

Privacy, Measurement and Marketing Effectiveness

25 September 2024
12:00 – 13:00 BST



Agenda

- The Privacy Backdrop
 - Current regulatory trends
 - Industry and consumer response
- Impact on Digital Measurement
 - The increasingly divided internet
 - Shifts in first and third-party data
- Driving Marketing Effectiveness
 - Role of attribution, MMM and testing
 - Achieving a balanced approach
- Q&A

The Privacy Backdrop

Regulatory Trends and the Consumer and Industry Response

Legal Drivers



GDPR

- Covers the processing of any personal data (including cookie visitor IDs and IP address)
- Several “lawful basis” options:
 - Consent
 - Legitimate Interest
 - ...



ePrivacy Directive

- Covers any cookies (or similar device storage) not “strictly necessary”
- Analytics has been confirmed by regulators **not** to be “strictly necessary”
- Consent is the only option



CCPA/CPA/CTDPA ...

- State by state legislation - California Consumer Privacy Act (CCPA) the longest established
- Similar premise to GDPR / ePrivacy in terms of restricting sharing of digital profile data
- More of an emphasis on opt-out than opt-in

Schrems Ping-Pong (EU-US)



Safe Harbour (2000)

EU-US Privacy
Shield (2016)

EU-US Data Privacy
Framework (2022)

Schrems I (2015)

Schrems II (2020)

Schrems III?



Data Protection and Digital Information Bill (UK)






Current version of the Bill

HL Bill 67 (as amended in Grand Committee)






25 April 2024

Bill passage

Bill started in the House of Commons

-  1st reading
-  2nd reading
-  Committee stage
-  Report stage
-  3rd reading

Bill in the House of Lords

-  1st reading
-  2nd reading
-  Committee stage
-  Report stage
-  3rd reading

- (2A) Paragraph (1) does not prevent a person storing information, or gaining access to information stored, in the terminal equipment of a subscriber or user if— 15
- (a) the person provides an information society service,
 - (b) the sole purpose of the storage or access is to enable the person—
 - (i) to collect information for statistical purposes about how the service is used with a view to making improvements to the service, or 20
 - (ii) to collect information for statistical purposes about how a website by means of which the service is provided is used with a view to making improvements to the website, 25
 - (c) any information that the storage or access enables the person to collect is not shared with any other person except for the purpose of enabling that other person to assist with making improvements to the service or website, 30
 - (d) the subscriber or user is provided with clear and comprehensive information about the purpose of the storage or access, and
 - (e) the subscriber or user is given a simple means of objecting (free of charge) to the storage or access and does not object. 35

Privacy vs Competition Regulation



The goodbye that never was: Chrome holds on to 3rd-party cookies, why?

News By Andrey Meshkov published 12 August 2024

Google delays cookie phase-out, raising privacy concerns

We developed the Privacy Sandbox with the goal of finding innovative solutions that meaningfully improve online privacy while preserving an ad-supported internet that supports a vibrant ecosystem of publishers, connects businesses with customers, and offers all of us free access to a wide range of content.

Throughout this process, we've received feedback from a wide variety of stakeholders, including regulators like the UK's Competition and Markets Authority (CMA) and Information Commissioner's Office (ICO), publishers, web developers and standards groups, civil society, and participants in the advertising industry. This feedback has helped us craft solutions that aim to support a competitive and vibrant ecosystem for publishers and advertisers, and encourage the development of new technologies.

We're grateful to all the organizations and individuals who have worked with us over the last four years to develop, test and adopt the Privacy Sandbox. And as we finalize this approach, we'll continue to consult with the CMA, ICO and other regulators globally. We look forward to continued collaboration with the ecosystem on the next phase of the journey to a more private web.

Consent or Pay



Privacy – it's your choice

Free-thinking, original journalism needs your support. Please choose an option:

Pay to remove all adverts

Pay to read The Independent without adverts or cookies used for personalised ads

PAY TO REMOVE ADS

Read for free with ads and cookies

I agree to the use of cookies and similar technologies to serve relevant advertising and improve my service

READ FOR FREE

ALREADY A PAYING SUBSCRIBER? LOG IN

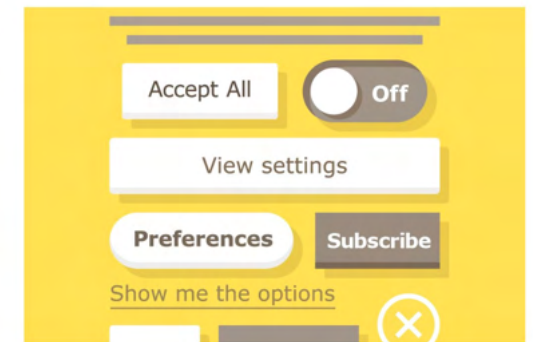


Stephen Almond, Executive Director, Regulatory Risk, leads the ICO's team responsible for anticipating, understanding and shaping the impacts of emerging technology and innovation on people and society.

As part of [our cookie compliance work](#), I committed to providing the online advertising industry with clarity on ways in which it can use advertising cookies in compliance with data protection law.

