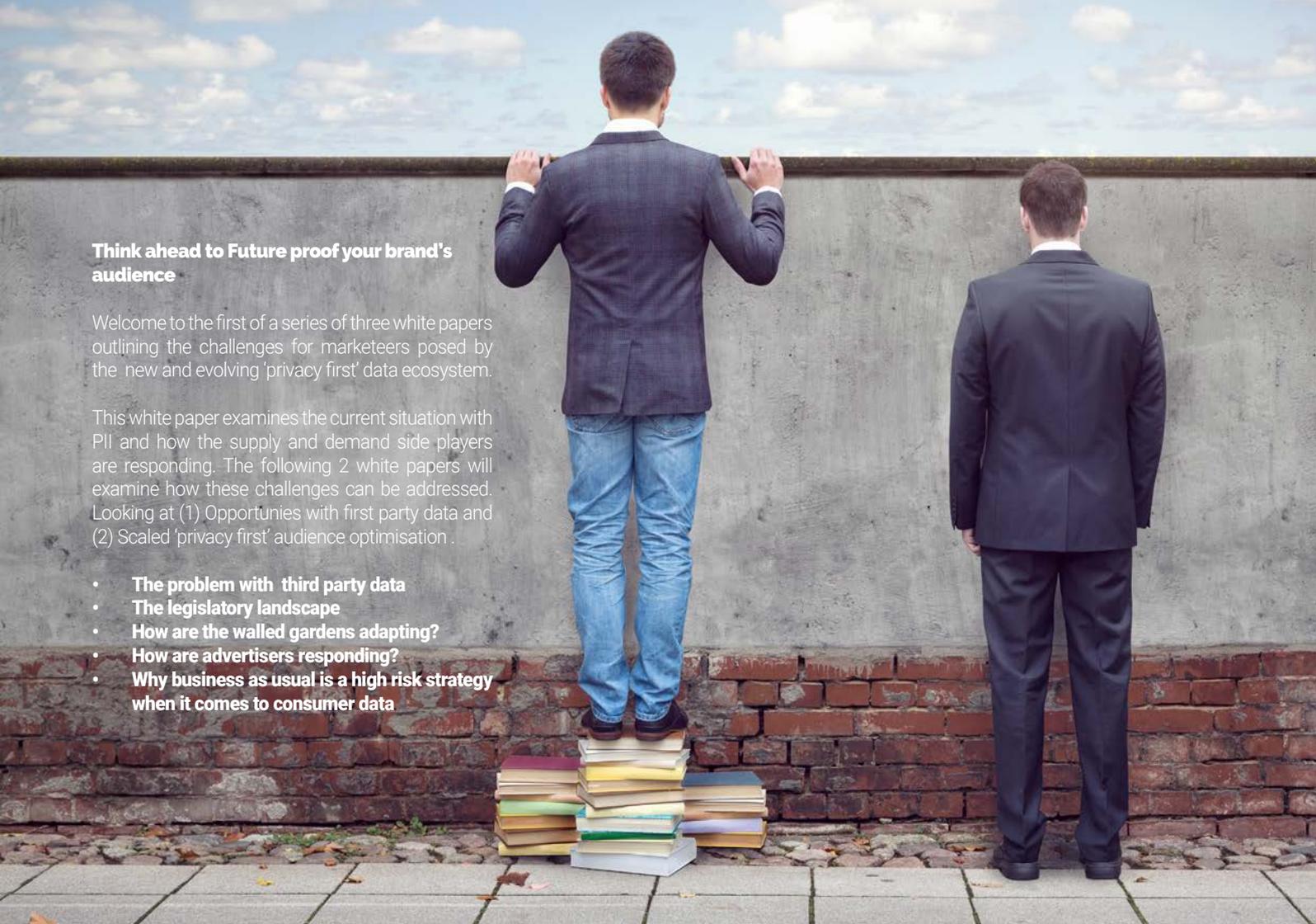


Digital Marketing, is the party really over?
Privacy First data powered marketing

mymyne *insights*

A photograph of a party scene. In the foreground, a basketball with 'X' marks is placed inside a red and white striped cup. To the left, there is an open pizza box with slices of pizza and a fried item. In the center, a glass bowl contains potato chips. To the right, there is a red cup, a chocolate egg, and a pile of popcorn. In the background, a blue sofa is visible, and a colorful party hat sits on the basketball. A large gold balloon is partially visible on the right edge. The overall atmosphere is festive and celebratory.

