

Which?

RESEARCH REPORT SEPTEMBER 2021

Are you still following me?

Consumer attitudes to data collection methods for targeted advertising

Executive summary

- To target adverts at users, online platforms use both first-party (or 'on-site') data, which is collected about the user whilst they are on the platform(s) owned by the organisation, and third-party (or 'off-site') data, which is collected about a user from another organisation.
- There are concerns that consumers do not have an effective choice about whether they want to accept personalised targeted advertising, driven by this data, on major social media and search platforms, and that this may be causing consumer harm.
- In July 2020, the Competition and Markets Authority (CMA) proposed a 'choice requirement remedy' to address this harm, requiring platforms to give consumers a choice over whether they received targeted advertising and a 'Fairness by Design' duty placed on platforms to design their services in a way that makes it easy for consumers to make informed choices
- This paper presents new quantitative evidence from a survey of 1,729 adult Facebook users in the UK, with the aim of informing the design of the choice requirement remedy recommended by the CMA.

We find consumers are not comfortable with Facebook's data collection practices and do not feel they have given informed consent:

- Facebook users know that their data is used to target adverts at them, but they are not well-informed about the scale of that data collection or the methods used.
- A third of users (34%) were unaware that Facebook tracks user activity on other websites and apps, and eight in ten (79%) were unaware that Facebook matches profiles to customer lists uploaded by companies.
- The vast majority of Facebook users felt they had not given informed consent for this data collection activity.
- Half of users (53%) thought it was not acceptable for their profile to be matched to a customer list in any circumstances, and 58% thought that all third-party website and app tracking was unacceptable.
- Consumer preferences around data collection are complex. While 44% of Facebook users feel both types of third party data collection are always unacceptable, 18% feel one is acceptable but not the other.
- At the start of our survey, a small majority (52%) of Facebook users reported that they were happy to see targeted advertisements. After participants were informed about these methods and had engaged with their settings, 28% of those who initially chose targeted adverts changed their preference to receiving more generic ones.

The implications for the design of a choice requirement:

- Most people in our sample would prefer to opt in to targeted adverts on Facebook, rather than having to opt out. 58% of our sample said they would prefer an opt-in system, compared to 37% preferring an opt-out system. This preference was consistent across all genders, age groups and social grades.

Our findings support proposals for a system which asks Facebook users whether they want to receive targeted adverts before showing them, rather than requiring them to locate the setting to turn them off.

- Most Facebook users would prefer to be able to give more granular consent to specific types of data collection. Half of Facebook users surveyed (51%) would prefer to opt in or out of each data collection method separately, and 19% would prefer to be able to opt in or out of all first party and/or all third party data collection. Only 18% preferred a binary choice between all data collection or none.

This suggests that the choice requirement remedy should allow platform users to opt in to different data collection techniques separately, providing them with greater control over the way their personal data is used.

- Consumers are significantly more likely to find online tracking and the matching of customer lists to profiles acceptable if they feel they have provided their consent.

By providing Facebook with an opportunity to improve the transparency of its data collection practices and obtain clear, informed consent, the implementation of the choice requirement remedy could offer an opportunity to boost consumers' trust in the platform, as well as reducing consumer detriment.

Introduction

People across the UK are spending more and more time online. On average, UK consumers spent three hours and 37 minutes a day online in 2020, not including time watching online television services.¹ As we increasingly rely on the internet for entertainment, shopping and keeping in touch, the amount of data collected by online services providers about our behaviour and preferences increases exponentially. This data is at the heart of the digital economy, used to target adverts which drive value for nominally ‘free’ online services, and debate rages about what constitutes fair use.

To target adverts at users, online platforms use both first-party (or ‘on-site’) data, which is collected about the user whilst they are on the platform(s) owned by the organisation, and third-party (or ‘off-site’) data, which is collected about a user from another organisation. This includes online tracking on third-party websites and apps and customer lists uploaded from third-party organisations.

There are concerns that consumers do not have an effective choice about whether they want to accept personalised targeted advertising, driven by this data, on major social media and search platforms. Where such platforms are widely used by consumers to keep in touch with family and friends or navigate daily life online, these platforms have market power, and may be causing consumer harm by leaving consumers with little option but to share more data than they would otherwise be comfortable with. In addition to causing direct harm to consumers, a lack of choice and control over users’ data can also exacerbate competition issues as it allows the largest platforms to acquire even more consumer data, which gives them an unfair advantage over smaller platforms or would-be entrants.

In June 2020, Which? published the report *‘Are you following me? Consumer attitudes towards data collection methods for targeted advertising’*, summarising the findings of an innovative qualitative research project exploring consumer understanding of and preferences relating to first- and third-party data collection by online platforms, specifically Facebook. We found that while participants were aware their data is collected by Facebook, they were unaware of the depth and breadth of third-party data collection, and generally considered this to be less acceptable than first-party data collection. We found that consumers want to be able to choose whether the advertising they see is targeted, with a clear preference for opting-in, rather than opting-out. Participants also expressed a desire for more granular control about the data collection methods used to target them.²

1 Ofcom, (2021) Online Nation 2021 report.

2 Which? (2020) Are you following me? Consumer attitudes to data collection methods for targeted advertising.

In July 2020, the Competition and Markets Authority (CMA) published the final report of their online platforms and digital advertising market study.³ It recommended a number of interventions to increase consumer control over their data, including:

1. that the Digital Markets Unit (DMU) should have the powers to require platforms to give consumers a choice over whether they received targeted advertising (a ‘choice requirement’); and
2. that there should be a ‘Fairness by Design’ duty on platforms to design their services in a way that makes it easy for consumers to make informed choices.

In the context of these interventions proposed by the CMA we conducted a quantitative survey of 1,729 adults across the UK to quantify and further explore the findings from our small-scale qualitative research. The results reinforced what we had found in the qualitative research:

- Users have good awareness that their data is used to target adverts at them, but they are not well informed about the scale of that data collection or the methods used.
- People do not, on average, feel that they have consented to their data being collected by platforms in this way, and do not feel that platforms are transparent about their data collection practices.
- When people are informed about the scale of this data collection, they prefer ads to be generic, prefer to opt in to receive targeted advertising, and think that it should be possible to opt in separately to different data collection methods.

