

Privacy by design:

exceeding customer

expectations

CONTENTS

BACKGROUND	03
ABOUT THE RESEARCH	05
WHY GETTING PRIVACY RIGHT MATTERS	09
“Social pressure” to care about privacy	10
People need reassurance through honesty and clarity	11
THE KEY FINDINGS	
1 MAKE IT MEANINGFUL	12
What is meaningful marketing?	12
The value exchange	13
Privacy/value trade-offs	13
Clearly communicating value	15
Relevant and timely messages	16
2 MAKE IT MEMORABLE	18
Prioritise conscious data sharing	20
Remind people of their choices	20
3 MAKE IT MANAGEABLE	23
The “say-do” gap	24
Reaching the digital marketing sceptics	25
KNOW BETTER, DO BETTER	28
In summary	28
Establish the basics	29
Go beyond the basics	31
Final thoughts	32
APPENDIX	33
Personalised Services Study: Automating the Consumer Experience	33
Data Privacy Study: Consumer Model of Data Privacy	34
Data Ethics Study: Data Ethics and Effectiveness	35
Personalised Services Deep Dive	36
Data Privacy Deep Dive	38
Responsible Marketing Deep Dive	39

BACKGROUND

Marketers are used to adapting to changing consumer preferences. But now they must address one of the most significant shifts in the relatively short history of digital advertising.

The current approach to user privacy stems from the mid 1990s and the technical realities of that era. Its adoption by marketers led to a happy coincidence that provided more insight into their target audience. Nobody thought much about the requirements and preferences of the consumer – including consumers themselves – and this changed little in the first decade of the 21st century.¹ But more than 25 years later, this model is no longer sustainable, and its shortcomings are all too clear.

An ageing approach to privacy and the frequency with which people encounter – or perceive – bad marketing practices, has led to a general scepticism toward brands' data-handling behaviours. This scepticism, coupled with rapid technological changes, measurement challenges, and a constantly evolving regulatory environment, has marketers struggling to navigate a landscape that previously served them very well.

There are simple dos and don'ts – and we will cover these in this report – but a long-term solution requires new approaches to customer relationships, data collection, and building digital experiences.

So where next?

A key tenet of marketing is that **the better you understand your customers, the better you can market to them**. This applies as much to their purchasing habits as it does their privacy needs. To gain a solid foothold in an era of shifting sands, marketers need to uncover more about people's attitudes to privacy so they can proactively exceed expectations.

Regulators are also tracking this issue, and new privacy regulations are coming into force to protect consumers. It is tempting for marketers to view these as impediments to precision and performance, but forward-thinking CMOs are well placed for agility here. To get ahead of these changes, they can act quickly, comprehensively, and in a manner that precisely suits their business.

“To gain a solid foothold in an era of shifting sands, marketers need to uncover more about people's attitudes to privacy so they can proactively exceed expectations.”

The ideal outcome is data handling that is focused on exceeding customer expectations rather than just meeting legal requirements. This should put businesses on the front foot for future changes – and delight customers in the process.

People's privacy online is more important than ever, and as marketers, we have a responsibility to uphold their rights to it.

ABOUT THE RESEARCH

To explore the future of online privacy in digital marketing, Google commissioned Ipsos to conduct studies across the U.K., France, Germany, the Netherlands, and Sweden to inform a neutral and consumer-led point of view. The analysis also includes insights from wider studies by Ipsos, including its latest Global Trends work.² Together, Google and Ipsos wanted to understand consumer preferences to develop a long-term road map to help marketers put privacy first.

This report consists of three main sections:

- 01** This introduction, written by **Google**
- 02** A presentation of the research findings and their implications, written by **Ipsos**
- 03** Recommendations for marketers, written by **Google**

The new insights we uncovered allow marketers to go beyond minimum legal requirements and do what's right by their customers. We hope this report gives marketers the tools they need to create future-ready experiences that are private by design and respectful of customers' often complex, nuanced, and context-driven attitudes.

It's easy to assume an inherent conflict between privacy and performance; between customer preference and advertisers' desire for return on investment – but that's not what the research by Ipsos uncovered.

We saw a complex set of reactions from consumers, as well as new insight into best practices. Most interestingly, we observed fascinating tensions at the heart of people's attitudes to online advertising – contradictions between what they say and do, and contradictions between how they want brands to behave and how they react emotionally to tailored ads.

Make it meaningful

What's in it for the customer?

People will voluntarily share their data with companies that demonstrate a clear value proposition. Marketers can respond by clearly communicating the value of an exchange to *the customer* and anticipating their customers' needs with relevant and timely messages.

Make it memorable

Conscious permission is a valuable thing

People have a limited understanding of how online privacy works, and that affects the way they feel about advertising. But when they remember the choices they have made about data sharing, they have more positive responses.

Make it manageable

People expect a sense of control

When people feel they lack control over their personal data, they can become sceptical of digital marketing. Marketers should provide the tools and information customers need to manage their privacy.

So why does getting privacy right matter? Because it's a cornerstone of a free and open internet. Simply put, getting privacy right can be the differentiator between a good and a bad experience for a consumer, and is therefore vital for the future of any business. The research indicates that people have a sense of what ethical marketing should involve, but they don't always see these expectations reflected by brands. This leads to disengagement and scepticism, which brands can counter by applying some basic principles of honesty and clarity.

The Ipsos research



Ipsos worked with Google to deliver three large quantitative studies in Europe:

Personalised Services Study: Automating the Consumer Experience

An online survey conducted in 2019 of 1,000 participants per market aged 18-65 across four European markets (U.K., Germany, Sweden, and the Netherlands) to understand the perceived impact of personalised services.

Data Privacy Study: Consumer Model of Data Privacy

An online survey conducted in 2021 of 1,000 participants aged 20-65; a representative sample of the population of the Netherlands who are online at least a few times a week.

