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Consumer attitudes towards data collection methods for targeted advertising

Executive Summary

The monetisation of consumer data is at the heart of the business models of online platforms. These platforms have brought huge benefits to consumers, but consumers lack control over what and how data is collected. The UK's Competition and Markets Authority (CMA) is currently investigating this issue as part of its market study into online platforms and digital advertising¹ and it has proposed a number of interventions to facilitate informed choice for consumers. These interventions would improve consumer control over their personal data, but little consideration has been given to how this control relates to different methods of data collection.

To target adverts at users, online platforms use both first-party data, which is collected about the user whilst they are on the platform(s) owned by the organisation, and third-party data, which is collected about a user from another organisation. This includes **online tracking on third-party websites/apps** and **customer lists** uploaded from third-party organisations. Which? believes that consumers may feel differently about the collection of personal data for use in targeted advertising according to the method of data collection. Previous research has found that the majority of consumers find third-party data sharing concerning even when it is anonymised.² **There is currently, however, little evidence about consumer attitudes towards first- and third-party data collection methods in the context of targeted advertising.** Which? has therefore conducted qualitative research to fill this knowledge gap.

We conducted hour-long, semi-structured depth interviews with users of social media to understand whether they feel differently about first- and third-party data collection for the purpose of targeted advertising, and what level of consent they would like in relation to these collection methods. The interviews were conducted face-to-face by video call using a specialist research platform between 26 March and 9 April 2020.

The research was conducted in relation to data collection by Facebook. We used Facebook specifically because of its size and market power, and because it is sufficiently transparent about its use of different data collection methods to allow us to use it as a stimulus in our interviews. In addition to collecting first-party data about users from across its products, Facebook collects third-party data collection using online tracking, for example user activity on websites and apps that use the Facebook pixel or allow users to log-in via Facebook, and from other organisations that upload customer lists that can be matched to Facebook profiles. While the research was conducted specifically using Facebook, we believe that the consumer attitudes and sentiment found in this research will apply to other online platforms.

The 23 participants were members of the general public who used Facebook at least once a month. They were recruited to reflect the approximate demographics and usage patterns of Facebook users including age, socio-economic group, ethnicity, gender and frequency of use.

The depth with which we explored these issues, allowed us to shed light on nuanced, but often strongly held, consumer attitudes. We found that a majority of participants preferred to receive

1 CMA (2019) Online platforms and digital advertising - Market study interim report.

2 Which? (2018) Control, Alt or Delete: Consumer research on attitudes to data collection and use

targeted, rather than generic, adverts, but they were unaware of the extent of data collection used to inform them. **The lack of awareness of the depth and breadth of data collection led to perceptions of a lack of transparency over the use of such methods and was particularly associated with third-party data collection methods.** Whilst participants assumed that consent was included in ‘terms and conditions’, they felt it wasn’t acceptable to ‘bury’ them in this way.³ The assumption that this information is included somewhere in notices provided by a website, but that consumers do not read them accords with the CMA’s conclusions that the terms and conditions of online platforms are long and complicated, and that it is not reasonable to expect consumers to read and understand all of these.⁴

We also found that **third-party data collection (through tracking on third-party websites and customer lists) was generally considered less acceptable than first-party data collection.** These feelings are informed by a number of factors including the perceived legitimacy of the data collection, privacy issues, and the relevance and proportionality of the data collection for targeted adverts. Acceptability was also related to the potential for users to control the data collection.

Participants had a clear preference to opt-in, rather than opt-out, to data collection for targeted advertising. Further, we found that people wanted more control over where the data was collected from and so **they wanted to be asked to consent to each data collection method individually.**⁵ Participants felt that a blanket consent process to receive either no targeted advertising or targeted advertising on the basis of data collected through all collection methods failed to give sufficient control. It would not allow them to consent to targeting, but to exclude data collected through methods with which they are uncomfortable. Participants also noted that if they gave consent to targeted advertising on the basis of each data collection method separately then they could change which collection methods they opted-in to over time, for example if they wanted to receive targeted adverts on a certain topic or if they found that in general their adverts weren’t relevant enough.

From these findings we draw three key implications that are relevant for regulators seeking to give consumers control over their personal data and for online platforms themselves. First, the findings are evidence that **platforms need to be transparent about the use of different types of data collection methods for targeted adverts.** People are not necessarily aware of the extent of data collection that is used to inform targeted adverts and feel that it should be made transparent. Placing this information in privacy notices does not necessarily constitute transparency.

Second, whereas work by others has tended to focus on the importance of consumer control of data in relation to the type of data collected and the use of it, our research shows that **consumer acceptability of data collection is not independent of the collection process.** Therefore, **informed consent should recognise the process used to collect data for targeted advertising, not just whether advertising is targeted.** Consumers should be given information about the methods of data collection when they provide consent to targeted advertising and they may need to be asked to consent to each of these methods individually. Further research may be required, however, to determine whether this is overly burdensome on consumers.

In the future, the Information Commissioners Office (ICO) may require third-party organisations to obtain consent to target advertising using data collected through some of these methods,

³ Information on collection and use of data would be in the privacy notice, but participants tended to make no distinction between legal notices and referred to all such communication as ‘terms and conditions’, so that throughout we refer to participants responses as such.

⁴ CMA (2019) Online platforms and digital advertising – Market study interim report.

⁵ i.e. first-party data collection (tracking on the platforms’ own websites/apps and information provided by a user, for example in their profile or in registering as a user); online tracking on third-party websites; customer lists.

specifically targeting by uploading customer lists to online platforms.⁶ Notwithstanding this, we believe that platforms which are serving advertising from a large range of third parties should be obligated to ask for consent from consumers, as this is where the choice is likely to be most salient and well understood.

Third, and finally, **the findings support the CMA's proposed interventions of an opt-in consent developed with 'fairness by design' principles.** They imply that consent should be user-centric, including that consent processes must focus on making information clear to consumers, with minimal effort needed to find information and engage with it.

⁶ See Information Commissioner's Office (2020) in Direct marketing code of practice – Draft code for consultation.

1. Introduction

1.1 Background to the research

The monetisation of consumer data is at the heart of the business models of online platforms. Services perceived as free are actually paid for by consumers by giving up their personal data, which is used to target advertising. These business models have brought enormous benefits to consumers, but there is widespread concern that consumers lack control over their personal data. Which? found that people feel disempowered against dominant platforms,⁷ while the UK's Competition and Markets Authority (CMA) has found that current practices give consumers either no control or, where it is technically possible to exercise choice, the processes for doing so are overly burdensome.⁸

The CMA has proposed a number of interventions to facilitate informed choice and greater control for consumers, including requiring platforms to:

- give consumers an option to use their core services without requiring them to share their data for the purpose of targeted advertising.
- ask users to opt-in to personalised advertising, rather than the current default opt-out
- place an obligation on platforms to design consent and privacy policies using a principle of 'fairness by design' to ensure informed consumer choice.⁹

However, an issue that has yet to be fully considered is whether consumers may feel differently about the collection and use of first- and third-party data by online platforms for the purpose of online adverts. First-party data is that which is collected about the user whilst they are on platforms owned by the organisation. This includes data on users' activity on those platforms and data they have given to the platform, for example when completing a profile. By contrast third-party data is collected about a user from an organisation external to the first-party. Examples of third-party data collection methods are **online tracking on third-party websites/apps** and **customer lists** uploaded from third-party organisations.

