SAVvy SHOPping: Getting the Ad-antage

You use a search engine to find information about local bike stores. Then you visit a few websites for bicycle gear. Next thing you know, you’re checking out the news online and you see ads for bikes, bike racks, and bike trips. It may seem like marketers are following you around as you browse the web. It’s not magic. It’s just new technology.

In fact, personalized shopping isn’t new; although the technology tools being used are. Years ago local stores knew their customers—what they bought and what new products they might like. The Internet is able to offer a personalized shopping experience because new technologies collect information about the sites you visit and what you buy. That makes it possible to suggest products and services you are likely to be interested in and personalize offers for what you are looking for right now.

Social media sites, search engines and companies called Ad Networks help advertisers find customers by recording the places you visit while you are on the Internet or your mobile device. They do this by installing a small bit of software called a “cookie” on your computer or record an ad ID for your mobile device. You can learn more about cookies at websites like www.aboutads.com and http://www.iab.net/privacymatters/4.php.

Companies use the sites that you visit, including your “likes” and searches to group people into interest categories – say, female cyclists age 40 to 55. They may also combine this online data with what marketing companies know about you offline, such as your interest in biking, which can be derived from the magazines you subscribe to, or general information, like age, homeowner or renter, and estimated income level. Most of the time, this information is not matched to you specifically, but only to the web browser or device you are using. So if you start seeing ads for the newest video game, it’s a good guess that your son “borrowed” your tablet again without telling you.

Social media sites, search engines and Ad Networks allow advertisers to use this data to determine which ads you see. Ad Networks also offer services to advertisers to display ads when you visit a site, but don’t buy a product or service. We have all seen ads on other sites based on a product we put in our shopping card, but never bought. These ads typically don’t become part of your interest categories and don’t persist for very long because most advertisers use a technique called “frequency capping” that counts the number of times an ad is presented to you and stops showing it before you get really tired of it.

This information is only used to help advertisers find better ways to do what they have always done: tell you about products and services that you might want or need, offer you discounts or coupons, or tell you about a sale. Some advertisers also resell information they have about you to other businesses that use it for their own advertising. This has been going on for decades via flyers, in-store promotions, and in direct mail, and has become a common practice online for over 15 years. You cannot control how many ads you get. Ads are like TV and radio commercials: they subsidize the content available on the Internet that you enjoy and wouldn’t otherwise get for free.

But you can control whether you see ads for products advertisers think you might be interested in, or just see ads randomly selected to be viewed on the webpage you are visiting. Because interest-based ads result in more sales, advertisers pay more for them, and websites are able to finance their content with fewer ads per page. So, if you decide to opt out of getting tailored advertising, you may find that you are seeing more random ads on the pages you visit.

Every interest-based ad should have a blue icon in or near the ad. If you want to stop receiving interest-based ads, click on the icon and opt-out.

You can also delete the cookies that were put on your browser. However, be aware that the cookies may be reset after you delete them. The AboutAds.com opt-out mechanism offers a tool to make the opt out more persistent.

Advertising based on your interests and online activity are intended to do two things: make sure that advertisers aren’t wasting your time sending you ads for stuff you don’t care about; and that they’re not spending their money – and ultimately raising their prices – trying to reach people who aren’t interested in their products. Interest-based advertising helps to keep the costs of goods and services down, helps pay for content on the Internet so you can use that content for free, and helps you see ads that are more likely to actually be of interest to you.