Data Ethics Study: Data Ethics and Effectiveness

An online survey conducted in 2021 of 7,200 participants aged 18-70 across four European markets (U.K., Germany, France, and the Netherlands). This study uses an experimental quantitative approach to model and map claimed versus actual behaviours. Participants were split into two groups – 1,500 participants per market answered about ethics and 300 participants per market answered about effectiveness.



The Ipsos research

Ipsos also led in-depth qualitative work in three markets (U.K., Germany, and the Netherlands). This included:

Personalised Services Deep Dive

Ethnography exploring the impact of personalised services; spending half a day with four participants in Greater London (U.K.) and two in Hamburg (Germany) in 2019. Participants were at various life stages (pre-children, with children, and empty nesters) and users of common technologies such as smartphones and smart speakers.

Data Privacy Deep Dive

In-depth interviews exploring data privacy in the Netherlands in 2020. Ipsos spoke to 12 participants aged 25-68, all of whom were online shoppers with medium digital-literacy levels.

Responsible Marketing Deep Dive

A multi-method qualitative study in the U.K. to explore the concept of responsible marketing. Ipsos recruited 14 participants aged 18-60 with a mix of digital-literacy levels, using an iterative approach including individual interviews, self-led data audits, and group discussions. The study, which took place in 2020, took participants on a journey of discovery about the mechanisms of personalisation and data privacy.

This report outlines a synthesis of the findings, combining analyses from all these studies. You can find more methodological detail of each study in the appendix on page 33.

WHY GETTING PRIVACY RIGHT MATTERS

For marketers, while there are great rewards to being privacy-first, the consequences of getting it wrong are correspondingly troubling. Brands who don't give privacy the attention it deserves risk losing the trust and respect of their customers.

What we saw from our qualitative "Responsible Marketing Deep Dive"³ is that people are sceptical of personalised marketing. When internet users see personalised marketing, they can often view it as mysterious, confusing, or even creepy. They may also view it as unethical and without value, according to participants in the study. For those people to see value in marketing, they need to feel that their data has been used wisely and ethically, and that brands are using it to provide them with individual benefit. The qualitative findings from the same study also revealed that customers have limited patience with brands that offer a poor experience — even brands they like.

According to our research, what consumers want goes beyond what marketers might expect. The qualitative findings from the participants in the “Responsible Marketing Deep Dive”⁴ indicate that ethical marketing may involve such fundamentals as:

- not losing or selling customer data
- only collecting the necessary information for a given purpose
- giving people control over their data sharing

The research also reveals more advanced expectations, which are harder for marketers to deliver, such as:

- being clear about which data a company uses to deliver its experiences
- justifying that data usage in delivering value to the customer
- intelligently responding to the various contexts or moments in a customer journey

This is an incredibly complex landscape. When navigating it, marketers must consider gaps in people’s awareness and how these affect behaviour and attitudes. Without proper knowledge, people need reassurance that marketers have their best interests at heart.

“Social pressure” to care about privacy

Interestingly, in the U.K. and the Netherlands, where we have focused some of our research, we found qualitatively a sense that data privacy is something that people should care about, even if they do not in practice. There is a social pressure here: a concern that people will be judged as naive if they do not show concern, even when they cannot pinpoint why or what it is they should be worried about. This can lead to feelings of guilt or shame that they are not doing more to change this. There is also a real sense of mental fatigue around this issue, which is backed up by some of our quantitative work. Indeed, three in five (60%) of those we spoke to in the Netherlands aged 18-65 told us they felt tired of caring about managing privacy in an online environment, according to the “Data Privacy Study”.⁵ While many are disengaged, some feel emotionally drained – they simply want the problem to go away. Compounding this is cynicism and declining enthusiasm (in other words, wanting to ignore the issue) and, for a few, a feeling of helplessness.

⁴ Ipsos, U.K., Responsible Marketing Deep Dive, 2020.

⁵ Ipsos, the Netherlands, Data Privacy Study: Consumer Model of Data Privacy, 2020.

People need reassurance through honesty and clarity

People fundamentally want brands to be honest. As the quantitative “Data Ethics Study” has shown, for key markets across Europe (the U.K., France, Germany, and the Netherlands), participants claim to prefer to buy from companies that are honest about what personal data they collect and why. This is especially true of people who are sceptical overall – who are more likely to purchase from brands they perceive to be honest.⁶

Given people’s general lack of awareness and understanding, the mechanisms that companies use to communicate about data privacy need to be clear and reassuring. For example, the “Responsible Marketing Deep Dive” suggests that for tailored marketing to feel ethical, ads must feel predictable. This means following a perceived logical pattern of interactions between a brand and a customer – one that reflects experiences that people have had previously. Anything out of the ordinary can be off-putting.⁷

“There is an expectation that brands should act responsibly by educating, empowering, and enabling people to take control over their data.”

There is an expectation that brands should act responsibly by educating, empowering, and enabling people to take control over their data. This includes easy-to-use tools to manage and review data at any point, and opportunities to customise preferences such as frequency of communication and opting out of categories. When participants in the “Responsible Marketing Deep Dive” felt they could take their time and willingly give information, they felt far more comfortable with the collection of data.⁸

⁶ Ipsos, U.K., Germany, France, the Netherlands, Data Ethics Study: Data Ethics and Effectiveness, Part 1 – Ethics (n=6,000), 2021.

⁷ Ipsos, U.K., Responsible Marketing Deep Dive, 2020.

⁸ Ibid.



MAKE IT MEANINGFUL

In the minds of consumers, expectations for marketing are high. Overall, from our research, we find that people ultimately want experiences that feel valuable to them as *individuals*. Consumers are more comfortable sharing their data when they understand what's in it for them.

What is meaningful marketing?

