Google to Offer Ads Based on Interests

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Published: March 11, 2009

SAN FRANCISCO — Google will begin showing ads on Wednesday to people based on their previous online activities in a form of advertising known as behavioral targeting, which has been embraced by most of its competitors but has drawn criticism from privacy advocates and some members of Congress.

Perhaps to forestall objections to its approach, Google said it planned to offer new ways for users to protect their privacy. Most notably, Google will be the first major company to give users the ability to see and edit the information that it has compiled about their interests for the purposes of behavioral targeting. Like rivals such as Yahoo, it also will give users the choice to opt out from what it calls “interest-based advertising.”

Privacy advocates praised Google’s decision to give users access to their profiles.

Given Google’s position as the No. 1 seller of online ads, its approach is likely to put pressure on other companies to follow suit. Online advertising industry groups said it might help quell calls for government regulation.

But the privacy advocates also said Google needed to do more to notify people that they were being tracked.

“We think more needs to be done on how to educate people and tell them how to opt out,” said Ari Schwartz, chief operating officer of the Center for Democracy and Technology.

Google’s foray into behavioral targeting may represent the most visible result so far of the company’s integration of DoubleClick, an advertising technology company that it acquired a year ago. Google bought DoubleClick, which is used by advertisers and publishers to manage their ad campaigns, to extend its advertising empire into display ads, which it sees as the next best hope to reignite its growth.
Google will use a cookie, a small piece of text that resides inside a Web browser, to track
users as they visit one of the hundreds of thousands of sites that show ads through its
AdSense program. Google will assign those users to categories based on the content of
the pages they visit. For example, a user may be pegged as a potential car buyer, sports
enthusiast or expectant mother.

Google will then use that information to show people ads that are relevant to their
interests, regardless of what sites they are visiting. An expectant mother may see an ad
about baby products not only on a parenting site but also, for example, on a sports or
fashion site that uses AdSense or on YouTube, which is owned by Google.

The program will first be tested with a few dozen advertisers but Google plans to expand
it.

Google said the approach could help advertisers reach their audiences more easily and
publishers to earn more from their sites. Users will also see ads that are more relevant to
their interests, the company said.

Google said that it planned to segment users along 20 categories and nearly 600
subcategories, and would not create categories for certain “sensitive” interests, including
race, religion, sexual orientation or certain types of financial or health concerns. It does
not plan to associate the cookie of users with search data or with information from other
Google services, like Gmail.

Google won’t notify users that it has begun to show them ads based on their behavior,
but users who click on the “Ads By Google” link, which appears on thousands of Web
pages, will be taken to a site where the technique is explained. There, they will also be
able to tap into what Google calls the Ads Preferences Manager, to see and edit the ad
categories that have been associated with their browser.

“We had to find some way to open the box,” said Nicole Wong, Google’s deputy general
counsel. “Users don’t know how many entities pick up data. They don’t know what
happens with it. And they don’t know why Cole Haan shows me a given ad. And even if
they did know, they can’t control it.”

Mr. Schwartz said that Google’s approach showed that claims by some advertising
groups that giving users access to their profiles would be too onerous were not true.

Google’s entry into behavioral targeting could complicate the company’s relationship
with Web publishers that use its advertising services. Many publishers are reluctant to
hand over information about their users to Google if the company will in turn use it to
help advertisers reach those users when they visit other sites. Most advertising networks
already do this, but Google’s broad reach makes publishers particularly nervous.

At the same time, if the behavioral targeting system lets publishers get higher-priced
ads, they may find it too hard to resist.

“This further extends the schizophrenic nature of the relationship between Google and
publishers,” said Rob Norman, chief executive of GroupM Interaction, a unit of ad giant
WPP.

Google is allowing publishers to opt out of the program.

*Saul Hansell contributed reporting from New York.*
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