



# Driving growth in a changing privacy environment

The digital marketing playbook for driving  
privacy and performance

## 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	Web Solutions	App Solutions
<b>Build</b>			
People want brands they care about to build transparent and meaningful relationships with them	Generate first-party data from your online and offline touchpoints	<a href="#">Global site tag</a> and <a href="#">Google Tag Manager</a> <a href="#">Server-side tagging (Advanced)</a>	
	Generate first-party data on your app		<a href="#">Google Analytics for Firebase</a>
	Generate first-party data from offline touchpoints	<a href="#">Offline Conversions Imports</a> in Google Ads <a href="#">Uploading Offline Conversions</a> in Search Ads 360 <a href="#">Data Import</a> in Analytics	
<b>Measure</b>			
People don't want to be tracked across the web	Enable your first-party data to give a more accurate view of how users convert	<a href="#">Enhanced Conversion for web</a>	
	Fill measurement gaps	<a href="#">Conversion Modeling</a>	<a href="#">Conversion Modeling</a>
People want increased control over how their data is used	Find methods to respect people's consent choices	<a href="#">Consent Mode*</a>	
People interact with your product or service via multiple touchpoints and channels	Gain more insights from your first-party data	<a href="#">Google Analytics 4 Data-driven attribution</a>	<a href="#">Google Analytics 4</a>
<b>Activate</b>			
People expect useful, relevant experiences that respect their privacy	Connect with your audience in more meaningful ways using first-party data	<a href="#">Customer Match</a>	
	Rely on automation to consider a wide range of signals to reach your audience	<a href="#">Smart Bidding</a> in Google Ads and Search Ads 360, <a href="#">Automated bidding</a> in Display & Video 360 <a href="#">Google Audiences, Optimized targeting</a> in Google Ads, <a href="#">Targeting expansion</a> in Display & Video 360 <a href="#">Google Cloud marketing analytics (Advanced)</a>	<a href="#">App Campaigns</a>

\*Subject to regional availability

# The era of privacy-safe growth

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.



**48% of people worldwide have stopped buying or using a service from a company due to privacy concerns.<sup>1</sup>**

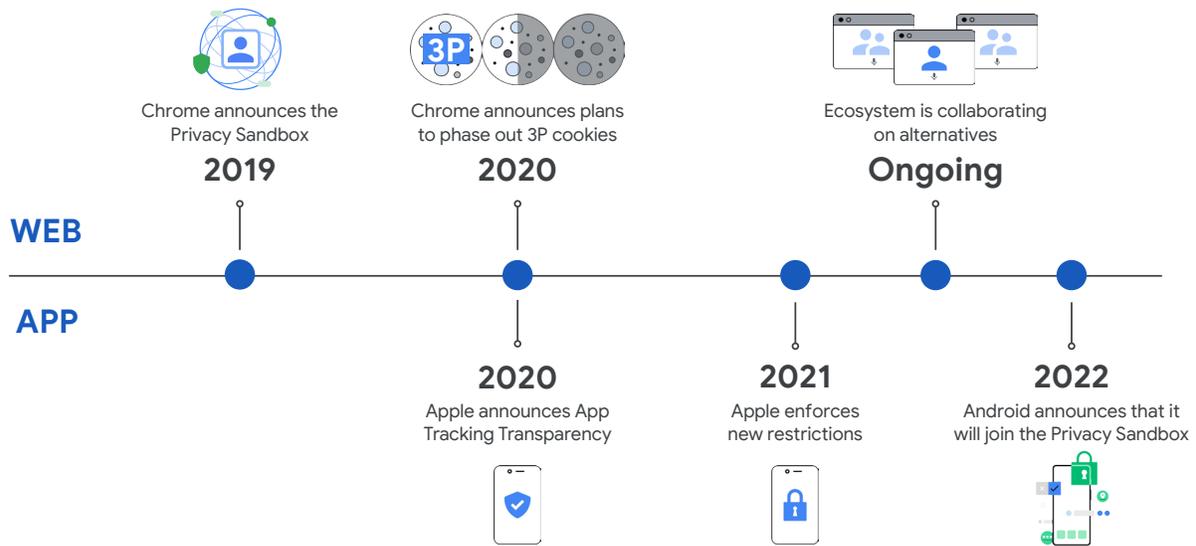
Governments have responded to consumer concerns by passing new privacy regulations and expanding existing ones to strengthen privacy protection. And technology platforms, such as browsers and mobile operating systems, have announced or implemented new policies to change the way user data is generated, shared, and measured. For example, in 2020, Google Chrome announced intentions to phase out third-party cookies, the technology that lets advertisers reach users and measure impact across websites. Android has announced efforts to advance privacy for the ecosystem while supporting key advertising capabilities in ways that limit the tracking of individuals across apps and don't rely on device-level identifiers.

