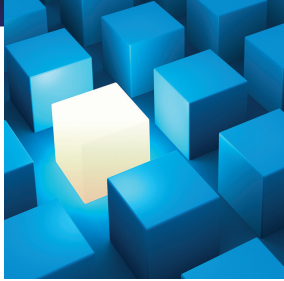


Highlights from

An Information Economy Without Data

By J. Howard Beales and Andrew Stivers



Data-driven ads provide \$30,000 in value to consumers.

A 2017 estimate found that consumers access \$30,000 worth of services for free thanks to advertising. That number has only grown with time, and disrupting that subsidy would amount to a \$30,000 tax on each American.

Majority of consumers prefer more personalized ads.

Consumers understand that advertising pays for their access to content and services, and prefer that their experience be relevant to their interests.

Efficient data-driven advertising increases competition.

Advertising lowers prices and promotes innovation and competition. A study in the UK found that blocking access to data will harm small platforms and publishers the most.

Restrictions lock-in dominant incumbents.

Restrictions on responsible data practices, such as advertising, erects “content fortresses.” This occurred in Europe where the GDPR harmed small firms significantly more than large ones.

Advertising benefits equity and narrows the gaps between demographic groups.

Data-driven advertising can help companies and non-profits effectively find new customers and supporters in specific demographic groups efficiently. Without data, broadcast advertising would seek out the general marketplace, drowning out messages meant for other demographics.

Contextual advertising alone cannot support the digital economy.

Context is a complement, not a substitute for data-driven advertising. The UK government found that personalized advertising increases revenue when both context and data-driven tools are available. Context alone was only 1/3 as effective without other data.

An opt-out choice default for data-driven advertising is the best course.

Most consumers accepts the exchange of data about them for free services, but the minority that want to opt-out of the system can choose to do so.