Aims and scope of the research

This research investigates two questions, with the aim of informing the design of the choice requirement remedy recommended by the CMA in its July 2020 final report:

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

We used Facebook as the basis for this research specifically because of its size and market power. The CMA report that it generated over half of UK display advertising revenues in 2019, and that, along with Google, it would be considered to have Strategic Market Status.⁴

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.

3 CMA (2020) Online platforms and digital advertising market study final report.

4 CMA (2020) Online platforms and digital advertising market study final report.

- *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 matches 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.

Facebook is also sufficiently transparent about its use of different data collection methods to allow us to use it as a stimulus in the survey. 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. This meant our participants could engage specifically with what data Facebook has collected about them, making the concepts of data collection and targeting less abstract.

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.

Methodology

Populus (now Yonder) conducted an online survey of 1,729 adult Facebook users in the UK between 23 June and 19 July 2020. Sample quotas were set on age, gender, education, social class and frequency of Facebook use based on the demographic profile of Facebook users estimated by a previous Which? survey.⁵ A quota was placed on government office region based on nationally representative figures, and on mutual use of Facebook and Instagram based on estimated figures from the CMA. Details of the demographic profile of respondents are contained in Annex 1. Data were collected to reflect quotas as best as possible but were not weighted to exactly match the population of Facebook users estimated from the previous survey.

This survey informed participants about first- and third-party data collection methods used on Facebook in some detail. Visual aides illustrating data collection methods were shown in the survey to increase understanding. Copies of these are contained in Annex 2.

Respondents then completed two tasks which involved looking in their own Facebook settings as stimulus for the survey questions. Since the survey required a relatively high level of respondent engagement, various measures were adopted to ensure high data quality. Respondents were informed about the nature of the survey and the required tasks when invited to participate, and those who were unable or unwilling to access their Facebook settings were excluded from taking part. We also excluded participants who informed us at the end of the survey that they had not attempted both tasks required of them. This meant excluding 104 respondents, leaving a final analysis sample of 1,729. There were some demographic groups of respondents who were more likely to be excluded than others, but the final sample still closely matched the target quotas based on past research. Further exclusions were made at a question-level depending on a live reaction to viewing certain items in Facebook settings. Some respondents reported being unable to view certain aspects of their settings, for example the number and names of organisations involved in online tracking. On this basis, they were excluded from answering questions depending specifically on their reaction to viewing this information. Full details on these exclusions can be found in Annex 3.

⁵ Populus (now Yonder), on behalf of Which?, surveyed 2,068 UK adults online between 26th-27th March 2018. Data were weighted to be representative of the UK population by age, gender, region, social grade, tenure and work status.

Other steps taken to mitigate the risk of respondents not completing the tasks accurately included:

- Reminding participants of the requirements at the beginning of the survey, and asking them to confirm that they were willing and able to take part at that time.
- Applying minimum timers to survey pages to reflect the quantity of information communicated and whether the participant was asked to check their Facebook settings.
- Adding a number of validation questions in an attempt to assess respondents' success in accessing the relevant information in their settings – for example, they were asked to give the name of an organisation Facebook has tracked them through, as well as the quantity of organisation's tracking them.

This report

- Chapter 1 summarises the results of this survey, including consumers' levels of awareness of current data protection practices, their response to these practices, and views on consent.
- Chapter 2 sets out evidence on consumers' preferred solutions to the issues around low awareness, discomfort and a perceived lack of consent set out in Chapter 1, and what this means for the design of the choice requirement remedy proposed by the CMA.

Chapter 1: Consumers are not comfortable with Facebook's data collection practices

In this chapter, we set out our findings around consumer awareness of Facebook's data collection practices. We also explore how Facebook users feel about these data collection methods, including the extent to which they feel they consented to this data collection, and how acceptable they find each of the data collection practices.

1.1 Facebook users know that their data is used to target adverts at them, but they are not well informed about the scale of that data collection or the methods used

Most people know that platforms collect data about how we use their services, and use this to target advertising. The vast majority (92%) of our sample reported having been aware that Facebook collected first-party data. However, knowledge of the full extent of first-party data collection and the methods used was much lower, with only 39% reporting that they were aware of all the ways Facebook collects information about users' activity on its sites and from their profiles. While relatively few participants were completely unaware of first-party data collection, a significant number of users were unaware of Facebook's third-party tracking activities. A third of users (34%) were unaware that Facebook tracks user activity on other websites and apps to serve targeted adverts, and eight in ten (79%) were unaware that Facebook matches profiles to customer lists uploaded by companies. People were also unclear about the methods used to track them: while two-thirds (66%) reported some awareness of online tracking on third-party websites, just 19% said they knew how this is done.

92% were aware of the information collected from their profiles on Facebook-owned (first-party) sites to inform targeted advertising...

...but only **39%** were aware of the full extent of first-party data collection

66% were aware that Facebook tracks their activity on third-party sites to inform targeted advertising...

...but only **19%** knew how Facebook tracked them on third-party sites

18% were aware that Facebook matches their profiles to uploaded customer lists

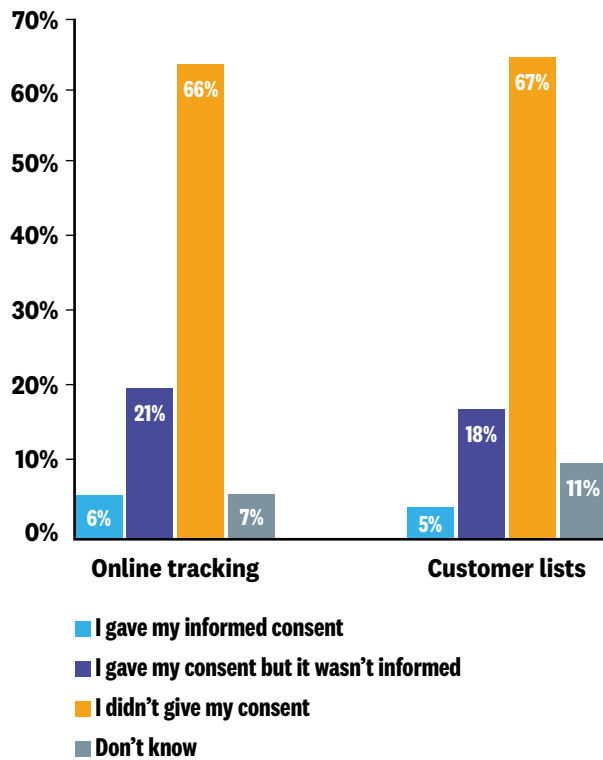
Populus (now Yonder) conducted an online survey of 1,729 adult Facebook users in the UK was conducted online between 23 June and 19 July 2020. Quotas were set to represent the demographic profile of Facebook users in the UK.

