

Driving growth in a changing privacy environment

A marketer's playbook for measuring and ensuring performance while respecting people's privacy



Executive Summary

Taking steps to be privacy ready can seem daunting, but the following solutions from Google can help you get started.

Insights	How businesses can respond	Solutions
People want transparent, meaningful relationships with brands that they care about	Collect first-party data on your site	Global site tag and Google Tag Manager Advanced: Server-side tagging
Collect	Collect first-party data on your app	Google Analytics for Firebase
	Collect first-party data from offline touch points	Offline Conversions Imports in Google Ads, Uploading Offline Conversions in Search Ads 360, Data Import in Analytics
People want increased control over how their data is used	Find methods to respect people's consent choices	Consent Mode
People don't want to be tracked across the internet	Enable your first-party data to give a more accurate view of how users convert	Enhanced Conversions
	Fill measurement gaps	Conversion Modeling
	Gain more insights from your first-party data	Google Analytics 4 and Data-driven attribution
People expect useful, relevant experiences that respect their privacy	Connect with your audience in more meaningful ways using first-party data	Customer Match
	Rely on automation to consider a wide range of signals to reach your audience	Google Audiences, Optimised Targeting in Google Ads, Targeting Expansion in Display & Video 360 Smart Bidding in Google Ads and Search Ads 360 Automated Bidding in Display & Video 360 Advanced: Google Cloud marketing analytics
	People want transparent, meaningful relationships with brands that they care about People want increased control over how their data is used People don't want to be tracked across the internet People expect useful, relevant experiences that respect	People want transparent, meaningful relationships with brands that they care about Collect first-party data on your site Collect first-party data on your app Collect first-party data from offline touch points People want increased control over how their data is used People don't want to be tracked across the internet People don't want to be tracked across the internet Fill measurement gaps Gain more insights from your first-party data to give a more accurate view of how users convert Fill measurement gaps Gain more insights from your first-party data experiences that respect their privacy Connect with your audience in more meaningful ways using first-party data Rely on automation to consider a wide range of

The era of privacy-safe performance

Since the start of the COVID-19 pandemic, we've seen a massive acceleration in the way people use digital technology to work, play, learn and interact with one another. Brands have had to radically shift their digital strategies – or accelerate transformations that were already underway – to meet consumers where they are.

But meeting people where they are goes beyond just having the right digital experience. It also requires meeting consumers' expectations for privacy and demonstrating that brands respect their personal information. That's because:



81% of consumers say that the potential risks they face because of data collection outweigh the benefits, according to a study by Pew Research Center.

Governments have responded to their concerns by passing new privacy regulations and expanding existing ones to strengthen privacy protections. And technology platforms such as browsers and mobile operating systems have announced or implemented new policies to restrict identifiers.

As a result, some of the approaches that you've come to rely on for reaching audiences and understanding the value of those interactions have already been impacted – and will continue to be.

To add to that, the large-scale actions taken by some platforms have led marketers to adopt approaches that just aren't sustainable. Take fingerprinting, where data about a device is collected to identify the device's owner, or other proposed user-level identifiers that some in the industry are advocating for. These solutions don't meet people's increasing expectations for privacy and will not stand up to rapidly evolving regulatory restrictions.

Introduction

But forward-looking marketers have managed to embrace privacy as an opportunity to accelerate growth. And they've got the results to prove it:

One footwear company grew

224% more revenue

by building direct relationships with its customers.

A retailer was able to record

31% more conversions

by using first-party data to improve the accuracy of their campaign measurement. A cosmetics brand grew their campaign with

85% more conversions

by surfacing powerful insights from its first-party data to find more valuable customers.

We've collected their best practices and stories into a playbook so that you can continue to drive results from your marketing, while respecting your customers' privacy.

[Collect] Build direct relationships with your customers

In this chapter, you'll learn how to:

- Build customer relationships with the right value exchange
- 2 Generate first-party data from your customer relationships

Strengthen your customer relationships with the right value exchange

When people see value in their relationship with a brand, they are more likely to engage and share the data that brands need to make future exchanges even more valuable.