When we ask people about what makes marketing effective, we consistently hear themes such as:⁹

- tailoring to their interests
- being there in the right moment
- saving them time or money
- in some cases, entertaining or educating them

According to “Ipsos Global Trends” – a global online survey across 22 countries – nine in 10 internet users aged 16-74 (91%) say they are more likely to shop with brands that provide offers and recommendations that are relevant to them.¹⁰

People expect companies to know them by understanding both their interests in general and their needs in a particular moment. We see this as a desire for a marketing experience that feels timely, relevant, and valuable to them.

To get to the crux of what consumers want from companies, though, it is important to clarify what people understand about how brands use their data.

The value exchange

The quantitative “Data Privacy Study” found that only 21% of our participants feel they have extensive knowledge of the information that is being collected about them.¹¹ When discussing what users believe happens in terms of data sharing online in our qualitative “Data Privacy Deep Dive”, there is no clear consensus on which types of data are collected, and participants in the study demonstrated relatively little understanding of the amount of data collected and duration it is kept for.¹²

We also hear qualitatively in the “Responsible Marketing Deep Dive” about a vague understanding that data is “used to make profits in some way”.¹³ Participants in the study indicated that they have a “sense” that certain data will be collected and, in some cases, shared, but they are unsure of exactly how that would work. Crucially, they do not see the value to them in this exchange.

Privacy/value trade-offs

From this deficit of knowledge and understanding, contradictory behaviours often arise. Our overall qualitative findings suggest people tend to rely on instinct and make a decision to share data to satisfy an immediate need, despite having a general desire not to share too much. For example, participants claimed they may break their own principles and choose to share data based on perceived value to them in a particular moment.

¹⁰ Ipsos, Global, Global Trends 2020, 2020.

¹¹ Ipsos, the Netherlands, Data Privacy Study: Consumer Model of Data Privacy, 2020.

¹² Ipsos, the Netherlands, Data Privacy Deep Dive, 2020.

¹³ Ipsos, U.K., Responsible Marketing Deep Dive, 2020.

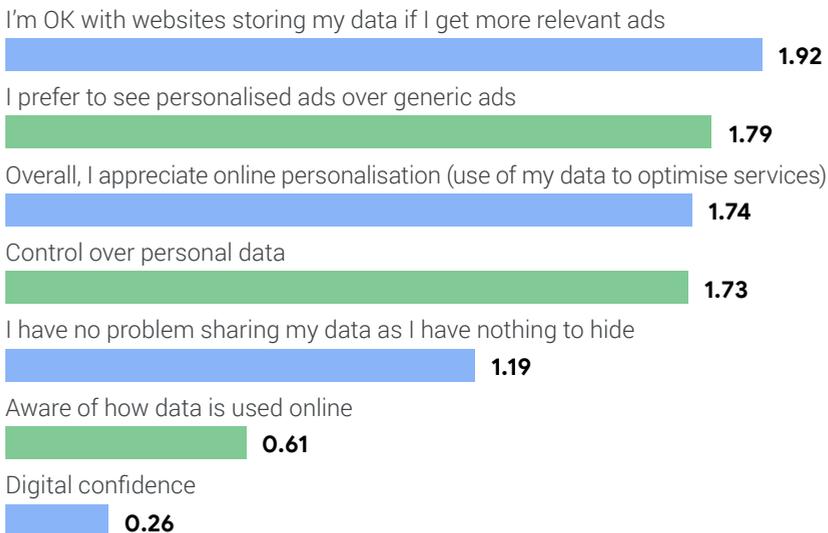
This contradiction is supported by the “Data Privacy Study”, which showed that, while almost all the participating internet users aged 20-65 (95%) were overall unwilling to provide certain personal information to an online company, five in seven (71%) had done so in practice, when it was necessary to complete a purchase or receive a service.¹⁴

The “Data Ethics Study” shows us that people want honesty from brands, but the study also reveals another unexpected tension. Seeing honest communication about how companies use personal data often makes people feel uncomfortable about tailored ads.¹⁵ Changing people’s attitudes and perceptions towards personalisation can make a difference. Brands should focus on building trust and consider how they communicate around privacy. As the “Data Ethics Study”¹⁶ shows, where participants have more positive attitudes towards data sharing, privacy, and personalisation, they find ads more relevant.

FIGURE 01

The impact of personal attitudes towards data sharing, privacy, and personalisation on ad relevance¹⁷

How to interpret the impact values: Holding all else constant, if 10% more people agree that they are “OK with websites storing their data if they get more relevant ads”, this corresponds to an increase of 1.92pp in the % of ads people deem relevant.



¹⁴ Ipsos, the Netherlands, Data Privacy Study: Consumer Model of Data Privacy, 2020.

¹⁵ Ipsos, U.K., Germany, France, the Netherlands, Data Ethics Study: Data Ethics and Effectiveness, Part 1 – Ethics (n=6,000), 2021.

¹⁶ Ibid.

¹⁷ Ibid.

Clearly communicating value

Despite the apparent complexity of this field, and the inherent tensions that have been uncovered, **marketers can take simple steps to increase consumer confidence and make people feel positive about the value a brand can offer.**

Relationships matter

Our studies suggest that goodwill goes a long way. When people like, trust, and endorse the ethics of a company, and have positive and enduring relationships, they are more comfortable sharing data. For example, we found in the “Personalised Services Study” that, if participants felt close to a brand, they were more likely to give the brand permission to show them valuable offers based on more detailed data.¹⁸

“When people like, trust, and endorse the ethics of a company, and have positive and enduring relationships, they are more comfortable sharing data.”

Unknown brands have to work harder

The “Responsible Marketing Deep Dive” found that participants were more likely to claim to scrutinise value when they come across marketing from brands they don’t know or haven’t used before.¹⁹ This suggests that for a brand to prove this value, it must make a potential customer feel that they have a strong need for a product or service. The same study shows that when people feel they are being offered a unique product or service, they tend to see the value in this and feel more comfortable sharing their data.