## App Callout

For example, in 2020, Google Chrome announced intentions to phase out third-party cookies, the technology that lets advertisers reach users and measure impact across websites. And Android has announced efforts to advance privacy for the ecosystem while supporting key advertising capabilities in ways that don't rely on device-level identifiers and limit the tracking of individuals across apps.

<sup>1</sup> [How to put privacy first and accelerate your business's economic recovery](#). Think with Google. 2020..

## Introduction



## The impact on digital marketing

As a result, some of the approaches 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 - as the digital advertising industry moves towards providing users with more control over their data.

There's an opportunity for you to future-proof your marketing strategy by investing in durable privacy-safe solutions, such as consented, first-party data and automation, which can close the inevitable gaps in observable data and help you measure and optimize the performance of your campaigns.

However, 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. Such solutions don't meet people's increasing expectations for privacy and will not stand up to rapidly evolving regulatory restrictions.

To meet and exceed rising consumer expectations, we at Google are approaching our products, programs, and partnerships with a long-term privacy lens focused on adapting to a changing, complex environment. This way, we can deliver the performance effectiveness that marketers expect of digital advertising while helping protect user privacy. We call this **privacy-safe growth**.

## The marketer's role

As marketers, you're in a unique position to help your organization prepare for the future of advertising and to get the most out of your marketing dollars. Forward-looking marketers are already embracing privacy as an opportunity to accelerate growth:



We recognize it's going to take time for the entire industry to shift towards new privacy-preserving technologies. But we're committed to working closely with you and the industry to put the building blocks in place for privacy-safe growth.



**Businesses that are successfully building and sustaining customer trust while navigating these shifting expectations have seen 270% returns, or \$2.70 for every dollar they spent on privacy, according to a Cisco study.<sup>2</sup>**

We designed this playbook to summarize and simplify the changes taking place around consumer privacy and the actions you can take now to deliver on both your customers' expectations and your marketing goals.

*It's important to note that this playbook outlines globally-applicable privacy shifts and Ads' solutions, and each country's privacy laws and regulations may differ.*

## The agency's role

While this playbook is viewed through a marketer's lens, the recommendations also apply to agencies – whether you are an agency leader developing strategies with your clients or helping them adopt solutions for privacy-safe growth, your role is critical. We encourage you to use this playbook to help support those efforts and ensure your clients adapt to the evolving digital advertising landscape.

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<sup>2</sup> [The Digital Tipping Point](#). Womble Bond Dickinson. 2019.

# [Build]

## Foster direct relationships with your customers

As third-party cookies are phased out and other platform restrictions come into effect, investing in first-party data is an accurate and privacy-safe way to realize the full value of your marketing investment.

In this chapter, you'll learn how to:

- 1 Strengthen 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 interact directly with your business by visiting your website, using your app, calling you, or purchasing from one of your stores, it provides an opportunity to learn more about who they are, what they care about, and how you can meet their needs, in an informed and consented way.

The information that's generated from your 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 (giving you a competitive advantage), it can be particularly useful for understanding and serving your customers better. In addition, first-party data is the most durable type of data to use in a shifting privacy landscape.

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.



**Marketers that effectively use their first-party data can generate double the incremental revenue from a single ad placement, communication, or outreach.<sup>3</sup>**

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 favorite item is back in stock.
- ✓ Offer a [deal](#) or [coupon](#) when people agree to provide their email address or phone number to receive your marketing communications.
- ✓ Invite people to register for your [loyalty program](#) where they can receive rewards or exclusive benefits and content.