So consider different ways to offer users value in exchange for permission to use their information:

- Curate content or product recommendations based on how users browse or engage with your website and app.
- Provide a convenience in exchange for people's contact information, such as notifying them when a favourite item is back in stock.
- Offer a deal or coupon when people agree to provide their email address or phone number and receive your marketing communications.
- Invite people to register for your loyalty programme where they can receive rewards or exclusive benefits and content.
- Learn how to make customer interactions more meaningful

CASE STUDY

GYMSHARK

Gymshark powers online performance with a more personalised experience for customers

Approach:

Gymshark, an apparel brand built on strong relationships with its customers, overhauled and optimised its data infrastructure for a new e-commerce app. Utilising Google Analytics, it highlighted pain points in key user journeys, providing a more personalised experience for shoppers and gaining a more consistent view of customer performance across web and app in the process.

Results:

By harnessing its first-party data to improve both the user experience and insight generation, Gymshark's increased product page click-through performance by 5% and checkout dropoff rates by 9%.





CASE STUDY

HYATT

Hyatt reaches 13X more guests with smarter custom interactions

Approach:

Hyatt pivoted to a privacy-led, first-party approach in the midst of the COVID-19 pandemic, which allowed the company to build direct relationships with guests and offer them value in exchange for their information. They gave these offerings the name 'content in context' because they offered guests personalised, relevant details about destinations, such as nearby restaurants, sporting events and concerts, and even local travel delays.

Results:

By being more personal with the help of first-party data, Hyatt was able to reach 13X more customers in 2020. The company plans to use the success of these customer-centric brand experiences to grow loyalty across its family of brands.

Learn more

CASE STUDY



UGG grows revenue by 224% from building direct relationships with consumers

Approach:

Footwear brand <u>UGG</u> took a data-led approach to build its direct-to-consumer e-commerce business in a highly competitive market. It used Google Cloud's BigQuery platform to categorise products by price and potential to perform online, connecting consumers with products they love while ensuring campaign efficiencies were maintained.

Results:

UGG's use of real-time data on product performance and consumer demand saw an improvement in return on ad spend in some campaigns of 151%, while revenue increased 224%.



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Step 1

[Collect] Build direct relationships with your customers

Once you've determined how to use customer information to deliver better experiences, it's important to explain to users what data is being collected, what value they'll get by granting data permissions and how they're in control.

Here are actions marketers should take to ensure that their marketing is both privacy-safe and effective:

Make it memorable. Create clear privacy policies and find ways to help users easily understand and remember what's happening.

Why: People who consciously agree to share their data are more positive about ads presented to them and find them more relevant.1

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.

Why: Globally, nine in ten adults say they are more likely to shop with brands that provide offers and recommendations that are relevant to them.²

Make it manageable. Users should be given full control of settings and features so they can decide how their information is used and when it's deleted. And once a user has made a choice, it absolutely must be honoured.

Why: People are 3X more likely to react positively to advertising when they feel in control of their data.3

Learn how to make your marketing privacy-safe and effective

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^{1.3} Source: Ipsos, U.K., Germany, France, the Netherlands, Data Ethics Study: Data Ethics and Effectiveness, Part 1 — Ethics (n=6,000), 2021. 2 Source: Ipsos, Global, Global Trends 2020, 2020.

Generate insightful first-party data from your customer relationships

When people interact directly with your business – by visiting your website, using your app, making a phone call to your business or purchasing from one of your shops – it provides an opportunity to learn more about who they are, what they care about and how you can meet their needs.

The information that's collected from customers in these direct interactions is called first-party data. Since first-party data is unique to your business and the relationship you have with your customers, it can be particularly valuable for understanding your customers and how you can better serve them.

That's why it's important that you have the tools in place – and permission where required – to generate insightful and actionable first-party data wherever those direct interactions might take place.

Collect first-party data from site visitors: Invest in a strong tagging infrastructure that helps you make the most of the data that consumers share with you when they engage with your website.

