with an 'Add' button and a 'Not Interested' button.

Movie Title	Image	Action Buttons
Spider-Man 3		Add, Not Interested
300		Add, Not Interested
The Rundown		Add, Not Interested
Bad Boys II		Add, Not Interested

* First-party targeting is outside the DAA's definition of online behavioral advertising.

BEHAVIORAL TARGETING

The screenshot shows the Runner's World website. The main article is titled "How to Recover from a Half Marathon" by Jeff Galloway. Below it, there's a section for "The 2013 ING New York City Marathon" with a photo of a runner crossing the finish line. The website has a blue header with the "RUNNER'S WORLD" logo and a "SUBSCRIBE" button. The navigation bar includes links for Running Log, Forums, The Loop, Tools, Columns, Video, Running Times, Index, and Help. The left sidebar lists various training and gear categories. The right sidebar has a "RACES AND EVENTS" section.

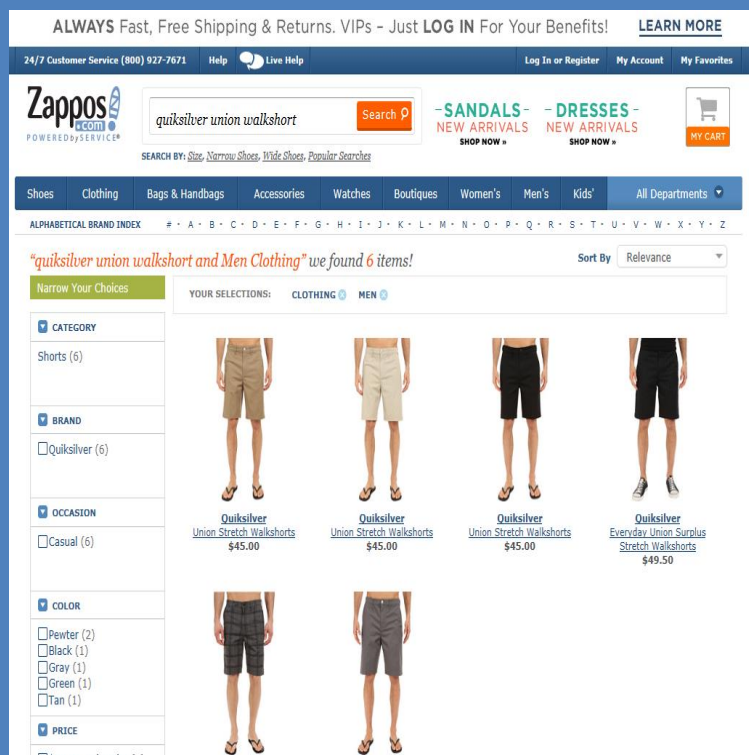
Web pages visited over time ...

The screenshot shows the eMarketer website. The main headline is "Most Pay TV Subscribers Still Watch for Hours". Below it, there's a section for "Millennials more likely to watch TV for shorter periods of time, but still consume an impressive amount of content". The website has a blue header with the eMarketer logo. The left sidebar has a "NEWSLETTER SIGNUP" section. The right sidebar has a "LATEST ARTICLES" section. The main content area features a report on TV watching habits with a bar chart showing the percentage of respondents who watch TV for different durations.

Age Group	<1 hour	1-3 hours	3-5 hours	5-7 hours	7+ hours
Millennials (ages 18-33)	3.2%	53.9%	13.6%	1.0%	18.9%
Gen X (ages 34-48)	1.0%	57.1%	18.0%	3.7%	18.9%
Baby boomers (ages 49-67)	1.3%	50.2%	25.2%	6.9%	15.4%

Based on user's online activities, relevant ads are displayed on a publisher website

Retargeting



Visit a website for online shopping...



An ad for an item previously viewed on a prior website then appears on a subsequent webpage visited later in time

