

Should Facebook stop using personalised ads based on personal user data?

Draft

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Moral Problem Statement

In this report, the following moral problem statement will be discussed and analysed:
“Should Facebook stop using personalised ads based on personal user data?”

Facebook collects and uses personal data of their users to help advertisers on their platform make personalized ads. According to Facebook this is so that they can offer their users all of their services, including providing their users a personalised and relevant experience. However, users do not have full control over which data Facebook collects from them and how exactly it is used in ads targeted towards them. This is problematic as Facebook’s users might feel that their privacy is violated and that their trust in Facebook has been taken advantage of. Furthermore, it raises the question about who owns the data Facebook’s users generate.

The main actor in this case is Facebook, and the other stakeholders are governments and Facebook’s users. The conflict at hand is a moral conflict because there isn’t one specific option that is going to suit Facebook or their users perfectly well. The main moral values are privacy, ownership, trust and autonomy, some of which are conflicting with each other as this issue affects many values simultaneously.

Problem analysis

Privacy is a relevant moral value because of Facebook's business model which collects a large amount of users' personal data to transform into behavioural data for making personalized ads. Facebook users' data can be collected and shared in many ways, which might violate privacy of users. For example, In 2018, Cambridge Analytical obtained personal information from 87 million Facebook users without their consent.^[1] Ownership is also a relevant moral value. Facebook stores data of its users and sells predictions made from that data. This action raises questions about data ownership: who can have access to the data? What is the data used for? The problem now is that it is unclear to users what information is stored about them and which third-parties have access to their data. Even though users are concerned with Facebook's data collection as the basis to make personalized ads, this enables Facebook to function, to provide good free quality of services for billions of its users. Trust is also a moral value in this case because it involves the functioning of privacy, reliability and safety of Facebook as a social media platform. Users trust Facebook to adhere to their own terms of service. Considering autonomy as a relevant moral value, Facebook can construct models to nudge people to Facebook's ads interest by making predictions based on users' behaviour data. By having a high prediction rate, the users might lose the ability to make their own decisions, for example, Facebook ads will show fast-food ads when you are hungry. Users will be tempted to order junk food even though they know that it is not good for their health. Moreover, economic prosperity is a relevant moral value. Facebook has significant impacts on the economy around the world. Facebook stimulates innovation, connects businesses and creates job opportunities. Deloitte estimated that Facebook enabled \$227 billion of economic impact and 4.5 million jobs globally in 2014.^[2]

Privacy and ownership both identify with two stakeholders: Facebook and users. Users want to protect their personal information and use services freely while Facebook wants to use that personal information for their interests: making personalized ads (using behaviour prediction). By placing ads, this helps Facebook to function and provide quality services. Autonomy identifies with users, while economic prosperity does with Facebook and Government. Moreover, the Government wants to be economically prosperous, which supports Facebook's interest but they also want to protect their citizens, which supports the interest of users. Therefore, economic prosperity conflicts with privacy and ownership. Furthermore, trust identifies with both users and Facebook. Trust conflicts with privacy because Facebook users trust Facebook to comply with the terms of service and data policy, but Facebook is not transparent about how the data which Facebook collects from the user is protected.

Apart from relevant facts listed in the problem, there are some other facts. Facebook's prominent scandals of violating privacy rules: Facebook Cambridge Analytica, Beacon, Global Science Research.^[1] There are privacy laws of the Government to protect Facebook's users such as GDPR (European data privacy and security law), CCPA (California Consumer Privacy Act). There are unknown facts: how exactly do personalized ads influence the users? For example, how much impact did Facebook have in the 2016 US presidential election due to the Facebook data privacy scandal? This question is hard to evaluate. Is Facebook still violating its terms of service? If yes, then to what extent?

Options for action

In this moral problem, Facebook is an actor that has more than one option to deal with the problem. Three options for action will be discussed below.

The first option being that Facebook should allow users to fully opt-in or opt-out of letting Facebook use their data to make personalized advertisements. Facebook does already provide the user with some options to restrict how and which of their data is used when personalizing advertisements, however it is not possible for the user to completely opt-out of personalized ads. Users do have the possibility to adjust how ads on Facebook are shown based on their collected data, however, they cannot fully stop their data from being collected.^[3] The idea is thus to give the user the ability to stop any of their personal data from being used to personalise ads. This will give the user full control over how Facebook uses their data when it comes to advertisements. It should be noted that if a lot of users were to fully opt out, Facebook's revenue could drop by a significant amount, as advertisers are unlikely to be willing to pay as much for personalised ads when not as many users can be targeted by them.

A second option for Facebook is to simply continue using the data of their users to make personalised advertisements as they are now. This would be the easiest option for Facebook, as it does not require them to change anything about their current business model; a business model that significantly increases their revenue every year.^[4] In a way, personalised ads also benefit the user. Traditional ads are generally considered an annoyance. However, if a user interacts with ads that are tailored towards them, Facebook knows that the user enjoys such ads and can proceed to show the user more of these ads: as ads become more relevant to the user, the user may become less bothered by them and enjoy their experience on Facebook more.