This low awareness of the extent to which data is collected for targeted advertising is reflected in the surprise expressed by many participants when they explored the data Facebook held about them. The vast majority were surprised by the number (82%) and the types (84%) of third-party websites and apps that Facebook had tracked them on, and by the number (78%) and types (84%) of organisations who uploaded a list containing their information.

1.2 Consumers did not feel that they had consented to third-party data collection methods and were unaware of options to control their data

Facebook users in our survey overwhelmingly felt that they had not given their informed consent to third-party data collection methods. Just 6% said that they felt they had given informed consent for online tracking and just 5% for their profile being matched to customer lists, as illustrated in Figure 1. Two-thirds (66%) of users felt that they did not give consent for Facebook to track them on other websites/apps, and 67% felt they did not give consent for Facebook to match their profile to customer lists.

Figure 1: The majority of Facebook users felt they had not consented to third-party data collection methods



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In addition to not feeling they had consented to this data collection, users were unaware of the tool Facebook offers to help them control it. Only one in ten users (11%) were aware of the 'off-Facebook activity' tool which can be used to monitor the information Facebook receives about you from other apps and websites and offers the ability to disconnect that information from your account if desired.

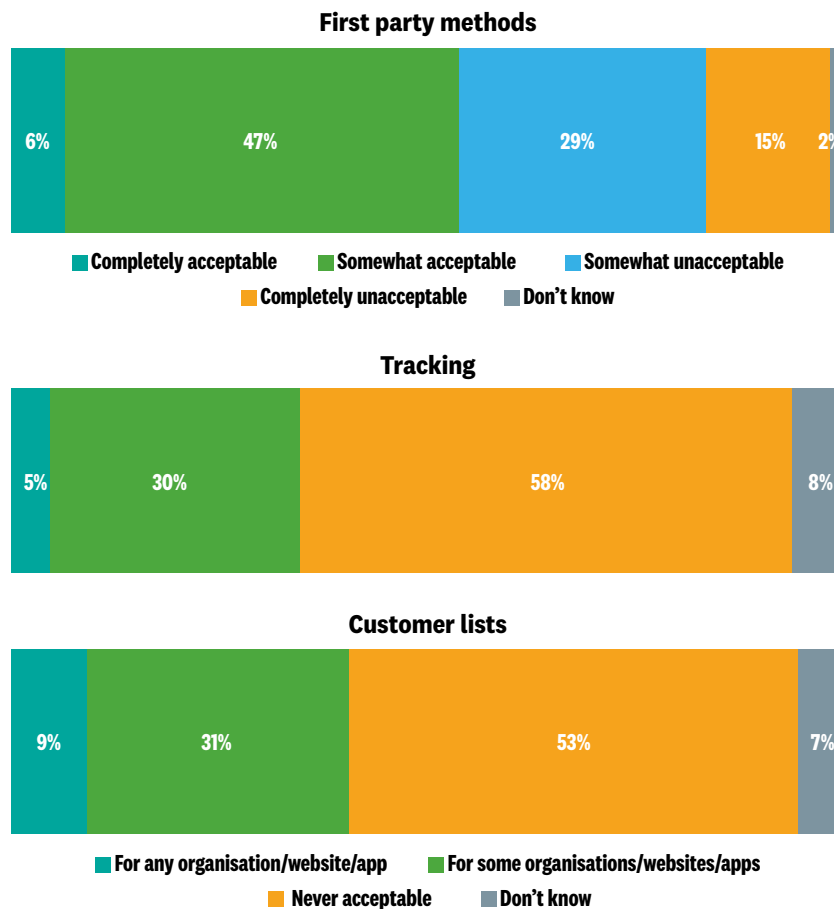
1.3 Users feel there is a lack of transparency around third-party data collection methods and find Facebook's practices unacceptable

Unsurprisingly, given many of our survey participants were surprised by the extent of the data collected about them by Facebook and did not feel they had consented to this, only 14% of our sample agreed that Facebook is transparent about the extent to which it tracks consumers on third-party platforms and just 12% believed that Facebook and other organisations are transparent about the matching of customer lists.

Perceived transparency is linked to consumer awareness of data collection methods. Those who were already aware of online tracking and the methods used to execute it before the survey were more likely to agree that Facebook is transparent about this method. Eight in ten (79%) of those who were unaware that Facebook tracks user activity on other websites and apps to serve targeted adverts disagree that Facebook is transparent about the extent to which they track users. This falls to 64% among those who were previously aware of the fact that Facebook tracks users, and understood how this was done. Even among this group who knew about Facebook's tracking methods, however, a clear majority still feel the platform's behaviour is untransparent.

When better informed about the methods and scale of data collection, Facebook users were able to say how acceptable they found each of the methods. First-party data collection is more widely accepted than third-party methods, as illustrated in Figure 2. Just 15% thought that first party data collection was completely unacceptable, whilst just over half (53%) thought that it was not acceptable for their profile to be matched to a customer list in any circumstances and 58% thought all third-party website and app tracking was unacceptable. Only 6% thought Facebook's first-party collection methods were completely acceptable, 5% thought online tracking was acceptable for any website or app they visited and 9% thought it was acceptable for customer lists to be uploaded by any organisation they interacted with. This indicates very low levels of user satisfaction with the current set-up of data collection for targeted adverts on Facebook.

