Data Broker Brags About Having Highly Detailed Personal Information on Nearly All Internet Users

The advertising industry is immensely powerful, and disturbingly opaque.

By Lucas Ropek | Comments (97) X

The owner of a data brokerage business recently put out a creepy-ass video in which he bragged about the degree to which his industry could collect and analyze data on the habits of billions of people.

In 2019, the data broker Epsilon <u>was acquired</u> by French advertising conglomerate Publicis Groupe. Then, earlier this month, Publicis also acquired Lotame, another data and advertising firm, and announced it <u>plans to integrate</u> it with Epsilon's business. At the time, Publicis CEO Arthur Sadoun said that the new corporate integration would allow his company to deliver "personalized messaging at scale" to some 91 percent of the internet's adult web users.

To deliver that kind of "personalized messaging" (i.e., advertising), Publicis must gather an extraordinary amount of information on the people it serves ads to. In a newly released video, Sadoun breaks down what kind of information his company claims to have its hands on. The video, which concerns a software program, CoreAI, shows the degree to which the company can analyze and predict the habits and behavior of individual consumers.

To demonstrate this, Sadoun introduces the audience to "Lola," a hypothetical young woman who represents the typical web user that Publicis now has data about. "At a base level, we know who she is, what she watches, what she reads, and who she lives with," Sadoun says. "Through the power of connected identity, we also know who she follows on social media, what she buys online and offline, where she buys, when she buys, and more importantly, why she buys."

It gets worse. "We know that Lola has two children and that her kids drink lots of premium fruit juice. We can see that the price of the SKU she buys has been steadily rising on her local retailer's shelf. We can also see that Lola's income has not been keeping pace with inflation. With CoreAI, we can predict that Lola has a high propensity to trade down to private label," Sadoun says, meaning that the algorithm apprehends whether Lola is likely to start buying a cheaper brand of juice. If the software decides this is the case, the CoreAI algo can automatically start showing Lola ads for those reduced price juice brands, Sadoun says. Poor Lola. The big problem is that it's not just Lola that is subjected to this all-encompassing corporate gaze—it is, apparently, almost everybody on the internet.

"Thanks to CoreAI, we can do that with 91 percent of adults all around the world," the CEO brags. That amounts to nearly four billion people.

Lena Cohen, a technologist with the Electronic Frontier Foundation, said that data brokers like Publicis collect "as much information as they can" about web users. "The data broker industry is under-regulated, opaque, and dangerous, because as you saw in the video, brokers have detailed information on billions of people, but we know relatively little about them," Cohen said. "You don't know what information a data broker has on you, who they're selling it to, and what the people who buy your data are doing with it. There's a real power/knowledge asymmetry."

Meaningful regulation is notably absent from the data broker industry, Cohen said, allowing for companies to operate without much transparency or oversight. "The U.S. needs comprehensive federal privacy law," Cohen said, while noting: "I don't know how likely that is right now."

Even when state-level privacy regulations are passed (such as the <u>California Consumer Privacy Law</u>), those cases are often not given enough focus or resources for the laws to be enforced effectively. "Most government agencies don't have the resources to enforce privacy laws at the scale that they're being broken," Cohen said.

Cohen added that she felt online behavioral advertising—that is, advertising that is based on an individual web user's specific browsing activity—should be illegal. "That's not data that advertisers should have," she said, noting that <u>contextual advertising</u> (which is based on the content in a particular webpage) should be effective enough for companies. Banning behavioral ads would "fundamentally change the financial incentive for online actors to constantly surveil" web users and share their data with brokers, Cohen said.