Think ahead to Future- Proof Your Brand's Audience

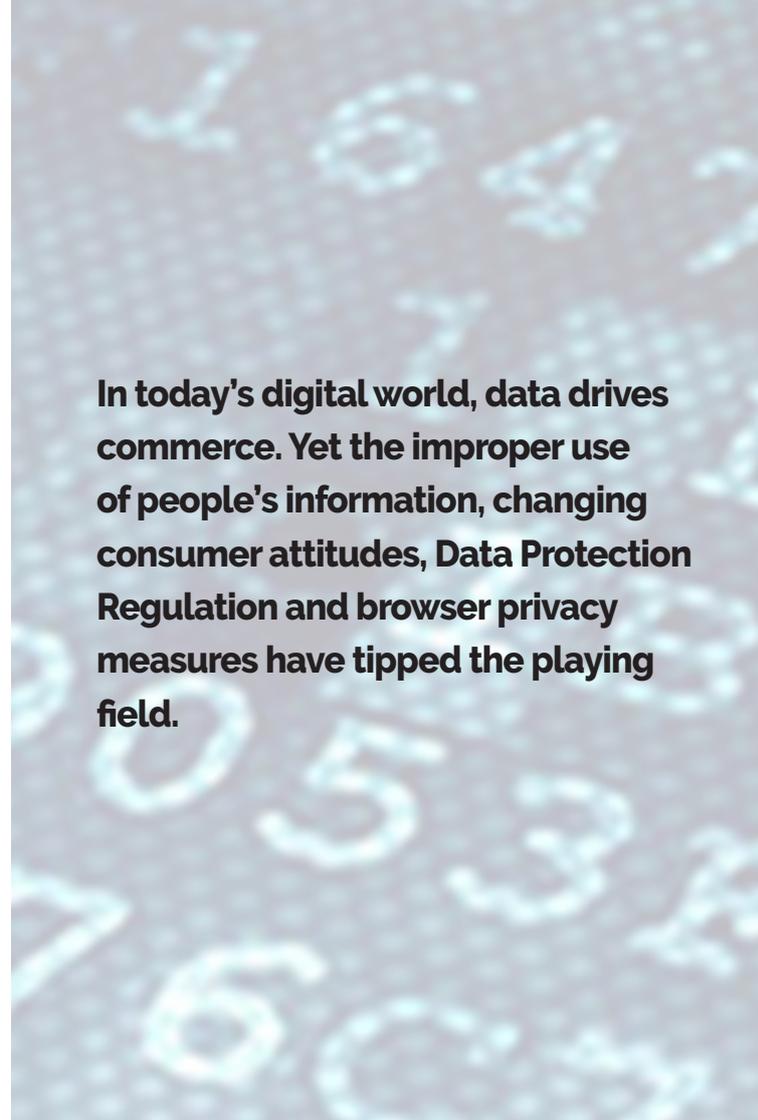


Think ahead to Future proof your brand's audience

Welcome to the first of a series of three white papers outlining the challenges for marketers posed by the new and evolving 'privacy first' data ecosystem.

This white paper examines the current situation with PII and how the supply and demand side players are responding. The following 2 white papers will examine how these challenges can be addressed. Looking at (1) Opportunities with first party data and (2) Scaled 'privacy first' audience optimisation .

- **The problem with third party data**
- **The legislative landscape**
- **How are the walled gardens adapting?**
- **How are advertisers responding?**
- **Why business as usual is a high risk strategy when it comes to consumer data**



In today's digital world, data drives commerce. Yet the improper use of people's information, changing consumer attitudes, Data Protection Regulation and browser privacy measures have tipped the playing field.

As the privacy environment changes it's becoming increasingly challenging for marketers to access, analyse and drive real insights and benefits from audience data.

Personalisation has been high on the marketing agenda for many years, and consumer expectations in this area are high.

