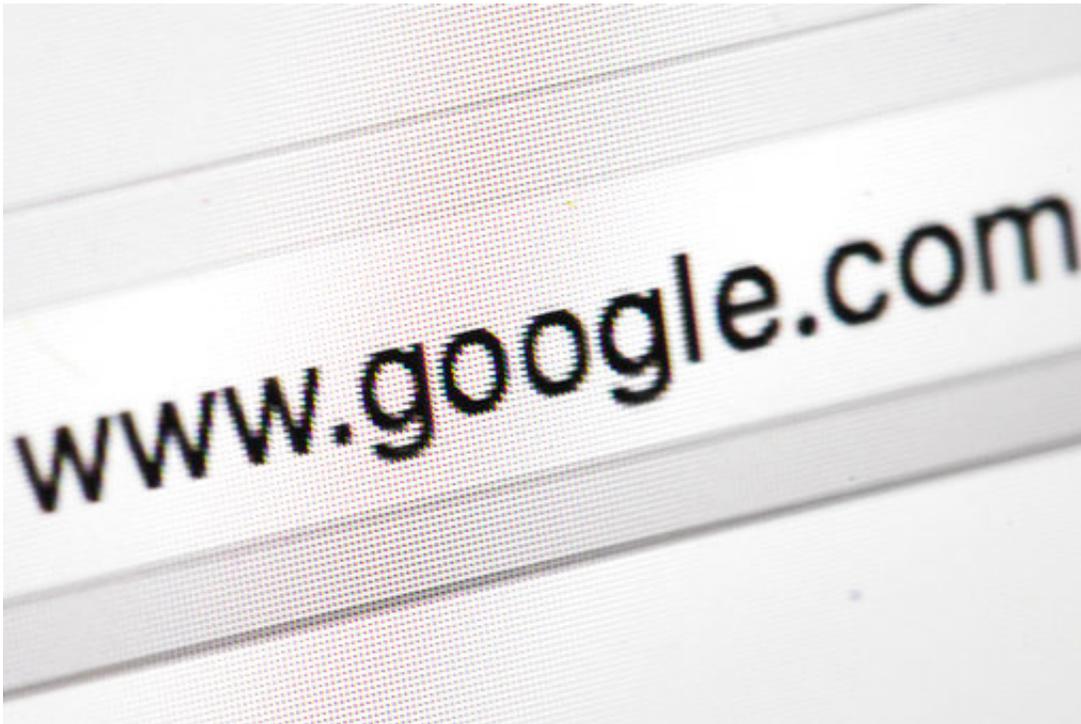


Google helps advertisers track spending in physical stores

May 23 2017, by Michael Liedtke



This Wednesday, April 26, 2017, photo shows Google's web address, in Philadelphia. Google is keeping an eye on what you're buying offline in addition to monitoring your online shopping in its latest attempt to sell more digital advertising. The offline tracking of most credit and debit card transactions will help Google to automatically inform merchants when digital ads appearing on its vast marketing network translate into sales at a brick-and-mortar store. Google plans to unveil the store-sales measurement tool Tuesday, May 23, 2017, in San Francisco at an annual conference it hosts for its advertisers. (AP Photo/Matt Rourke)

Google already monitors online shopping—and now it's keeping an eye on physical stores to try to sell more digital advertising.

The internet company said Tuesday that a new tool will track how much money people spend in merchants' brick-and-mortar stores after clicking on their digital ads.

The analysis will be done by matching the combined ad clicks of people who are logged into Google services with their collective purchases on credit and debit cards. Google says it won't be able to examine the specific items purchased or how much a specific individual spent.

But even aggregated data can sometimes be converted back to data that can identify individuals, said Larry Ponemon, chairman of the Ponemon Institute privacy research firm.

MINING CREDIT-CARD DATA

Google says it has access to roughly 70 percent of U.S. credit and debit card sales through partnerships with other companies that track that data. By matching ad clicks with this data, Google says it can automatically inform merchants when their digital ads translate into sales at a brick-and-mortar store. Previously, if people clicked on an ad without buying anything online, an advertiser might conclude that the ad was a waste of money.

If the program works, it could help persuade merchants to boost their digital marketing budgets.

The data add to the digital dossiers that Google has compiled on users of its search engine and other services, including Gmail, YouTube and Android.

Sridhar Ramaswamy, Google's senior vice president of ads and commerce, said the new tracking system was created in consultation with "incredibly smart people" to ensure it's not invasive. He described the program as "secure and privacy safe."

But Ponemon said that even if Google has good intentions now, companies and governments in the future might not.

The kinds of data that Google is collecting also could become an inviting target for hackers, said Miro Copic, a marketing professor at San Diego State University.

"The privacy implications of this are pretty massive, so Google needs to tread very carefully," Copic said.

GOOGLE'S OPPORTUNITY

Google already runs the world's biggest online ad network, one that raked in \$79 billion in revenue last year. That puts it in the best position to capture any additional marketing dollars spent on computers and mobile devices.

The Mountain View, California, company touted the store-sales measurement tool Tuesday in San Francisco at an annual conference it hosts for its advertisers.

This meeting was an opportunity not only for Google to flaunt its new tools, but to work on regaining ground with advertisers who have recently boycotted YouTube . Major advertisers began pulling back two months ago over concerns that Google hadn't prevented major brand advertising from appearing alongside extremist video clips promoting hate and violence.

DIGITAL DOSSIERS

Google already knows what you like based on the searches you make and the videos you watch. Online ads are then targeted to those interests. From there, Google can tell when you click on an ad and if you make an online purchase based on that.

The new program takes that tracking into physical stores.

Google says its computers rely primarily on log-in information, such as email addresses, to identify the people clicking on ads. It then matches that data with other identifying information compiled by merchants and the issuers of credit and debit cards to figure out when digital ads contribute to an offline purchase.

It's all done in a "double-blind" way, Ramaswamy said, meaning the personal information that Google has can't be seen by merchants or its credit and debit card partners. By the same token, Google is blocked from seeing personal information held by its partners.

When it first described the tracking program to The Associated Press, Google provided an example of how it would be able to identify a specific purchase made in a physical store by a consumer who had clicked on a digital ad run by the merchant. On Tuesday, though, Google executives stressed that it won't be able to peer that deeply into what people are buying.

Google's tool won't work for cash payments or the 30 percent of U.S. card transactions that Google can't currently access. And this works only for individuals who log in.

Google gives its users the option to limit the company's tracking and control what types of ads they are shown—although in practice,

relatively few users tweak such settings.

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Citation: Google helps advertisers track spending in physical stores (2017, May 23) retrieved 19 April 2024 from <https://phys.org/news/2017-05-google-aims-online-ads-real-world.html>

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