# **Meta**

Meta's Consumer Profiling Techniques Digital Markets Act

> NON-CONFIDENTIAL PUBLIC OVERVIEW

> > 6 March 2024

# Overview of consumer profiling techniques at Meta

Pursuant to Article 15 of Regulation (EU) 2022/1925 ("**Digital Markets Act**" or "**DMA**"), Meta must submit to the European Commission an independently audited description of any techniques for profiling of consumers that Meta applies to or across its core platform services ("**CPS**") within the <u>European Region</u>.<sup>1</sup> Additionally, Meta must make publicly available an overview of the audited description. This document contains Meta's publicly available overview of the audited description provided to the European Commission on 6 March 2024.

# 1. Introduction

On Facebook, Instagram, Facebook Messenger and Facebook Marketplace (the "Services"), providing a valuable and relevant user experience is the service Meta offers to consumers. This experience is showing content to consumers, and delivering ads to consumers, that are uniquely personalised to them. Consumers agree to receive this personalised experience when they contract to use the Services. This service offered is described in the <u>Terms of Service</u> for Facebook and the <u>Terms of Use</u> for Instagram. The Terms of Service cover the use of Facebook and other Meta Products, including Facebook Messenger and Facebook Marketplace.

Whilst all consumers will see content shown to them on the Services, some consumers will not see advertisements on the Services, as they may have chosen the <u>Subscription for No Ads</u> service (**"SNA**"). While consumers are subscribed, their information will not be used for ads.

# 2. Consumer profiling techniques and how they underpin the Services consumers know and enjoy

In order to achieve this individualised and personalised experience, Meta carries out a number of steps in order to achieve the profiling purposes of showing content, or delivering an ad (if ads are shown), that aims to be interesting, valuable and relevant to the consumer who sees it. The steps carried out to achieve these profiling purposes are referenced in this overview as the "consumer profiling techniques".

These consumer profiling techniques underpin the personalised service offered to consumers. Without the consumer profiling techniques, people's <u>Feed</u> could be flooded with content they don't find as relevant or interesting, which would then bury the content they are most interested in and/or from the people they're closest to. Meta would not be able to provide the stated service

<sup>&</sup>lt;sup>1</sup> Meta's DMA Core Platform Services are: Facebook, Facebook Messenger, Facebook Marketplace, Instagram, WhatsApp, and Meta Ads. See, Commission decision of 5 September 2023 designating Meta as a gatekeeper pursuant to Article 3 of Regulation (EU) 2022/1925 of the European Parliament and of the Council on contestable and fair markets in the digital sector.

offered to help consumers find and connect with people, groups, businesses, organisations and others that matter to them across the Meta Products that they use. Personalisation is also carried out in a way that responds to <u>people's direct feedback</u>. Meta uses machine learning models ("**ML models**") as a key element in carrying out the consumer profiling techniques, specifically to tailor the relevant parts of the Services in order to offer a uniquely personalised experience for consumers.

# 2.1 Showing content

Meta shows content to consumers on the Services that is individually personalised for each consumer such that no one person's experience of the Services is the same. The focus is on presenting content, which is likely interesting, relevant and valuable to the specific consumer, in line with the service they agreed to receive. This can include personalising content the consumer chooses to see (such as status updates, photos, videos and other content from profiles, accounts, pages and groups that they follow or are otherwise connected to) and suggested or recommended content (in other words; content which consumers are not directly connected to, like accounts and entities which the consumer does not already follow).

Content shown on Facebook must comply with, amongst other policies, the <u>Community</u> <u>Standards</u> and on Instagram with the <u>Community Guidelines</u>. Additionally, content on Facebook Marketplace must comply with Meta's <u>Commerce Policies</u>.

The consumer profiling techniques that Meta uses to show content to a consumer are broadly similar across the Services. They are used primarily to determine (i) what to show a consumer on the Services, and (ii) in what order it is shown to that consumer:

#### Inventory

Meta gathers the available inventory that a consumer is eligible to see on the Services. This can include, for example, available posts, videos, reels or stories.

# Signals

Meta gathers the available signals to be processed in order to make the prediction about what the consumer will likely find most relevant and valuable to them. This includes, for example, things like signals about post type (e.g., text, video, photo); who posted it (e.g., friend, group, people, Page with whom the consumer commonly interacts, for example); consumer engagement (e.g., prior likes, comments or shares); popularity of post; and when it was posted.

#### Predictions

Using the available inventory and the available signals, Meta uses ML models to make predictions, typically focused on the likelihood that the consumer will find the content relevant and valuable.