Use site-wide tagging solutions that can also set first-party cookies for measuring conversions. You can do this type of tagging with either:

- Google's **global site tag** for Google Ads, Display & Video 360, Search Ads 360, Campaign Manager 360, and Google Analytics
- Google Tag Manager for all Google and non-Google tags
- Advanced Server-Side Tagging available through Google Tag
 Manager and Tag Manager 360 so you can place third-party tags
 in a secure cloud server

Step 1

[Collect] Build direct relationships with your customers

Using these types of tagging solutions also gives you the ability to respect the consent choices of consumers. For instance, advertisers operating in the European Economic Area and the UK can use Consent Mode to adjust how the global site tag and Google Tag Manager operate based on user consent choices for ads cookies or analytics cookies.

And when users don't consent to cookies, Consent Mode will use conversion modeling nstead to fill gaps when conversions cannot be linked to ad interactions.



Conversion modelling, on average, can recover more than 70% of ad-click-to-conversion journeys, so you can measure the complete performance of your media in a privacy-safe way.





TUI measures 7% more conversions with Consent Mode

Approach:

Travel and tourism company TUI had launched a new website with a new cookie consent banner. This meant people visiting TUI's site were able to set their consent choices for cookie usage, and if people did not consent, TUI was not able to measure conversions in a detailed manner.

TUI decided to future-proof its measurement by implementing Consent **Mode** on its websites in the Netherlands and Belgium. Consent Mode enabled TUI's website to adjust Google tag behaviour on its website based on a user's cookie consent choice, plus it enabled modelling for conversions that could not be measured if a user declined consent for cookies.

Results:

After implementing Consent Mode, TUI saw a 7% increase in conversions measured in its Google Ads campaigns, while respecting users' consent choices.

CASE STUDY



Nemlig measures 40% more conversions with Server-Side **Tagging and Consent Mode**

Approach:

As more consumers turn to online shopping and home delivery for their essentials, e-commerce company Nemlig saw a large increase in visitors to their site, which resulted in a longer page-load time. The company also operates in the European Economic Area, where website tags must adjust according to users' cookie consent choices.

The team worked with their Google Marketing Platform partner IIH Nordic decided to move to Server-Side Tagging to help them accurately report on customer insights from their website and maintain a speedy shopping experience. And because Server-Side Tagging natively supports Consent Mode, this meant that the Google tags in Nemlig's server container automatically updated to respect the consent choices from users.



Nemlig improved site speed by 7% and observed 40% more 90-day conversions for new customers than before. Nemlig's analytics are now much more trustworthy, with online reported orders more accurately reflecting registered orders on Nemlig's backend system.

Learn more

Collect first-party data from app users: Add a software development kit (SDK) to your mobile app that's designed to help you gather information from the actions people take when they download and engage with your mobile app. You can do this with the Google Analytics for Firebase SDK which is available for your Android and iOS apps.

Collect first-party data from offline touchpoints: Invest in a customer relationship management (CRM) tool to help you capture and organise the information that's shared by people during offline interactions like shop visits or phone calls. You can link this offline data with Google's advertising and measurement tools including Google Ads, Google Analytics, Campaign Manager 360, and Search Ads 360.



Step 1

[Collect] Build direct relationships with your customers

Sometimes, it can be challenging to form direct relationships with customers, especially if your business has historically relied on mass distribution or broad communication channels to connect with audiences.

If going directly to consumers may not be viable, consider working with partners who can help you connect directly and build up your first-party data.

There are several ways that brands have done this:

- One American food company goes directly to the consumer by partnering with home meal kit makers to develop recipes using its food brands.
- Another multinational brewing company launched a mobile app for both retailers and consumers to place orders, and where the purchase data whether from consumer or reseller flows back to one consolidated database.
- A different drinks company went directly to the consumer by acquiring an at-home carbonated drink maker brand that can offer a way for consumers to connect directly with the drink company's carbonated brands.

[Measure] Ensure that your measurement remains accurate and actionable

In this chapter, you'll learn how to:

- 1 Measure conversions more accurately with first-party data
- Rely on machine learning to fill gaps in the customer journey and unlock insights

Measure conversions more accurately with first-party data

Once you've established a first-party data foundation from practices like sitewide tagging, it can enable your measurement solutions to work together and provide you with the most comprehensive reporting possible.

For example, <u>enhanced conversions</u> allow site tags to use consented, user-provided data to give you a more accurate view of how people convert after engaging with your ads.

