NPR: How the Cookie Became a Monster

In the NPR Planet Money podcast episode, the internet cookie is being examined. Cookies were originally created by Lou Montulli in 1994 to protect internet users’ anonymity. A few years later, the ad-network DoubleClick co-founders Kevin O’Connor and Dwight Merriman had the idea to profit using cookie-based online advertising. The cookie unlocked companies’ ability to directly reach their target customer. O’Connor and Merriman coded cookies into ad slots, which allowed companies to track the number of times an internet user interacts with a particular ad. By 2010, many companies had copied DoubleClick’s model, Google had acquired DoubleClick, ad tracking had become the internet’s primary source of profit, and cookies populated every website to the extent of individual pixels.

The issue that led Lou to create cookies was the lack of a website’s ability to remember individual users. Ecommerce was impossible, as there was no capability to add items to a cart and check out in bulk. With the lack of ecommerce, capitalism was not possible online yet. This enabled the tech giants at the time, Microsoft and AOL, to monopolize the rules of the internet.

Idealists like Montulli believed the internet should be a free space unmarred by surveillance and data harvesting. Capitalists like Merriman and O’Connell see the financial opportunities of collecting user data. Many regular internet users are wary of the data being harvested from them and reject cookies while many other regular internet users like the fact that cookies make it easier for them to shop. There are legislators and activists who are pushing for laws that protect user data. Lastly, there are the big tech companies such as Google, that are reducing allowances of third-party cookies and proposing alternatives.

The current configuration of technology benefits the ad network companies the most, as they are gaining exponential amounts of revenue from the online retail companies that purchase ad space. Online retail companies’ and individual websites’ revenue has gone up as well since the explosion of cookies allowed for a boom in market data and direct access to consumers. The websites have been able to profit off the ad networks purchasing webpage space. The big tech companies have also been benefitting from gathering and selling user data to the ad networks. On the other hand, the stakeholders that are harmed the most are the everyday internet users and consumers whose personal data is being collected, often without their knowledge.

Even if Montulli had killed the cookie as soon as he detected that they were being used to collect data for ads, the internet would have quickly rejected the kill, since they had been introduced to a game-changing idea. The primary source of revenue for the internet was the cookie, and someone would eventually have reinvented it; Montulli mentioned that it took him only an hour to code as an undergraduate. The controversy would have been inevitable in a capitalistic system and will never be resolved in the same system.

The battle over data privacy has just begun. Some of these proposed solutions might not be as transparent as the current cookie, and user information could potentially be automatically handed over by signing into a browser. The fact that there are controversial proposals of alternatives for the cookie means that there will need to be many iterations of failures and user privacy sacrifices until a system works for everyone. This could take decades or centuries. Perhaps there will never be one single system that works. Perhaps nations will be divided by internet user privacy laws.