Which? believes that consumers may feel differently about the collection and use of third-party and first-party data for targeted advertising, as previous research has found that the majority of consumers find third-party data sharing concerning, even when it is anonymised.¹⁰ There is currently, however, little evidence on consumer attitudes towards first and third-party data in the context of targeting advertising. Research conducted in the past has generally had a broad focus on data collection, informing participants about the data ecosystem as a whole, and how this data is used, which may include a granular focus on data types (e.g. within declared, inferred and observed categories).¹¹ We do not know of research which has looked specifically at the relative acceptability of first- and third-party data collection methods to inform targeted advertising.

7 Which? (2018) Control, Alt or Delete: Consumer research on attitudes to data collection and use

8 CMA (2019) Online platforms and digital advertising – Market study interim report

9 CMA (2019) Online platforms and digital advertising – Market study interim report.

10 Which? (2018) Control, Alt or Delete: Consumer research on attitudes to data collection and use

11 For example, Ipsos MORI for CDEI (2020) Public attitudes towards online targeting; Which? (2018) Control, Alt or Delete: Consumer research on attitudes to data collection and use.

We have therefore conducted this qualitative research to fill this knowledge gap. We believe that the insight from this research will be of value to the CMA and other organisations intending to regulate how much control consumers have over their personal data, and to online platforms aiming to be transparent about their data collection processes.

1.2 Aims and scope of the research

This research investigates two questions:

1. Whether consumers feel differently about the third-party data collection, compared to first-party, for the purpose of targeted adverts.
2. What level of consent consumers would want in relation to data collection methods for targeted adverts.

The research was conducted in relation to data collection by Facebook for its targeted advertising. We used Facebook specifically because of its size and market power. The CMA report that it has a share of almost 50% of the £5 billion display advertising market, and that, along with Google, it would likely be considered to have Strategic Market Status.¹² Facebook uses the following first- and third-party data collection methods to inform its targeted advertising.

First-party data collection methods:

This includes activity across Facebook companies and products, for example pages the user likes, information from their Facebook and Instagram profile and places they ‘check-in’ to.

Third-party data collection methods:

- *Online tracking:* This includes websites and apps that use the Facebook pixel or allow users to log-in via Facebook. Information sent back to Facebook includes pages the user has looked at, whether they have put an item in an online basket and if they purchased an item.
- *Customer lists:* These can be matched to Facebook profiles. Customer lists are hashed so that no information contained in the list is shared, Facebook just match the content with information they have on a profile. The user may have shared their information with these businesses by signing up for an email newsletter, making a purchase at retail shops or signing up for a voucher or discount.

Conducting the research in relation to Facebook is advantageous because it is sufficiently transparent about its use of different data collection methods to allow us to use it as a stimulus in our interviews with consumers. Facebook allows users to view in their settings which, and how many, third-parties have shared information about them with Facebook for the purpose of targeted adverts. And, for third-party online tracking, Facebook gives the user the choice of disconnecting this information from their profile. By allowing participants to engage with the data collection and use it becomes more meaningful and less abstract to them when they are considering it.

While the research was conducted specifically using Facebook, we believe that the consumer attitudes and sentiment found in this research will apply to other online platforms. There were a few specific mentions of perceptions of Facebook’s reputation and lack of trust by participants, but the themes that emerge, for example the extent of tracking and lack of transparency should be similarly applicable to other organisations.

12 CMA (2019) Online platforms and digital advertising – Market study interim report.

The aim of this research was to understand attitudes towards *data collection methods* for targeting and not attitudes towards the targeting of different content, which has been reviewed by The Centre for Data Ethics and Innovation.¹³ The scope of this research was therefore limited to targeted adverts, rather than targeted content which is more context dependent.¹⁴

13 Ipsos MORI for CDEI (2020) Public attitudes towards online targeting.

14 It is worth noting that a few participants spontaneously said that, whilst it was acceptable to use the data for commercial and retail adverts, they would be concerned if this data could be used for targeting political campaigning / adverts (citing Cambridge Analytica).

2. Methodology, sample and analysis

2.1 Methodology

23 semi-structured depth interviews were conducted with Facebook users living in London. These were face-to-face via video call, using a specialist online research platform.¹⁵ Interviews lasted one hour and took place between 26 March and 9 April 2020.

The methodology was semi-deliberative as information was given to participants on three data collection methods. This was a neutral description based on information available on Facebook and can be found in Annex 1. No information was given on potential detriment arising from targeted advertising and participants were not prompted to discuss this.¹⁶

The structure of the interview consisted of:

1. Understanding participants' spontaneous attitudes towards, and knowledge of, targeted advertising and the data collection methods that informed it. This established a baseline of their attitudes and knowledge, enabling analysis of what was new information to them regarding data collection.

This was done via open-ended questions to elicit their spontaneous responses about their feelings towards the adverts they saw on Facebook and what, if anything, they knew about how Facebook decides what adverts to show them. If participants were unaware that adverts were targeted they were informed of this after they had talked about their own knowledge of adverts and associated data collection methods.

To illustrate that advertising could be targeted on many things and demonstrate what Facebook knows from the data they collect, participants were asked to engage with their 'interests' setting on their Facebook.

2. Understanding participants' attitudes towards, and knowledge of, first-party and third-party data collection methods. Once the above baselines had been established, participants were told about three data collection methods that Facebook uses to inform their targeted advertising. They were asked what, if anything, was new to them and how they felt about the data collection method being used for this purpose.¹⁷ The three data collection methods were:

¹⁵ All participants resided in London as originally the interviews were recruited to be conducted face-to-face in person. However, COVID-19 meant that the methodology was changed to face-to-face online interviews. We have no reason to suppose there to be regional differences in the consumer attitudes to the issues covered in these interviews.

¹⁶ Only three participants spontaneously raised detriment outside of a general sense of it being 'intrusive': one participant, who was accepting of data collection, made an exception if the data was used to impact prices or the service he received; one participant who had a medical condition did not want to receive targeted content on it due to the emotional impact of being reminded of it; and one participant, who had experience of a medical insurer reviewing his social media for the purpose of legitimising his claim, was now sensitive about Facebook tracking on any medical websites/apps. It is hypothesised that if participants were made aware of some of the detriment that may arise from targeted adverts, based on information that has been collected about them, this may influence their acceptability of data collection methods.