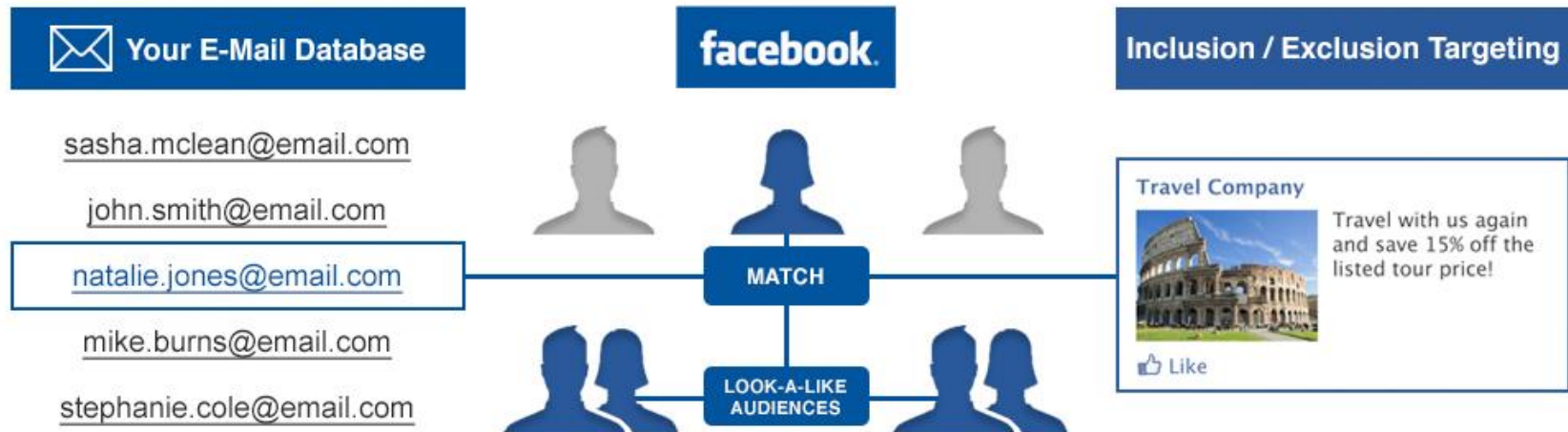
facebook

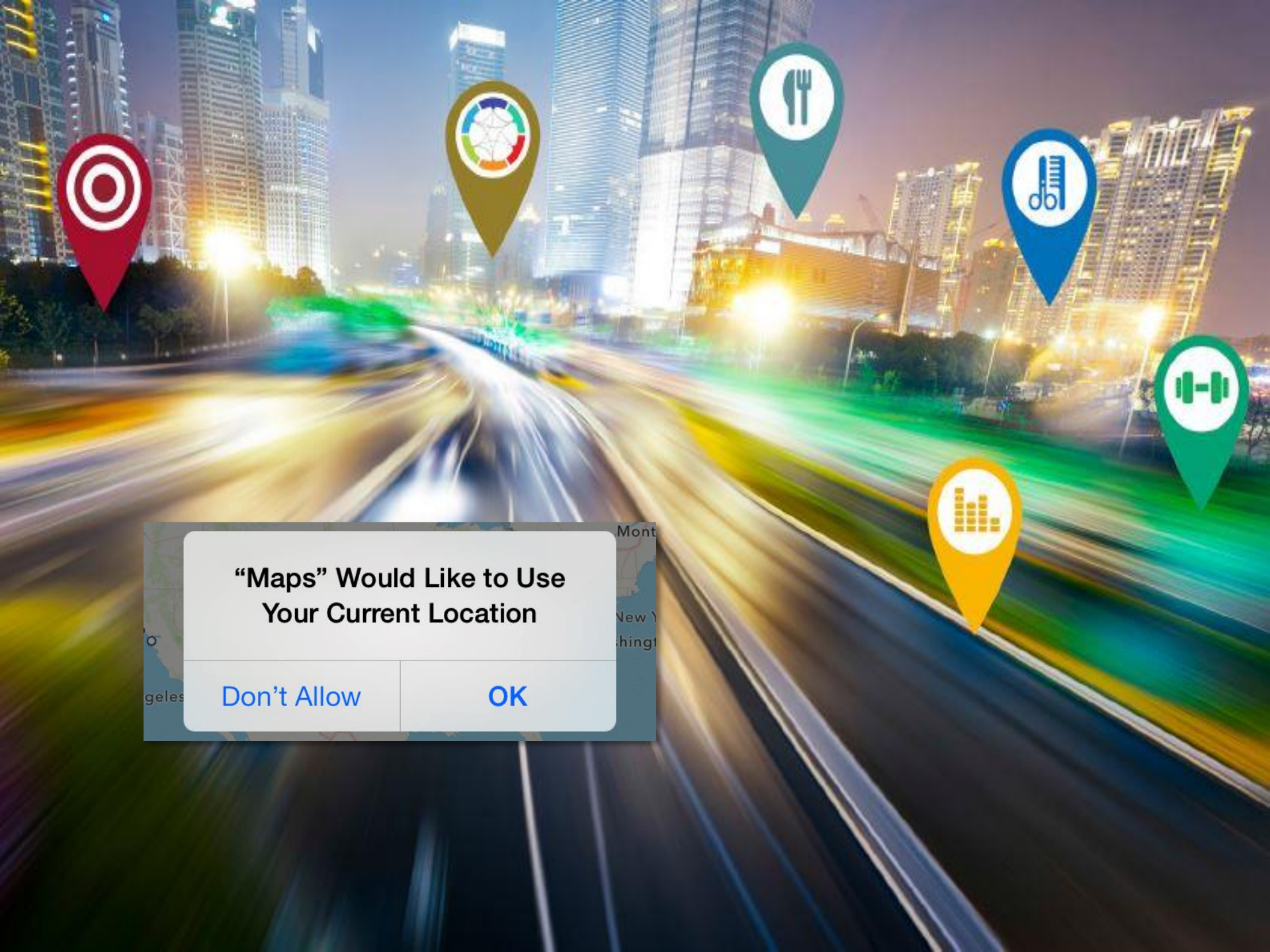
Custom Audiences

Advertisers reach Facebook users taking own first-party data (e.g., email address, phone number, customer name) to create target audience and can layer Facebook audience segments over this to refine targeting and deliver a targeted ad.



Facebook 'Custom Audiences' works by applying hashes to the customer data of an advertiser to remove any personal information, and then mapping that hashed data to its users with the same or substantially similar sequence of characters from Facebook's database. Additional targeting parameters may be added such as age, interests, etc. to reach a specific audience.





**“Maps” Would Like to Use
Your Current Location**

Don't Allow

OK



SUPER SALE
40% OFF
SHIRTS
Today only!



The Players in Today's Eco-System



Ad Agency

Buys ad inventory directly from publishers and from ad networks and ad exchanges



Demand-Side Platform

A centralized interface for managing digital advertising



Ad Exchange

Provides automated, real-time bidding on ad inventory



Ad Network

Buys and repackaged ad inventory from many publishers



Data

Aggregator

Collects data from multiple sources and "cleans" it for downstream users

PUBLISHER

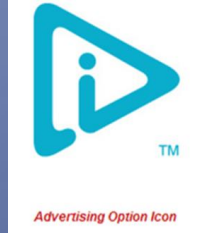
Publisher
Controls the websites where ads are displayed

Online and Mobile Targeted Advertising Increasingly Use Programmatic Buying

Programmatic buying refers to a wide range of technologies that automate the buying, placement and optimization of advertising, often through ad exchanges.

- Real-time bidding for online display ads is just one type of programmatic buying.
- Established ad exchanges already exist for online and mobile display and video.
- It's similar to buying stocks on the stock exchange.

DAA Self-Regulatory Guidelines for Interest Based Advertising



- **Notice / Transparency**
 - Disclose to consumers about the IBA data collection occurring on a given webpage
- **Choice**
 - An opt-out system for consumers to indicate whether they agree to data collection/use from their browser activity by various parties in the ecosystem
- **Limitations on collection of sensitive data**
 - Children, financial accounts, medical records, etc.
- **These principles apply to mobile and cross-device tracking as well**

