



Google Ties Into Mastercard Data; Amazon Looks to Snare Advertising

The latest story about Google, the globe-straddling behemoth that [accounts for more 90 percent of the Internet searches](#) conducted every day, divulges just how much power that company wields, and just how careful we ought to be.



Yes, it can track your every move through your smartphone, and tell you how you just walked and where.

Yes, it places ads on the web pages you visit based upon online purchases, or even upon your searches. And yes, it can track whether an ad pushed you to purchase something at the store.

Data Bought From Mastercard

Google gets that last piece of information from data it purchased from Mastercard, [BloombergQuint revealed](#) last week. “For the past year, select Google advertisers have had access to a potent new tool to track whether the ads they ran online led to a sale at a physical store in the U.S,” BloombergQuint reported. “That insight came thanks in part to a stockpile of Mastercard transactions that Google paid for.”

But most of the two billion Mastercard holders aren’t aware of this behind-the-scenes tracking. That’s because the companies never told the public about the arrangement.

Alphabet Inc.’s Google and Mastercard Inc. brokered a business partnership during about four years of negotiations, according to four people with knowledge of the deal, three of whom worked on it directly. The alliance gave Google an unprecedented asset for measuring retail spending, part of the search giant’s strategy to fortify its primary business against onslaughts from Amazon.com Inc. and others.

But the deal, which has not been previously reported, could raise broader privacy concerns about how much consumer data technology companies like Google quietly absorb.

Not everyone is happy about the arrangement, to say the least, because of privacy concerns. “People don’t expect what they buy physically in a store to be linked to what they are buying online,” Christine Bannan, a counsel with the advocacy group Electronic Privacy Information Center (EPIC), told BloombergQuint. “There’s just far too much burden that companies place on consumers and not enough responsibility being taken by companies to inform users what they’re doing and what rights they have.”

Although Google paid handsomely for the data in the millions of dollars, a spokeswoman for the tech titan says it can’t see a user’s “personally identifiable information,” and that “we do not have access to any personal information from our partners’ credit and debit cards, nor do we share any personal information with our partners.”

And a Google user “can opt out of ad tracking using Google’s ‘Web and App Activity’ online console.”

Frighteningly, [BloombergQuint reported](#), the service, called “Stores Sales Management,” gives Google access to about 70 percent of American credit and debit cards, which could mean one of two things.



Written by [R. Cort Kirkwood](#) on September 5, 2018

That 70 percent could mean that the company has deals with other credit card companies, totaling 70 percent of the people who use credit and debit cards. Or it could mean that the company has deals with companies that include all card users, and 70 percent of those are logged into Google accounts like Gmail when they click on a Google search ad.

That means Google knows, Bloomberg reported, what you look at and whether you bought it. “The result is powerful,” [BloombergQuint rightly observed](#). “Google knows that people clicked on ads and can now tell advertisers that this activity led to actual store sales.”

The program is meant to boost Google’s ad business, of course, which has grown about 20 percent annually, hitting \$95.4 billion in 2017.

But here’s the problem. Despite Google’s smashing success, “investors have worried how long that can last.”

That is driving some of them to Amazon.

Amazon Looks to Battle Google, Facebook

“Many major advertisers are starting to funnel more spending to rival Amazon, the company that hosts far more, and more granular, data on online shopping,” BloombergQuint reported.

[The New York Times confirmed](#) that fact in its own report about online advertising: “Amazon Sets Its Sights on the \$88 Billion Online Ad Market.”

Noting that consumers can see ads for Verizon “blazing across Amazon’s home page,” the *Times* reported that the online retailer is aggressively pursuing advertising and “rapidly emerging as a major competitor to Google and Facebook.”

How did that happen, given that Amazon’s business is online retailing to the tune of about \$235 billion annually?

“In the company’s most recent financial results, it was a category labeled ‘other’ that caught the attention of many analysts,” [the Times reported](#). “It mostly consists of revenue from selling banner, display and keyword search-driven ads known as ‘sponsored products.’ That category surged by about 130 percent to \$2.2 billion in the first quarter, compared with the same period in 2017.”

Though Google and Facebook collect about half of the \$88 billion spent for online advertising, the challenge from Amazon could be daunting, the *Times* observed, because “it can put ads in front of people when they are more likely to be hunting for specific products and to welcome them as suggestions rather than see them as intrusions.” Example? “During a search for “laundry detergent” on Amazon’s site, an ad for Tide and Gain popped up.”

Thus, manufacturers and other advertisers would naturally want to shift their buys to Amazon, where they know the ads will be properly displayed and then seen, rather than rely on Google or Facebook, the *Times* notes, where an ad might pop up anywhere, possibly next to something unsavory.

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