One proposed model is a “consent or pay” mechanism. This gives people the choice to use a website for free, but only if they consent to their personal information being used for personalised advertising, or pay a fee and not be tracked. We have today launched a “call for views” on our regulatory approach to this model.

In our call for views, we highlight the things that organisations should take into account when considering if this model is right for them and their users. We invite publishers, advertisers, intermediaries, civil society, academia and other interested stakeholders to respond and help inform our position.

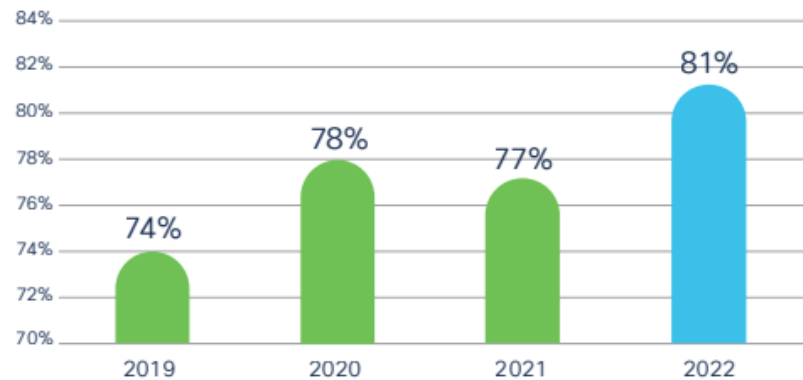


Consumer Perception

Figure 1: Treating Personal Data Properly

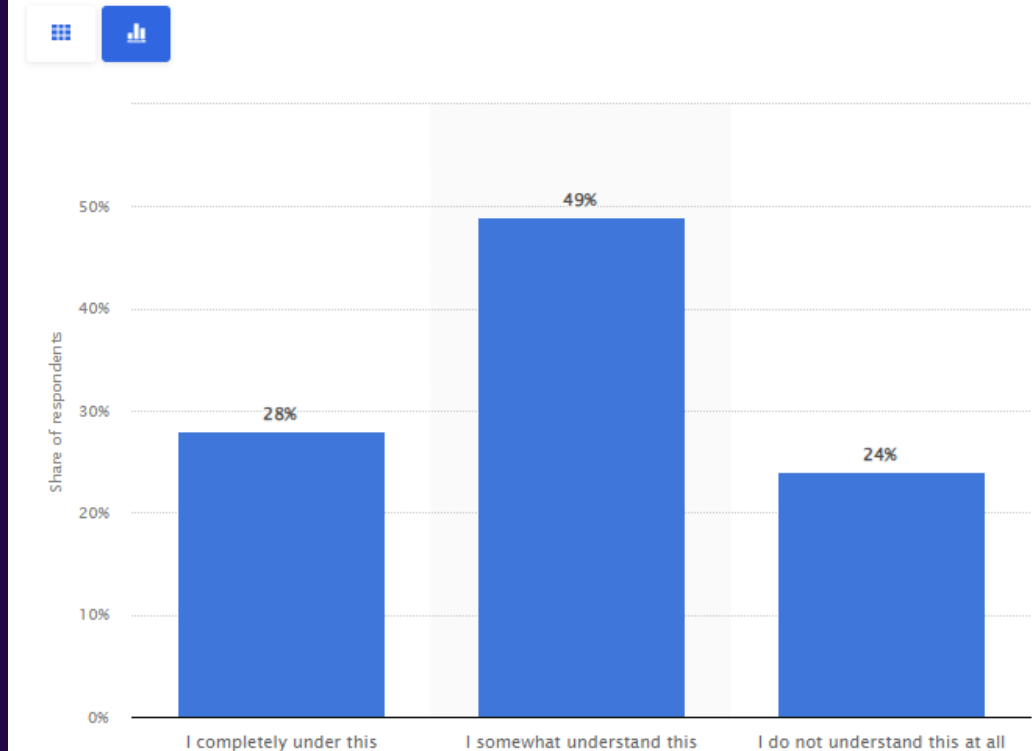
"I believe the way a company treats my personal data is indicative of the way it views me as a customer."

Percentage of respondents who agree



Source: Cisco 2022 Consumer Privacy Survey

Share of adults who understood vs. did not understand how internet cookies worked in the United States as of October 2022



© Statista 2024

Compliance and Risk



0% Compliant
100% Risk

100% Compliant
0% Risk

Consideration Matrix

The Letter of The
Law

Current Regulatory
Attitude(s)

Commercial
Implications

What Would Your
Customers Think?

