Privacy vs. Personalization Paradox in Online Advertising
W3C Workshop on Web Tracking and User Privacy
Paul Trevithick, Azigo
ptrevithick@gmail.com

The conventional wisdom seems to be that the online advertising industry is caught in an insoluble privacy vs. personalization paradox. On the one hand, behavioral tracking using third party cookies violates commonly accepted notions of privacy such as notice, consent and transparency, yet on the other, if tracking cookies were to be widely blocked through technical means or their use made illegal, ad revenues would drop dramatically and the free Internet as we know it would be threatened. We who have been working in the identity space, however, do not believe that privacy and personalization are dichotomous rivals that need be traded one for the other. We believe that an alternative path is possible.

As has been widely reported, the FTC is exerting pressure with its Do-Not-Track proposals and the Obama administration has recently called for legislation in this area. Senator John Kerry, with support from Senator John McCain, is proposing a privacy bill of rights that would severely limit the use of tracking cookies. The pressure on the industry to respond has become acute but the response seems to be one that serves neither privacy nor personalization fully – that is, the proposed solutions seem intent on providing consumers with the ability to opt-out of behavioral tracking using rudimentary cookie blocking tools while hoping that too few consumers will actually use these tools in practice to affect the status quo: a mostly free Internet supported by advertising powered by revenue-enhancing yet invasive behavioral tracking of individuals by hundreds of third parties.

But, there is another path forward. The paradox can be resolved so that people can enjoy and benefit from the personalization of their web experience without sacrificing privacy, by enhancing their browsers with "self-tracking" capabilities under their control. By providing user-controlled, open standards-based "personal data services" through add-ons to existing browsers, the users themselves can curate their own rich behaviorally-derived profiles, hold them securely, and make profiles or relevant parts thereof selectively available to trusted websites for content and ad personalization. Where individual users do not wish to manage their own profiles directly, they can easily delegate management to trusted third parties without requiring non-consensual third party data aggregation, databases, or persistent cookies.

Our firm, Azigo, is developing a "data wallet" browser extension and personal cloud data service that implements this approach. It provides a privacy-aware foundation that also enables robust personalization.