[Learn how to make customer interactions more meaningful](#)

<sup>3</sup> Responsible marketing with first-party data. BCG. 2020.

## CASE STUDY



## Walmart grows online sales 37% by turning customers into superfans

### Approach:

Walmart launched [Walmart+](#), a new kind of membership that gives loyal shoppers benefits, including a scan-and-go mobile checkout experience in retail stores and fast, free shipping for online purchases. In addition, Walmart began offering larger scale “brand gestures,” such as hosting drive-in movies in store parking lots, to foster customer relationships.

### Results:

Walmart’s efforts contributed to a 37% growth in online sales and a 6% total sales growth in the U.S. for Q1 of their fiscal 2021.

[Learn more](#)

## CASE STUDY

**PEPSICO**

## PepsiCo improves ROI up to 3X from building direct relationships with consumers

### Approach:

[PepsiCo](#) invites consumers to join its loyalty programs to better understand them and optimize offers based on their preferences. This enables PepsiCo to deliver the right value exchange for each of its loyalty members, which in turn drives retention. This intelligence also helps ensure that consumers see the products they love most, on the channels they frequent most often.

### Results:

PepsiCo’s customer-centric, data-led approach has increased media efficiency and for some campaigns, resulted in 3X ROI improvement.

[Learn more](#)

## Step 1

### [Build] Foster 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 used, what value they'll get by granting data permissions, and how they're in control.

Below are actions you can take to ensure your 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.<sup>4</sup>*

- ✓ **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, 9 in 10 adults say they are more likely to shop with brands that provide offers and recommendations that are relevant to them.<sup>5</sup>*

- ✓ **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 honored.

*Why: People are 3X more likely to react positively to advertising when they feel in control of their data.<sup>6</sup>*



[Learn how to make your marketing privacy-safe and effective](#)



#### App Callout

Apple's App Tracking Transparency (ATT) policy requires iOS developers to ask for permission when they use certain information from other companies' apps and websites for advertising purposes, even if they already have user consent. Optimize your Apps Tracking and Transparency (ATT) prompt by experimenting with different explanatory or primer messaging to increase customer understanding of how data is used.

<sup>4,6</sup>Data Ethics Study: Data Ethics and Effectiveness, Part 1 — Ethics. Ipsos, U.K., Germany, France, the Netherlands. 2021.  
<sup>5</sup>Global Trends 2020. Ipsos, Global. 2020.

## Build insightful first-party data from your customer relationships

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

**Generate first-party data from site visitors:** Investing in a strong tagging infrastructure, or sitewide tagging, is a key step towards building a privacy-safe measurement strategy. It will be required for all future Google Ads measurement solutions and will allow you to make the most of the data customers share with you by setting first-party cookies to measure conversions.

You can set up sitewide tagging with any of the following:

- ✓ 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.

**Generate 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.



**In an internal test, the median campaign that switched to using Google Analytics for Firebase conversions for bidding saw a +13% increase in installs and a +20% increase in in-app events with no significant change to cost per conversion.<sup>7</sup>**

*\*Median uplift in performance based on internal tests. Individual results may vary according to campaign details.*

**Generate first-party data from offline touchpoints:** Invest in a customer relationship management (CRM) tool to help you collect and organize the information that's shared by people during offline interactions like meetings or phone calls. Then, import your offline conversions to measure campaign performance with Google's advertising and measurement tools including [Google Ads](#), [Google Analytics](#), [Campaign Manager 360](#), and [Search Ads 360](#).

**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.

<sup>7</sup> Google Internal Data, 2021.

## CASE STUDY



## LähiTapiola increases conversions with a privacy-centric measurement approach

### Approach:

[LähiTapiola](#), a major insurance provider in Finland, was looking to expand its digital acquisition strategy while maintaining efficiency. LähiTapiola partnered with Google and its agency team, OIKIO, to improve its existing website tagging setup by implementing the global site tag across LähiTapiola's entire website. This enabled the company to use first-party data, which is accurate and user-consented, with its Ads campaigns.