Impact on Digital Measurement

1st vs 3rd Party, “Cookieless” Futures, Consent Modes and Multiple Internets

The “cookie apocalypse” is about 3rd Party Cookies, not 1st Party Cookies

30 October, 2022

The cookie apocalypse is coming

MARKETING Technology

Best marketing strategies to survive the Cookie Apocalypse

21st February 2024

LIFE BEYOND THE COOKIE

Inside Google’s latest move to postpone the cookie apocalypse

By [Seb Joseph](#) • April 25, 2024 • [f](#) [X](#) [in](#) [u](#)

First vs Third-Party Cookies

First-Party Cookies

- Only work in the context of the website (domain) that set them
- Used for first-party digital analytics (e.g. GA, Adobe)
- Also fundamental to the operation of e.g. transactional websites
- Might need consent, but not going away

Third-Party Cookies

- Can be set and read across multiple websites
- Used by advertising networks for targeting, re-targeting and post-view measurement
- Already blocked by many web browsers
- Might eventually be blocked by all web browsers

Multiple Internets



Apple (Safari/iOS)

- 3rd party cookies blocked by default
- 1st party cookies automatically deleted after a period based on sensitivity
- Click identifiers removed from URLs
- Mobile app opt-in for sharing data with third parties



Google (Chrome/Android)

- 3rd party cookies accepted by default
- No automatic curtailment of 1st party cookies
- Click identifiers in URLs preserved



Brave/Ad Blockers/ ...

- Blocks most tracking and analytics completely by default

Digital Measurement Key Changes

1. Increasing focus on gathering consented first-party data
2. More usage of machine learning to try and plug the gaps in consented data sets
3. New ways of sharing data that could be less or more intrusive to users' privacy



First-Party “Consent Modes”

Functional Cookies

These cookies allow us to analyze your use of the site to evaluate and improve our performance. They may also be used to provide a better customer experience on this site. For example, remembering your log-in details, saving what is in your shopping cart, or providing us information about how our site is used.

[▶ View Cookies](#)

☐ NO ☒ YES

Advertising Cookies

These cookies are used to show you ads that are more relevant to you. We may share this information with advertisers or use it to better understand your interests. For example, Advertising Cookies may be used to share data with advertisers so that the ads you see are more relevant to you, allow you to share certain pages with social networks, or allow you to post comments on our site.

[▶ View Cookies](#)

☒ NO ☐ YES

SUBMIT PREFERENCES

[Privacy Policy](#)

Powered by: [TrustArc](#)

Name	Value
_ga	GA1.1.1695790772.1727188684

Consent Signals

analytics_storage	: 'granted'
ad_storage	: 'denied'
ad_user_data	: 'denied'
ad_personalization	: 'denied'

“Basic Consent Mode”

First-Party “Consent Modes”



Functional Cookies

These cookies allow us to analyze your use of the site to evaluate and improve our performance. They may also be used to provide a better customer experience on this site. For example, remembering your log-in details, saving what is in your shopping cart, or providing us information about how our site is used.

► View Cookies

☐ NO ☒ YES

Advertising Cookies

These cookies are used to show you ads that are more relevant to you. We may share this information with advertisers or use it to better understand your interests. For example, Advertising Cookies may be used to share data with advertisers so that the ads you see are more relevant to you, allow you to share certain pages with social networks, or allow you to post comments on our site.

► View Cookies

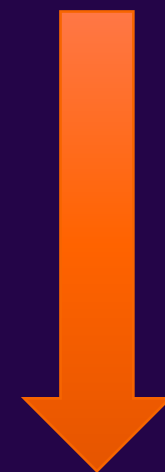
☐ NO ☒ YES

SUBMIT PREFERENCES

[Privacy Policy](#)