Alongside offering the personal benefits already mentioned (such as saving time, money, and effort), it is also worth considering that the better a company understands and anticipates its customers’ individual needs, the more positive they are likely to feel about the use of their data.

¹⁸ Ipsos, U.K., Germany, Sweden, the Netherlands, Personalised Services Study: Automating the Consumer Experience, 2020.

¹⁹ Ipsos, U.K., Responsible Marketing Deep Dive, 2020.

The “Responsible Marketing Deep Dive”²⁰ found that participants expected brands to open a dialogue (ideally) and get to know them as individuals, even before the brands work out what data they need in the long term. Participants in our qualitative studies assume this is a simple task, while marketers know this is not the case.

Alleviating concerns

Reassurance through framing can help mitigate feelings of helplessness and make it more likely for people to accept the value exchange. The “Data Privacy Study” found that when requests for personal data are framed positively (for example, “85% of other visitors on this site have accepted”), many (68%) in our test environment of the survey responded with increased engagement (for example, being more willing to complete a transaction). On the other hand, requests for information that go beyond what is expected from the website, such as providing a social security number, made 77% of people significantly more likely to feel helpless, unenthused, and unlikely to engage with a brand.²¹

Relevant and timely messages

The quantitative “Data Ethics Study” found that, among those surveyed, perceptions of advertising change depending on where internet users are in their purchase journey.²² The closer someone is to making a purchase, the more likely they are to perceive ads as relevant to them and have positive emotions after seeing them:

FIGURE 02

Ads at the purchase stage vs. exploration stage of the customer journey

↑ 12%

Increase in relevance

↑ 19%

Increase in positive emotion

²⁰ Ipsos, U.K., Responsible Marketing Deep Dive, 2020.

²¹ Ipsos, the Netherlands, Data Privacy Study: Consumer Model of Data Privacy, 2020.

²² Ipsos, U.K., Germany, France, the Netherlands, Data Ethics Study: Data Ethics and Effectiveness, Part 1 – Ethics (n=6,000), 2021.

This suggests that context directly corresponds to delivering meaningful marketing. To create impact, brands must be selective in the use of data, both to deliver an experience that feels ethical to customers and to deliver messaging at the moment of greatest impact.

In delivering value to customers, brands must consider what data they use to deliver marketing in specific contexts. People respond better to brands whose advertising reaches them at a relevant point in their customer journey, and conversely, are put off by brands whose advertising fails to do this.

The expectation, therefore, is for brands to deliver messages tailored to individual circumstances. So being there in the **right context and moment is key**. As participants told us during the qualitative “Responsible Marketing Deep Dive”, this means making the right judgment in each of the following three areas: ²³

- **Right use:** What data is appropriate in which circumstances?
How much personalisation feels right?
- **Right context:** What touchpoint? Is it suited to me or someone I live with, or to the brand?
- **Right moment:** What stage of purchase/use?
(research, post-purchase, etc.)

Example: Keep it relevant

In the “Responsible Marketing Deep Dive”,²⁴ a participant who was a regular customer at a sports retailer was frustrated that communications were too regular, too similar, and often contained irrelevant information. Purchases reflected their role as a football coach but information received referred to other sports. Given the information they had shared, the participant expected the company to know them and their interests, and get the marketing messages spot on every time.

²³ Ipsos, U.K., Responsible Marketing Deep Dive, 2020.

²⁴ Ibid.



2 MAKE IT MEMORABLE

Starting positions on data privacy vary (from laid-back to highly sceptical) but we find that it is a *general* concern for many people globally. The “Ipsos Global Trends” online survey shows that 73% of internet users aged 16-74 globally are concerned about how the information collected about them when they go online is used.²⁵

It is important to consider the impact here on brand perceptions and equity. The “Responsible Marketing Deep Dive” shows there is a low-level feeling that brands could be tricking people into sharing their data. This is especially the case when people feel they are forced to submit data to access a company’s offer.²⁶ For people with low levels of data awareness, when data is collected without conscious permission, tailored advertising can lead to a decrease in brand equity, according to the “Data Ethics Study”.²⁷

²⁵ Ipsos, Global, Global Trends 2020, 2020.

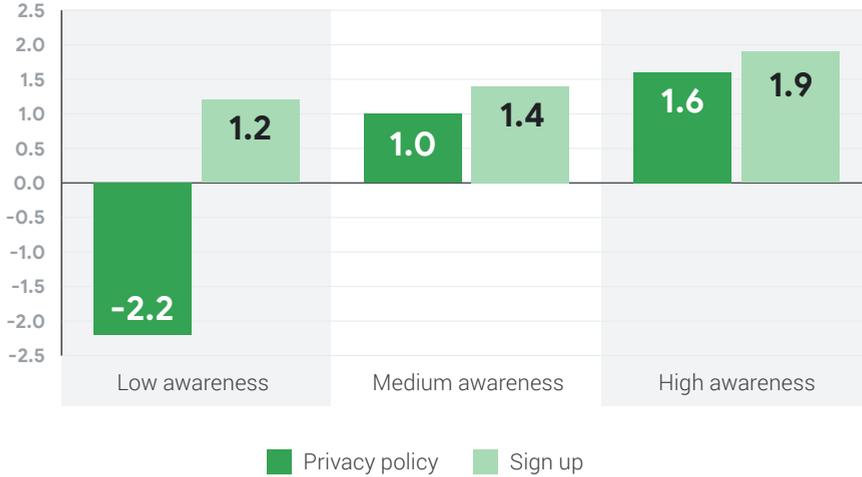
²⁶ Ipsos, U.K., Responsible Marketing Deep Dive, 2020.

²⁷ Ipsos, U.K., Germany, France, the Netherlands, Data Ethics Study: Data Ethics and Effectiveness, Part 2 – Effectiveness (n=1,200), 2021.