袋 Here's how it works

By sending <u>hashed</u> user-provided data from your website to Google, which is then matched to signed-in Google accounts, conversions can be attributed to ads in a privacy-safe way.

This, in turn, provides more observable data to strengthen <u>conversion modeling</u>, gives you the comprehensive data you need to measure <u>conversion lift</u> and helps you better optimise campaigns with <u>Smart Bidding</u>.





CASE STUDY



MandM Direct combines first-party data with machine learning to see up to 20% more conversions

Approach:

Online clothing retailer MandM Direct wanted to explore privacy-safe techniques for preserving campaign measurement. They started by implementing sitewide tagging on 100% of their website and adopting Google's new analytics platform, Google Analytics 4. Next, they strengthened the accuracy and comprehensiveness of these tools by adopting enhanced conversions and using Consent Mode so their site tags could rely on conversion modelling when users didn't consent to cookies.

Results:

Implementing enhanced conversions helped MandM report 3% and 20% more conversions on Search and YouTube respectively – along with a 15% increase on top of that by using Consent Mode.

Rely on machine learning to fill gaps in the customer journey and unlock insights

Even when you've built a strong base of observable measurement, gaps in the customer journey might occur when people move across devices and from online-to-offline, not to mention browser restrictions and varying consent choices.

That's where machine learning can step in to fill measurement gaps. Take <u>conversion modelling</u>, which has been and will continue to be a key feature in Google's measurement solutions. Modelling uses observable signals to help depict a more complete picture of your performance in a privacy-safe way. And because each advertiser's customer set can behave distinctly, there isn't a one-size-fits-all model.

Here's how it works:

First, we separate ad interactions into two groups: one where we can observe the link between an ad interaction and conversion, and one where we cannot observe the link.



Then, we divide the observed group into subgroups that share non-sensitive characteristics like: device type, browser, country, conversion type, etc.



- Within each of these subgroups, we calculate conversion rates.
- Next, we take the ad interactions and conversions that are missing a link, and assign them to one of the existing subgroups based on shared characteristics.

For example: subgroup 1 may all be in France, use Chrome as their browser and are on an iPhone. We see in the 'unobserved' group similar characteristics in the ad interaction and conversion data, except for one of these dimensions which is the one we are trying to predict against (for example browser type). So, we align these groups appropriately based on their similarities.

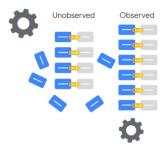


Google

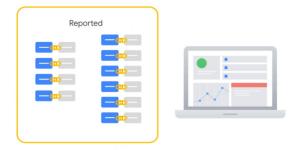
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Using the known conversion rates from the observed population and machine learning, we can model which unlinked ad interactions belong to which unlinked conversions.

(Note: Our data scientists continuously make improvements to the algorithm for accuracy and scale. Additionally, we proactively test and validate models using techniques like holdback validation to improve accuracy. This allows us to regularly measure biases and inaccuracies to continuously tune our models.)



Once the ad interactions and conversions have the appropriate links between them, we aggregate them and surface them in your reporting. We only include modelled data in reporting when we have high confidence that conversions actually occurred as a result of ad interactions. This rigour ensures that we avoid systematically over-reporting.



Learn more about how conversion modeling works

Step 2

[Measure] Ensure your measurement remains accurate and actionable

Modelling can also set your campaigns up for success by enabling products like <u>Smart Bidding</u> in Google Ads to work better because of access to more complete information – all with user privacy at the forefront.

Learn more about conversion modeling

In addition to more complete conversion measurement and optimisation, modelling can also help you learn new customer insights from your behavioural analytics data. For example, **Google Analytics 4** uses advanced machine learning models to surface customer insights from your first-party data – across both app and website – and uses those insights to improve your marketing.

Then <u>data-driven attribution</u> in Google Ads can take your analysis a step further by using advanced machine learning to determine how each marketing touch point contributed to a conversion, all while respecting user privacy. Like all of Google's measurement solutions, we respect people's decisions about how their data should be used in the attribution process, and have strict policies against covert techniques, like fingerprinting, that can compromise user privacy.

To help all advertisers take advantage of better attribution in today's changing privacy landscape, datadriven attribution is now the **default attribution model** for all new conversion actions in Google Ads.