#### Score

Based on the prediction ML models, a relevancy score is calculated. Based on these scores, content is selected and then ranked in a specific order for the consumer.

To see how the above consumer profiling techniques are applied to Facebook Feed, for example, please see the <u>Facebook Feed System Card</u> and examples in other system cards found <u>here</u>.

#### 2.2 Delivering advertisements

Depending on their choices, Meta delivers advertisements to consumers on the Services pursuant to the agreed service set out in the Terms, i.e., advertisements that they are presented with are more likely to be meaningful, relevant and engaging to them. Meta seeks to ensure that the advertisements consumers see are as relevant and valuable to the consumer as the other content they see on the Services.

Whilst the exact consumer profiling techniques differ between how content is shown and advertisements are delivered (if ads are shown) on the Services, both are based on the same primary consumer profiling techniques:

#### Inventory

Advertisements make up the available ads inventory. Ad requests, indicating that specific consumers have space available for new ads, are generated when consumers launch or refresh the Services. Before an ad request for a specific consumer is received, tens of millions of ads are continuously checked, ranked, and indexed to identify pools of ads eligible for delivery. These pre-request checking, ranking, and indexing processes narrow the pool of ads available for publication based on advertiser selections and inputs relating to ads and advertisers, such as image quality and past performance of other ads placed by the same advertisers, among other factors.

Eligible ads must also be in line with the <u>Community Standards</u> and the <u>Community Guidelines</u>, as well as the <u>Advertising Standards</u> and <u>additional policies</u>.

#### Signals

Meta considers a variety of different signals to determine what we call the "estimated action rate" (e.g., the likelihood that someone will engage with an ad), in accordance with the consumer's privacy settings. These signals may include user data points (such as some profile information users choose to share with Meta), ad data points (such as information related to ad content, ad creative, ad format, ad quality, and the advertiser's selections) and consumer interactions (which cover a broad range of activities, including interactions with both ads and content, like posts or pages).

## Predictions

Meta interprets those signals to make predictions about what might be relevant to that consumer, and/or how likely that consumer is to engage with a particular ad.

#### Score

Meta then uses those predictions to determine which ad is shown to the consumer (depending on the context), in order to deliver an experience that is uniquely tailored to reach each particular consumer every time they visit the Services.

Further to the four steps described above - which are similar to how Meta shows content - there are additional factors for delivering ads unrelated to how Meta shows content, such as targeting parameters (audience selections) selected by advertisers and the ads auction process that are relevant to the delivery of advertisements and which do not apply to showing content, and which are also consumer profiling techniques for the purpose of delivering advertisements:

# Audience eligibility

Advertisers can identify certain targeting parameters (e.g., age, gender, location, predicted interests) to determine the audience that is eligible to see an ad campaign. These parameters must strictly comply with the <u>Advertising Standards</u> and <u>additional policies</u> that may apply to ads.

#### Ads auction

Ads that win ad auctions are integrated with content and queued up for delivery on Facebook or Instagram, for example in the consumer's Feed. The number of ads that are queued up for delivery to a particular consumer varies based on factors including the consumer's activities, real-time country demand, and pricing caps, among others. The delivery mechanism then conducts final placement and pricing checks and displays one or more of the queued ads, depending on how far the consumer scrolls, whether the user closes out, or whether the user has recently hidden ads from the same advertiser, which would cause an ad to be removed from the queue before it can be delivered. Further information on the auction process is found <u>here</u>.

# 3. Personal data used for the consumer profiling techniques

Meta's ML models are designed to optimize for the selection of content or ads that are likely to be the most relevant and valuable to any given consumer in any of the given Services. As a result, different parts of the Services (depending on what the profiling purpose is) may rely on different inventory, signals, predictions, and scores as a means of achieving the goal that consumers see content and advertisements that are likely the most relevant and valuable to them. To ensure that the consumer receives the highest quality experience, Meta collects and processes personal data from consumers in order to carry out the consumer profiling techniques. These personal data categories are outlined and communicated to consumers under the <u>Meta Privacy Policy</u>.

# 4. The retention of personal data

Meta retains information for as long as required to provide the Services, comply with legal obligations or to protect its or other's interests. Meta decides how long it needs to retain information on a case-by-case basis considering the following:

- If Meta needs it to operate or provide the Services. For example, Meta needs to keep some user information to maintain the user's account.
- The feature that Meta uses it for and how that feature works.
- How long Meta is required to retain the information to meet certain legal requirements, for example a legal request, a government investigation or litigation.
- If Meta needs it for other legitimate purposes, such as to prevent harm; investigate possible violations of its terms or policies; promote safety, security and integrity; or protect itself, including its rights, property or products.