¹⁷ The terms 'first-party' and 'third-party' were not used with participants, descriptions used in the interviews can be found in the annex, along with diagrams of each method which were shown to participants to aid comprehension.

- **First-party:** data that is collected about the user from platforms owned by the organisation. This includes profile information that the user has added and tracking activity across Facebook companies and products, for example pages the user likes, information from their Facebook and Instagram profile and places they ‘check-in’ to. This data is shared between Instagram and Facebook.
- **Online tracking (third-party):** This includes websites and apps not owned by Facebook, but that use the Facebook pixel or allow users to log-in via Facebook. Information sent back to Facebook includes pages the user has looked at, whether they have put an item in an online basket and if they purchased an item.
- **Customer lists (third-party):** Organisations may upload customer lists which can be matched to Facebook profiles. The customer lists are hashed so that no information contained in the list is shared, Facebook just match the content with information they have on a profile. The user may have shared their information with these businesses by signing up for an email newsletter, making a purchase at retail shops or signing up for a voucher or discount.

For each of the third-party methods (i.e. online tracking and customer lists) users can view in their settings what, and how many, organisations Facebook has received data from.¹⁸ In addition, for (third party) online tracking Facebook gives users the option of disconnecting their past history and preventing Facebook from associating future data with their profile.¹⁹ To make the data collection methods more meaningful and to demonstrate how much or little this is done for the individual participant, participants were asked to access this information in their settings.²⁰ To determine whether this influenced their opinion of the data collection method they were asked how they felt about what they saw and whether this changed their attitudes in any way.

3. Understanding what format of consent participants wanted for first and third-party data collection methods.

To understand what level of choice participants wanted over data collection methods and how they wanted the choice to be presented to them, they were prompted on what data collection methods they would choose to allow if they were able to and how they wanted to be asked for consent. The latter included whether they preferred opt-in or opt-out and three options concerning the level of data collection to which they would want to consent. These consent options were a ‘blanket consent’ that covered all three types of data collection methods, a ‘binary consent’ that was to consent to first-party and third-party separately, and a ‘discrete consent’ to consent to each method of data collection separately.

2.2 Sample

The sample of interviewees was recruited to provide a balance across demographic, behavioural and attitudinal characteristics. A full breakdown of the sample by these characteristics is provided in Annex 3.

Participants were members of the general public who used Facebook at least once a month, and were recruited to reflect the approximate demographics and usage patterns of Facebook users including age, socio-economic group, ethnicity, gender and the frequency with which they use Facebook.

¹⁸ Organisations on which Facebook have tracked a user can be found in the ‘off-Facebook’ activity setting, under ‘Your Facebook Activity’ and organisations who have shared customer lists can be found in the ‘Advertisers and Businesses’ setting in ‘Your ad preferences’.

¹⁹ Interviews were conducted before Facebook changed the information and controls in the ‘advertisers and Businesses’ setting and reviewed how it presents information in the settings. Screenshots of how the settings were presented at the time of interviews can be found in Annex 2.

²⁰ Participants were directed to these settings by the interviewer.

Additional quotas were set to ensure:

- A spread of the extent to which users engage in different activities on Facebook, for example engaging with posts and other content.
- A spread of the level of comfort they had with organisations using information about their online activities, for example through things they buy or websites they visit.
- A minimum amount of Facebook users who ‘cross-visit’ with Instagram.²¹

The quota related to comfort with data collection was included to minimise the risk of a sample with extreme attitudes who were all either very privacy conscious or very liberal about the use of their data.

All demographic, frequency of use and level of comfort with data collection quotas were based on data from a general public survey (see Annex 4). For the quota on engagement in activities, there was no data for this, and therefore a spread of engagement was sampled on.

Participants were recruited via a third-party recruitment agency who are members of the Market Research Society (MRS) and compliant with ISO 27001, 2013 standard for Information Security Management Systems.

2.3 Analysis

Interviews were recorded for analysis purposes and were written up in an analysis grid that categorised responses under the interview questions. An initial analysis meeting was conducted which hypothesised the main themes under each research question, followed by analysis of the grid to identify themes, patterns and relationships using a bottom-up approach. These were then reviewed to assess the extent to which these were present across the sample. The final insights were reviewed against the hypotheses and final findings were reviewed by other researchers in the project team.

²¹ 66% of Facebook users cross-visit with Instagram (CMA, 2019, Online platforms and digital advertising – Market study interim report, p93. 3.119). Cross-use of Instagram with Facebook is pertinent as Facebook use data from Instagram to inform targeted adverts on Facebook.

3. Full Findings

The analysis of the interviews gave a rich picture of consumer attitudes towards the different methods of data collection and the controls consumers would like to be able to manage this collection and the use of their data. We set out the key findings in relation to each of our two research questions.

3.1 Do consumers feel differently about the third-party data collection by Facebook, compared to first-party, for the purpose of targeted adverts?

Previous research has found that consumers want more control over their data, to feel empowered and to have agency.²² In the context of consumers wanting more control we explored the relative perceptions of first and third-party data collection methods specifically being used for the purpose of targeted advertising. Participants were briefly informed of the three types of data collection, at approximately the level of detail given by Facebook on its help pages, and were asked open-ended general questions about how they felt about it and whether they had been aware that this happened. As this was not intended to be deliberative research, participants were not prompted to consider detriment that may occur as a result of data being collected.

We found that participants engaged with each of the data collection methods in a considered manner, spontaneously evaluating each of them individually against principles such as privacy, perceived legitimacy, proportionality and relevance, and control.

We found that participants had strong opinions over collection methods that were independent of the ultimate use of the data. Our findings on this are set out in three parts:

1. themes which emerged irrespective of attitudes towards acceptability of a data collection method
2. attitudes towards acceptability of first- and third-party data collection methods
3. factors related to the acceptability of data collection methods

3.1.1 Themes which emerged irrespective of attitudes towards acceptability

Participants were shocked by the extent of third-party data collection

When informed about the collection of first-party data by Facebook, in order to target adverts, all but one participant claimed to be aware of this, at least to some degree. Although some were unaware of the extent of it, or regarding specific data that was collected (for example 'check-in', videos that have been watched and 'life events'), no-one was particularly shocked.