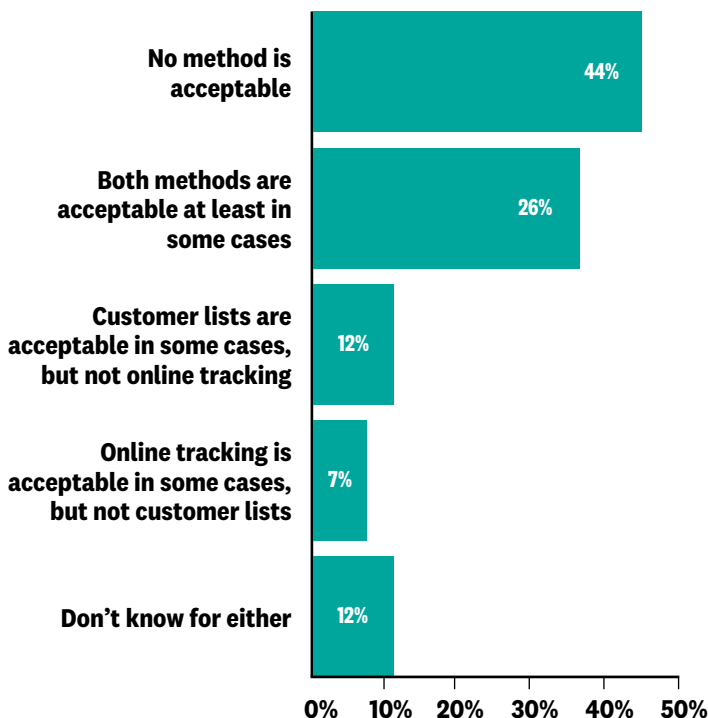
Figure 2: Few Facebook users surveyed considered data collection methods completely acceptable



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As shown in Figure 3, nearly half of Facebook users (44%) consider that neither third party data collection method is acceptable. However, although acceptability or unacceptability of the two methods is correlated, consumers’ preferences in this area are complex, with some consumers distinguishing between the acceptability of each of the two methods of third-party data collection. Some believed that customer lists were acceptable but online tracking was not, and vice versa. Around one in five Facebook users (18%) feel one of these methods, but not the other, is acceptable.

Figure 3: Facebook users did not necessarily view customer lists and online tracking the same in terms of acceptability

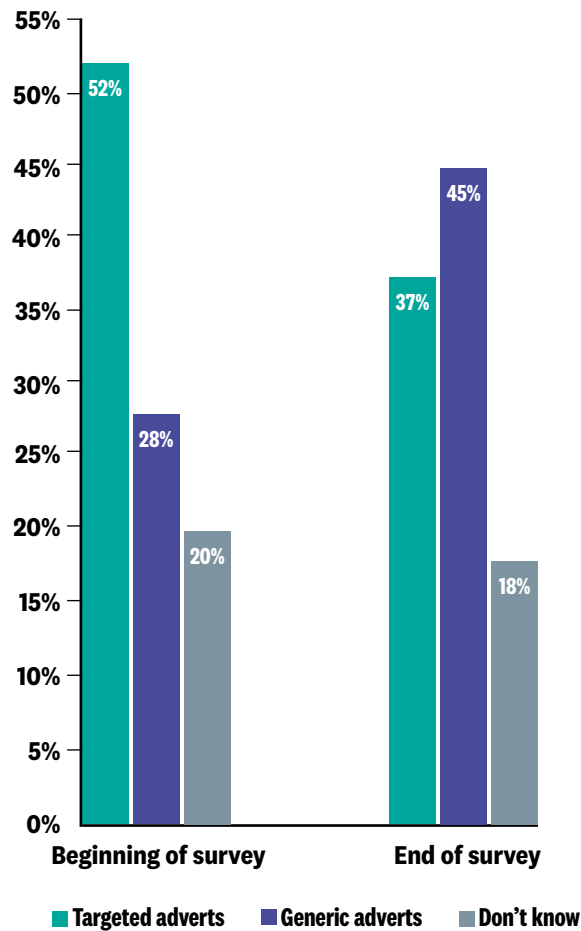


Populus (now Yonder) conducted an online survey of 1,729 adult Facebook users in the UK was conducted online between 23 June and 19 July 2020. Quotas were set to represent the demographic profile of Facebook users in the UK. The categories in this chart are calculated by merging two questions about the acceptability of online tracking and customer lists.

1.4 When they understand Facebook’s practices, a significant number of users switch to a preference for generic adverts

At the start of our survey, a small majority (52%) of Facebook users reported that they were happy to see targeted advertisements, and only 28% reported a preference for generic adverts. After participants were informed about the data collection methods used to target adverts and had engaged with their settings through the course of the survey, 28% of those who initially chose targeted adverts changed their preference to receiving generic ads. Overall, this meant the proportion of users preferring targeted ads fell to 37%, and the number preferring generic ads rose to 45%, as illustrated in Figure 4.

Figure 4: Preferences between targeted and generic ads changed after participants learned more about data collection methods used to target adverts through the survey



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This, coupled with our evidence about Facebook users’ low awareness and acceptance of its data collection methods, suggests that Facebook’s current practices are causing harm: that is, if consumers were more informed about Facebook’s data collection practices and properly able to choose how they would like their data to be used, significant numbers would not choose the status quo.

1.5 The lack of an alternative to Facebook justifies intervention

Our findings about the low acceptability and perceived transparency of Facebook’s data collection are new, but distrust in social media is not. Data from Which?’s Consumer Insight Tracker⁶ indicates very low levels of consumer trust towards the major social networks such as Facebook. Just 12% of UK consumers in August 2021 said they trust social networks, whilst 55% do not trust them, giving a net value of -43. This is considerably lower than other sectors such as online marketplaces (+16) and broadband/home phone services (+22). In a recent Which? survey, we asked consumers about a wide range of brands, and found Facebook was the only one with a net trust level below zero among its own users, indicating that more Facebook users distrust the platform

⁶ Which?’s regular tracker survey of consumer sentiment, finances, trust and wellbeing. Fieldwork is carried out by Yonder on behalf of Which?. The sample is circa 2,000 UK consumers per wave, weighted to be nationally representative. More details at <https://consumerinsight.which.co.uk/>

than trust it.⁷ While broader concerns about data security may also play a role following the Cambridge Analytica scandal in 2018, our new data suggests that unease about how personal data is used to target advertising may also play a role.