Learn more about different types of machine learning models

Q Check out what the future looks like

Chrome's **Privacy Sandbox** aims to develop new technologies to help you get the reporting and insights you need without having to track individuals across the Internet.

For instance, instead of measuring what people do on the Internet in a way that could identify them, they can be kept anonymous by putting limits on data when their actions are reported and adding random data (noise) into the report.

Here's how it could work

A web browser will match a conversion that happens on an advertiser's website with an ad that was clicked or viewed on the web. The browser will only report information in a way that doesn't expose people's identities – for example, aggregating the data and limiting the amount of information shared about each conversion.

The Privacy Sandbox technologies will work along with capabilities like first-party data and machine learning to power Google's measurement solutions.

[Activate] Drive performance by keeping your ads relevant

In this chapter, you'll learn how to:

- Rely on first-party data to engage audiences
- Use Smart Bidding to automatically adjust bids based on conversion data from across your account
- Use automation to help you discover new audiences

Use first-party data to engage audiences

When marketers analyse first-party data for insights, they can better connect with audiences by delivering more meaningful experiences in a privacy-safe way.

For instance, you can use first-party data to engage with your best customers. When people share their contact information with your business, you can use **Customer Match** to reach those same users again as they're moving across Google properties, including Search, the Shopping tab, Gmail and YouTube.





Telia increases revenue by 15% with Customer Match

Approach:

Norwegian telco Telia was looking for ways to convince existing customers to upgrade their contracts. After exploring their CRM data to find eligible customers, Telia worked with its media agency Carat to reach these customers with highly relevant ads. Using a secure hashing algorithm, email addresses were uploaded into Google Ads through Customer Match so that they could launch tailored campaigns that reflected the mobile usage and existing contract status of these customers.



Results:

Telia managed to drive 69% of upgraded mobile plans at a conversion rate 22% higher than the average campaign. As a result, cost per acquisition fell by 23% compared to the average, and both Telia Smart and Telia UNG have seen overall revenue increases of 15%.

Learn more

In addition to helping you re-engage your best customers, Customer Match lists can also provide useful signals to boost the performance of your other Google campaigns. For example, **Smart Bidding** takes your Customer Match lists into consideration to understand who is valuable to you.

Use Smart Bidding to automatically adjust bids based on data that matters for you

Once you've established a good and privacy-safe measurement foundation, use Smart Bidding to take action on this data.

For many businesses, not all conversions are equal; some are likely worth more to you than others. By assigning values to your conversions, you'll be able to see the total value driven by your advertising across different conversions, rather than simply the number of conversions that have happened. You can then use a value-based Smart Bidding strategy like Maximize conversion value with an optional target ROAS which will predict the value of a potential conversion every time a user searches for products or services you're advertising. Then, it automatically adjusts your bids for these searches to maximize your return on.

On average, advertisers that switch their bid strategy from having a target CPA to a target ROAS can see 14% more conversion value at a similar return on ad spend.* Learn more in our technical paper, **Setting Smarter Search Bids**.

*Source: Google Internal Data, Global, 2021-03-16 to 2021-04-12

Use automation to help you discover new audiences

One of the most exciting benefits of machine learning is its potential to help marketers reach qualified audiences – even when some signals are limited.

<u>Google Audiences</u> can factor a wide range of signals with the help of machine learning to reach interested users and optimise what ad to show them.

Signals are attributes about users, including:

- Who they are (their demographics)
- What their interests might be (based on websites and apps they use), and
- What context they're in at the time of the auction (such as the content of the web page they're browsing)

Here's how it works

Google Audiences will rely on as many of these signals that are available at the time of an auction to help advertisers deliver the most appropriate message possible.

For instance, even when cookies are available, Google Audiences will combine those user signals with contextual ones to determine someone's interests and preferences. And in cases when cookies are restricted – either because of the browser restrictions or consent choices – Google Audiences will automatically turn to other signals, such as the context of the ad placement, to determine relevance.

Advertisers can also take advantage of automation to find new and relevant customers, either with **Optimised Targeting** in Google Ads or **Targeting Expansion** in Display & Video 360.