### Results:

With the help of improved measurement and more accurate data for decision making, LähiTapiola saw a 37% increase in conversions and a 7% decrease in cost per conversion.

## CASE STUDY



## Fintech app DINN accelerates growth with Firebase

### Approach:

Grupo Financiero Actinver, an investment bank in Mexico, traditionally relied on personal relationships to grow its clientele. In 2018, it began exploring new ways to attract young professionals. It built an app to appeal to an audience of digital natives and then looked to Google to help it learn how to engage with first-time investors and grow its consumer base.

The focus was an App campaign, using machine learning to optimize for users more likely to become consumers. By implementing Google Analytics for Firebase, [DINN](#) was able to learn about its new consumers and monitor performance. These insights helped it understand the user journey, update its strategy to reduce churn, and improve functionality within its app.

### Results:

Using App campaigns, DINN was able to more than double its user base month-over-month and saw a 300% increase in conversions. Google Analytics for Firebase provided DINN with insights into why consumers churn, allowing the team to develop targeted messages to bring them back to the app.

## Step 1

### [Build] Foster 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 direct to consumers is not feasible, consider working with partners who can help you connect with consumers and build your first-party data.

There are several ways brands have done this:

- ✓ An American food company went direct-to-consumer by partnering with home meal kit makers to develop recipes using its food brands.
- ✓ A 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.
- ✓ Another beverage company went direct-to-consumer by acquiring an at-home soda maker brand in order to connect directly with the beverage company's soda brands.

# [Measure]

## Ensure **your measurement** remains accurate and actionable

A strong measurement foundation can help ensure that you're seeing an accurate view of your performance across channels – letting you generate insights and adjust your marketing strategy accordingly.

In this chapter, you'll learn how to:

- 1 Measure conversions more accurately with first-party data
- 2 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, [enhanced conversions for web](#) allows site tags to use consented, user-provided data to fill in measurement gaps and give you a more accurate view of how people convert after engaging with your ads.



Companies that **adopt enhanced conversions for web** see a 17% average increase in conversion rate for YouTube for Action.<sup>8</sup>



### Here's how it works

By sending [hashed](#) user-provided data from your website to Google, which is then matched to signed-in Google accounts, conversions on Search and YouTube can be attributed to ads in a privacy-safe way.

This, in turn, provides more observable data to strengthen [conversion modeling](#), gives you the comprehensive data you need to measure [conversion lift](#) and helps you better optimize campaigns with [Smart Bidding](#).

<sup>8</sup> Google Internal Data. 2021.

## CASE STUDY



## Enhanced conversions for web helps Tennis Express serve up privacy-safe growth

### Approach:

[Tennis Express](#), a US-based sports apparel retailer, wanted to grow its first-party data, starting with building a solid tagging strategy. It began by identifying untagged site URLs and grew sitewide tagging adoption to over 98% of pages using Google Tag Manager. Then, it activated enhanced conversions for web to increase the accuracy of conversion tracking and fuel Search Campaign performance.

### Results:

The percentage of conversions that came from first-party, rather than third-party cookies, increased to 89%. This strong tagging foundation and activation of enhanced conversions for web also increased conversions across Search Campaigns by 114% year-over-year.

## 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 modeling 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.

## Step 2

[Measure] Ensure your measurement remains accurate and actionable

The accuracy of conversion measurement can also be improved with [Consent Mode](#)<sup>\*</sup>, which enables the customization of how tags behave based on user consent choices.

*\*Consent Mode is applicable to advertisers operating in the European Economic Area and the United Kingdom.*



### Here's how it works

On websites using consent banners, users can choose to decline consent for usage of cookies, which can impact the measurable data available in your Google Ads account. Consent Mode solves for this challenge, while respecting user choice, by communicating the consent status of a user to Google Ads and improving the accuracy of your data through reporting and modeling.

For example, when users don't consent to cookies, Consent Mode will use [conversion modeling](#) instead to fill gaps when conversions can't be linked to ad interactions.



**Conversion modeling, 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.<sup>9</sup>**

<sup>9</sup> Google Internal Data. 2021.

## CASE STUDY

nemlig.com



IIH NORDIC

## 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 its 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, working with its Google Marketing Platform partner **IIH Nordic** decided to move to **server-side tagging** to accurately report on consumer 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.