In contrast, when participants saw the extent of third party online tracking they were often shocked.²³ Whilst many people were aware, at least to some extent, of this data collection method it wasn't until they saw the organisations/apps who had shared data with Facebook that they

²² Which? (2018) Control, Alt or Delete: Consumer research on attitudes to data collection and use

²³ Conclusions cannot be drawn, because of the small sample, as to whether those who indicated they were fully aware of this data collection responded differently to those who were less aware. For the former and with regards to the amount of organisations; one person was surprised (but resigned to it) whilst a couple of others didn't seem to express surprise, however this may be because they had a more rational/less emotive response to it – *'that's just the way the world is'*. Others in this group had few organisations on their list.

realised just how wide-reaching online tracking was. This was a penny-drop moment where participants were often surprised by:

- how many websites and apps they had been tracked on;
- the presence of websites/apps that they hadn't expected to be tracked on;
- the presence of websites/apps that they didn't recognise;
- The presence of websites/apps for which they couldn't understand the value of their activity being tracked on (e.g. organisations that they felt weren't selling anything).

'Oh my God... it's basically everyone... everything'

Male, aged 37 years

'...there are so many and some of them I don't even know what they are...'

Female, aged 29 years

'I'm just wondering why they shared, because I already have the [banking] app and they don't need to advertise themselves. Why do they need to share, what would they share?'

Female, aged 32 years

The realisation of the extent of third-party online tracking prompted a few participants to spontaneously articulate their displeasure at the dominance of Facebook.

'Why are they [Facebook] the ones owning the... internet? That's what I want to know. Why are they the ones dominating it? It seems entirely untenable because no-one had a choice.'

Female, aged 26 years

'It feels like Facebook is everywhere... Facebook owns the internet.'

Female, aged 19 years

Most participants were completely unaware of third-party data being collected via customer lists and a few participants said that they thought GDPR meant that this wasn't allowed. This reinforced the feeling that third-party data collection was far more extensive than they had initially realised.

A pronounced feeling of lack of transparency was related to third-party data collection methods.

Lack of transparency was spontaneously mentioned by many participants (including those who considered the method/s in itself acceptable) for both third-party methods. This was in contrast to first-party data, where it gained few mentions. This does not mean that Facebook is transparent about first-party data collection, participants didn't appear to know exactly what was tracked on Facebook platforms, but they had assumed that tracking on Facebook-owned platforms would take place because it is standard practice.

For third-party online tracking, it was felt that Facebook was not transparent about its use and the extent of it, and that whilst it may be in the terms and conditions, *'no-one ever reads them'*.²⁴ Nor were participants aware of the 'off-Facebook' setting which allows them to control third-party online tracking by disconnecting the data that Facebook receives from their account. In addition a few participants spontaneously noted that they wouldn't know if a website/ app were sharing data with Facebook.

'It just feels very odd that I'm not fully aware that this is happening.'

Female, aged 26 years

'That's a bit sneaky [the Facebook pixel]... The terms and conditions are 15 pages,

24 This information would be in privacy notices, however participants talked about this as 'terms and conditions'.

or however long they are, and no-one ever reads them.'

Male, aged 44 years

For customer lists, participants tended to emphasise the perception of the various organisations' lack of transparency, although Facebook was mentioned by a few participants. Again, it was noted that it was probably in terms and conditions, but this was felt to be inadequate as people don't read these.

'I don't like it and it's not with my knowing consent. I might have clicked a box in the terms of agreement thing [for organisations] somewhere, we have to do that to do anything online, but it doesn't mean I really consent.'

Female, aged 63 years

'[organisations] should be upfront and say by signing up to this we'll be sharing your information with whoever... It might well be... there in the small print... I'd prefer it would be in your face so you don't need a magnifying glass to read it... so you don't struggle to find it.'

Male, aged 65 years

'They are not letting you know they are doing it – it's in the T&Cs but no one reads that – it's a sneaky way of doing targeted advertising.'

Male, aged 44 years

3.1.2 Third-party data collection methods were generally considered less acceptable than first party.

Many participants were accepting of first-party data collection for targeting advertising,²⁵ however this didn't necessarily mean they were all comfortable with it or empowered to have any control over this data collection. Of those who were ultimately accepting of it they often didn't like it but it was perceived to be the 'price to pay' when signing up.²⁶ A small minority had strong negative feelings towards it and spontaneously said that they wouldn't accept it if they had a choice.

'If I'm going on to a Facebook owned site, I should take the risk in terms of – I know they will probably be collecting my data...'

Male, aged 19 years

'I would prefer that they wouldn't. I would prefer that they asked people... But I feel most people should expect it when they sign up'

Female, aged 24 years

For third-party online tracking acceptability was determined at two levels – at an overall level and at a website level. A few participants were accepting of online tracking on all third-party websites/apps. However, many participants did not find it acceptable at all; the predominant reason being privacy. A few mentioned that Facebook don't have the right to do this and that it was excessive for the purpose of targeted adverts.²⁷ Of those who didn't find online tracking acceptable, around half were accepting of first-party data being used for targeted adverts.

Some participants, however, had a more nuanced approach and were accepting of it, but wanted

²⁵ Note that participants were not prompted to think of political advertising within targeted advertising, but when this was mentioned spontaneously by a few participants they did not want their data to be used for political targeting.

²⁶ This is reflective of previous research by Which? in 2018 which found that consumers feel disempowered and that they have no choice but to accept terms of service: Which? (2018) Control, Alt or Delete: Consumer research on attitudes to data collection and use

²⁷ More than one reason could be mentioned by the same participant.

control at a website level for privacy and or relevance reasons (i.e. would only accept organisations they felt were relevant to them or would send adverts they wanted to receive).

Many participants planned to take control of their data now they knew about the 'off-Facebook' setting (no participant had been aware of this setting before the interview). There were two clear motivations for action that were roughly evenly split amongst those who intended to take action. These were to protect privacy by disconnecting both the past and future tracking, and to increase the relevance (therefore value) of targeted adverts, by deleting websites/apps which were perceived to be irrelevant because they didn't recognise them or they were old.

Many participants felt similarly about customer lists being used for targeting adverts as they did about third-party online tracking, but for some it was perceived to be even less acceptable. Various reasons were given for this: it was felt to be less transparent than third-party online tracking; there is less potential to control it - with online tracking an individual can use cookie settings to control data sharing, but with customer lists there is no way to control the sharing it; it was deemed an unnecessary level of data collection for the purpose of targeted adverts. Only a couple of participants felt it was more acceptable than online tracking, with one reasoning that it was less personal (as you have already shared your email with both organisations) and the other feeling that they could understand better where, how and when the connection had come from.

For some participants, finding out that an organisation shared customer lists with Facebook made them feel negatively about the organisation, while for others annoyance was confined to having not been informed by them.

'It seems everyone is in league with Facebook... it's a shame'
Male, aged 37 years

*'It's not only Facebook, I'm disappointed in these companies
because they agreed to do that as well.'*
Female, aged 24 years

3.1.3 The acceptability of data collection methods was informed by perceptions of legitimacy, privacy, proportionality/relevance and control.