Ultimately, the lack of competitors means that this lack of trust has not affected Facebook's position as the leading social media platform; its market size means consumers have little choice but to use it to keep in touch with friends, family and local businesses. The low level of trust does, however, indicate that the market is not functioning well, and justifies intervention to ensure consumers are able to make an informed choice about how their data is used. These insights, together with our findings about the significant scale of consumer discomfort with Facebook's data collection practices, support the need for a choice requirement to allow Facebook users more control over how their data is used. Chapter 2 will explore how such a choice requirement remedy should be designed to best meet consumer needs.

Chapter 1 summary

- Facebook users know that their data is used to target adverts at them, but they are not well-informed about the scale of that data collection or the methods used.
- A third of users (34%) were unaware that Facebook tracks user activity on other websites and apps, and eight in ten (79%) unaware that Facebook matches profiles to customer lists uploaded by companies.
- The vast majority of Facebook users felt they had not given informed consent for this data collection activity.
- Only 14% of our sample agreed that Facebook is transparent about the extent to which it tracks consumers on third party websites and apps, and just 12% believed Facebook and other organisations are transparent about the matching of customer lists to profiles.
- Half of users (53%) thought it was not acceptable for their profile to be matched to a customer list in any circumstances, and 58% thought that all third-party website and app tracking was unacceptable.
- Consumer preferences around data collection are complex. While 44% of Facebook users feel both types of third party data collection are always unacceptable, 18% feel one is acceptable but not the other.
- At the start of our survey, a small majority (52%) of Facebook users reported that they were happy to see targeted advertisements. After participants were informed about these methods and had engaged with their settings, 28% of those who initially chose targeted adverts changed their preference to receiving more generic ones.

7 Which? Consumer Insight Tracker May 2021, Online Poll weighted to be nationally representative, carried out by Yonder with 2,091 respondents. Question text; How much do you trust or not trust the following companies to treat you fairly?

Chapter 2: Designing a choice requirement remedy for Facebook users

In Chapter 1, we reported the surprise felt by consumers at the extent of data collection when looking at their own Facebook account, the clear perception of not having given their informed consent for this, and how this knowledge may impact their preference for targeted versus generic advertising. This chapter will explore how the choice requirement remedy proposed by the Competition and Markets Authority should be implemented to improve consumer awareness and control of data collection, reducing privacy harm to consumers and strengthening competition.

2.1 Consumers would prefer to opt in to targeted advertising

Our qualitative research indicated that Facebook users would prefer a system whereby they actively opt in to targeted advertisements as opposed to being automatically opted-in and needing to actively opt out.⁸ This quantitative survey gives a measure of the strength of this preference among a much larger sample of Facebook users.

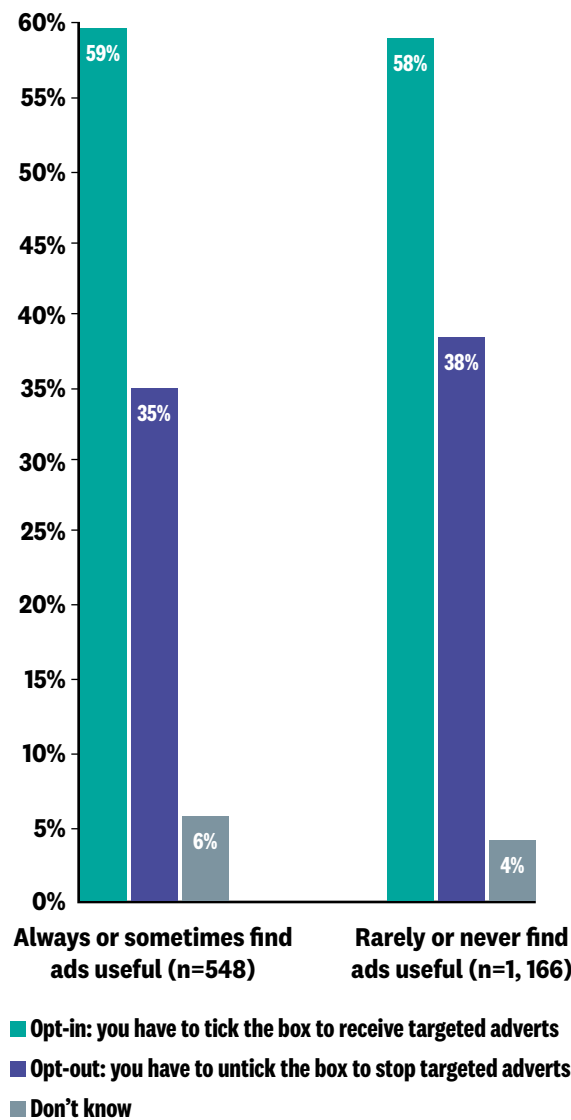
After exploring their settings and learning more about the data Facebook has collected about them, the majority of consumers prefer to opt in to receive targeted adverts, rather than have to opt out so as not to receive them: 58% of our full sample said they would prefer an opt-in system compared to 37% for an opt-out system.

The preference for an opt-in system was consistent across all genders, age groups and social grades. In each demographic group, more than half of respondents preferred an opt-in system, and in each case those who preferred to opt in substantially outweighed those who preferred an opt-out system in every group.

Even among respondents who reported finding Facebook adverts useful, a majority still preferred an opt-in system, as illustrated in Figure 5. The preference was also consistent among people who considered both third-party data collection methods (tracking and customer lists) acceptable at least in some cases.