### Results:

Nemlig improved site speed by 7% and observed 40% more 90-day conversions for new consumers 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](#)

## Rely on machine learning to drive more accurate results and unlock insights

Even when you've built a strong foundation of first-party data, gaps in the customer journey might still occur. For example, varying consent choices come into play when people move across devices, use different browsers with different restrictions, or move from online-to-offline touchpoints.

## Step 2

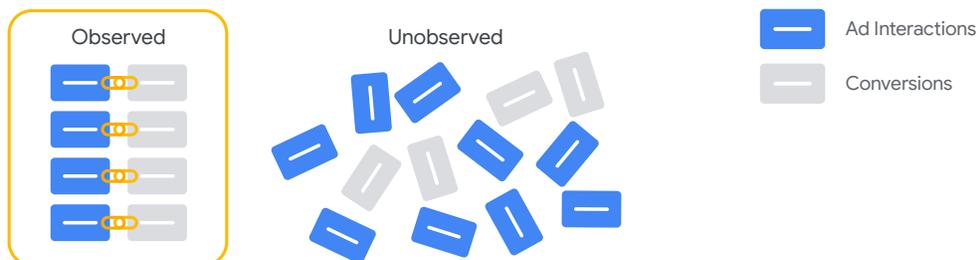
[Measure] Ensure your measurement remains accurate and actionable

That's where machine learning can fill measurement gaps and improve your marketing. Take conversion modeling, which has been and will continue to be a key feature in Google's measurement solutions. Modeling 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. Wherever possible, we directly integrate [conversion modeling](#) into Google Ads products, so you'll find this modeled data – including your install, in-app action, and conversion value – in your conversions reporting column. This gives you insight into conversions you otherwise would not have recorded, for instance due to platform restrictions limiting the use of third-party cookies or other identifiers.

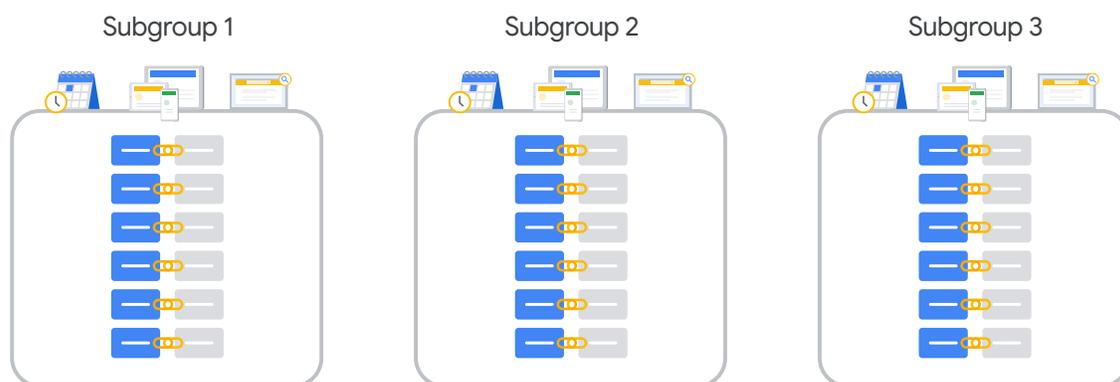


### Here's how it works

- 1 First, we separate ad interactions into 2 groups: one where we can observe the link between an ad interaction and conversion, and one where we cannot observe the link.



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



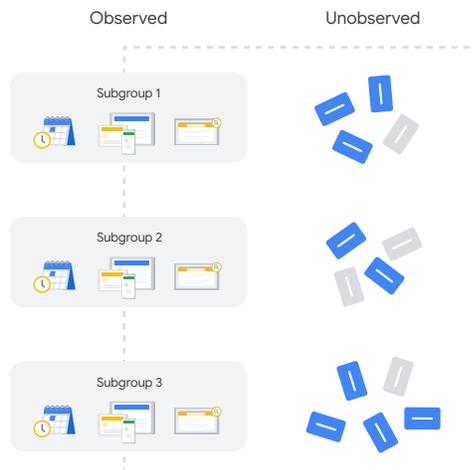
- 3 Within each of these subgroups, we calculate conversion rates.