A small minority of our sample said they would not accept any data collection methods if they had a choice. These were people who were very privacy conscious, and had a strongly emotive reaction to data sharing, and said they didn't engage with adverts. It also included people who inferred that they didn't trust Facebook with their data. However, as discussed, the majority of the sample had a more nuanced approach to assessing the acceptability of data collection methods. These were made in the context of perceptions of transparency and based on:

- **Perceptions of legitimacy:** the extent to which the data collection has been normalised as standard practice.
- **Privacy:** is the data collection perceived to be 'intrusive' by the user
- **Proportionality/relevance:** is the data collected proportional and relevant to the purpose of targeting adverts.
- **Level of control available:** are users able to control the data collection method, either to ensure relevance of the data collected or for reasons of privacy.

The following section sets out our findings in relation to these four factors. However, it should be noted that:

- Individual differences play a role: participants may perceive the same issue, but respond differently to it. For example, participants may believe that online tracking is not transparent and while this may make it wholly unacceptable to one person, for another it may not.
- There may be a cumulative impact of factors, where a number of reasons together make a method unacceptable.
- Factors often interact, for example perceptions of privacy may be affected by whether the participant was aware that the data collection was taking place.

Perceptions of legitimacy: the extent to which the data collection has been normalised as standard practice.

First-party data collection was expected by many participants. This did not necessarily mean they were comfortable with it, but that it was perceived as *'the price you pay'* for the service. Very few participants questioned Facebook's collection of this data as it was considered standard practice for a website to collect data from its users when they are active on it – thus it had been normalised. In contrast, some participants felt that Facebook should not *'follow'* them off their own platform and track them on third-party websites and apps.

'I feel most people should expect it when they sign up'

Female, aged 24 years

Privacy: the extent to which the data collection is perceived to be 'intrusive' by the user.

'...where is the privacy at all? There is none there ... it doesn't feel like there is any...

You can't get away from it can you? If you have a profile and you do things in the world you've not got a choice.'

Female, aged 26 years

Privacy issues were mentioned more in relation to third-party than first-party data collection methods. Due to a lack of awareness of the extent of online tracking and of the use of customer lists, many participants were informed for the first time about the scale and depth of what Facebook may know about them during the interview. In response, many felt *'uncomfortable'* about the data collection or felt that it was *'intrusive'*.

Privacy was mentioned specifically by many participants who said they would not want to accept any online tracking; however it was also a factor taken into account by those who were accepting of online tracking on some websites but not others. For example, participants who felt that it was acceptable for Facebook to track on commercial organisations/apps were divided as to whether it was permissible for Facebook to track on medical websites/apps, with those who felt it was not citing that it was private and potentially sensitive information.

'The difference between a shopping basket and your private medical details is extreme.'

Female, aged 19 years

Privacy was related to perceptions of what was considered standard practice - with some participants feeling that Facebook shouldn't be allowed to *'follow them'* off their own platforms. A few people extended this to describe context-collapse, whereby they found it unacceptable because they are not thinking about what they are doing on other websites in the context of Facebook knowing that information.

'You think your data is going to be fine and you are doing something completely away from Facebook, but that is all being sent back to Facebook.'

Female, aged 29 years

'It's ...an intrusion to privacy because it breaches boundaries of when you're dealing with one group or organisation at a time.'

Female, aged 70 years

Proportionality/ relevance: the extent to which the data collected is proportional and relevant to the purpose of targeting adverts.

'I can't even do some online shopping in peace without... Facebook monitoring me... every one of my movements being recorded for the sake of an advert...'

Female, aged 30 years

A few participants, who would prefer not to have any online tracking, mentioned that the extent of data collection via third-party methods seemed excessive for the purpose of delivering targeted adverts: that Facebook are *'taking too much information'* and that it's *'over the top'*.

For a couple of participants the acceptability of data collection was assessed against the accuracy of their allocated 'interests' and hence the effectiveness of the targeting. When this was felt to be poor, such that for the amount of data being collected it should have led to better targeting, then the third-party data collection was considered unacceptable.

Relevance was a common factor for participants whose acceptance of online tracking varied depending on the website/app. Many participants planned to delete some of the websites/apps as they felt they were not relevant to them; for example they may not recognise them, may be out of date or they may not want targeted adverts from them. It was felt that if this data was to be collected because it would give the advantage of relevant adverts, it should accurately reflect interests.

'I'm in a relationship now, but I can see there is a dating app on there. I don't really want to have a dating app connected to me now. That kind of stuff is not relevant for me anymore'

Male, aged 41 years

Control: the level of control users have over the data collection method, either to ensure relevance of the data collected or for reasons of privacy.

'It's about locus of control... If I was in charge... then I would feel a lot better than them [Facebook] being in charge...'

Female, aged 70 years

Control was mentioned particularly in relation to acceptance of third-party data collection. For third-party online tracking it was in reference to individual websites/apps – that participants wanted control of what websites/apps they were being tracked on and, for a few participants, concern about not being able to know what websites/apps they were being tracked on before the tracking occurs.

'Would I be aware if they have Facebook pixel? Because like if I sign in with Facebook, I guess I would kind of be able to make sense that they might be sharing it with Facebook. But if I don't... would I know if they have a Facebook pixel?'

Female, aged 32 years

When talking about customer lists, control emerged in the form of transparency and consent. The combination of the perceived lack of transparency and lower awareness about customer lists meant there was a strong sense from participants that they hadn't consented to this. It was spontaneously raised that organisations should make it very clear to consumers that this was being done.

*'[customer lists] feels a little bit more hidden... behind the scenes...
this feels like something you can't easily find out about...
I didn't know about it and it's being done without my consent.'*

Male, aged 54 years

The importance of control was illustrated by many participants wanting to either delete interests that they didn't consider relevant to them or to delete websites/apps from online tracking who were considered irrelevant. In addition a few participants indicated that they were happy for Facebook to know certain information about them, but they wanted to control what this was by actively telling Facebook their 'interests'. This was felt to be a win-win situation: for the user it would remove the need for such extensive data collection and improve the adverts they received and for Facebook they would increase their returns on investment as users would be more interested in the adverts being served.

'I don't really like the fact that they've done it for me. I feel if they asked me to do it... it would make a lot more sense... If I knew that they were going to target certain ads to me then I would probably do it...I would put stuff that I have more control over [myself] buying or not buying.'

Female, aged 24 years

'...it would make so much more money. If people felt they had control over customising what they want to see. If they said: 'you don't have an option [to get ads] because that's why we can make it free to you, [but] what do you want to see?'. I feel like a lot of trust would come back... also probably more money would be spent, to be fair, because we're actually seeing things that we know [we're interested in]...'