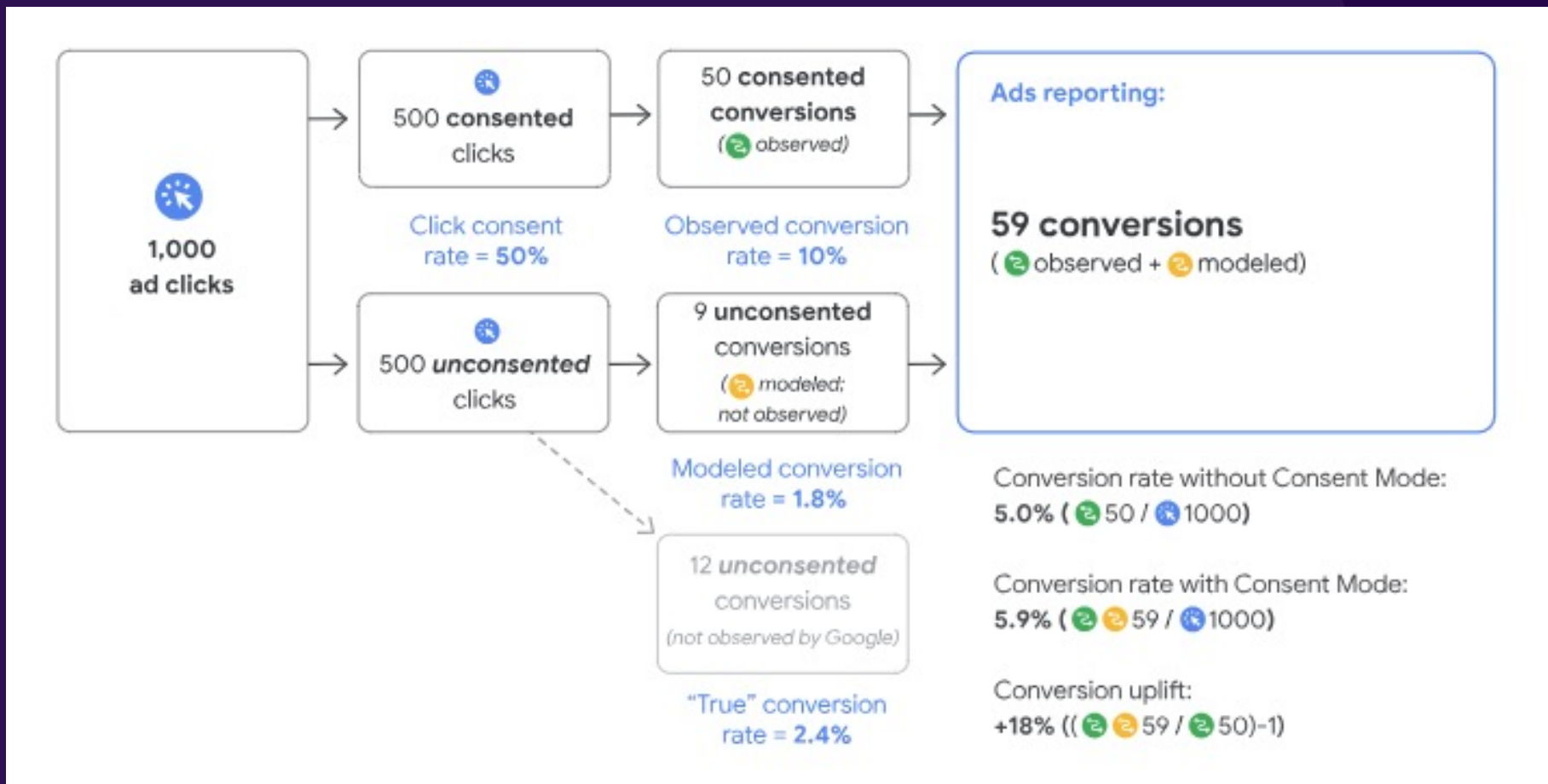
Powered by: [TrustArc](#)

Cookieless Pings



“Advanced Consent Mode”

Modelling the Gap



First-Party Data Sharing



Meta Build with us ▾ Docs Blog Resources ▾ Developer centers ▾ Login 🔍

October 13, 2020

Conversion API Overview

The video thumbnail shows a woman smiling and handing a red cupcake to another person. The text "The better your data, the better your ROI" is overlaid in large, bold, orange letters. A play button icon is centered over the text. The background is a dark, warm-toned image of a bakery or cafe.