FIGURE 03

Impact on brand equity by method of data collection

By level of subjects' data awareness



These feelings and expectations often stem from a lack of knowledge and understanding. “Ipsos Global Trends” found three in four internet users surveyed (76%) aged 16-74 globally don’t appear to know their rights when it comes to how companies handle their personal information.²⁸ As a starting point, therefore, brands can assume that customers have a partial understanding built on second-hand knowledge, media coverage, and personal assumptions.

“Three in four internet users surveyed aged 16-74 globally don’t appear to know their rights when it comes to how companies handle their personal information.”

The qualitative findings from the participants in the “Responsible Marketing Deep Dive”²⁹ also indicate that a lack of awareness, and disillusionment around how things work, may mean many don’t know where to start to educate themselves. Our participants tell us that they don’t feel in control of their data privacy, which they often attribute to a fear of unknowns: not knowing what data is being stored, and not knowing how it is going to be used. Specifically, users experience a lack of control over what happens after data has been shared initially, meaning there is often lingering uncertainty about the implied duration of permission.

Prioritise conscious data sharing

As our studies have shown us, given the delicate and complex relationship people have with online privacy, it is very easy to confuse, disorientate, and alarm potential customers. People want the data they share to be secure and not shared with others. They also want to retain control over their data and expect brands to be transparent about how they use it. Clearly reflecting these preferences back to users and showing them how their choices affect the marketing they see is an important step.

The chances of customers tolerating a blip are finite, and patience runs out quickly. As participants in the “Responsible Marketing Deep Dive”³⁰ told us, this can lead to disengagement or rejection of a brand they previously had a good relationship with.

Remind people of their choices

Brands can have more positive impact by making a point of reassuring customers on how their data is being used, and by making it easier for people to recall what they agreed to share. The quantitative “Data Ethics Study” across four markets in Europe supports this — those who consciously agree to share their data are more positive about ads presented to them and find them more relevant.³¹

²⁹ Ipsos, U.K., Responsible Marketing Deep Dive, 2020.

³⁰ Ibid.

³¹ Ipsos, U.K., Germany, France, the Netherlands, Data Ethics Study: Data Ethics and Effectiveness, Part 1 — Ethics (n=6,000), 2021.

FIGURE 04

Ads when respondents accept all **cookies** vs. **mandatory cookies**

↑4%

Increase in relevance

↑6%

Increase in positive emotion

Ads when respondents' data is **consciously shared** vs. **collected via cookies**

↑7%

Increase in relevance

The participants we spoke to in the survey who remembered accepting all cookies also had a more positive emotional reaction to the ads presented to them than those who accepted only the essential ones.

From this, we can infer that helping people remember and manage their data can help reduce the negative emotional response – an assertion supported by our qualitative work in the “Responsible Marketing Deep Dive”.³² When participants in this study felt they were given an honest and well-considered choice, they experienced the permission as more authentic.³³ This suggests that reminding people of the choices they previously made provides reassurance and is important to making customers feel good about a brand and its ethics.

³² Ipsos, U.K., Responsible Marketing Deep Dive, 2020.

³³ Ibid.

We also wanted to understand the long-lasting effects of advertising on brands. We used the Ipsos brand equity measurement system, which has been widely validated across multiple product categories and verticals, and is known to be highly correlated with actual market shares, to quantify the impact of privacy on marketing effectiveness.

In the quantitative “Data Ethics Study”,³⁴ we tested whether data shared voluntarily when creating an account leads to more effective campaigns. For retail and telecommunications (although not for financial services) we saw a higher uplift in brand equity and a greater likelihood of increased ‘market share’. This is in comparison to scenarios where data is collected in the background after users gave permission via a privacy policy pop-up.

FIGURE 05

Uplift in brand equity

For data collected via passive vs. active methods



A large, thin green outline of the number '3' is centered on the page. Two horizontal blue bars with white text are overlaid on the middle of the '3'.

MAKE IT MANAGEABLE

Our research has highlighted areas where people's attitudes and actions do not always align. They might say they hold certain views, then contradict those views either in a subsequent response or through their actions in a particular circumstance. The research indicates that there are benefits for marketers in giving people the means to manage their online privacy.

The “say-do” gap

While people have general data privacy concerns, these do not always translate to individual situations. Attitudes and actions in this area are often driven by emotional responses rather than logic, leading to confused beliefs and contradictory behaviours.

FIGURE 06

People take steps to protect their online privacy³⁵



Throughout our research, there is a recurring theme we describe as the “say-do” gap. At a general level, people do take steps to adequately protect their privacy, in their own eyes.

However, a different picture emerges when people are in a situational context. We have found that while participants say they care about their privacy and data security, they may not be able to disengage from all activities they deem risky.

80% are concerned about potential misuse of personal information, yet 93% have provided companies with information which could be deemed sensitive (for example, name, address, contact information, biographical data and family details).³⁶

Perceived value regularly intersects with privacy concerns. Disengagement is the way that people cope with lack of desire to invest their time, even though perceptions of risk are high. For example, privacy pop-ups are often quickly bypassed without reading. In the qualitative “Responsible Marketing Deep Dive”³⁷ participants regularly described their behaviour towards these pop-ups as “clicking away”, not as “accepting the settings”. This tells us that it’s already a habit; a necessary action in order to continue with what they’re doing.

Reaching the digital marketing sceptics

One way to assure customers their data is being used intelligently and for their benefit is to help them manage how their data is used.

Overall, from our qualitative and quantitative work, we see that, while there is a sense of inevitability that we will all lose some privacy online, there is also widespread concern about how data is used and what this means to us as individuals. People also don’t feel “in control” of their data, and, in particular, the “Data Ethics Study” found that only 3% of respondents believe they have complete control of the disclosure and removal of their data online. A further 12% say they have ‘a lot of control’.³⁸

“Only 3% of respondents believe they have complete control of the disclosure and removal of their data online.”