Relevance applied without strategy, can be perceived as intrusive and have a negative effect. Audiences expect more than a one off message based on a singular data point, such as birthday greetings, from a brand that's been long forgotten. They expect a consistent brand experience based on an ongoing conversation.

A siloed approach to marketing where creative driven brand conversations and data driven 'data relationships' are uncoordinated delivers inconsistent values which no longer stand up to consumer expectations. And it fails to harness the data science at its fingertips.

The problem is, in an environment with the ePrivacy directive on the horizon, legislation such as GDPR and CCPA are just the beginning, a data-first marketing approach runs the risk of breaching legislation, undermining trust and brand values.

Global brands need to be able to deploy marketing at global scale, but once cookies are gone, few brands will have access to scaled individual level data outside of the walled gardens of Facebook, Amazon and Google. Developing your own walled garden of first party data at scale is prohibitively expensive for all but the richest brands.

Imagine if your data insights could deliver scaled marketing as engaging as Spotify's Wrapped campaigns. In a way that positions your business to meet further legislative changes head on and completely reshapes your brand's relationships with its audience and their data.

Historically data and creative have been too separate, all brands seek to engage their audience, but few consider how elements such as disconnected personalization, complex privacy statements, and clumsy efforts to harvest data undermine this.

To function in the 'privacy crunch' world, your brand needs consumer insight as powerful as Amazon's, scaled to the same level as Facebook. It also needs an overarching strategy combining your brands 'data relationship' with its audience, brand values and strategy.



At some point in the last decade, consumer information became more valuable than oil.

Global brand success comes to those who know how to capture, analyse and use this information to generate the insights that create engaging campaigns and increase revenue.

Audience understanding has always been at the heart of marketing. But digital has resulted in a proliferation of marketing messages both off and online with a sharp increase in the use of consumer data to target ads.

In addition, high profile scandals around the application of personal data by the likes of Facebook and Cambridge Analytica have made consumers aware that their data has value.

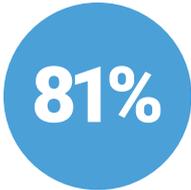
And research from Oracle shows that they're even more cynical about its use, with brand trust at an all-time low.

Understandably, consumers are *not* happy. And a major reason is the use of third-party data.



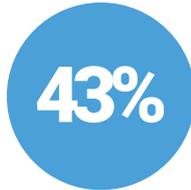
92%

*don't trust recommendations from
chat or messaging pop-ups on
websites*



81%

don't trust ads on mobile devices



43%

*have blacklisted a brand as the
result of a bad experience*

What's Third-Party Data?

Information that's collected as part of a transaction then shared or sold to other businesses unrelated to that transaction.



THIRD PARTY DATA IS PROBLEMATIC



don't read privacy policies in full



of consumers still don't understand privacy policies



claim to have an understanding of how their data is used

With brands wanting to establish closer relationships with prospective and existing customers, additional audience insight continues to be gained through the purchase of third-party data.

