Commercialization of Privacy

Is advertising using personal information desirable?

21102052 Jeong-Yun Lee

ITM Major, SeoulTech

Communication I

Prof. Gregory Thompson

May 17, 2022

IT companies are making astronomical amounts of money from users' personal information. They record and analyze users' every action, and through this, they provide customized advertising services to advertisers. Companies are collecting information, not just about your gender, age, name, and birthdate, but even what users searched for, what you clicked on, and how long you stayed on the webpage. In other words, the commercialization of personal information is taking place through advertisements. In response to this fact, some users are reluctant to use their privacy by companies and they are demanding that they not be tracked. According to Forbes’ article “The Truth In User Privacy And Targeted Ads” by Nik Froehlich, “Targeted ads collect and analyze users' online activity and use this data to inform the type of ads a user is shown. For example, if users often search for tech supplies, they will be shown ads for the latest gadgets. Platforms and websites do this by collecting cookies, location information, and mined data. Today, modern marketing works best when it is personalized.”(Froehlich, N. 2022) So, in the IT industry, advertising is a major business model for a company, and personal information that tracks and records users is an essential element for customized advertising. In addition, an entity has the right to commercially utilize information provided directly or indirectly by users through contracts with users. If only an advertising model provided to an unspecified number of people, such as an advertising booklet, is possible, the overall profitability of the IT industry will be lowered, capital input will be hindered, and the possibility of industrial development will be hindered.

Opponents of corporate personal information collection raise questions about the accessibility and obligation of privacy policies provided by companies. They argue that whenever a user wants to use a service, it is not easy to read and understand differentiated privacy policies for each service. Buy, if the user disagrees with some of the privacy policies, the user cannot even access the service. For example, let's say a consumer bought Apple's iPhone. If so, when the iPhone is first activated, it requires consent to the iPhone's software license agreement. If you don't agree to this contract, you can't even use the basics.

However, this is not an appropriate argument to prevent companies from collecting personal information. When a company sells a service or product, no company will sell its service or product unless customers agree to their legally legitimate requirements. In order to use their IT services, they are obliged to comply with the conditions they require. Businesses are not charities. If a service is provided to generate revenue and the service contract requires a certain level of personal information collection and commercialization for that revenue, the user of the service must agree to the use contract according to capitalist logic. In addition, by providing optional provision consent items, policies have recently been made that allow users to reject some unwanted information and user tracking, enabling more “private” online activities. For example, Apple lets all apps in the App Store report user information usage to Apple. All apps are evaluated for their appropriateness for publishing apps through separate inspections. In addition, the product description section provides an overview table of personal information handling, so that service providers can see what information they collect and use from users. In order to access photos and location information, user approval is required, and approval or not can be changed at any time. (Apple, 2022)

Some people are concerned about the concentration of billions of personal information in data centers of IT giants such as Apple, Google, Amazon, and Microsoft. In the past, the government collected and managed personal information, but now the control of personal information has been transferred to private giants. User data is as valuable as it is called crude oil in the 21st century, and the larger the size of the data, the greater the value. Their main argument is that entrusting high-value "assets" to private companies can be vulnerable to improper use, sale, or leakage of data.

However, the vast amount of information in the data center should be viewed as legitimate private property secured by companies through legal contracts with users. Therefore, preventing their private property from being used for their rights and interests is contrary to basic capitalist principles. The infringement of individual rights or social side effects caused by moral hazards that some people are concerned about is already being suppressed through the state's legal system and social awareness. In addition, social and economic losses that occur to companies when related problems occur contribute to the prevention of antisocial decision-making.

In conclusion, the collection of personal information and commercial use (i.e., advertising) using it are not inappropriate, and it is driving the development of the industry as a major source of income for the IT industry. Personal information is an important resource from an IT industry perspective. Users have already signed a "contract" with a service provider and the enterprises provide advertisements as service usage fees to make consumers watch the advertisements. In this process, personal information is collected to provide advertisements to consumers who fit the target layer of advertisement. In addition, this collection of personal information is done under the consent of the user and legal regulations, and some collection items may be rejected by the user while using the service. In addition, legal and social devices that defend personal information from external attacks and check and manage the indiscriminate use of user data are greatly improved, mainly by IT giants, thereby suppressing the leakage and sale of personal information. Rather, appropriate analysis, management, and utilization of user data can greatly contribute to building a better society and services. As an example, after Hurricane Katrina hit New Orleans in 2005, mail marketing company Valassis shared its data with government agencies and volunteers working for relief efforts, contributing to the improvement of relief efforts. (Verhulst, S. 2019) Currently, if personal information is managed and utilized in a safe and desirable way, an environment is established where personal information can be provided instead of cash to pay for service use and receive better services and advertisements. At a time when mobile devices are already penetrating deeply into modern life, the benefits of allowing tracking are greater than the potential damage from providing personal information.

Reference

Apple Inc. (2022). *Privacy*. https://www.apple.com/privacy/

Froehlich, N. (2022, Feb 24). *The Truth In User Privacy And Targeted Ads*. Forbes. https://www.forbes.com/sites/forbestechcouncil/2022/02/24/the-truth-in-user-privacy-and-targeted-ads/?sh=7a605d82355e

Verhulst, S. (2019, Aug 29). Data sharing is good for society-but we need to do it cautiously. WORLD ECONOMIC FORUM. https://www.weforum.org/agenda/2019/08/private-data-public-is-a-good-thing/