³⁶ Ipsos, the Netherlands, Data Privacy Study: Consumer Model of Data Privacy, n=1,002, survey of internet users aged 20-65, 2020.

³⁷ Ipsos, U.K., Responsible Marketing Deep Dive, 2020.

³⁸ Ipsos, U.K., Germany, France, the Netherlands, Data Ethics Study: Data Ethics and Effectiveness, Part 1 – Ethics (n=6,000), 2021.

Feelings of scepticism are widespread, with two in three (68%) participants in the “Data Ethics Study” feeling sceptical about the way companies use their data in marketing. This finding is important because this translates into a more negative perception of online advertising in general. Where participants claim to feel they have control over their data, this leads to both a more positive emotional response to ads, as well as people finding them more relevant. For example, people with lower levels of control only deemed 18% of ads relevant, but for those with high levels of control, this rose to 43%.³⁹ Overall, we found participants are three times more likely to react positively to advertising and twice as likely to find it relevant when they feel a greater sense of control over how their data is used online. Awareness of how data is used online, as well as overall confidence in a digital environment, also drive relevance.

FIGURE 07

Control over personal data

Increase in positive responses to ads when people feel in control over use of their personal data online

2X

more relevant

3X

more positive reaction

The qualitative findings from the “Responsible Marketing Deep Dive” show that educating people about online privacy has an interesting effect. People with different initial perspectives (from sceptical to laid-back) converge in the middle when they go through an extensive education process on the data they share and how it is used.⁴⁰

In the study, we took participants on a journey of learning about data sharing and privacy. This began with helping them understand their starting points through individual conversations, then slowly introducing them to more knowledge and awareness, through self-led data audits, and finally sharing their experiences in group discussions. We checked with them individually

³⁹ Ipsos, U.K., Germany, France, the Netherlands, Data Ethics Study: Data Ethics and Effectiveness, Part 1 – Ethics (n=6,000), 2021.

⁴⁰ Ipsos, U.K., Responsible Marketing Deep Dive, 2020.

throughout the process and at the end to see how their perspectives had shifted. Overall, the extent to which this happens depends on how deep-seated attitudes are. However, this work indicates that laid-back people generally become more wary and cautious, and sceptics become slightly less sceptical.

The process also revealed how people place value on active engagement with companies. Before the audit, for example, people were surprised to learn that companies they've never heard of have their information. Afterwards, we saw a desire for more relevance in ads based on a participant's own actions — people said they only wanted to see ads from companies they are interested in and wanted to "cut off" brands from whom they get little value.⁴¹

When people know more about their data and how it is used, most of them feel more empowered, having taken some control over their data. For some, there is also a new-found desire to further tailor their marketing experiences to better suit their needs.⁴² However, even those who are actively managing their data feel they could be doing more and say they need help with this. In short, these findings suggest that there may be something to gain for both advertisers and consumers if people were more educated on this topic. Brands could consider presenting information to their customers in the most effective way depending on what they know about each customer's preferences towards sharing data.

Case study: Asking participants to self-audit their data sharing

After going through each stage of the education process in the "Responsible Marketing Deep Dive" qualitative research, our participants saw the benefits of tailored advertising as a way to make their online experience better. They understood why companies need to have some information about them, as the alternative would be a "painful" experience where most ads shown would be irrelevant for them. To improve things even further, they stated that they would wish to choose which ad categories were shown. Taking more control was a reassuring experience — they previously felt vulnerable, but now they feel safer.

⁴¹ Ipsos, U.K., Responsible Marketing Deep Dive, 2020.

⁴² Ibid.

KNOW BETTER, DO BETTER

It is clear that the current digital marketing model needs to change — and it is changing. Rebuilding consumer trust is the next challenge, and **the findings from this report provide a good basis for understanding the attitudes people now hold toward brands, and what marketers should do next.**

Our research with Ipsos in this report provides deeper insight into the complex and contradictory ways consumers behave online. It should provide the jumping-off point for brands wishing to understand how their customers feel about privacy and tailored advertising.

In summary

There are three takeaways from Ipsos's research that marketers should put into practice when designing new online experiences:

- **Make it meaningful**

When people see value in an exchange, they are more likely to engage and share the data that brands need to make future exchanges more valuable.

- **Make it memorable**

For marketing to feel responsible, it should feel predictable, and people should be able to remember having shared the data that informs the marketing they see.

- **Make it manageable**

When people understand their data sharing and have proper control over it, they feel more positive about tailored advertising and are more likely to find it relevant.

Marketing leaders who apply these insights and focus on exceeding customer expectations, rather than just meeting legal requirements, can increase value, gain trust, and gain competitive advantage.

Establish the basics

The tech and marketing industries continue to develop privacy-forward solutions. Marketing executives and their teams can act today to make a difference. There are immediate steps they can take to rebuild consumer trust and make the consumer experience meaningful, memorable, and manageable.

Improve understanding with first-party data

According to Boston Consulting Group's "[Responsible Marketing with First-Party Data](#)" study, 90% of marketers say that first-party data is important to their digital marketing programmes, but "less than a third of marketers are consistently effective at accessing and integrating data across channels, and very few are good at using data to create better outcomes for customers."⁴³ A key finding is that brands that link all of their first-party data sources can generate double the incremental revenue from a single ad placement, communication, or outreach, and can achieve 1.5 times improvement in cost efficiency, compared with brands that do not.

Implement site-wide tagging

Tagging is a useful way to generate vital first-party data and measure the success of digital marketing investment. Marketers can place tags on every page of their site using tools including the global site tag offered by Google (gtag.js). Incorporate a software development kit (SDK) into your mobile app that's designed to help you gather information from the actions people take when they download and engage with your app.

