



# **Internet Privacy, Pharma, and Advertising: What the Recent Update Means (and Doesn't Mean) for You**

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The news is crazy these days, we get it, but one recent story in particular may have caught your eye: [the Trump administration's repeal of Obama-era internet privacy legislation](#). As with most political news, the decision was polarizing and divisive—applauded by some, denounced by others. But theoretical debate aside, what really happened? And what does it actually mean for pharma brands constantly on the lookout for ways to break away from the competition? Let's get into it...

## What's All the Fuss About?

To understand the full picture, let's time travel back to October 2016. The Obama administration passed a bill called *Protecting the Privacy of Customers of Broadband and Other Telecommunication Services*. The law required ISPs (internet service providers) to gain explicit consent from customers to gather and sell their data. So if customers don't opt in, contractually, then ISPs couldn't do squat with all that data.

These ISPs—like Comcast, Verizon, and Time Warner—are the companies you pay to access the Internet. So quite simply, if you're one of their customers, they can see every single thing you do on the internet. This means your browser history (yes, *all* of it), your online banking, your convoluted plunges down the Wikipedia rabbit hole, and your Netflix binges are all visible to your ISP. And some of that information is very valuable to advertisers.

While the Obama-era legislation aimed to protect consumers from ISPs collecting and selling this data without permission, it wasn't due to go into effect until December 2017. Fast forward to April 3, 2017, and the Trump administration signed a Congressional repeal of that Obama administration legislation.

At the heart of Trump's reasoning for the repeal is the argument that the Obama-era protective legislation would have created an unfair competitive disadvantage for ISPs. Specifically, tech companies like Google and Facebook are able to collect and sell all this juicy data freely, without

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customer permission, whereas ISPs would have been forced to gain that customer permission had the law gone into effect. The belief is that the repeal serves to “level the playing field” for ISPs, who will be able to generate advertising revenue in the same manner that tech companies do.

So, in simple terms, *the Trump administration repealed a privacy law that hadn't even taken effect yet.*

## Thanks for the History Lesson, But What Does This All Really Mean?

It means that ISPs can collect and sell a customer's browsing history, without violating federal law. The thing is—and it's a doozy—whether we like it or not, ISPs have *already been* collecting data from their customers and selling it for years.

When ISPs collect customer data, they anonymize it and sell it to advertisers in bundled packages, usually via a third party data manager. Think of these “bundles” as big, black boxes of mystery data—they contain records of online behavior for millions of individual customers, but when advertisers buy these bundles, they can't see any one person's information. It remains anonymized and unidentifiable. What they do see is that users who tend to visit *Site A* are also likely to visit *Site B*, while other users who frequent *Site C* may be particularly likely to browse *Site D*.

## So Wait... What Actually Changes?

Effectively not that much. ISPs will continue to collect their customers' data and sell it to third parties in bundles. In the future, we could see a world where ISPs sell information directly to advertisers themselves, rather than through intermediaries. This may happen if the ISP wants more control over the transaction. In this scenario, advertisers may be able to acquire this data more affordably, but until we have a better sense of exactly how ISPs plan to sell their data in the future, we can't be certain.

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Although the repeal of the Obama-era legislation does technically make it less of a hassle for ISPs to gather and sell customer data, the Telecommunications Act of 1996 makes it illegal to share someone's individual and identifiable actions or information. So advertisers will still not be able to buy an individual's personal, identifiable data from an ISP anytime soon. On top of that—and to the extent consumers have a choice in their internet service provider—paying customers won't be too keen on purchasing internet services from an ISP that they know tracks and sells their individualized data. ISPs know this, and it's the reason Comcast even went so far as to publically announce that they are opting not to sell their broadband customers' individual web history.

## Where Do Healthcare Marketers Go From Here?

Just because this recent legislation didn't reshape the marketing landscape doesn't mean you have to stay stagnant. There are many different strategies and tactics a brand can leverage to improve its advertising performance. Heartbeat's Engagement Strategy team is focused on this mission day in and day out—developing strategies to build highly engaged segments and leveraging unique media tactics to find and serve the right message at the right moment. Drop us a line to discuss further at [marketing@heartbeatideas.com](mailto:marketing@heartbeatideas.com).

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## About Heartbeat

Founded in 1998, Heartbeat is the digitally-native, full-service, Consumer & HCP AOR leader for Challenger Brands. Challengers are brands that are breaking new ground or entering highly competitive environments and thus need a decidedly different approach to breakthrough and have market impact. We help brands overcome the odds and exceed their business goals by outsmarting, outworking, and outperforming the competition with unexpected strategies, daring creative, innovative solutions, faster processes, and a scrappy mentality.

Our experience spans both Consumers and Healthcare Professionals, and runs the gamut of therapeutic categories with particularly rich expertise in oncology, immunology, cardiology, endocrinology, neurology, and women's & men's health.

Heartbeat is comprised of nearly 200 employees between our offices in midtown Manhattan and Santa Monica, California. And as a proud member of Publicis Health, we are also connected to over 60 offices and 5,000 employees worldwide.

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