

MARKETING

Do not slow digital's growth

April 23, 2018



Daniel L. Jaffe is group executive vice president for government relations at the Association of National Advertisers

By **Dan Jaffe**

Subscribe to **Luxury Daily**
Plus: just released
State of Luxury 2018 **Save \$246 ▶**

Newsflash: the digital economy is growing extraordinarily rapidly. Not surprisingly, this reality is something most people already understand and take for granted. What many people may not be aware of is the magnitude of this growth and how it contributes to our nation's overall economy.

The Bureau of Economic Analysis (BEA), a part of the U.S. Department of Commerce, carefully explored these questions and provides some important answers in a new working paper titled "[Defining and Measuring the Digital Economy](#)."

The BEA's main finding is that the digital economy is one of the fastest-growing sectors in the U.S. Between 2006 and 2016 it grew at an average rate of 5.6 percent per year, far higher than the overall economy's average annual rate of growth of just 1.5 percent.

The digital sector, in fact, accounted for 6.5 percent, or more than \$1.2 trillion, of the over \$18.6 trillion of current-dollar GDP. In 2016 alone this growth generated 3.9 percent of total U.S. employment, or 5.9 million jobs.

As Bret Swanson importantly points out in a recent blog post, "[How to measure the digital economy — and close the massive information gap](#)," although the BEA utilized a very broad definition of "digital," it could not include every item that met their criteria.

This gap was due to a lack of detailed available data in regard to some categories and difficulty in capturing some goods and services that may be only partially "digital."

Key technologies like the explosively growing Internet of Things (IoT) were not included, as well as many large advertising-based Web services. Therefore, the BEA's findings likely significantly underestimate the true impact of the digital sector on the economy.

U.S. companies continue to be the clear leaders in the worldwide digital economy. Consequently, we should be extremely careful to avoid any proposed steps that could hobble or undermine this sector.

Yet now, in light of the revelations about Cambridge Analytica's serious misuse of broad categories of Facebook data, many in Washington and state capitals are clamoring for major new restrictions on data collection and online

interest based advertising.

Currently, advertising overwhelmingly provides the **financial underpinning** for the vast majority of free content online and in mobile media. These developments have enhanced the core American values of democratizing knowledge and information access.

In addition, advertising support for the Internet and mobile has helped create an international marketplace that provides the greatest level of ease of access, entry and competitiveness in history.

Advertisers know, however, that these benefits can only be sustained if they furnish strong and effective privacy protections to consumers. This is why ANA and others in the ad community have worked relentlessly to provide consumers with meaningful notice and choice about their online privacy preferences through the **Digital Advertising Alliance (DAA)** privacy self-regulatory program.

The DAA privacy choice icon has become nearly ubiquitous on the Internet and mobile, with it being served more than a trillion times a month.

Consumers clicking on the icon are taken to the privacy choice site (aboutads.info) where they can choose whether or not to receive targeted interest based ads. There have been more than 68 million visits to this privacy choice site.

While millions have opted out, the vast majority of consumers continue to accept receiving interest based advertising clearly understanding the benefits of relevant advertising tailored to their needs.

WE PLEDGE to continue to strengthen this program to assure that consumers can easily exercise meaningful choice to protect their privacy.

*Dan Jaffe is executive vice president of government relations at the **Association for National Advertisers**, Washington. Reach him at djaffe@ana.net.*

© Napean LLC. All rights reserved.

Luxury Daily is published each business day. Thank you for reading us. Your **feedback** is welcome.