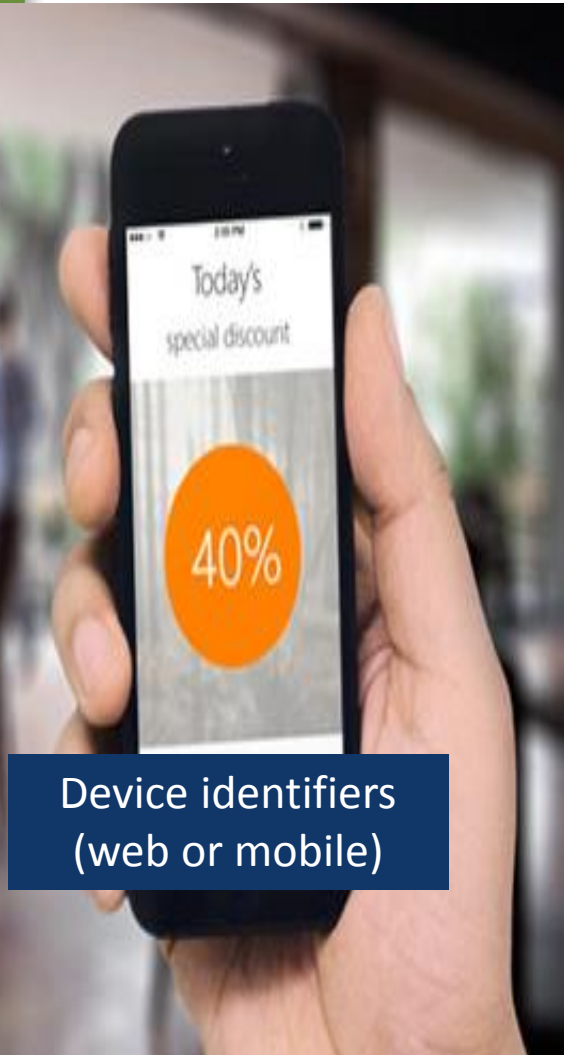
Tracking – Cookies

- ***What are cookies?***
- A cookie is information (a small text file) that a site saves to your web browser. Cookies make the personalization of your web experiences possible. For example, a cookie may allow sites to record your browsing activities — like what pages and content you've looked at, when you visited, and whether you clicked on an ad. Cookies can help sites remember items in your shopping cart, your log-in name, your preferences such as always showing the weather in your hometown, or your high game scores. Other cookies may be placed in your browser by third-party advertising companies to help deliver the ads you see online. These "third-party cookies" may be used to “remember” parts of your online activities in order to deliver ads tailored to your interests. For example, if you read an article online about running, a cookie may be used to note your interest in running. As you continue to surf the web, you may see coupons to save money on running shoes. ***Cookies are not spyware or adware, and can't deliver viruses or run programs on your computer.***

Non-Cookie Tracking

- From the Network Advertising Initiative:
- What is a non-cookie technology?
- Non-cookie technologies are mechanisms, other than cookies, used to distinguish your browser from others. These technologies can include browser cache, locally stored objects (LSO's), or statistical identifiers. Such identifiers are used for many purposes including, but not limited to, ensuring your online banking is secure, preventing online advertising fraud, or to engage in Interest-Based Advertising or Ad Delivery and Reporting.
- What is a statistical identifier?
- Statistical identifiers are identifiers calculated from the characteristics of your browser or device that distinguishes it from other browsers or devices. These identifiers are calculated either from the data your browser or device shares automatically (passive) or with additional data specifically requested from your browser or device (active).

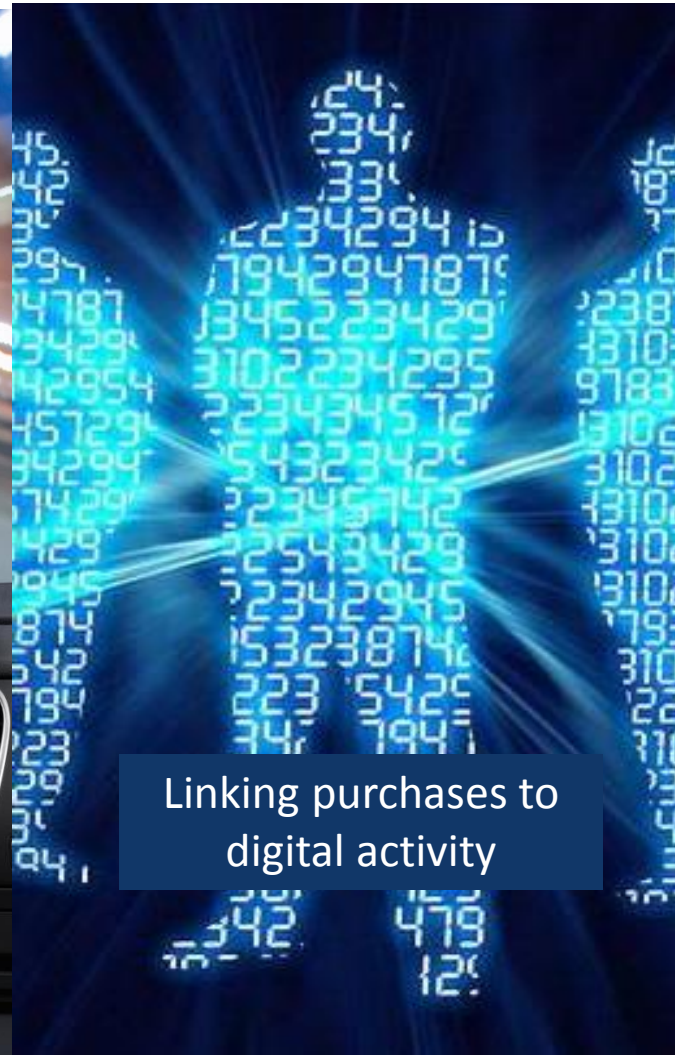
Methods of Targeting or Tracking



Device identifiers
(web or mobile)