Another option Facebook has is to change their current business model, based on personalised ads, to something else, like a premium model where the user pays for additional features on the platform such as not getting advertisements. The revenue otherwise earned from personalised ads can then be substituted by revenue earned from subscribers to the premium model. This option is also worth considering for Facebook due to an impending threat to their current business model: in recent years, the way corporations collect and use data from their users has become a major concern among many people and, as a result, has prompted governments across the globe to consider tightening and implementing new privacy laws.^[5] This in turn has prompted other companies to consider implementing new policies regarding the collection of user data on their products. A recent example of this is Apple's new policies on their operating system iOS 14, which requires any application, including Facebook, to ask for consent on collecting any of a user's data. This in turn has spurred some of Apple's competitors, including Google, to change their privacy terms: in the long term this may result in a snowball effect.^[6]

Ethical Evaluation

After having analysed the moral acceptability of the different options for action identified previously, a ranking of said options was formed based on intuition. Ranked from best to least best solution, the first option is for Facebook to allow users to opt-in or opt-out of letting Facebook use their data to make personalized ads. Users who do not prefer targeted ads can still use Facebook with traditional ads, while users who do want target ads can have that option as well. This way, the privacy, ownership and autonomy of users will be protected. Though it is true that if many users opt out of personalised ads Facebook's revenue might significantly decrease, this can be largely mitigated by substituting personalised ads with traditional ads instead. The second best option is for Facebook to change their business model. Though it accomplishes the same as the first option, it is less preferable than the first option, because depending on how the business model is changed both Facebook and its users might be significantly affected in various ways. The least favourable option is for Facebook to continue making personalised ads. This option is least recommended because, although neither Facebook nor the users have to adapt to any changes, Facebook's current model clashes with the moral values of their users: privacy, autonomy, and ownership.

Ethical Issue: Privacy

The benefits of Facebook's personalized ads lead to compromising the users' individual privacy, which is a basic human right. The term privacy here mainly refers to having control of information about oneself as well as the right to not be tracked, watched or followed. Every like, share, react, search, location check-in makes up the user's online profile as well as the personalized ads (and news feed) that are tailored to the user's behaviour based on this data.

There is a conflict between the central value of privacy with trust because people need to feel confident that their information is safe. In Facebook's Terms of Service^[7] it is stated that by using Facebook, the user agrees that their personal information can be used to show ads that may be relevant to that specific user. Facebook's successful revenue model is centred around big companies and organizations paying them to show ads for their product and services. According to Facebook, this is how it keeps the social platform for its 2.6 billion active monthly users. In the Terms of Service it is stated that Facebook does not sell its users' personal information to advertisers and that they do not share information that identifies the users directly, unless the users give permission for that. However, with not clear enough transparency and multiple Facebook scandals in recent times, the trust in Facebook protecting its users' privacy, has become significantly lower. An example of this is when in 2018 the data and information of 87 million Facebook users was being secretly harvested by a political consulting firm, Cambridge Analytica. The scandal has opened up conversations about our privacy, our data, and has led to greater questioning of the bases of targeted ads and trust in Facebook. Even if someone has nothing special to hide, their personal data is being tracked and can be used to put them into certain interest groups, even groups promoting false or wrong ideas, and can also be used to exclude certain groups or even races from some information. This may ultimately lead to groups of people being part of *alternative-realities* where they believe in false information or conspiracy theories. Claire Wardle, co-founder of anti-disinformation First Draft says that this is the reason for many people storming the Capitol in January of 2021.^[8]

The most preferable option for action is to let the user have the possibility to completely opt-out of letting Facebook use their data to help create personalized ads. Facebook does offer its users to see into what interest-categories they belong, what types of data was used to determine this, and an option to opt-out. However, users do not have an option to completely opt out. Some certain data can be erased, like certain interests based on liked pages. Users can restrict what data is being collected to a certain degree but cannot fully stop their data being collected. Having an add-blocker is also not going to prevent users' personal data from potentially being misused. A person can protect their data by using a VPN. This will limit the amount of information Facebook can collect about you as all the information is encrypted. However, free VPNs also use advertising to generate revenue, can contain malware and can actually track and record users' activity.

Ethical Issue: Ownership

Though Facebook's terms of service^[7] state that their users own all the intellectual property rights of any content they create and share on Facebook (with Facebook only being licensed to this content), neither Facebook's terms of service nor Facebook's data policy^[9] make any statement regarding ownership of the data Facebook collects from its users. Facebook's data policy states that users can exercise their rights provided under the General Data Protection Regulation (GDPR), among which are the rights for an user to object to Facebook's processing of and erase any of their data collected by Facebook, and users are given the ability to somewhat restrict which of their data is collected by Facebook on an opt-out basis. This may make it seem like Facebook's users are in control of what Facebook does with their data, however, users are not given the ability to fully stop Facebook from collecting their personal data and are limited in exercising their rights under the GDPR without suing Facebook in court. Furthermore, although Facebook's data policy does give a general description of which user data is collected under which circumstances, it is not stated exactly what data Facebook collects from its users. All things considered, it is apparent that Facebook does not promote ownership when it comes to its users' personal data.