## Step 2

[Measure] Ensure your measurement remains accurate and actionable

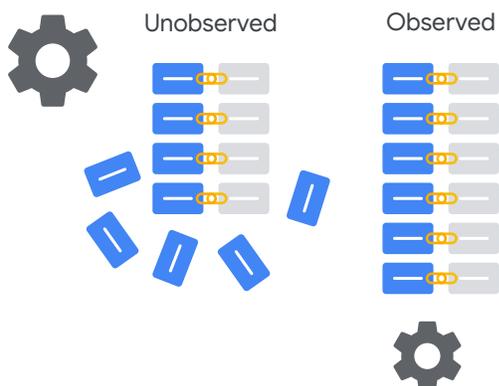
- 4 Next, we take the ad interactions and conversions that are missing a link, and assign them to one of the existing subgroups based on shared characteristics.

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 (such as the browser type). So, we align these groups appropriately based on their similarities.



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

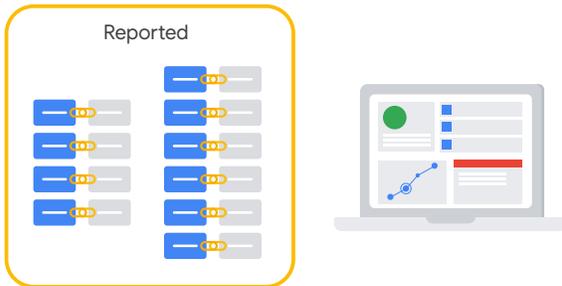
Note: Our data scientists continuously make improvements to the algorithm for accuracy and scale. Additionally, we proactively test and validate models using techniques like holdback validation to improve accuracy. This allows us to regularly measure biases and inaccuracies to continuously tune our models.



## Step 2

[Measure] Ensure your measurement remains accurate and actionable

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



### [Learn more about how conversion modeling works](#)

Activating privacy-safe measurement solutions, like enhanced conversions for web and Consent Mode, in tandem with modeling, not only improves your digital foundation by capturing more conversion data, but it also strengthens our ability to model. Smarter models can help drive better performance by enabling products like [Smart Bidding](#) in Google Ads to access more complete information – all with user privacy at the forefront.

In addition to more complete conversion measurement and optimization, modeling can also help you learn new customer insights from your behavioral analytics data. For example, [Google Analytics 4](#) (GA4) provides a holistic customer view across both web and app, and uses advanced machine learning models to provide customer insights from your first-party data. This then allows you to use those insights to improve your marketing. Be sure to link your Google Analytics and Google Ads accounts to benefit from automation when you bid on Google Analytics conversions in your Google Ads campaigns.

Next, [data-driven attribution](#) in Google Ads can take your analysis a step further by using advanced machine learning to determine how each marketing touchpoint 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, data-driven attribution is now the [default attribution model](#) for all new conversion actions in Google Ads.

### [Learn more about different types of machine learning models](#)

## Discover what the future looks like

The [Privacy Sandbox](#) is a collaborative, open-source effort to develop new technologies to help you get the reporting and insights you need without having to track individuals across the web.

For instance, instead of measuring what people do online 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, or noise, into the report.



### Here's the proposed solution for measurement

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 consumers' identities – for example, aggregating the data and limiting the amount of information shared about each conversion.



#### App Callout

By joining the Privacy Sandbox initiative, Android shares Chrome's vision of enhancing user privacy while supporting key advertising use cases across the web and mobile app ecosystems.

# [Activate]

## Drive performance by keeping your ads relevant

With a strong tagging infrastructure, robust first-party data, and privacy-safe measurement in place, you're now ready to use Google's automated solutions to unlock better results from your campaigns.

In this chapter, you'll learn how to:

- 1 Rely on first-party data to engage audiences
- 2 Use automation to help you discover new audiences

## Rely on first-party data to engage audiences

When you analyze your first-party data for insights, you can better connect with your audience 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, Discovery, and YouTube.