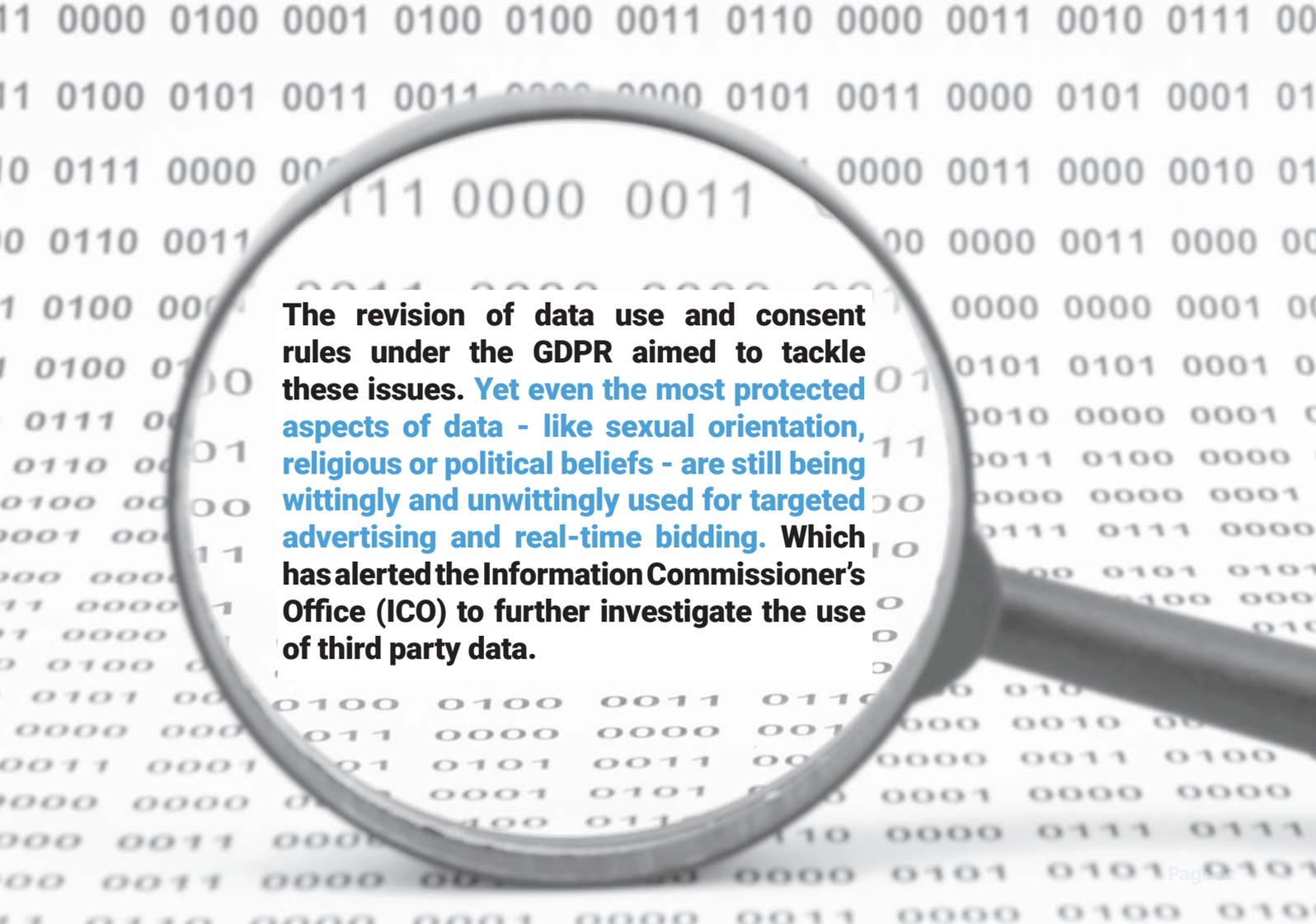
This is the most challenging area for consumer data.

For decades, data businesses operating within the law, have developed processes for harvesting data and selling it on to third parties.

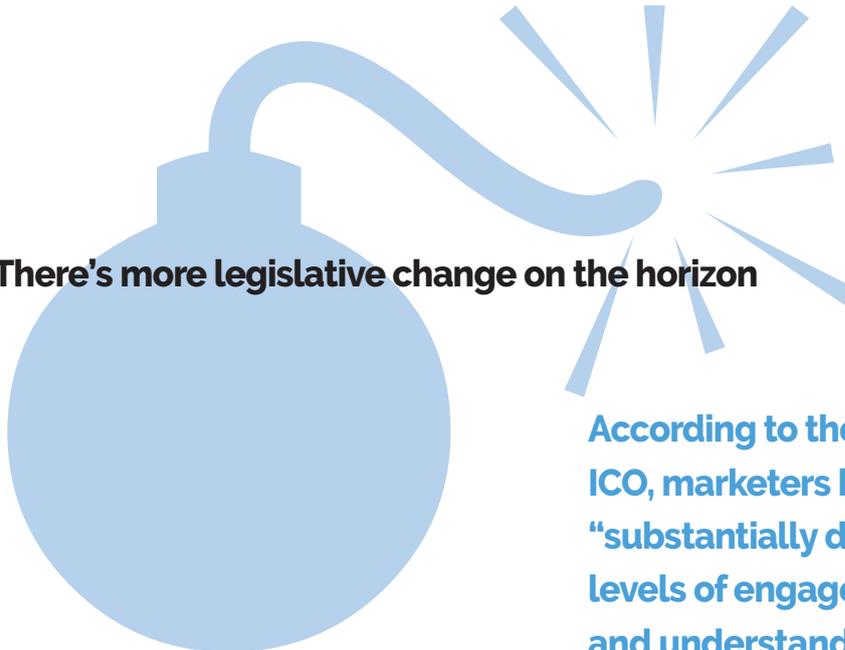
Increasingly there is recognition that, although the data was legally compliant at the time of collection, consumers didn't knowingly give permission for their data to be sold on to, and used by other companies.