Female, aged 26 years

Table 1: Summary of principles which informed acceptability of data collection methods

	First-party	Third party	
		Online tracking	Customer lists
Perception of legitimacy	It was expected by many that when users are on platforms owned by Facebook that data would be collected about them, as this is standard practice for a website and has therefore been normalised to consumers.	There were some participants who felt that Facebook shouldn't 'follow' them off their own platform.	
Privacy	There were some people who felt that it was 'intrusive' or were 'uncomfortable' with it, and a minority felt strongly negatively about it.	Many participants were uncomfortable with Facebook collecting information about them via online tracking either at all or with regards to certain information. Some participants articulated a context-collapse, whereby they found it unacceptable because they are not thinking about what they are doing on other websites in the context of Facebook knowing that information.	Explicit mentions of this method being intrusive were made by some participants. However, for many the issue of transparency dominated their response.
Proportionality/relevance	There were very few spontaneous comments about this being disproportionate for targeted adverts, but there were a few comments that the information they gathered may not be relevant. For example, liking things because they are a friend's business, not because you are interested in that business, or checking-in to somewhere but not identifying as the type of person who would usually go there.	A few participants, who would prefer not to have any online tracking, mentioned that the extent of data collection via third-party methods seemed excessive for the purpose of delivering targeted adverts: that Facebook are 'taking too much information' and that it's <i>over the top</i> . Many participants said they would delete websites/apps from their online tracking history because they felt that they weren't relevant to them, or wouldn't want adverts on them.	A few participants spoke of Facebook 'going too far' with this data collection or that they don't need the adverts to be so targeted that they require this.
Control	For many participants they described first-party data collection as to be expected. As it is considered standard practice for a website to collect information about their users, they didn't appear to question the normal state of affairs. However, despite this, a few participants still spontaneously raised that they would like control over it or to be asked to consent.	Control was spoken about by a number of participants in relation to wanting to control what websites/apps they were tracked on for reasons of privacy or to help ensure the adverts they receive are relevant. A few participants were concerned about not being able to know what websites/apps they were being tracked on (before the tracking occurs). To maximise control and accuracy of targeted adverts a few participants spontaneously suggested that they would like to tell Facebook what their interests are. This was felt to be a win-win situation – for them it would remove the need for such extensive data collection and improve the adverts they received and for Facebook they would increase their returns on investment as users would be more interested in the adverts being served.	The combination of the perceived lack of transparency and lower awareness about the method meant there was a stronger sense from participants that they hadn't consented to this, compared to online tracking. It was spontaneously raised that organisations should make it very clear to consumers that this was being done. A few explicitly stated that they wanted to be asked by organisations.

3.2 What level of consent do consumers want in relation to data collection methods for targeted adverts?

As part of its current proposals to improve transparency and give users greater control over data, the CMA is proposing that strategic market platforms, of which Facebook is likely to be one, should require a default opt-in to personalised advertising rather than the current default opt-out. We explored this with the participants and found that they wanted consent options to reflect their attitudes to targeted adverts and data collection methods.

Opt-in consents to each data collection method are the preferred level of choice for most participants.

‘Never have we as citizens, everyone, had a chance to say actually this is how we feel about it, this is what we want... we [should] have to agree to it under fair and comprehensive terms... In a blue sky world, we would have a right to control the content... We’d have a right to opt in or out and if you opt out, I don’t know, maybe pay for the platform, but having the option seems really important...’

Female, aged 26 years

Our findings support the CMA’s current position: all but one participant said that they would prefer to opt-in to targeted advertising rather than have to opt-out. Even prior to being asked, a few participants had already spontaneously raised that they thought targeted adverts should be opt-in and separately that the user interface should be made so that it’s obvious and consumers have to make informed consent. Reasons given for preferring opt-in included: a concern that some people may not know how to opt-out; the risk of unintentionally consenting as people don’t read terms and conditions; it should be the default that you’re not already consenting to something and that opting-out was perceived to be ‘sneaky’ and a ‘marketing trick’ and that it puts the responsibility on the consumer to take action.

Participants wanted to be asked by Facebook to opt-in to receive targeted advertising by each method of data collection

While consumers wanted to be able to opt-in to receive targeted advertising, they actually wanted more control than this because they were often not comfortable with the extent of data sharing. A blanket opt-in which gives the option to receive targeted adverts generated using data from all collection methods (first and third-party) was felt to give insufficient choice. Whilst there was a minority of participants who said that they wanted just one opt-in that covered all data collection methods, these participants had extreme responses to targeted adverts and data collection, being either very accepting or very unaccepting of them – a blanket consent would therefore enable them to most easily consent or not to the situation as a whole. However, most participants had more nuanced attitudes to targeted adverts and data collection and wanted to be able to have these reflected in their consent options.

There was therefore a preference for users to be asked to consent to targeted advertising on the basis of each data collection method, rather than a blanket consent that covered all three methods or a binary consent in which the user would have to opt-in separately to first-party and third-party collection (with third-party covering both online tracking and customer lists). The motivation for preferring the most discrete level of opt-in was that this provides the most control for users. The majority of participants would not consent to all three data collection methods, and this couldn’t be reflected unless they were asked about each individually.

In addition, it was noted by a few participants that if a user was asked about each method separately their consent could be fluid; so that they could change what collection methods they opted-in to. For example, if at times they wanted adverts to be more targeted because they were interested in a certain topic and wanted to be served more content on it, or if they felt that the adverts they were receiving in general were not relevant enough.

A few participants spontaneously raised that these consents should be designed in a way to make them obvious to users. This was often prompted by their not knowing, before the interview, about the presence of Facebook settings that allowed them to engage with third-party data collection. None of the sample knew that settings already exist that show which organisations have shared their personal data via online tracking or uploading a customer list. This included two participants who had attempted to limit what data was collected about them outside of Facebook via cookie settings and clearing their cache, and participants who had engaged with their settings in the past (often in relation to who could see their posts).

'Yeah, that's great to give you the option [to control off-Facebook activity].

But again, I've never seen this, I didn't know this existed....I do think they could make it a little bit clearer, rather than having to dig down into four different areas....

I don't think gaming and marketplace need to really be a priority, like I think maybe security should... [be] higher up in terms of priorities for people's information'

Male, aged 30 years

4. Discussion and conclusions

Our research has elicited in detail the attitudes of consumers towards different methods of data collection by online methods. We believe it to be the first time that users of social media have been asked to consider how they feel about different methods of collecting data. It has shown that they have nuanced attitudes to these practices and that these exist even independent of the ultimate usage of the data.

