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Overview of Behavioral Advertising

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Ad Targeting

- Untargeted ads < Contextual ads < Behavioral ads
- Behavioral targeting pros/cons:

Pros	Cons
<ul style="list-style-type: none">• Ads can respond to manifested consumer preferences• Decreased consumer search costs• Reduced advertiser waste	<ul style="list-style-type: none">• “Creepiness”• Price discrimination• Preference shaping• Data resides in third parties’ hands• Transaction costs• Imperfect preference predictions

- BEHAVIORAL TARGETING IS INEVITABLE

Behavioral Advertising Data Sources