Third party data still exists for now, but it's becoming increasingly more challenging from a legal perspective, and reputationally risky for brands to rely on this information source.

And it's problematic for consumers. Despite new rules on the provision of consent notices, even after reading notifications, more than half of consumers still don't understand how their data will be used.

A magnifying glass with a grey handle and frame is positioned over a background of binary code (0s and 1s). The lens of the magnifying glass is centered on a text block. The text is a paragraph discussing GDPR data use and consent rules, with some parts highlighted in blue. The background binary code is slightly blurred, emphasizing the text in the foreground.

The revision of data use and consent rules under the GDPR aimed to tackle these issues. Yet even the most protected aspects of data - like sexual orientation, religious or political beliefs - are still being wittingly and unwittingly used for targeted advertising and real-time bidding. Which has alerted the Information Commissioner's Office (ICO) to further investigate the use of third party data.



There's more legislative change on the horizon

**According to the
ICO, marketers have:
“substantially different
levels of engagement
and understanding of
how data protection law
applies.”**

This is recognised within the industry, with marketers pointing the finger at the marketing sector around issues like:

Consent String Fraud

Consent strings provide a record of an individual's consent, however, there's no single shared language so consent given on one platform may not translate accurately when shared with another. This means data is less likely to be compliant creating additional risk for consumers, marketers and brands.

Data Legislation Loopholes

Some marketers exploit gaps in data protection laws or make it difficult for consumers to understand what they're agreeing to when it comes to their data. Even after reading consent notices, more than half of consumers still don't understand how their data will be used.