Learn more about how automation can help you reach new audiences

Advanced Supercharge your marketing with cloud technology

Cloud-based solutions are increasingly being used by marketers to manage data while protecting user privacy. That's because cloud technology offers inherent privacy and security advantages when it comes to storing and organising large data sets, such as encrypting all data by default and setting parameters for who has access to that data.

袋 Here's how it works

By consolidating first-party data into a cloud-based data warehouse like **BigQuery**, a data scientist or analyst can help you do more advanced analysis on the data. When you uncover new and more powerful insights, you can easily act on them by integrating with your marketing tools.

For example, they can train machine learning models using historical customer information to predict or anticipate the outcomes of future interactions with your customers, and those like them.



CASE STUDY



Rituals increased conversions by 85% with Google Cloud

Approach:

The digital marketing team at bath and body retail company **Rituals** wanted to scale how they could find a greater number of valuable customers.

First, they brought all of their first-party data from Google Marketing Platform, their CRM systems and point-of-sale transactions into **BigQuery**. Then, with Google Cloud's advanced machine learning capabilities, the team created models that could predict how likely customers were to make a purchase, including if the purchase would happen in a shop or online, which items they were likely to buy, and when.

Audience segments were created based on these propensities using **Google Analytics 360**, and were then shared with **Display & Video 360**, where a campaign was created to reach certain groups with tailored messaging.

Results:

After launching the campaign, Rituals saw an impressive 85% increase in conversions with a 15% decrease in cost-per-acquisition.

Learn more





Alaska Airlines improves return on ad spend by 30% with Google Cloud



When the COVID-19 pandemic put travel to a halt, Alaska Airlines had the foresight and optimism to prepare for when travel would eventually recover. They partnered with their Google Marketing Platform partner Adswerve to build a marketing data warehouse using Google Cloud, which tied together first-party data across their CRM systems, media campaigns and site analytics.

Once the warehouse was in place, Adswerve helped Alaska Airlines use Google Cloud's advanced machine learning capabilities to uncover new audience insights and growth opportunities. For instance, Adswerve's data scientists were able to build models from the consolidated data that could predict a customer's lifetime value based on information like origin and destination airports, preferred travel dates and loyalty programme activity.

When the predicted values were fed into Search Ads 360, the marketing team at Alaska was able to adjust bids accordingly and increase the return on investment from their search campaigns.

Results:

Alaska improved its return on ad spend (ROAS) from paid search by 30%.



Check out what the future looks like

Chrome's **Privacy Sandbox** aims to develop new technologies that can offer sustainable solutions for delivering interest-based and remarketing ads.

Here's how it could work for interest-based ads: a person's browser could help match ads to people based on their interests without tracking them across the Internet.

Here's how it could work for remarketing: when people visit a company's website, the website can tag people's browsers when they take an action that's valuable to the company, such as viewing a product. Then, when those people visit other websites with ad space, the browser helps inform what ad might appear without exposing people's browsing activities in the process.

The Privacy Sandbox technologies will work along with capabilities like first-party data and machine learning to power Google's audience solutions. For example, Google Ads and Display & Video 360 will combine the Privacy Sandbox technologies with a wide range of other available signals to match audiences with your interest-based ads. These signals include physical location and which website the ad appears on, so that you can continue to reach people, even without third-party cookies.

Preparing for the future

Growing concerns around user privacy have impacted every corner of the digital advertising industry. And while the digital advertising ecosystem continues to change in response to user privacy concerns, here are some additional steps that organisations can take today to stay ahead.



Create a centre of excellence. Some companies have established a dedicated team of experts and vendors ranging from legal, data science and marketing, whose focus is to stay on top of all the changes, consider different scenarios and come up with a plan for how to respond to each.



Learn about new privacy-preserving technologies. Chrome's **Privacy Sandbox** is an open source initiative to develop new technologies centred on advances in anonymisation, on-device processing and other privacy techniques. In fact, anyone can submit proposals and run experiments. So work through your industry associations or lean on your ad tech vendors to make sure that your business needs are being considered as these technologies get underway.

As we've seen from the clients and agencies featured here, respecting user privacy doesn't have to come at the cost of business results. Quite the opposite: the tools and resources available to digital marketers today can create more opportunities to connect with customers than ever before – all with privacy in mind.