### CASE STUDY



## 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 personalized ads. Using a secure [hashing algorithm](#), email addresses were uploaded into Google Ads through [Customer Match](#) so that they could launch personalized 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](#)

Once you've established a privacy-safe measurement foundation, use [Smart Bidding](#) to take action on this data. Smart Bidding strategies use machine learning to optimize for conversions or conversion value in each and every auction.

And, because for many businesses, some conversions are worth more than others, a value-based bidding strategy, such as [Maximize conversion](#) value with an optional target ROAS, can help you optimize for total value, rather than volume, by automatically adjusting your bids to reach your highest-value customers.

## Step 3

[Activate] Drive performance by keeping your ads relevant

Value-based bidding, a subset of Smart Bidding, works across different marketing objectives. If you are already bidding towards value, you can consider more advanced strategies using your first-party data, such as bidding towards profit or expected lifetime value. Google's machine learning will work with the inputs you set to get you closer to meeting your business outcomes.



[Learn more in our technical paper, Setting Smarter Search Bids](#)



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.**<sup>10</sup>



**Marketers using advanced machine learning technology, like audience targeting or automated bidding, together with skilled human oversight, can improve their campaign performance by up to 35%.**<sup>11</sup>



### App Callout

Optimize for advanced bidding solutions on Android like target cost-per-action (target CPA) or target return on ad spend (target ROAS)\* to acquire high-quality customers likely to complete your predetermined in-app actions.

*\*Target ROAS is now known as Maximize conversion value with optional target ROAS*

Consolidate iOS App campaigns and use only target cost per install or Target CPA bidding with eight or fewer app install campaigns for each of your iOS apps to maintain optimal performance due to SKAdNetwork's campaign limitations.

<sup>10</sup> Google Internal Data, 2021.

<sup>11</sup> [Responsible marketing with first-party data](#), BCG, 2020

## CASE STUDY



## Stand Up Stations deploys Smart Bidding to boost sales 440% during pandemic

### Approach:

**Stand Up Stations**, a custom-branded sanitization installation company, was facing increasing competition at the onset of the COVID-19 pandemic and needed to maintain its first-mover advantage. The company used Google's Smart Bidding strategies to automatically optimize bids based on contextual signals, like buying propensity and browser activity, to meet customers when they were searching for personal protective equipment.

### Results:

By using a Smart Bidding strategy to optimize for conversion value, the company saw a 20% reduction in CPA and a 4X boost in ROAS, allowing Stand Up Stations to scale its investment and increase sales by 440%.

## 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.

**Google Audiences** can factor a wide range of signals with the help of machine learning to reach interested users and optimize 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.
- ✓ What context they're in at the time of the auction, such as the content of the web page they're browsing.

## Step 3

[Activate] Drive performance by keeping your ads relevant



### 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 more appropriate messages.

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 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 [Optimized 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 organizing large data sets, such as encrypting all data by default and setting parameters for who has access to that data.



### 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, data scientists 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



## ADSWERVE

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

### Approach:

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 program 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%.

## 🔍 Discover what the future looks like

The [Privacy Sandbox](#) aims to develop new technologies that can offer sustainable solutions for delivering interest-based and remarketing ads.



### Here's the proposed solution for interest-based ads:

A person's browser could help match relevant ads to people based on their most frequent and recent topics of interest without tracking the specific sites they visited, or having the ability to identify them.



### Here's the proposed solution for remarketing:

When people visit a company's website, and they take an action that's valuable to the company, such as viewing a product, their interest will be recorded on their device, so that it limits the amount of data shared externally. 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, 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 organizations can take today to stay ahead.

- ✓ **Create a center of excellence.** Some companies have established a dedicated team of experts and vendors ranging from legal to data science to marketing, whose focus is to stay on top of all the privacy changes, and to come up with a plan for how to respond to each possible scenario. Even if your company doesn't have these resources, you, as the marketer, can still add value by staying up to date on the latest privacy best practices by subscribing to [Think with Google](#).
- ✓ **Learn about new privacy-preserving technologies.** The [Privacy Sandbox](#) is an open-source initiative to develop new technologies centered on advances in anonymization, 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 your business needs are being considered as these technologies get underway.

As we've seen from the companies 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.