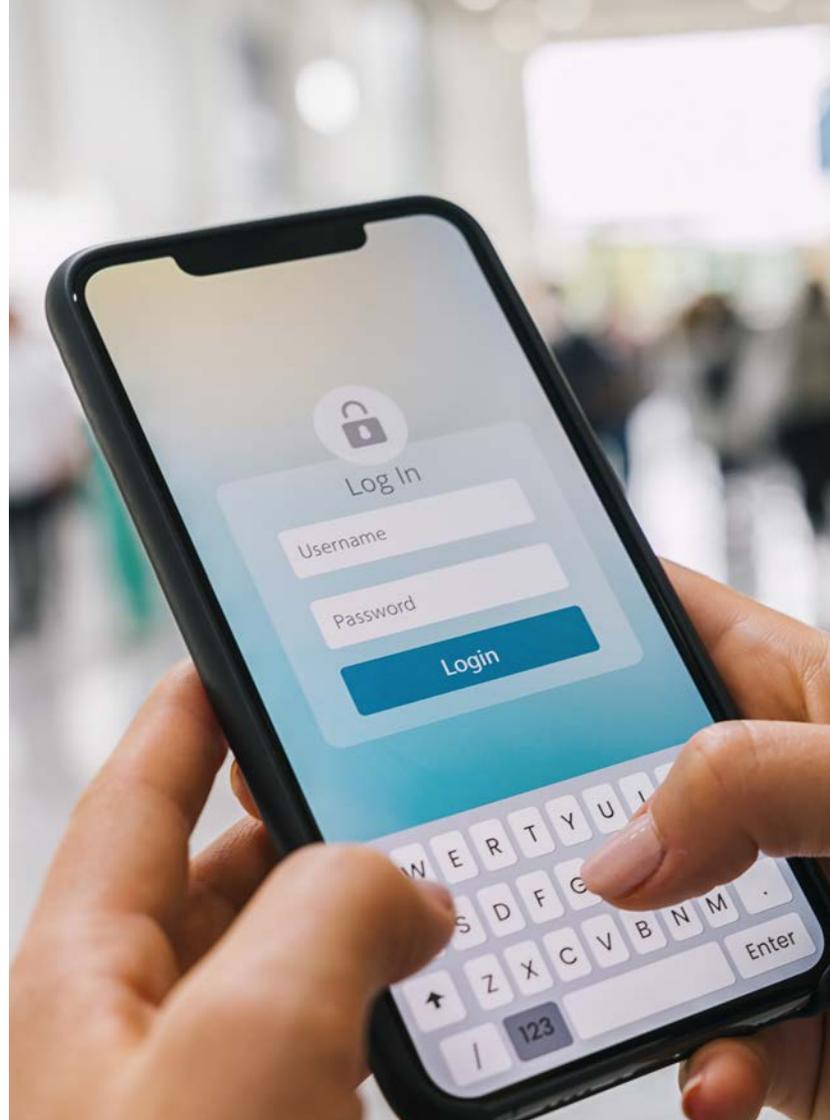
Sensitive data

Like sexual preference or health conditions which continue to be shared and used without people's consent.

The creation and sharing of personal data profiles

The extent of this is viewed by the ICO as "disproportionate, intrusive and unfair".

As a result, the ICO continues to collaborate with the data protection authorities in Europe and will soon be clamping down on unfair practices - posing a serious risk to organisations that don't comply.



If you thought that we've seen the aftermath of regulations such as GDPR and CCPA, think again. Regulatory bodies will gain steam - impacting and shaping markets, in a very real way in 2020.

(Forrester Research: Predictions 2020)

The usual data sources have put up their walls





Legislation without teeth is often simply ignored. But the ICO has already fined large brands like British Airways and Marriott multi-million pound sums for data breaches.

As the ICO continues to explore the data protection implications of the real-time bidding system, the shutters have, understandably, come down on the traditional sources of big data.

The most notorious data scandals have highlighted just how easy it once was to harvest detailed data from sources like Facebook. Post Cambridge Analytica your business is provided with limited and therefore less useful data that:

- Cannot be fully scrutinised
- Lacks insight and detail due to privacy concerns
- Can't be used outside the data providers platform

It's not just walled gardens but also the 'open web' that's been hit. Safari's Intelligent Tracking Prevention (ITP) has led the pack as the browsers jump onto the privacy band wagon.

With Firefox and Google also revising their privacy policies, around 80 percent of the global digital audience will be guarded from third party tracking by the end of 2022. This alone, heralds a major shift in the way marketers must approach digital marketing.

MARKETING PAIN POINTS IN 2020

**NON-COMPLIANT
DATA
= BUSINESS RISK**

**LACK OF DATA
INSIGHT MEANS
REDUCED
CAMPAIGN
ENGAGEMENT**

**CONSUMER TRUST
IN MARKETERS AT
AN ALL-TIME LOW**

**THE LEGISLATORY
ENVIRONMENT
IS INCREASINGLY
CHALLENGING**



amazon.com[®] out performs almost every other brand on every KPI...

In comparison, retailers like Amazon - who are taking steps to enter the FMCG marketplace - have enormously rich data sets. Because they've generated their own first-party data they can analyse it in detail, generating useful insights that enable accurate recommendations and re-targeting. As the stock markets show, this is a recipe for more sales and greater profits.

COVERAGE

90%

of ALL shoppers shop on Amazon*

SHARE OF VOICE

75%

of ALL shoppers say they compare in-store prices with Amazon before purchasing*

VALUE

51%

of shoppers believe Amazon have the lowest prices*

MARKET SHARE

66%

of all on-line purchases are through Amazon

CONVERSION

25%

of all interactions result in a purchase compared to an industry average of **5%**

LOYALTY

91%

of Prime Members renew each year*

**Data used in the right way
increases trust levels.**

67% of online shoppers say they have “quite a lot” or “a great deal” of trust in Amazon to protect their privacy and personal information compared with an industry average of below 25%

And it's another major threat that your brand needs to counter.