8 Which? (2020) Are you following me?

Figure 5: A consistent majority of users preferred an opt-in system, whether or not they find Facebook adverts useful



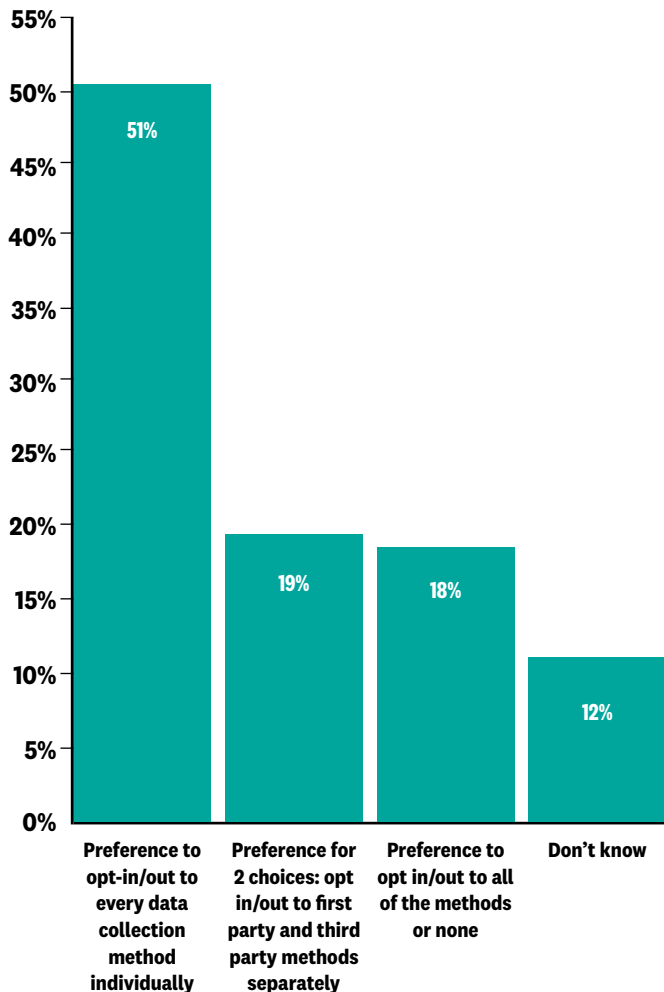
Populus (now Yonder) conducted an online survey of 1,729 adult Facebook users in the UK was conducted online between 23 June and 19 July 2020. Quotas were set to represent the demographic profile of Facebook users in the UK.

This widely-held consumer preference for opting-in supports proposals for a system which asks Facebook users whether they want to receive targeted adverts before showing them, rather than requiring them to locate the setting to turn them off.

2.2 Facebook users want to opt in to each type of data collection method separately

Given we found consumers often have different attitudes towards first- and third-party data collection, and towards different methods of third-party data collection, we considered whether they would prefer a blanket opt-in approach to targeted advertising, or the ability to select which types of data collection they are comfortable with. Again, this quantitative research supports our qualitative findings: people would prefer to be able to give consent to each type of data collection method separately, allowing them to reflect varying preferences and levels of comfort. As illustrated in Figure 6, 51% preferred to opt in or out of each data collection method separately, compared to 18% who just wanted an ‘all or no method’ choice and 19% who preferred a ‘first party and/or third-party’ choice.

Figure 6: Facebook users expressed a preference for more granular control, wanting to opt in for each data collection method individually



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Again, this preference held across most demographic groups. Across all genders and age groups, with the exception of older adults, the majority preferred to opt in to each data collection method separately. Older adults (65+) were more likely to say that they wanted just one choice to allow all collection methods or none, with 25% selecting this option, but even in this group a plurality (49%) preferred to make a separate decision for each data collection method.

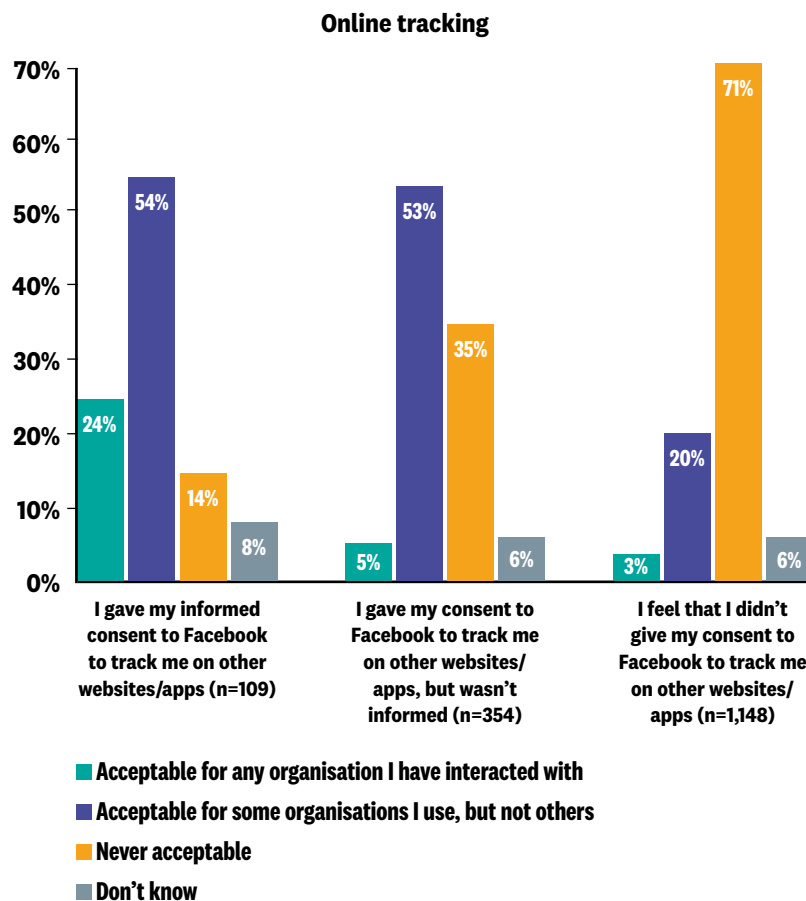
This demonstrates a clear and consistent preference for a more granular choice in the use of their data for targeted advertising. This suggests that when enacted, the choice requirement remedy should go beyond offering a binary choice, and instead allow platform users to opt in to individual data collection techniques, providing them with greater control over the way their personal data is used.

2.3 Providing more granular choice and greater transparency through a choice requirement could improve trust in Facebook’s advertising model

The introduction of a choice requirement remedy will impact on the revenues and profits that Facebook generates from targeted advertising.⁹ If the ability to choose means that fewer consumers receive personalised advertising, then both the ratio of spending across personalised and contextual advertising and the relative price of these should change, so it is not possible to estimate the impact of the choice requirement on advertising revenues. However, in any case, our research suggests that, if a choice requirement remedy is introduced, taking a granular approach could be in platforms’ interests, by providing an opportunity to increase transparency and rebuild trust in the targeted advertising model.

