

Telecom and Media Firms Selling Data Are Facing Backlash

Article

Data privacy battles are heating up now that a group of US senators have asked regulators to investigate how telecom firms sell people's location data.

Earlier this month, [Vice's Motherboard reported](#) that bounty hunters could pinpoint a person's cellphone after obtaining location data from data resellers. The report led 15 US senators to [call for an investigation](#) into how telecom firms handle their customers' location data. The

report also led **AT&T**, **Sprint** and **T-Mobile** to pledge that they'll stop selling location data to data aggregators.

Scandals like these have proliferated just since the start of 2019. Just a few weeks ago, Cambridge Analytica pleaded guilty to violating European data laws after the firm refused to disclose how much data it held on a Parsons professor.

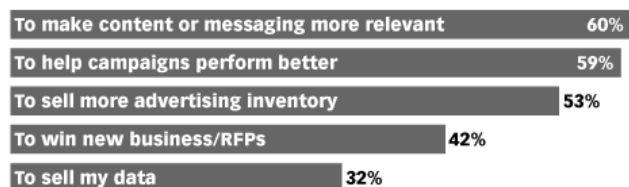
Controversies over the handling of personal data are not going away anytime soon—and it could be bad news for media companies that profit from selling data.

Although some publishers are opening up new lines of revenues **by selling their data** in a way that allows advertisers to use it independently of the publisher's inventory, most media companies are not doing this.

In a survey by **Lotame** of 300 US senior decision-makers at digital media and marketing companies, one-third of those polled reported that they're selling their audience data. Put another way, nearly seven in 10 respondents were not data sellers.

Why Do US Publishers and Brand Marketers Use Audience Data?

% of respondents, Nov 2018



Source: Lotame, "Data Activation & Success Report" as cited in press release, Nov 19, 2018

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New York Media is one such publisher. This is done out of respect for its audience, says Daniel Hallac, New York Media's chief product officer. "We are trying to develop a long-term relationship with them, and like any relationship, it needs to be built on trust," he said.

There are multiple reasons most publishers avoid selling their data, even though this practice is **profitable for some**.

For instance, selling data requires technical sophistication and an upfront investment to get projects off the ground. But nearly 80% of the publishers and marketers Lotame surveyed said they outsource their data strategy and execution.

Another concern is that by selling audience data, a publisher could weaken one of its competitive advantages.

“Publishers worry that if they sell their audience off of their owned and operated [websites] that there is no reason to buy their inventory. This is even more pronounced for publishers who aren't selling out all of their endemic inventory,” said Nick Jordan, founder of Narrative. “They worry their competitors are going to buy the data and get some insight into how to steal share of mind.”

And of course, privacy concerns turn some media companies off from selling data.

Several media and advertising companies faced criticism after a December 2018 **New York Times report** showed that the anonymized data they sold could still be used to identify people. Following the Times report, the city attorney of Los Angeles **filed a lawsuit** against the Weather Company over its data collection practices.

Many consumers already believe that brands **ask them for too much data** and that they **have no control over** how their personal data gets used. In an April 2018 poll of US internet users by Janrain, 68% said **they would support rules** like GDPR in the US. Regulations like GDPR are forcing data sellers to be more cautious about their business practices, according to Mike Shields, CEO at Shields Strategic Consulting.

“Everyone is hyper-freaked-out about GDPR right now,” Shields said. “They are going to be incredibly cautious with this sort of thing.”