Conversions API

The better your data,
the better your ROI

Facebook company

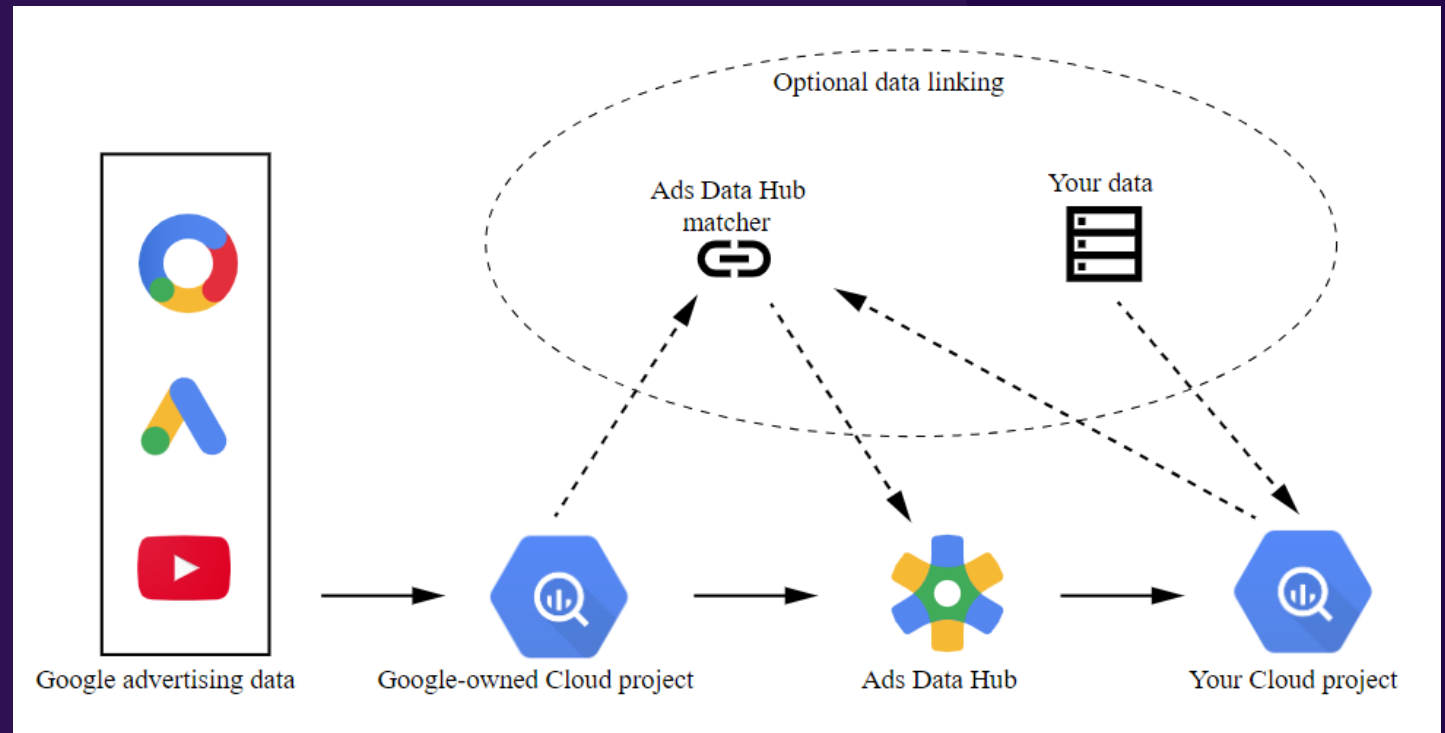
Sandboxes and Clean Rooms



Privacy
Sandbox



SkAdNetwork
AdAttributionKit





Digital Measurement Recommendations

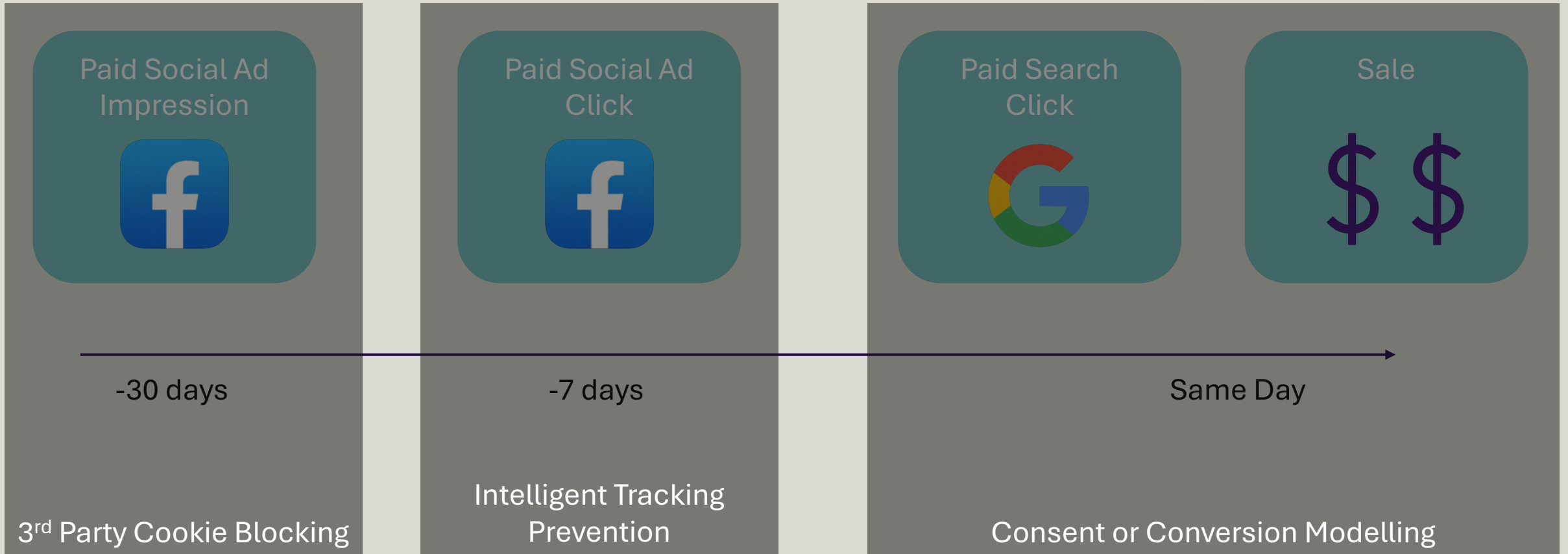


- Start with a view of **your** browser/device market share between Apple and Google and others.
- Make sure your own first-party measurement is as consented and complete as possible.
- Enhance that first-party data with logged-in user IDs where you can.
- Be careful of accidental sharing of stronger user identifiers (e.g. hashed emails) with third parties like Meta without clear consent.