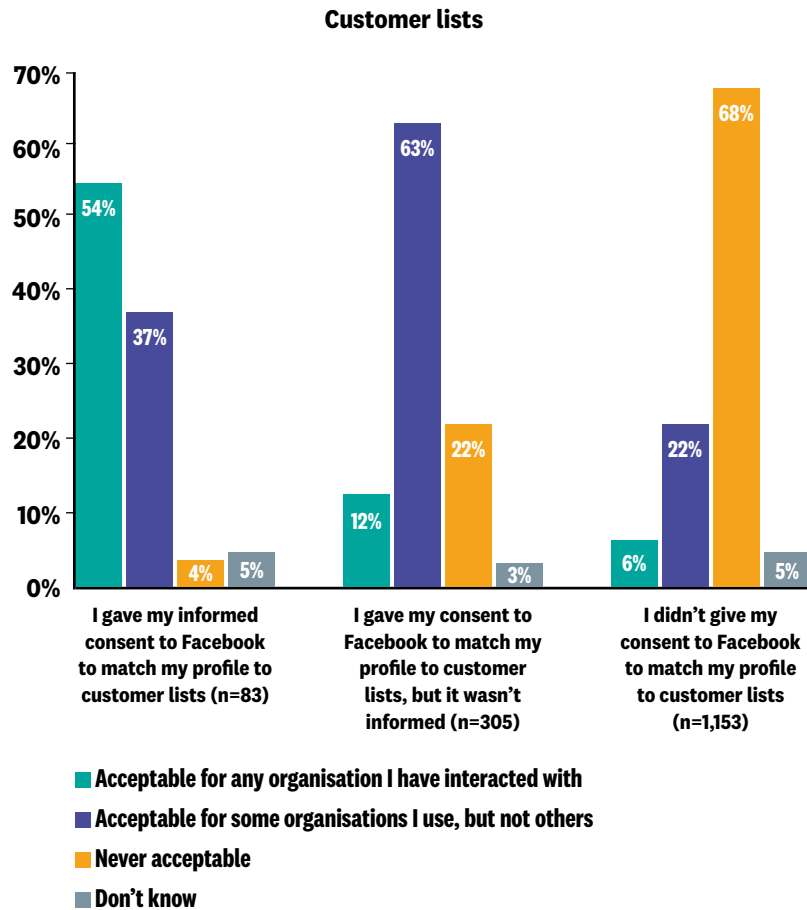
We found that the acceptability of data collection methods varied significantly according to whether consumers felt they had consented to them. Consumers who felt they had given informed consent were more likely to consider online tracking and customer lists acceptable than those who felt their consent was not informed or that they did not consent at all, as illustrated in Figures 7 and 8.

Figures 7 and 8: Acceptability is much higher among those who feel they gave informed consent



Populus (now Yonder) conducted an online survey of 1,729 adult Facebook users in the UK between 23 June and 19 July 2020. Quotas were set to represent the demographic profile of Facebook users in the UK. 118 respondents who were not sure if they had consented or not are excluded from the chart.

⁹ The CMA estimates that more than half of the £5.5 billion spent in the UK on display advertising in 2019 went directly to Facebook. CMA (July 2020) Online platforms and digital advertising market study final report.



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Respondents who felt that they had provided informed consent for Facebook’s data collection activities were also less likely to switch their preference from targeted to generic adverts after learning more about these practices during the survey. 78% of those with a preference for targeted adverts who felt they had given informed consent stuck with their preference for targeted adverts at the end of the survey, compared to 54% among those who felt they had not given consent.

Although it is not possible to establish a causal relationship between acceptability and consent, these results raise questions about whether a granular choice requirement, by providing consumers with clear information about data collection methods and the opportunity to provide specific consent, could boost perceived levels of acceptability of targeted advertising. Effectively implemented, a choice requirement could represent an opportunity for Facebook to boost users’ trust in their platform, as well as reducing consumer detriment.

Chapter 2 summary

- Facebook users know that their data is used to target adverts at them, but they are not well-informed about the scale of that data collection or the methods used.
- Most people in our sample would prefer to opt in to targeted adverts on Facebook, rather than having to opt out. 58% of our sample said they would prefer an opt-in system, compared to 37% preferring an opt-out system. This preference was consistent across all genders, age groups and social grades.
- This supports proposals for a system which asks Facebook users whether they want to receive targeted adverts before showing them, rather than requiring them to locate the setting to turn them off.
- Most Facebook users would prefer to be able to give more granular consent to specific types of data collection. Half of Facebook users surveyed (51%) would prefer to opt in or out of each data collection method separately, and 19% would prefer to be able to opt in or out of all first party and/or all third party data collection. Only 18% preferred a binary choice between all data collection or none.
- This suggests that the choice requirement remedy should allow platform users to opt in to different data collection techniques separately, providing them with greater control over the way their personal data is used.
- Consumers are significantly more likely to find online tracking and the matching of customer lists to profiles acceptable if they feel they have provided their consent.
- By providing Facebook with an opportunity to improve the transparency of its data collection practices and obtain clear, informed consent, the implementation of the choice requirement remedy could offer an opportunity to boost consumers' trust in the platform, as well as reducing consumer detriment.

Conclusions

The findings of this survey closely mirror those of our early qualitative study, deepening our confidence in our findings that:

1. Although consumers know their data is used to target advertising on online platforms, they are unaware of the nature and scale of data collection used to drive this targeting. Awareness of first-party data collection practices is high, but people are shocked by the extent of this. Awareness of third-party data collection is lower, and relatively few consumers understand how this is carried out.
2. When they become aware of the scale of this data collection, most users do not feel they have consented to this, and feel that the practices are untransparent, and unacceptable. After being presented with information about the data Facebook has collected about them, a significant proportion of users switch from preferring targeted ads to generic ones – suggesting that the current equilibrium is based on information and power asymmetries, and is not sustainable. To reduce consumer harm, consumers need to be given greater control over how their data is collected and used for targeted advertising.
3. Given a choice, most Facebook users would prefer to have to opt in to targeted advertising, rather than needing to navigate settings to opt out.
4. Consumer preferences about data collection are complex: first party data collection is more widely accepted than third party data collection, and some consumers are happy with one form of third party data collection but not another. To allow consumers to use online platforms in a way which accurately reflects their own preferences, they would prefer to be offered a granular choice about which specific data collection methods are used to target adverts towards them.

