What’s in your data?

The benefits of treating privacy like nutrition

Quantcast
If I’m offered a snack, do I eat it?

The answer is: It depends. It depends on how hungry I am and how tasty the snack is. How many calories does it have? Does it have the right macronutrients? If I’m gluten intolerant, does it contain wheat?

Nowadays, all of these questions are relatively common. Many modern consumers are mindful of the food they eat. And it’s all made possible thanks to one thing: information access. People are more informed than ever about food. Scientific research continues to unlock new insights into diet, nutrition, and health. Whatever the personal preferences, if a consumer is looking for food that meets their specific nutritional demands, they can identify it. But that wasn’t always the case.
FDA nutrition labels

It wasn’t until 1990 that the FDA made food labeling mandatory, and in 2016 they modernized labels to provide a more clear picture of what you’re eating. But what if this never happened? What if this information about food wasn’t available?

If that were the case, our food choices would be more uninformed, much like the choices we make when scrolling through news websites or shopping online. Accurate information about what we consume, whether on the table or on the internet, should be expected. Just like we deserve to know what we’re eating, we deserve to know the impact of using various services online. For an issue as important and deeply personal as our data, we deserve transparency even more.
Privacy labels for the Internet

It's been years since experts first started declaring the need for food industry-levels of transparency in data sharing, yet in the United States little action has been taken. In the advertising industry, the Interactive Advertising Bureau Europe (IAB Europe) has developed and iterated on a transparency and consent framework (TCF) to help brands and publishers comply with requirements for transparency and control around how personal data is used, imposed by the GDPR in the European Union. Yet adoption of modern privacy frameworks like the transparency and consent framework outside of Europe remains low, and transparency to consumers about how their personal data is used in the US and many other places remains hard to find or even unavailable completely.

In other areas, too, there are proposals to enhance information related to privacy: researchers at Carnegie Mellon have prototyped an IoT privacy label that looks and feels like the food labels we see everyday, but this concept is far from an industry standard, and certainly not a mandate.
Transparent consumer choice

The need for transparency in consumer privacy has been around for years now, so what’s the hold up? Why haven’t we created privacy labels for the internet, especially for the data intensive online media and advertising industries?

Simply put, fears around the potential negative repercussions of transparency in advertising have—unfortunately—slowed progress. The possible impact of transparency across all stakeholders—tech companies that use data to inform targeting, publishers that use data to sell ads, and consumers who benefit from tailored content—has sparked controversy and anxiety. It’s time to speed things up, though, because consumers deserve better. To do that, we need to wrap our heads around the likely outcomes of a more transparent internet ecosystem. Reflecting on the food industry, again, is a great place to start.
Competing on new ground

As consumers became more mindful of their food choices, **heavy investments** were made to bring new food options to market. We saw the introduction of **farm-to-table delivery services**, **plant-based meal kits**, and nutrition bars with **bare-minimum ingredients**. We witnessed innovative companies like Sweetgreen quickly reach $1B in **valuation**, and large corporations like Kroger commit to accelerating the marketplace for plant-based foods. As options expanded, so too did competition to appeal to the informed consumer.

The media and advertising industries might see similar disruption. In fact, it’s already started. Following the launch of data protection regulations like the GDPR in 2018 and CCPA in 2020, companies dedicated to helping brands and publishers provide transparency about personal data use and offering a way for users to manage privacy preferences started to pop up: there were **259 privacy startups in 2019 compared to just 44 in 2017**. On top of that, **existing advertising technology** companies started investing heavily in creating business models to better take consumer privacy issues into account.
Consumer consent is a key to the Open Internet

The real turning point will come once consumers are finally, and rightfully, made aware of the value exchange that they have for years often unwittingly participated in: free content and services in return for permission to access to their personal data for use in advertising. As this reality becomes clear, consumers will be empowered to make more informed decisions about whether to use, or not use, a certain site, app or other service, based on the exchange of content for their permission to use their personal data.

A big concern for brands, publishers, and technology companies is that transparency into their data use practices will lead to either the death of certain categories or a complete overhaul of how we use the internet—maybe both. But maybe those who are afraid that transparency might be the end of their business should revisit their business anyway. For the industry in general, I believe that the fears are unfounded.
Consumer consent is a challenge, not a death sentence

When you look at the food industry, no single company or vertical was rendered obsolete by the introduction of food labels. As a matter of fact, many companies thrived despite the fact that their products weren’t “healthy”.

Preferences exist on a spectrum. While some consumers are deterred by high calorie counts, others are not. The impact of transparency on consumer decision-making on the internet could be similar. Web properties that want to collect any and all consumer data to make their websites hyper-personalized can lean into that. Some people won’t care if platforms sell ads targeted to them based on their personal data; they’ll want the benefits of staying connected with friends and access to content that’s customized to their unique interests. Others may want to delete apps or avoid websites whose data processing practices seem a price too high to pay for what they’re getting in return.
Consumer first. Consent first.

So when we think about the implications of increased transparency on the internet, there’s a lot that will change, and a lot that won’t. The biggest difference will be that each and every one of us will participate in a more transparent, fair exchange of free content and services for the use of our personal information by the providers of those services.

Over time, questions about data use will come as natural as questions about nutrition—and this is nothing to fear. As we’ve learned from the food industry, these questions will drive innovation, new revenue streams, and brand loyalty. It’s time to put our dated concerns aside and shift focus to keeping informed consumers coming back for more.