Use tools to manage permissions

A consent management platform (CMP) lets brands manage the permissions they have from customers and help customers view and change those permissions. This can help companies comply with legislation like GDPR and ePrivacy.

Consider automation to bring it all together

At Google, we use automation to fill the data gaps as third-party cookies become less common. For example, we have been building machine-learning models to predict how likely it is that people will visit different websites that are serving the same ads.

Customise ads based on context

When it's not possible to customise an ad to an individual, marketers can use contextual clues to customise. For example, when Google ran a campaign in The Guardian in the U.K. for the Google Home Mini, ads appeared alongside recipes in the food section. Using machine learning, Google customised the ad copy to reflect the recipes on the page.

Model conversions to fill measurement gaps

Sophisticated brands rely on conversion modelling techniques to fill in gaps in measurement. This approach uses machine learning to provide a more complete picture of performance, which in turn informs automated bidding strategies with better and more accurate conversion data.

Go beyond the basics

Research shows that mature marketers already go beyond the basics outlined above. They recognise that rebuilding consumer trust, exceeding customer expectations, and gaining competitive advantage require a shift in mindset, a shift in approach, and a shift in their organisations.

Set up your organisation to be privacy-first

As the World Federation of Advertisers notes, firms are hiring for new executive roles such as chief data officer to ensure their companies handle consumer data properly and use it for smarter, more responsible marketing.⁴⁴ For example, one global health and beauty company established data protection officers at both group and country levels with a “mini-DPO” in every team, which significantly improved its data focus and results.

Focus on governance

According to the [World Federation of Advertisers](#), 82% of senior executives say they would consider leaving their employer if they felt data practices were unethical.⁴⁵ Successful companies recognise the importance of ethical data strategies.

Foster a test and learn approach

BCG has identified “agile performance loops based on a test and learn approach” as one of the four drivers of digital marketing maturity. According to its 2021 report “The Fast Track to Digital Marketing Maturity”, these practices can improve productivity by a factor of three, reduce development costs by up to 25%, and release product features within weeks or months, rather than quarters or years.⁴⁶

Build the right skills

BCG identifies access to new skills and resources as another marker of marketing maturity. More advanced companies have more access to the necessary skills – either in house or through partners – than their peers. Commonly outsourced skills include unbiased strategic direction, creative work, and purchasing advertising time slots upfront. Mature marketers prefer to keep skills related to their tech and data analytics in house.

⁴⁴ World Federation of Advertisers, Data Ethics – The Rise of Morality in Technology, 2020.

⁴⁵ Ibid.

⁴⁶ Boston Consulting Group, The Fast Track to Digital Marketing Maturity, Sept. 2021.

Break down silos

Any CMO knows that siloed practices are the enemy of efficient, performant businesses. This is as true for people and processes as it is for data.

Manage data in the cloud

Marketers increasingly use the cloud because it offers them granular control of security and privacy. They can also share and organise large data sets easily, as well as connect with their existing marketing tools.

Final thoughts

As we said in the introduction to this report, privacy presents a set of rapidly changing challenges to CMOs. To meet these challenges, they must make changes themselves — whether technical, organisational, or in mindset.

Marketing departments with their fingers on the pulse will already be ahead of many of the basic steps we have outlined, but going beyond these requires decisive leadership and buy-in at the C-level. We hope that this report provides valuable fuel for the strategies that help brands carve out a competitive advantage by exceeding customers' privacy expectations.

APPENDIX

Technical study details

Personalised Services Study: Automating the Consumer Experience

A study to understand the perceived impact of personalised services with a 15-minute online survey of 1,000 participants aged 18-65 in four European markets (the U.K., Germany, Sweden, and the Netherlands) in 2020.

- 1 Audience surveyed:** Men and women, aged 18-65, from: the U.K., Germany, the Netherlands, and Sweden. Nationally representative on age, gender, and region for each country.
- 2 Sample size:** 4,000 participants (1,000 per country)
- 3 Sampling methodology:** Quota-based sampling on nationally representative quotas
- 4 Fieldwork dates:**
 - The Netherlands - November 21 – November 27, 2019
 - Germany - November 19 – November 26, 2019
 - Sweden - November 19 – November 25, 2019
 - The U.K. - October 29 – November 14, 2019
- 5 Method of data collection:** Online self-completion survey, sample recruited from online panels
- 6 Data weighting:** Weighted to nationally representative profile
- 7 Contact details for Ipsos and Google:**
 - Stefan Borghuis: Stefan.Borghuis@ipsos.com
 - Dunya van Troost: dunyavtroost@google.com

Data Privacy Study: Consumer Model of Data Privacy

An online survey conducted in 2021 of 1,002 participants aged 20-65; a representative sample of the population of the Netherlands who are online at least a few times a week.

- 1 **Audience surveyed:** A nationally representative sample of the Dutch population aged between 20-65 years, who are online at least a few times a week.
- 2 **Sample size:** 1,002 participants
- 3 **Sampling methodology:** Sampling based on quotas for age, gender, and region quotas
- 4 **Fieldwork dates:** 8 – 14 March, 2021
- 5 **Method of data collection:** Online questionnaire (self-completion), sample recruited from online panels
- 6 **Data weighting:** Weighted to nationally representative profile
- 7 **Contact details for Ipsos and Google:**
Jesper Christensen: Jesper.Christensen@ipsos.com
Dunya van Troost: dunyavtroost@google.com
Jonas Christensen: jonasbruus@google.com

Data Ethics Study: Data Ethics and Effectiveness

A 2021 pan-European study using an experimental quantitative approach to model and map claimed versus actual behaviours. Participants were in the U.K., Germany, France, and the Netherlands, with 1,800 18-70-year-olds in each market, split into two samples – 1,500 answering about ethics and 300 answering about effectiveness. Data from the study was used to create a predictive model that allowed us to isolate the effect of each attribute and test 70,000 different combinations. Even though we cannot test the statistical significance of those results, we managed to simulate around 70,000 potential scenarios and detected patterns forming that gave us confidence that the observed effects exist.

