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BEHAVIORAL TARGETING: CONSUMERS' PERCEPTION ISSUE

The Internet, with its ability to record behavior, is largely responsible for the increase in behavioral targeting. Behavioral targeting is a technique used by online publishers and advertisers to increase the effectiveness of their campaigns.

Within online advertising, there is certainly no better example of efficient targeting than search, which can drive relevant messages welcomed by consumers. Nowadays marketers are embracing search strategies such as SEO (search engine optimization) and PPC (pay-per-click advertising), as well as contextual, demographic and behavioral targeting [4].

However, as online click-through advertising becomes personalized, firms run the risk that customers will find the advertising intrusive and invasive of their privacy, and that 'reactance' will lead them to resist the ad's appeal. 'Reactance' is a motivational state when consumers resist something they find coercive by behaving in the opposite way to the one intended[1]. This sets up a tension for firms who seek to use the huge amounts of data at their disposal to improve advertising outcomes, but who also seek to minimize the potential of consumer resistance.

Nowhere has this tension been more pronounced than on social networking websites like Facebook and MySpace. Social networking websites now account for 23 percent of online display advertising (Cormier, 2010). They have also collated a huge amount of personal data from their users and offer advertisers proprietary ad networks that push the boundaries of tailored advertising.

To reassure customers about their use of customer data, social networking sites like Facebook are experimenting new technologies that allow consumers explicit control over how much information about them is publicly available [1].

A study from TNS Global finds most people aren't comfortable with having their online behavior tracked for ad delivery purposes.

The research reflected broad awareness among consumers that third parties collect information about their online activities: 71 percent said they knew they

were being virtually watched, though only 40 percent were familiar with the term "behavioral targeting."

57 percent were uncomfortable with having their browser cookies analyzed for ad delivery. This held true even if respondents believed their personal information was protected from fraud or other forms of identity abuse.

Oddly, most consumers surveyed *did* express a desire for highly targeted, relevant ads; 55 percent said they would be willing to fill out an anonymous survey to get them [2].

However, the generally positive attitude toward personalized advertising is not necessarily reflective of the industry at large. CrowdScience found 41% of internet users worldwide said they are tired of irrelevant advertising; however, 37% remain suspicious of ads that appear to be targeted or personalized to their interests and, likely, their demographic or personal information [3].

Brands should keep in mind that favorability for ad personalization will vary across industries. For instance, internet users are likely to be more comfortable with personalized ads that highlight retail, entertainment or travel preferences than they are with those that feature relevant financial services or health-related ads that lead internet users to question just how much personal information a company might know.

Technology gives advertisers new opportunities to reach consumers more efficiently. To realize the promise of behavioral marketing, the online ad industry must build trust among consumers who increasingly demand more disclosure about what is being tracked on their computers and why. This is doable since behavioral marketing does not require the use of any personally identifiable information.

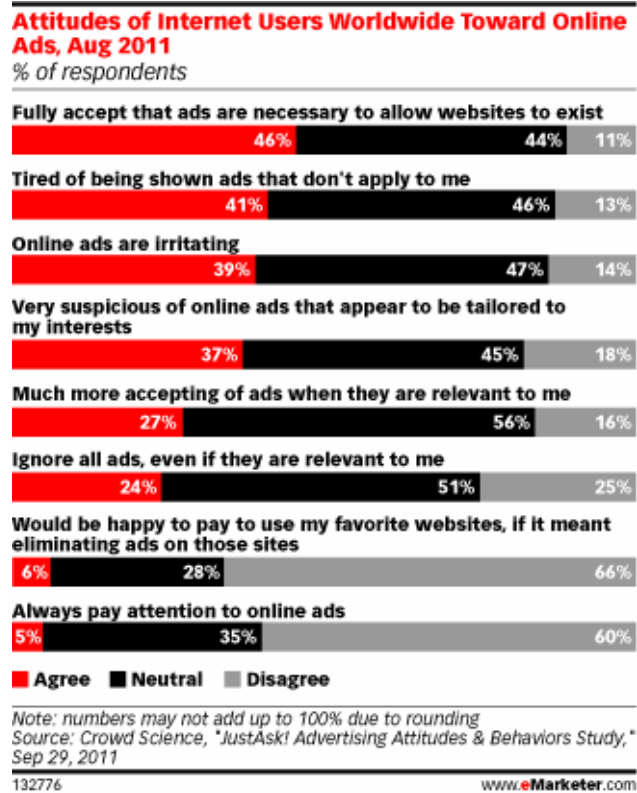


Fig. 1

However, the risks that concern consumers, such as identify theft and misuse of personal information, must be disassociated from behavioral marketing through PR efforts. Lastly, if marketers adopt the principles of providing more transparency and giving consumers adequate value for using their data, they can advance the cause for behavioral marketing.

References:

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