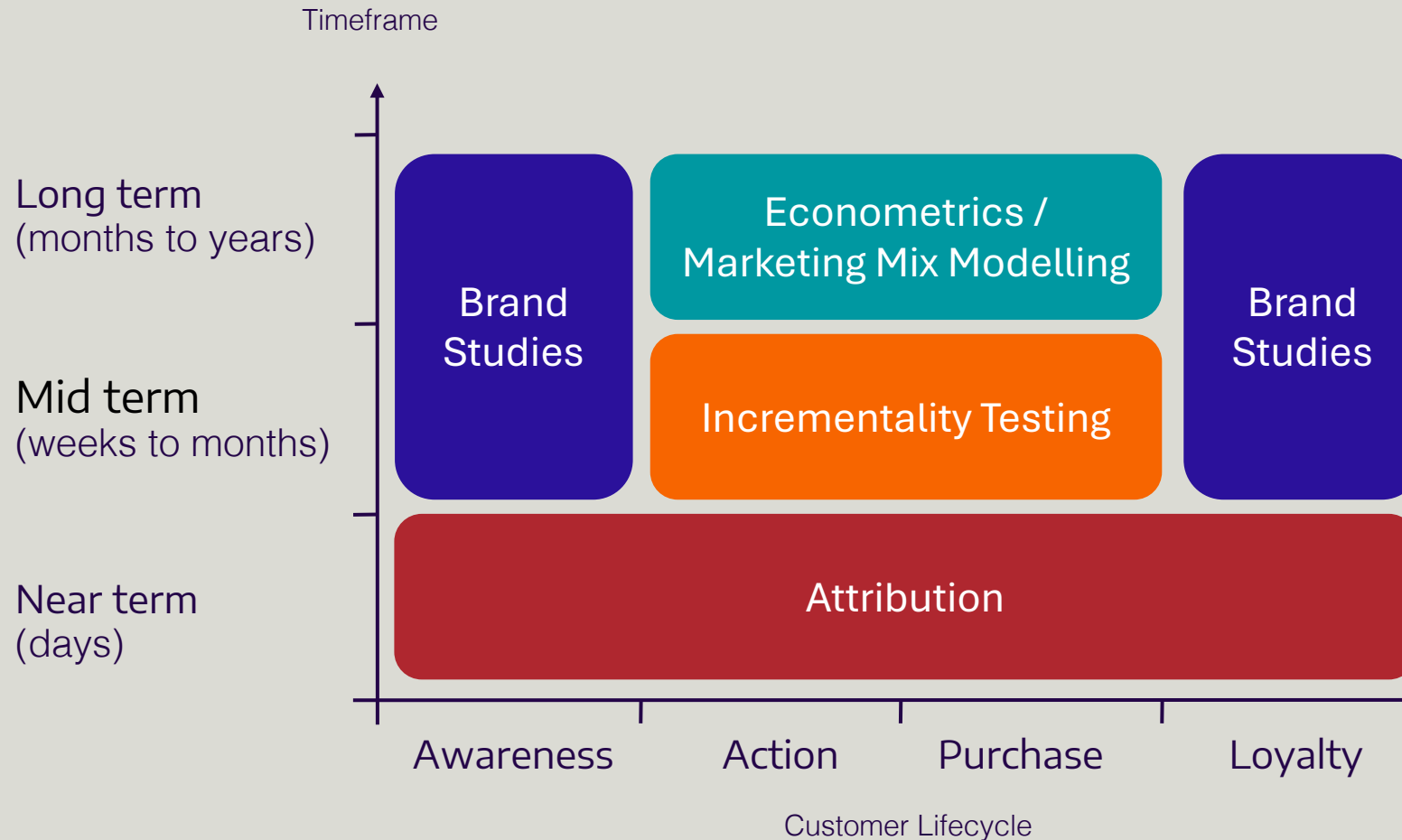
Driving Marketing Effectiveness

Attribution, Econometrics, MMM and Incrementality Testing

Attribution Pressures

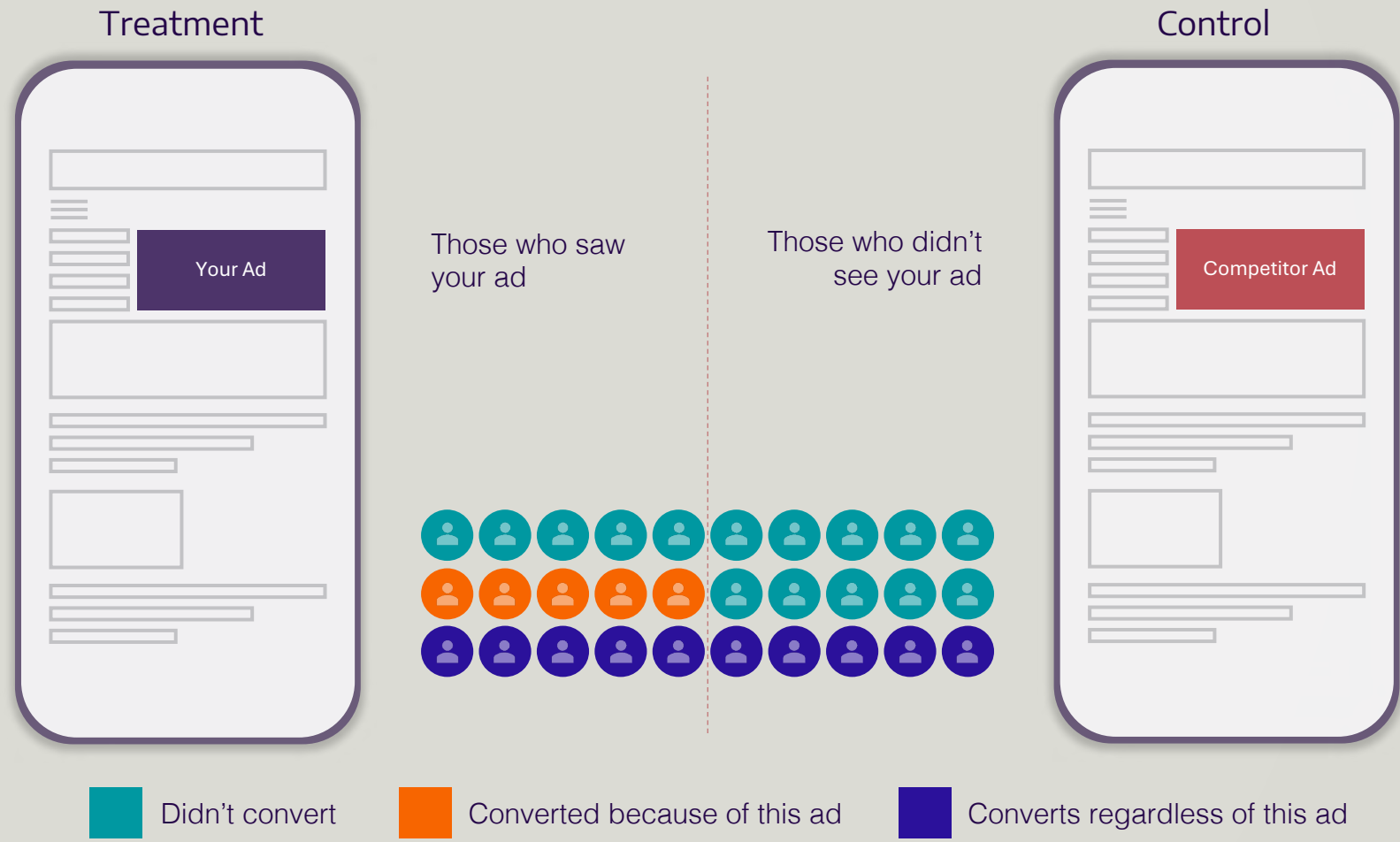


The ROI Question



Adapted from the IAB and Econsultancy

Incrementality Testing



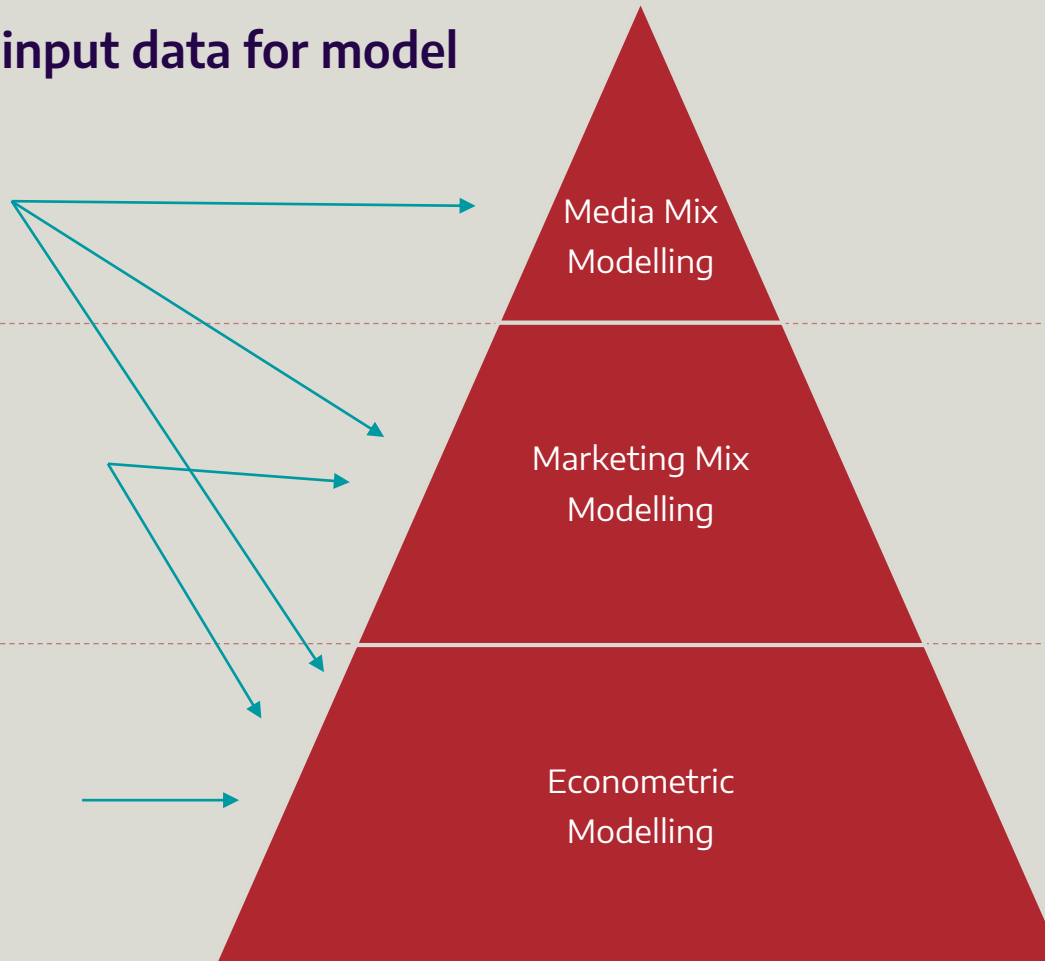
MMM/Econometrics

Typical historical input data for model

- Overall sales
- Marketing spend

- Promotional discounts
- Pricing
- Product breakdown

- Interest rates
- Consumer spending
- Weather
- Competitor pricing
- Competitor sales



Typical application of model

