



The Economics of Personal Data and Privacy

30 years after the OECD Privacy Guidelines

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## Valuing Personal Data in Online Marketing Services

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December 1, 2010

# Why Collecting Personal Data on Internet?

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## INTERNET IS NOT FREE

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- People tend to think that Internet is free but it is not true
  - Every individual that has access to Internet pays a monthly fee of 20 to 30 euro per month to its Internet service provider
- Unlimited access to information and content via Internet has a cost
  - People that create content need to be paid in order to continue to create content that is easy to access
  - People that host content need to be paid in order to have the sufficient hardware and software to guarantee the access to the content
- Internet is a media even more a meta media which means that as every media it has a need for a business model
  - Advertising
  - Online Payment
- Advertising means collecting data
  - Websites need to collect sufficient and accurate data in order to convince advertisers to put ads in their inventory
  - Advertisers need data to build their marketing campaign and decide where their ad will be seen on Internet

# What Collected Data Are We Talking About?

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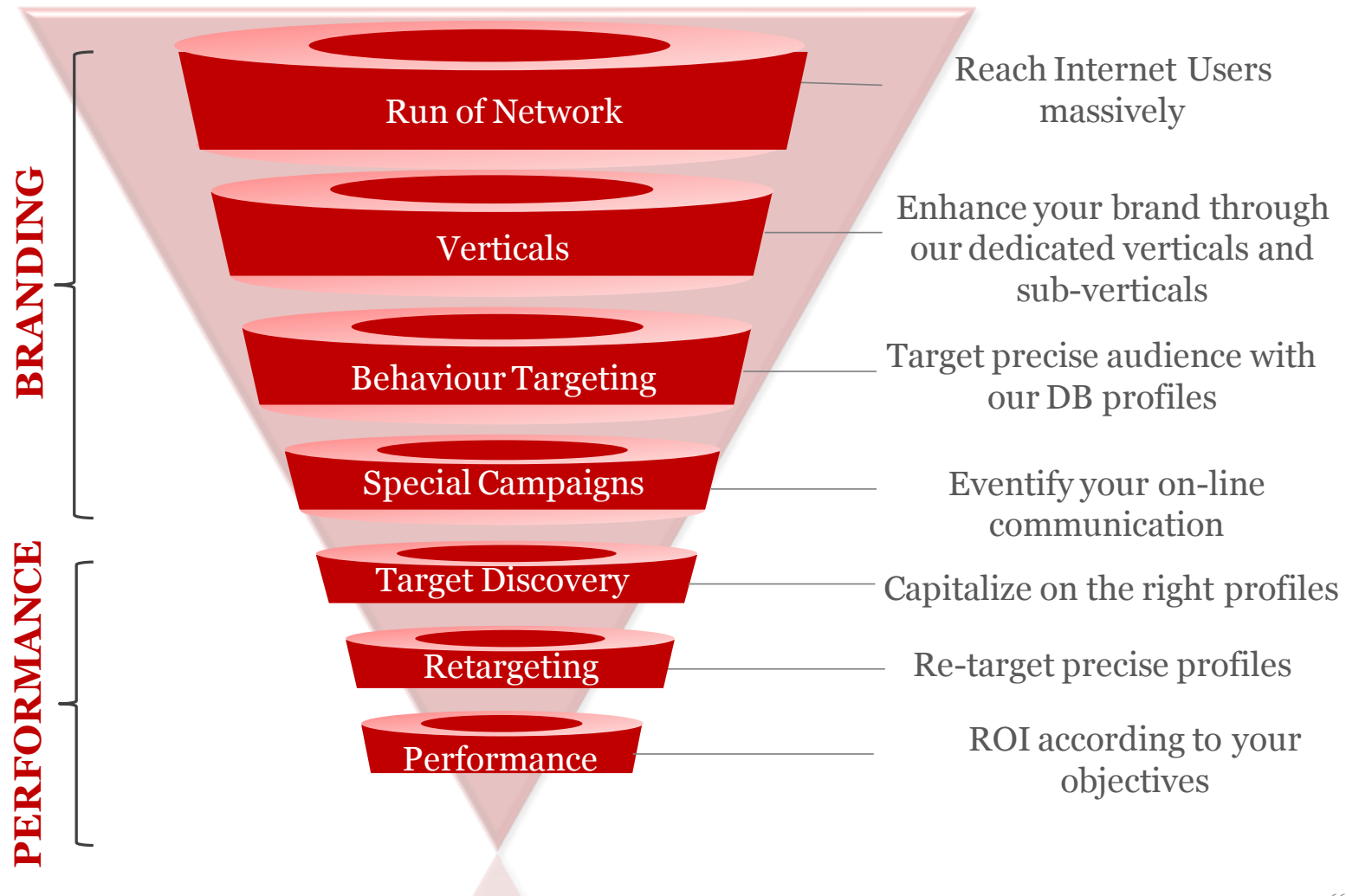
In order for the data to get value it needs to be qualified

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- Personal data ? Definition
  - With on going innovation the definition of personal data has change over the time on Internet
  - Everything is personal because even if we cannot identify you t is data about you, your way of surfing into the web and your consumption usage
- Data collected from Internet users are more and more sophisticated
  - Geography
  - Gender
  - Time
  - Thematic
  - Hobbies
  - Visits
  - Behavior
  - Purchase and action history
- If you get specific consent for collecting data (Opt'in) then you have the full range of data that you can ask for
  - Email address, Name, Address, Phone number, Salary...

# Collecting Data Drives Innovation

Mechanisms and innovations in place address the various needs for collecting data. All the value chain is creative – billions of ads and collected data generated every month



# Benefits & Value of the Collected Data

The entire value chain benefits from the value of data

- Advertisers:
  - Benefits from data to push in the most accurate and targeted way their product and brand
  - The value of the data is in the positive outcome of using such data in increasing the brand awareness and / or increasing the sales
- Websites:
  - Benefits from the data collection to have a source of revenue
  - The value of the data is known and defined by the market (market place, business model CPM, CPA, CPC, CPL)
- Individuals
  - Thanks to the revenue that generate the data they benefit from free content and unlimited access to information
  - Moreover, by actively participating and voluntarily give personal data of their own personal profile Individuals can generate rewards/revenue for them to (cash back, offerwall)