In summary, we found that a majority of participants had a preference to receive targeted, rather than generic, adverts, but they were unaware of the extent of data collection used to inform the targeting. This lack of awareness of the depth and breadth of data collection was particularly associated with third-party data collection methods and it led to perceptions of a lack of transparency over the use of such methods. Whilst participants assumed that the consent was in terms and conditions, they felt it wasn't acceptable to '*bury*' them in this way. In this, our findings accord with the conclusions of the CMA that whilst information may be available in privacy policies, these are often long and complicated and that it is not necessarily reasonable for platforms to expect consumers to have read and understand all of these.²⁸

Next, we found that third-party data collection was generally considered less acceptable than first-party data collection. These feelings are informed by a number of factors including the perceived legitimacy of the data collection, privacy issues, and the relevance and proportionality of the data collection for targeted adverts. We also found that acceptability for online tracking was related to the potential for users to control the data collection.

Finally, participants had a clear preference that they should have to opt-in to data collection for targeted advertising, rather than opt-out, and they wanted to be asked to consent to each data collection method individually. The majority of participants did not want to consent to all three data collection methods, and this couldn't be reflected if they were only asked if they would consent to targeted adverts and not about each method. In addition it was noted that if a user was asked about each method separately their consent could be fluid, so that they could change what collection methods they opted-in to should there be times when they wanted targeted adverts on a specific content or to improve the relevance of adverts in general.

The depth with which we explored these issues with consumers has allowed us to shed light on consumer attitudes to an important, but little explored issue. Further research with a larger sample might be valuable to understand exactly how widely these sentiments are held.

From these findings we draw three key implications that are relevant for regulators seeking to give consumers control over their personal data and for online platforms themselves. First, the findings are evidence that platforms need to be transparent about the use of different types of data collection methods for targeted adverts. People are not necessarily aware of the extent of data collection that is used to inform targeted adverts and feel that it should be made transparent. Placing this information in privacy notices does not necessarily constitute transparency.

Second, whereas work by others has tended to focus on the importance of consumer control of data in relation to the type of data collected and the use of it, our research shows that consumer acceptability of data collection is not independent of the collection process. Therefore, informed consent should recognise the process used to gather data for targeting adverts, and not just whether advertising is targeted. Consumers should be given information about the methods of data collection methods when they provide consent at a platform level and they may need to be asked to consent to each of these methods individually. Further research may be required, however, to determine whether this is overly burdensome on consumers.

In the future the ICO may require third party organisations to obtain consent to targeting advertising using data collected through some of these methods, specifically targeting by uploading customer lists to online platforms.²⁹ Notwithstanding this, we believe that platforms which are serving advertising from a large range of third parties should be obligated to ask for consent from consumers, as this is where the choice is likely to be most salient and well understood.

Third, and finally, the findings support the CMA's proposed interventions of an opt-in consent developed with 'fairness for design' principles. They imply that consent should be user-centric and that consent processes must focus on making information clear to consumers, with minimal effort needed to find information and engage with it.

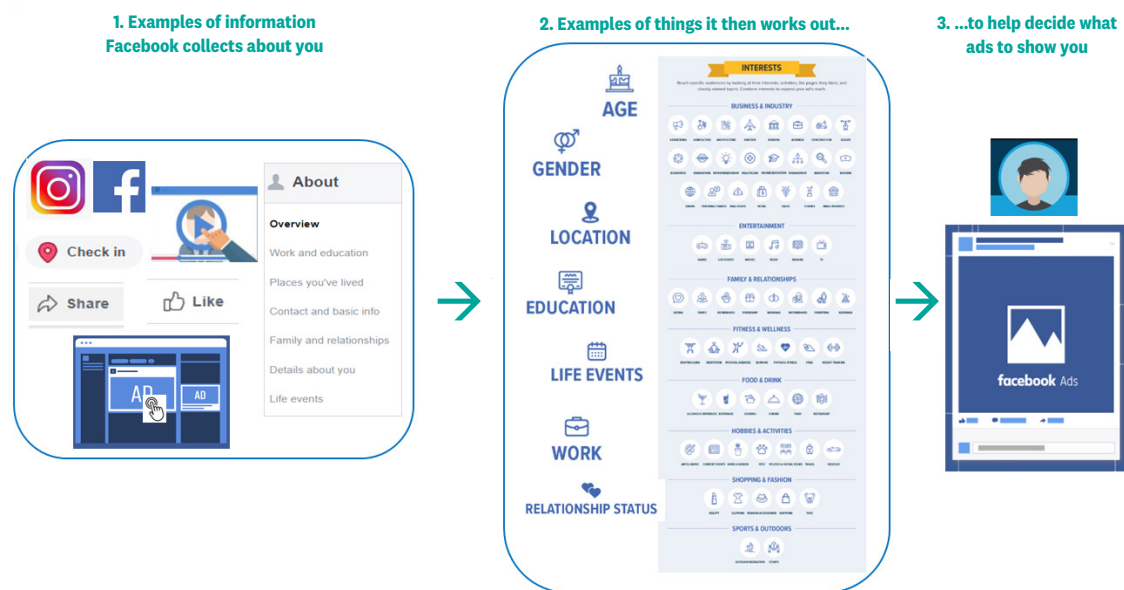
29 See Information Commissioner's Office (2020) in Direct marketing code of practice – Draft code for consultation.

Annex 1: Descriptions and stimulus given to participants of data collection methods

First party data:

‘One way Facebook collects data is when you’re using platforms owned by them, e.g Facebook and Instagram. They will collect data on things like what posts and pages you ‘like’, information you have added to your Facebook and Instagram profile, places that you ‘check into’, ads and other content that you watch or engage with (e.g. click on, videos that you watch). They can then work out things like your age, gender, location and what your interests are and target you with adverts that they think you will be interested in or they think are relevant because of these factors.’

Collecting information about you when you're on Facebook-owned platforms (e.g. websites, apps)



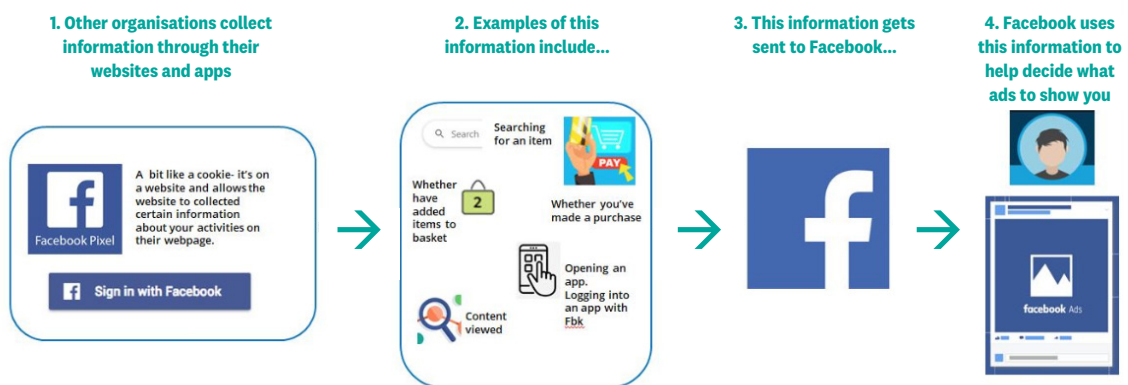
Third-party data

'Facebook will also collect some types of data about you from other organisations when that organisation has a relationship with Facebook. Facebook then use this data to target adverts to you. This happens in two ways:...'