1. **Audience surveyed:** Men and women, aged 18-70 from: the U.K., Germany, France and the Netherlands. General population was surveyed online to be representative of age, gender and region for each country.
- 2 **Sample size**
 Part 1: Data ethics. N=6,000 respondents (n=1,500 per country)
 Part 2: Effectiveness. N=1,200 respondents (n=300 per country)
- 3 **Sampling methodology:** Quota sampling, based on online representativity
- 4 **Fieldwork dates:**
Part 1 (Data Ethics):
 U.K.: 31 May – 3 June, 2021
 France: 9 June – 10 June, 2021
 Germany: 9 June – 15 June, 2021
 The Netherlands: 9 June – 15 June, 2021

Part 2 (Effectiveness)
 U.K.: 15 June – 17 June, 2021
 France: 22 June – 23 June, 2021
 Germany: 22 June – 23 June, 2021
 The Netherlands: 22 June – 23 June, 2021
- 5 **Method of data collection:** Online, sample recruited from online panels
- 6 **Data weighting:** Weighted to nationally representative profile
- 7 **Contact details for Ipsos and Google:**
 Maciek Ozorowski: Maciek.Ozorowski@ipsos.com
 Devang Bhatt: Devang.Bhatt@ipsos.com
 Stefan Borghuis: Stefan.Borghuis@ipsos.com
 Dunya van Troost: dunyavtroost@google.com

Personalised Services Deep Dive

Ethnography exploring the impact of personalised services. We conducted ethnographic research in the U.K. and Germany, which entailed following respondents for half a day. The ethnographer observed participants' social interactions and their interactions with technology and AI, and asked questions to further deepen understanding of the participant's conscious and subconscious behaviour. The entire visit is captured on video. Ethnography visits are participant-led. This means that the ethnographer followed the participant's normal daily schedule and addressed and captured the below list of topics as naturally and spontaneously as possible:

- Get to know the participant and their daily life
- Understand daily routines
- Explore social norms and interactions
- Capture "special" social interactions, like shopping, planning family activities, navigating somewhere, etc.
- Explore brand relationships, aiming to hear about positive and negative examples
- Learn how the participant conceptualises and interacts with AI
- Explore the participant's attitude towards personalisation

1 Participants: U.K., N=4 living in Greater London, and Germany, N=2 living in Hamburg

Life stages

N=2: Older family (at least one child living at home aged > 10 years)

N=2: Young family (at least one child living at home aged < 10 years)

N=2: No family – these participants all brought one friend during the visit

Smart tech ownership

All use a smartphone on a daily basis

All have at least one of the following and use it multiple times a week:

- Smart speaker/assistant (e.g. Alexa, Google Home)
- Smart watch (e.g. Apple Watch, Samsung Galaxy Watch)
- Smart home tech like smart heating (e.g. Nest thermostat), smart camera/doorbell (e.g. Ring), smart lighting (e.g. Philips Hue)

Attitude towards tech

Early majority: All sometimes read about new trends in tech, but will try new devices and apps when they become widely available

2 Sample size and fieldwork dates:

U.K., N=4 living in Greater London

July 24, 2019

July 25, 2019

July 27, 2019

July 28, 2019

Germany, N=2 living in Hamburg

July 23, 2019

July 24, 2019

3 Method of data collection: Ethnography, participant-led observation**4 Contact details for Ipsos and Google:**

Pauline van der Wel (former Ipsos): n/a

Yas Asare-Anderson: yas.asareanderson@ipsos.com

Dunya van Troost: dunyavtroost@google.com

Data Privacy Deep Dive

In-depth interviews exploring data privacy in the Netherlands in 2020. Ipsos spoke to 12 participants aged 25-68, all of whom were online shoppers with medium digital-literacy levels.

- 1 **Participants:** Online shoppers with a middle to high income, representing the “middle ground” when it comes to tech savviness.
- 2 **Sample size:** 12 participants
- 3 **Sampling methodology:** Qualitative recruitment
- 4 **Fieldwork dates:** 18 – 25 January, 2020
- 5 **Method of data collection:** Online qualitative in-depth interviews, videoed for 60 minutes each.
- 6 **Data weighting:** N/A – qualitative results only
- 7 **Contact details for Ipsos and Google:**
Stefan Papadakis: Stefan.Papadakis@ipsos.com
Dunya van Troost: dunyavtroost@google.com
Jonas Christensen: jonasbruus@google.com

Responsible Marketing Deep Dive

A multi-method qualitative study in the U.K. to explore the concept of responsible marketing. Ipsos recruited 14 participants aged 18-60 with a mix of digital-literacy levels, using an iterative approach including individual interviews, self-led data audits, and group discussions. The study, which took place in 2020, took participants on a journey of discovery about the mechanisms of personalisation and data privacy.

- 1 **Participants:** Internet users based in the U.K., aged from 18-60, with a balance of participants based on: age, gender, mix of socio-economic groups, mix of education levels, mix of ethnicity, mix of digital-literacy levels.
- 2 **Sample size:** 14 participants
- 3 **Sampling methodology:** Qualitative recruitment
- 4 **Fieldwork dates:** 22 September – 12 November, 2020
- 5 **Method of data collection:** Online depth interviews and focus groups
- 6 **Data weighting:** N/A – qualitative results only
- 7 **Contact details for Ipsos and Google:**
Yas Asare-Anderson: yas.asareanderson@ipsos.com
Annie Lew: annie.lew@ipsos.com
Emily Allen: emilyallen@google.com
Jonny Protheroe: jonnyprotheroe@google.com

Google