One of the options for action mentioned earlier is for Facebook to continue collecting their users' personal data and using it to make personalized ads. This would be a rather attractive option for Facebook, as under this business model the platform's revenue and user base continue to steadily grow.^[4,10] In light of ownership, however, this is the least favourable option. As mentioned above, users cannot fully stop Facebook from collecting their personal data and are limited in exercising their rights under the GDPR. Furthermore, this heavily clashes with privacy. Users have limited control over what happens with their data and the personalized ads created using their data may be considered as intrusive. Not to mention, Facebook's terms of service state that in order to collect data the user is also tracked across other websites and applications on their device.

A considerably more preferable option for action as mentioned earlier, both in light of ownership and as a good compromise between Facebook and their users, is for Facebook to allow its users to fully opt out of letting Facebook collect their personal data to make personalized ads. Under this option, Facebook can retain their current business model and still make a profit; for users who opted out, personalized ads can be substituted with normal, non-personalized ads. Even if many of Facebook's users opt out, considering the immense size of Facebook's active user base there should be more than enough advertisers willing to place normal ads on the platform. More importantly however, this prevents the compromise of ownership, yet users who desire personalised ads can still have them by opting in. Additionally, this resolves the conflict with privacy mentioned above: users have considerable control over what happens with their data and by opting out they are no longer served personalized ads that they may find intrusive, nor should they have to be tracked across other websites and applications on their device for data collection.

Ethical Issue: Risk

The personalised ads on Facebook are scattered everywhere over the platform, always in the user's sight. Facebook uses personal data to make these ads cater to the user's personal interests or beliefs, which in turn would make the user more likely to interact with these ads. This would then increase the amount of people who, for example, buy an advertised product, generating more revenue for the advertiser. In order to make these ads targeted, Facebook would need to profile the user. Interests, activity on other apps or sites, things you buy, school, work, education and much more.^[9]

All this data is collected and gathered from countless individual third-parties, and promptly stored in Facebook databases. Facebook would then have much more data about the user than the user itself would generally know about. Then, one data breach or leak could lead to colossal amounts of personal data being out in the open, compromising user privacy in a large bulk. Therefore this poses a personal risk.

People who spend long durations of time on Facebook will inevitably, either consciously or unconsciously, have processed the information in these personalised ads. Since these ads can be specifically catered to distinct groups of people, Facebook could as an example make people with a certain political alignment get a lot of exposure to a specific political party, potentially directly influencing them to change their vote for said party.

This is one of many possible examples of how Facebook could play a direct role in influencing an unsuspecting user's personal choices or behaviour. For many users this is a personal risk that they are also often unaware of, because of the ads' subliminal nature. The reason this risk is this prevalent is because of the personalised ads. These ads are also the sole arguable benefit from this risk. People might want personalised ads, because it could, for example, help them find interesting products. However, on the opposite side we have the possible and mostly unnoticed influencing and manipulating of a group of users' behaviour or beliefs, which is on a collective and severe level. Hence the personal risk at hand is not an acceptable risk.

When the personalised ads become targeted at a specific group of people, a collective risk arises. Facebook could in theory steer an entire group's beliefs or behaviour a certain way. By constantly exposing said group to nit-picked pieces of content in the personalised ads, they could unknowingly get manipulated a certain way. Once again, this is a severe and not acceptable risk that can not be justified by the aforementioned benefit of personalised ads.

The course of action that we recommend is to allow users to opt-out of personalised ads in its entirety. By doing this, it allows users to free themselves from these ads on the Facebook platform. Without these targeted ads, every user that opted-out would receive the same bland and basic advertisements, preventing the possibility of manipulating a specific group of people. For the people who still want personalised ads, their total number would have decreased a significant amount which makes the

collective risk of manipulation of a large group harder to realise. Therefore implementing such an opt-out feature would drastically decrease the general risk.

Reflection (Recommendation)

The recommended option for action is for Facebook to allow users to opt-in into personalised ads and replace personalised ads for users that have not opted in with traditional, non-personalised ads. First and foremost, this option addresses many of the moral values at stake. If users have opted out, there is no need for Facebook to collect the data of those users, which would protect the user's privacy and preserve the user's ownership of their data. By asking their users for consent on collecting their data, Facebook in turn also builds trust with their users. Furthermore, only showing personalised ads on an opt-in basis keeps the autonomy of users intact as well as increasing the security against the misuse of their data. The risk of larger groups of users being manipulated by personalised ads will naturally decrease as well. The recommended option is not the only option that comes with these benefits: changing Facebook's business model accomplishes mostly the same in regard to the moral problem. As mentioned earlier, however, the recommended option is more intuitive as it requires less adaptation by both Facebook and their user base and is not as likely to negatively affect either. Though the recommended course of action is likely to cut into the revenue of Facebook as advertisers will not be willing to pay as much for personalised ads on the platform, Facebook can mostly make up for this by placing traditional ads instead. Considering the size of Facebook's user base, it is a price worth paying to resolve the moral problem at hand.

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