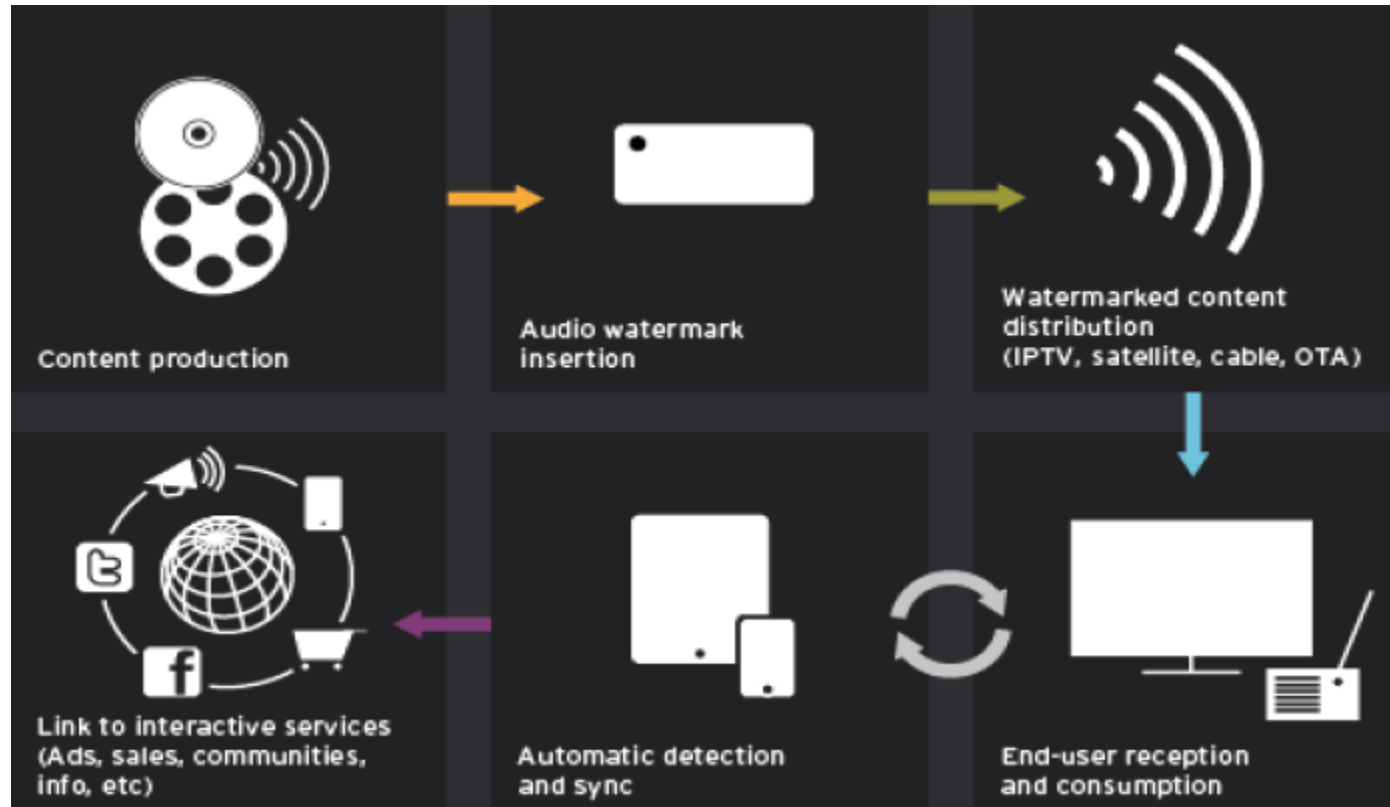


Vehicles



Linking purchases to
digital activity

Audio Watermarking



Cross Device / Cross Screen / Cross Platform Tracking



How is Data used?

- To improve and personalize experiences
- Artificial Intelligence/Machine learning
- Algorithms
- To maintain state
- To link devices for seamless user experience
- To deliver geo-targeted, just-in-time contextual advertising
- To better understand customers (to capture intention and customer journey to purchase)
- For media measurement and media planning and buying
- For accountability – measuring ROI