Where everything and everyone is for sale

Welcome to the World Bazaar

The internet was founded with a number of high dreams and ideals: sharing data, openness, transparency, and a structure that could be expanded, upgraded, and survive just about anything. But making huge piles of money off it was *not* one of them.

Yet even before the web was opened to the world beyond academia, people began looking for ways to use it to make a living. Some, like SWCP, offered essential online services of access, email, and webhosting, while others sought to use the network itself to sell products. And so, like broadcast media before it, this exciting, revolutionary new means of communication became another **advertising medium**.

Just as radio and television were shaped to serve commercial interests, so also the internet. Here, too, everywhere you turn, someone is trying to sell you something. It might be a product, an idea, or just their own likeability, but the web is fast becoming the world's marketplace – one already almost as large as **broadcast TV** – and which likewise never closes.

This planetary-wide bazaar not only offers far more than you could ever desire; unlike earlier media, sellers can use it to pinpoint and stimulate your wants and interests with unimaginably subtle cunning and precision. But that's just the part of it you can see.

For unknown to virtually all users, behind the scenes stands another, equally huge and busy market. One that is just as important to making the system work. This market, however, is not trying to sell you things. Instead, *you* are the product being offered there.

The online ad game

To understand what this means to you requires a basic knowledge of how **online advertising** works. To most people, if they consider it at all, ads on the web appear much the same as in print or on TV, occupying space on a screen. At worst, if they **pop up** or play automatically they can be a little more irritating.

But the major difference lies not in the still or moving images and their appeals, but that they contain links. With a single click, you can find yourself presented with reasons to buy plus a means to do so.

That **hyperlink**, however, changes everything. The same action that gives you a chance to buy also supplies the advertiser with a unique data point. With enough of these, a profile can be built up of what you like and dislike, which can be used to show you more desireable items, and further refined and expanded.

But internet advertising is far more pervasive than big **web banners** and flashy videos. Its interactivity permits tracking and tailoring content on the fly to closely fit individual preferences. Targeted **display ads** are just the most visible manifestation.

Other means are far more devious and may involve conflicts of interest, like skewing **search engine** results to redirect users towards sponsoring advertisers. As few people ever glance beyond the initial listings on the first page, this can be highly effective – especially if a few odd other items are deliberately sprinkled in to make it all look more objective. **Sponsored stories** and news feeds are another way of delicately leading potential customers.

By means of **cookies**, small files placed on your computer by websites, advertisers and those harvesting your data like Facebook can follow you from site to site, gathering ever more information from you while ceaselessly hawking their wares. They can retarget you, chasing you around the web with ads for items you may have shown some interest in but did not buy, similar ads – or those for totally different items that others with patterns like yours had bought.

Deals behind the screen

Email ads were the first internet advertising and demonstrated surprising sophistication from the start. Early attempts to ban them could not hold back the flood for long, as **bulk emails** are virtually free to produce and sent in any amount with few serious consequences. Even the clumsiest might still attract a few naive victims, so much spam may be deliberately obvious in order to weed out smarter users.

In 1994, the first email to be decried as "**spam**" went out. It offered legal services for illegal immigrants. Many famous modern scams followed, such as the "**Nigerian Prince**" frauds, which were just updated snail mail confidence tricks looking for easy marks. These scams date back to the Spanish Inquisition.

The struggle against spam has been going on ever since. Its steady escalation caused the development of both **email filters** for consumers as well as black markets for the con artists where exploits and hacked user data could be bought and sold.

Now there are even online bazaars for **hacked servers** and entire botnets to deliver whatever malware or coordinated attacks the purchaser desires. But all those dens of thieves are just illegal versions of the exchanges run by legitimate advertisers.

When you visit a page where third-party ads are displayed, there are a number of activities involving multiple entities occurring behind the screen. The publisher may have its own ad department, or more likely will outsource the ads from a providing agency, which links them from its **ad servers** directly onto the page. Meanwhile other factors come into play, such as your own user identification (often from cookies), recent surfing history, and aggregated information provided by Google or Facebook.

What happens is all this info is put together as an offer and sent to an **ad exchange**. There, an auction is held to determine which ads will be shown by which provider. It's done *very* quickly, taking about *10 milliseconds* while the page is being loaded. So most users are completely unaware this is going on.

Advertisers pay publishers for ad placement with a variety of **complicated formulas**. These can depend on the number of views, clicks, or actual engagement by the consumer. While advertising remains more art than science – an old ad agency joke is that half the money spent on ads is wasted, but it's impossible to tell which half – online advertising has advantages that old-style media admen could only dream about.

Internet advertising makes it extremely cheap to reach large audiences, especially over social media. And if done cleverly enough, some marketing materials can be picked up and go **viral**, which encourages web users to promote the product or idea to each other. It could even inspire free word of mouth advertising, the ultimate prize of **guerilla marketing.**

Internet ads offer better returns than other media. Plus their interactivity allow results to be closely monitored, so advertisers can refine and focus their appeals. Ads can be changed and deployed instantly to respond to news events or competitors.

Ads can appear in many forms on the same page – including still images, video, audio, sponsored content, search results, even games. All can be precisely aimed based on search results, history, or location.

However, the process is **vulnerable** to misuse. Malware can slip undetected into the ad stream, or through hacking. In any case, webpages are now cluttered with sounds and moving images, some which **follow** users around. Consumers have begun to fight back, with **private browsing** or more often with **ad filters** that screen page content by source, behaviors (such as autoplay and pop-ups) and so on.

Ad blockers cannot screen out content native to the website but they do stop ads from other sources. Browser ad-ons like **Ghostery** and **Disconnect** are becoming increasingly popular with users and disliked by publishers. Some have even moved their content behind **paywalls**. **Wired** blocks their own stories when the site detects filters in use, while visitors to **Forbes**, after they turned off adblocking as demanded, encountered malware hidden in the ads.

There are good reasons to use ad blockers: faster page loading, better security, enhanced privacy, and less distracting clutter to deal with. If websites and advertisers dislike them, it's because of the tacit agreement users have made with them, trading personal info and eyeballs for their content and services.

This is not necessarily a bad deal for consumers, but it is one made basically under duress and with very little information. We do not know **what data** advertisers collect, what they do with it, or what it's really worth. Until consumers own and control their own data, there's little reason to expect better treatment.