“What is the optimal media mix to maximise marketing impact?”

e.g. Optimise spend by channel to maximise impact.

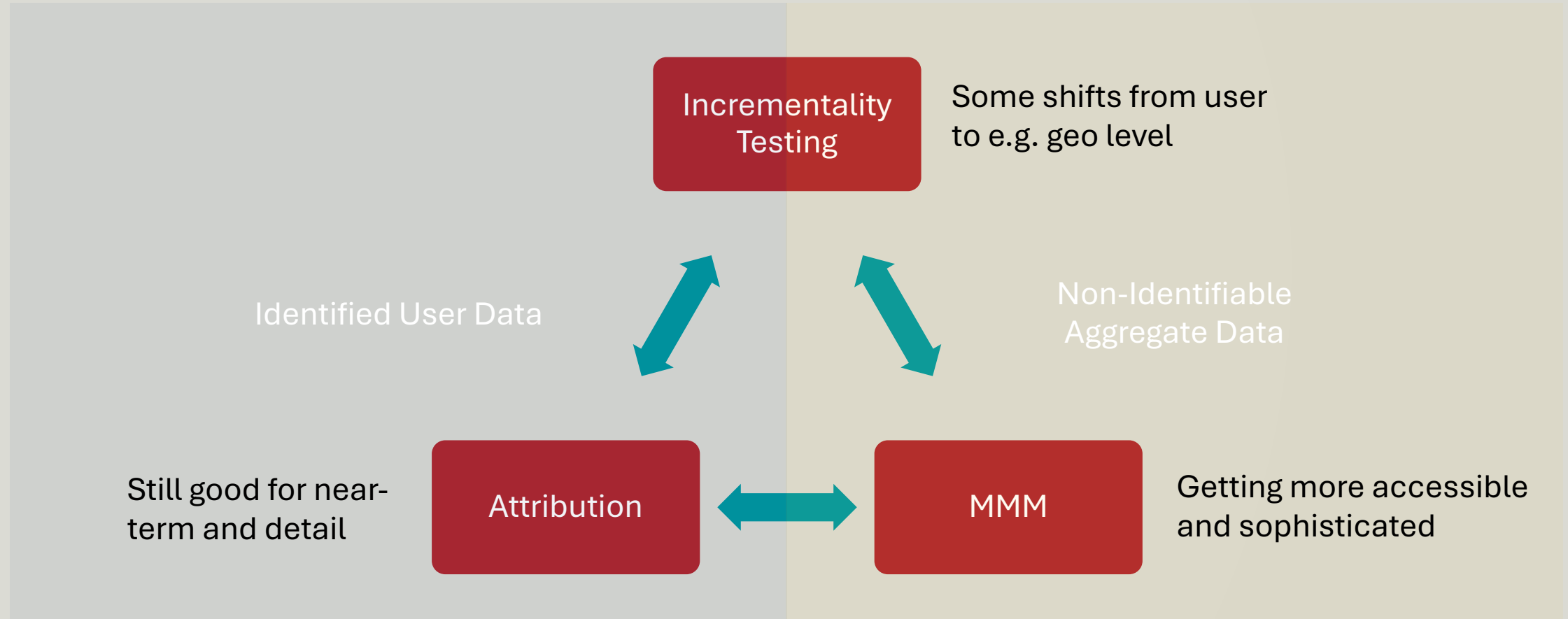
“What is the optimal mix of product / price / promotion / place?”

e.g. Optimise mix of promotion and discounts across channels for different products.

“What should we expect if the economy contracts and competitors raise their prices?”

e.g. Optimise competitive market pricing strategy.

The Balanced Approach





Practical Tips



- Start with the context of your own measurement universe (Google vs Apple, app vs website, online vs offline)
- Get your first-party measurement in order: consented, complete, enhanced.
- Be transparent about how you share that first-party data with other vendors, platforms or publishers – irrespective of the mode of transfer.
- Consider what the right blend of attribution, incrementality testing and MMM might be shifting for your marketing mix.

Q&A



Privacy, Measurement and Marketing Effectiveness

Your recording of this event will be available this afternoon

Our Whitepaper on the topic will be available for download next week

Follow Lynchpin Analytics on [X](#) & [LinkedIn](#) to keep up with all updates.

Email us: info@lynchpin.com