On the basis of this growing evidence base, we argue that the CMA's proposed choice requirement remedy should be implemented in a way that allows consumers to opt in, rather than opt out, of data collection by online platforms for the purpose of targeting adverts, and that offers consumers the opportunity to select which specific forms of data collection they find acceptable. We believe, on the basis of evidence that users who feel they have consented are more likely to accept targeted advertising, that this is potentially an opportunity for Facebook and other online platforms to build trust with their users, by boosting transparency. Ultimately, if effectively implemented, this remedy could tackle the privacy detriment consumers currently face on major online platforms, spur innovation in advertising practices, and help us move towards online communities which better meet consumers' needs.

Annex 1: Sample description

This annex records details of the recruitment quotas set for a range of demographic quotas, after those who did not attempt the tasks were removed. Quotas are derived from a previous nationally representative Which? survey¹⁰ which asked about Facebook usage, allowing us to estimate the representative population of Facebook users in the UK. Education level and Government Office Region are based on a nationally representative survey of the UK population, as data for the population of Facebook users was not available.

¹⁰ Populus (now Yonder), on behalf of Which?, surveyed 2,068 UK adults online between 26–27 March 2018. Data were weighted to be representative of the UK population by age, gender, region, social grade, tenure and work status.

	Characteristics	Estimated quota for recruitment	Dataset - after filtered by task completion (n=1,729)
Education (standard nationally representative figures)	No formal education	1%	1%
	Primary	1%	Less than 1%
	Secondary school	54%	51%
	University or equivalent	32%	34%
	Higher university degree	9%	11%
	Still in full time education	3%	3%
Gender	Male	46%	48%
	Female	54%	52%
Age	18-24yrs	13%	12%
	25-39yrs	28%	28%
	40-54yrs	26%	28%
	55-64yrs	13%	14%
	65+yrs	19%	19%
Socio-economic Group	AB	27%	29%
	C1	27%	27%
	C2	21%	20%
	DE	25%	24%
Regional spread - use standard nationally representative figures	Scotland	8%	9%
	North east	4%	4%
	North West	11%	12%
	Yorkshire & Humberside	8%	8%
	West Midlands	9%	8%
	East Midlands	7%	8%
	Wales	5%	5%
	East of England	9%	10%
	London	13%	12%
	South East	14%	14%
	South West	9%	9%
Northern Ireland	3%	3%	
Frequency of Facebook use	More than once a day	51%	66%
	Once a day	25%	21%
	At least once a week	19%	10%
	At least once a month	5%	2%
Also use Instagram		66% ¹¹	54%


11 Taken from CMA (2019) Online platforms and digital advertising market study interim report.

Annex 2: Questionnaire stimuli


This annex contains the images shown to respondents to convey concepts as clearly as possible, such as an opt-in versus opt-out system, and the different methods of data collection for targeted advertising. Question text and stimuli image for questions 35,36 and 37 are below.

Q35 If you had a choice, which of the following would you allow Facebook to do in order for the adverts you see to be relevant?


1. Only collect information about your activity on Facebook and Instagram and information from your profile(s).




2. Collect information about your activity on Facebook and Instagram and information from your profile(s) and from other websites/apps you use. Collect information about your activity on Facebook and Instagram.




3. Collect information about your activity on Facebook and Instagram and information from your profile(s) and match your profile to customer lists uploaded by other organisations.



4. Collect information using all methods.



5. Does not collect any information using any of the methods.



Q36 Soon Facebook may have to ask you if you want to receive targeted adverts. This might be an 'opt in' or an 'opt out' choice. Which of these would you prefer?

A. **Opt-in:** you have to tick the box to receive targeted adverts.



You would see a blank box and would have to tick to consent.

B. **Opt-out:** you have to untick the box to stop targeted adverts.



You would see a ticked box and would have to click to remove the consent.

Q37 If Facebook had to ask you to consent to targeted advertising, what level of choice would you want over what data collection methods are used to inform those adverts?

1. Only one choice: all the data collection methods or none



2. I can choose to opt in/out to the data collected from my Facebook or Instagram accounts, and separately I can opt in/out to data collected about my activity from other organisations.



3. I choose to opt in/out to every type of data collection method individually.



Annex 3: Data exclusions

The survey for this piece of research required participants to access their Facebook settings in order to assess their reactions to their own third party data information. As a result, the survey required greater engagement and more time from participants than a typical online survey. Respondents were asked if they had attempted to complete the two tasks set for them, to allow us to exclude those who had not. Furthermore, some questions relied directly on the respondent having viewed their own Facebook settings. For these questions, participants were excluded from the sample if their data indicated that they could not find the correct settings page, even if they had attempted the task.

Exclusions from entire survey

Exclusions made from the entire survey were as follows:

N=51 respondents excluded on the basis that they did not attempt to complete either task.

- Men & older respondents were more likely to be excluded

N=104 respondents excluded on the basis that they did not attempt to complete both tasks

- 25–34 years old more likely to be excluded
- 45–54 years old less likely to be excluded
- Social grade B less likely to be excluded
- Social grade D more likely to be excluded
- White less likely to be excluded
- Asian more likely to be excluded
- Londoners more likely to be excluded

This gave a final analysis sample of **n=1,729**.

Question specific exclusions

Further exclusions were made from the sample for Q20 and Q27, as these required direct reactions to the respondents' own Facebook settings. The additional exclusions here were based on evidence that the respondent failed to access the correct page in their settings, even if they had attempted to complete the task.

Exclusions from q20 (online tracking):

- 23 respondents were excluded as they already had their “Non-Facebook” activity setting turned off, and therefore could not react to the number and types of organisations following them.
- 112 exclusions made where a respondent could not name one of the organisations tracking them
- A further 39 were removed if they could not say how many websites or apps they were tracked on.

This gave an analysis sample of **n=1,555** for Q20.

Exclusions from q27 (customer lists):

- 5 respondents were excluded as they indicated that they already had their lists setting turned off so could not react to the organisations who uploaded a customer list containing their information.
- 117 respondents were excluded as they could not name an organisation who had uploaded a customer list containing their information.

This gave an analysis sample of **n=1,607** for Q27.

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