

Opening Remarks. Day 2. CONSUMERxSCIENCE

Good morning. Yesterday morning I opened the conference by laying out the proposition that science – dispassionate, methodical, skeptical, collegial, evidence-based, theoretically-grounded science – is core to the ARF’s mission. I argued that science in the study of marketing and advertising – science in the service of better business decisions – has been in the ARF’s DNA since its founding and remains central to our activities and programs today. Facts matter and the discovery of facts is our most important job as professional researchers.

However I ended by noting that facts are not the same as values, that while facts can be wrested from a complex universe by close observation and disciplined experiment, values can’t be “proven” in the same way as facts. Rather, they arise from some shared understanding of what we regard as right, as ethical, as decent or fair. A single-minded focus on matters of fact can still leave us blind to the ethical implications of our work. This timeless problem of the “fact/value distinction” will be familiar to any of you who took college courses in philosophy, in social theory, or in the history of science.

It might sound abstract and academic, but it was brought home to me last week by the scandal surrounding Cambridge Analytica’s purported deceptive acquisition of 50M Facebook profiles for use in the campaign to elect Donald Trump. As many of you know, Cambridge Analytica won a gold-level 2017 David Ogilvy Award in the “big data” category on the basis of a submission based on that analytic work.

Despite the discomfort that many of the jurors and our members had with Cambridge Analytica winning that award and the fact that the work being recognized supported a candidate they did not, jurors stuck to facts and awarded the recognition based upon our guidelines, and for that, they have my respect and admiration.

Of course, the Ogilvy jury could not have known, nor could the ARF have known, that the work being awarded that night might have been based on pilfered data to which CA had no legal right. The award at the time was arrived at from the information available and was believed to be in compliance with our guidelines.

In light of the reports aired last week, however, we are revisiting that decision. Clearly, if the allegations of illegal or deceptive practices are sustained by the inquiries underway, the ARF will formally rescind the award, on the grounds that the work did not, in retrospect, meet our standards and requirements.

But the episode brings to light a larger issue. Though the ARF has at various times adapted elements of the codes of conduct developed by other research-oriented organizations (e.g. ESOMAR, CASRO and AAPOR), it has not developed its own code of conduct for the industry. This omission is particularly unfortunate because the very diversity of the ARF’s constituencies – including not only marketers, agencies, media companies, and research vendors, but also data

vendors, ad tech and consultancies – puts us in a good position to think about the ethics of research and about data collection in a very broad context.

Many of the existing codes of conduct in the industry today are drawn quite narrowly. They focus on protecting survey respondents from unwanted marketing messages, on obtaining informed consent by survey respondents, on protection of personally-identifiable information, on protection of human subjects in experiments – all laudable, but probably not sufficient to the era of “big data” in which the line between “research” and “targeted messaging” has become harder to discern. What ethical guidelines guide the use of “secondary data” collected for some other purpose, but now used for research? What responsibility do researchers have to ensure that the data they are using were collected legally, without any deception? What rights do consumers have to know about and approve the uses to which their data are put? What obligations do researchers have to protect consumers from harm that might come from the misuse of their data? What ethical guidelines should govern profiling and highly-targeted communications?

These issues have been examined in detail in the EU as they prepare for the implementation of the GDPR in May, but they have received scant attention in the US – until last week.

And in reality, they should have received attention sooner. If we are all being candid and honest, the Cambridge Analytica episode is not a shock or surprise. It is receiving the attention it is, in part, because of who the work benefitted. But we did not need this incident to bring to light that in a fast evolving world of technological data collection, there are already many questionable practices going on. Ask any consumer if they know why their free flashlight app needs permission to access their GPS, microphone or address book. They may not fully know, and they don't remember giving the permission; but we know full well what is going on and what the business model is of that flashlight app.

The reality is that the ability of technology to collect data is outstripping the guidelines in place to ensure that sound business practices are being followed. Just because we can do something, it doesn't mean we should. The Cambridge event is a reckoning, not a revelation.

It may well be that we are heading toward regulation here similar to that going into effect soon in Europe – and that may be a good thing that ultimately works to the benefit of the entire advertising, data and research ecosystem if it restores the public's trust. But external regulation can be clumsy and, in any case, we should be trying to solve some of these problems by better self-regulation.

And that's because we should recognize, first, that the data we collect belongs to the consumer, and, second, that the consumer is a partner to our industry and not its prey. Industry self-regulation should be based on the idea that what is ethical is also good business.

More effective data collection and privacy protocols should be pursued because they help advance our objectives, not because they will ward off government intervention.

Our industry works best when we work in partnership with consumers, who after all are our ultimate customers. Data collection practices that do not produce some type of tangible reciprocal beneficial value for the consumer - and that consumers have not fully understood or agreed to - are not beneficial to our industry.

Ultimately, deceptive practices lead to reductions in data collection as they motivate consumers to change their behavior— see the #deletefacebook movement – not greater collection. Where there is a clear consumer benefit – as can be seen, for example with Google Maps or Waze – the consumer is willing to provide data, on a limited basis, in exchange for information and services. But that doesn't mean that the consumer has knowingly permitted Google Maps or Waze to sell their data to everyone else willing to pay.

Let me be clear. The issue is that we should establish and comply with ethical guidelines not to ward off government intervention, but because it is good for our business. Consumer data is not ours, it belongs to consumers, and if we possess it and use it any form, we have a responsibility to respect it – and the consumer who provided it.

To that end, the ARF today is calling for development and establishment of guidelines and standards to govern consumer data collection and protection. We invite all industry members and industry bodies to join with us to not only contribute ideas and thoughts but to work with their constituents to ensure adoption once developed.

The ARF feels compelled to make this call as we are the industry body set up to advance the understanding and practice of advertising through science and reason and we do so on behalf of all participants in the industry – buyers and sellers, creators and marketers. As such, it is our responsibility to lead in getting this initiative underway.

As a first step to this objective, the ARF, in collaboration with Greenbook and the AMA New York, is hosting a Town Hall on April 26 at the ARF. Invited speakers will discuss the gap between our current codes of research ethics and the realities of data-driven marketing and research. The goal will be to form a working group that can draft, for further debate and consideration, a proposed code of conduct that is relevant to our world of 2018 and beyond. The proceedings will be live-streamed to facilitate participation by our far-flung member base and geographically dispersed stakeholders. I invite all of you to participate and give us input.

Even though we all venerate the ideals of dispassionate scientific inquiry, it is high time that we also engage in a sustained conversation about the ethics that should guide our activities.

The consumer is our partner. We need consumer data to advance the needs of our industry. But to continue to have the right to access that data we must demonstrate respect for our partner, and value to a greater extent the courtesy our partner has extended us.

In doing so, we will not only enhance our business, but fulfill the responsibility of ethical and respectful behavior that is the foundation of this or any relationship.

Thank you.