In some instances, and for specific reasons, Meta will keep information for an extended period of time. For further information, please see the <u>Meta Privacy Policy</u> which outlines Meta's retention practices.

# 5. Consent and the legal basis for the consumer profiling techniques

Meta relies on a number of different legal bases under the General Data Protection Regulation ("GDPR") to process personal data for different purposes, all of which are set out in detail in the <u>Meta Privacy Policy</u> or other supplemental policies as applicable.

To address the requirements of DMA, Meta offers the ability for consumers to choose how they would like to manage their experience across the Services. Further information on these choices is provided in Meta's Newsroom post about <u>Offering People More Choice on How They Can Use Our</u> <u>Services in the EU</u>.

For more information on Meta's consent controls for cookies and similar technologies see Meta's <u>Cookies Policy</u>, and for more information on the user-control in relation to activity from vendors, partners and other third parties see the <u>Meta Privacy Policy</u>.

# 6. Additional information and resources on the consumer profiling techniques

Consumers are made aware of these consumer profiling techniques (that is, that they will be shown content in a personalised way, and that Meta funds the Services either by showing advertisements (if ads are shown) or through subscriptions) in the agreement between the consumer and Meta in the <u>Terms of Service</u> for consumers when using Facebook, Facebook Messenger and Facebook Marketplace, and <u>Terms of Use</u> for consumers when using Instagram.

The processing of personal data is an important element of how the consumer profiling techniques are carried out, and consumer understanding of how their personal data is processed is critical to ensure that consumers understand the service they are choosing to receive and how it will be provided to them relative to the collection and use of their personal data. For this reason, Meta provides the <u>Meta Privacy Policy</u> and other applicable supplemental policies, which details, amongst other things, how personal data is collected and used for showing content and delivering ads (if ads are shown).

In addition to the above, there are many resources that Meta provides to ensure that consumers understand the Services they are receiving, including any controls or actions that they may be able to take to alter that service provision. The following is a non-exhaustive overview of some of the publicly-facing resources available that describe aspects of the service offerings, particularly around personalisation of both content and ads:

- Public System Cards
- Help Center Articles
  - Facebook, Facebook Messenger, Facebook Marketplace
    - How Feed Works
    - See and manage Favorites on your Facebook Feed
    - See the most recent posts in your Feed on Facebook

- What kind of posts will I see in Feed on Facebook?
- See and adjust your Facebook Feed preferences
- <u>Control what you see in Feed on Facebook</u>
- Reels on Facebook
- Watching Reels
- How do I see someone's story on Facebook?
- Search
- Broadcast channels
- <u>Community Chats</u>
- Privacy and safety in broadcast channels on Messenger
- <u>Control your privacy on Messenger</u>
- How Marketplace Works
- Hide my Facebook Marketplace listings from my friends
- <u>Change the location of your Facebook Marketplace listings</u>
- Instagram
  - How to See More of What You Want on Instagram
  - How Instagram Feed Works
  - Search and Explore
  - Reels
  - <u>Stories</u>
- Advertisements
  - Your Ad preferences and how you can adjust them on Facebook
  - Ads on Instagram
  - How does Facebook decide which ads to show me?
  - How Facebook ads use machine learning
  - About Instagram ads

- Control the Ads You See
- What can I do if I see an ad I don't like on Instagram?
- <u>Good Questions, Real Answers: How Does Facebook Use Machine Learning</u> to Deliver Ads?
- Understand Why You're Seeing Certain Ads and How You Can Adjust Your Ad Experience

In addition, there are in-product controls such as showing more, showing less, hiding or reporting, as well as snoozing, unfollowing, or hiding all in relation to content and advertisements that a consumer can exercise as applicable or relevant to the specific context with regard to their personalised experience on the Services.

## 7. Further choices and options available in how consumers choose to use the Services

Meta offers considerable flexibility to consumers in how they choose to use the Services, particularly with options on Facebook and Instagram that can be navigated to in order to receive an experience that is not personalised specifically to them. For example, on Facebook, consumers can see the most recent content from those a consumer follows, including friends, groups and pages in their Feeds tab. For further information on these experiences, see information in Meta's <u>Public System Cards</u>.

Further, SNA provides consumers with the ability to receive the Services without Meta using their information to show them ads.

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