Online tracking (third party data)

'When you go to another organisation's website/ app and log-in using your Facebook log-in, or if the website has something called a 'Facebook pixel' on it which sends information back to Facebook about products or services you've looked at, whether you've purchased something or put it in your basket.'

Collecting information about you when you're online on other websites and apps (not owned by Facebook)

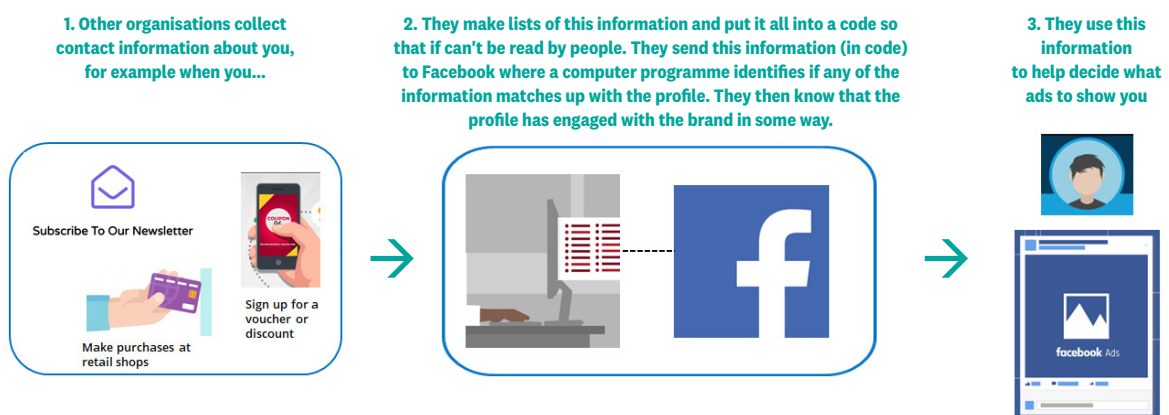


Customer lists

'Facebook can also match your profile to customer lists provided by an organisation to Facebook, this gives them the information that you have engaged with this organisation. Organisations upload information such as your phone number or email address via a customer list, which will be matched to your Facebook profile. These lists are 'hashed', which means that they're put into a code so that your details can't be seen by anyone, but a computer programme can tell if your details match a Facebook profile.'

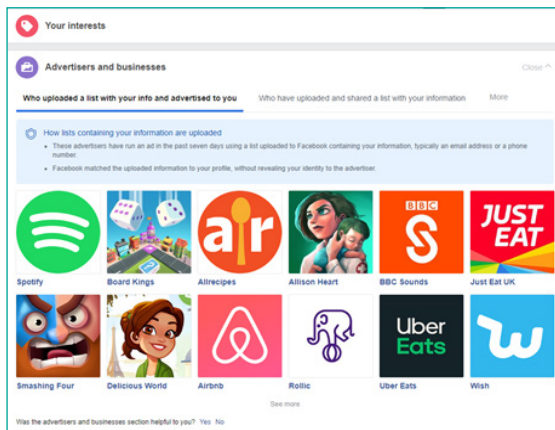
If participants indicated that from customer lists Facebook would know information other than that they had just engaged with an organisation somehow they were reminded that this would not be the case.

Collecting information from organisations uploading customer lists to Facebook

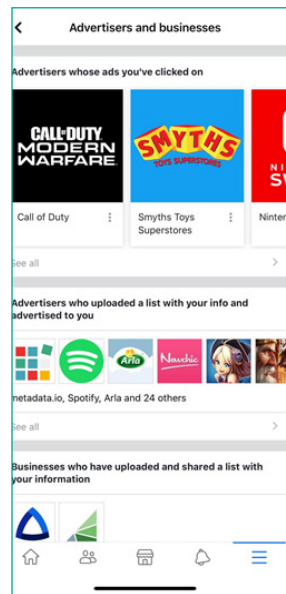


Annex 2. Screenshot of the 'Advertisers and Businesses' setting, which shows what organisations have uploaded customer lists, at the time of the interviews.

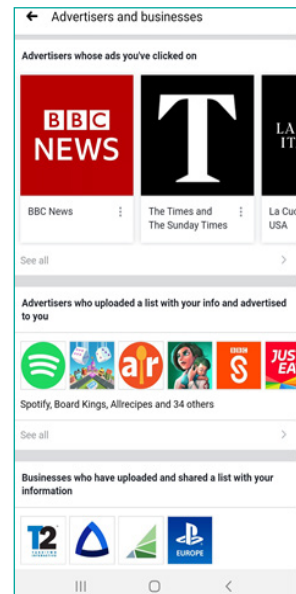
Website



iPhone



Android



Annex 3: Final sample characteristics

Characteristics		Number of participants in sample	
Demographics	Age	18-24	4
		25-34	6
		35-44	8
		45-64	3
		65+	2
	Gender	Female	11
		Male	12
	Ethnicity	White	17
		BAME	6
	SEG	A, B	8
C1, C2		10	
D, E		5	
Use of Facebook platforms	Frequency which log/in to Facebook	More than once a day	11
		Once a day	6
		At least once a week	5
		At least once a month	1
	Activity on Facebook	Write posts / Upload photos and videos	5
		Join groups/ Engage with friends posts e.g. like or comment on them/ Engage with other content	8
		Buy products/Log into other services using Facebook	7
		Don't do any of the above	3
Also use Instagram	8		
Comfort with data collection	Very comfortable	2	
	Fairly comfortable	6	
	Neutral	2	
	Fairly uncomfortable	8	
	Very uncomfortable	3	
	Don't know	2	

Annex 4: Demographics and frequency of use of Facebook

Characteristics	Calculated from survey	
Gender	Male	46%
	Female	54%
Age	18-24yrs	13%
	25-39yrs	28%
	40-54yrs	26%
	55-64yrs	13%
	65+yrs	19%
SEG	AB	27%
	C1	27%
	C2	21%
	DE	25%
Ethnicity	White	93%
	BAME	7%
Frequency of Facebook use	Once a day or more	69%
	At least once a week	17%
	At least once a month	5%
	Less than once a month	7%

Taken from a general public survey in 2018: Populus, on behalf of Which? surveyed 2,068 UK adults, of whom 1,659 were Facebook users, online between 26 and 27 March 2018. Data were weighted to be demographically representative.

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