How Trust and Use Align for Amazon

Almost 9 in 10 Brits are Amazon users. Trust in Amazon is high:



of users assume the retailer has the lowest prices



say they are loyal to the company



go to Amazon before any other online retailer



of online shoppers say they have “quite a lot” or “a great deal” of trust in Amazon to protect their privacy and personal information

And it's another major threat that your brand needs to counter.

So what exactly are your competitors doing in the face of all this change?

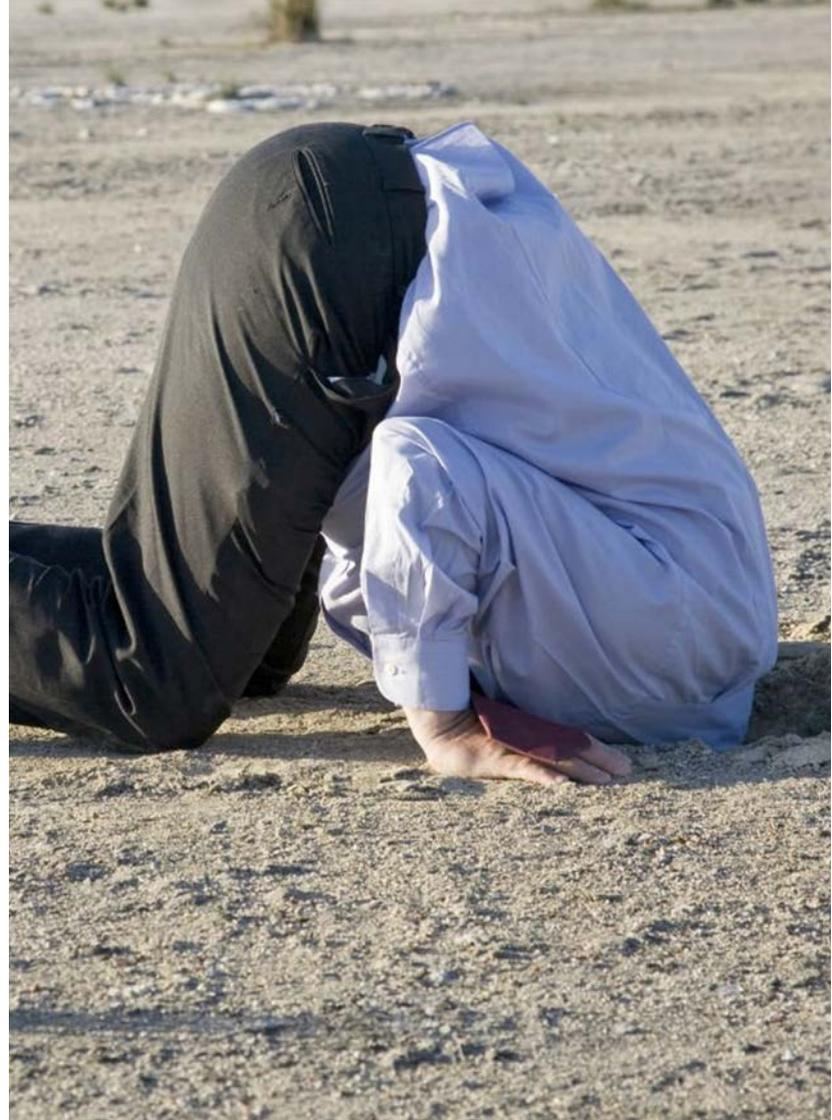


Business as usual is a high risk strategy.....

Many marketers are still carrying on with a business as usual approach.

This is a high risk strategy.

Despite the legislative requirement for firms to have a unified view of their data, marketers continue to work in silos with information split up and used in different ways by different teams. Data shows that 81% of marketers share data across departments without express permission from customers, which may not be legal.





“How is your brand responding to the changes in the digital ecosystem caused by legislation and browser privacy measures?”

Source: Mymyne Ad-Industry survey March 2020

80%

Plan to sign up to the Google sandbox.

62%

Investigating Cookie- Free tracking and Global ID's

18%

Investing in first party data

12%

Are increasing the use of contextual advertising

Ad-Tech continues to look for technology to replace cookies, without addressing the underlying issues

Global IDs.

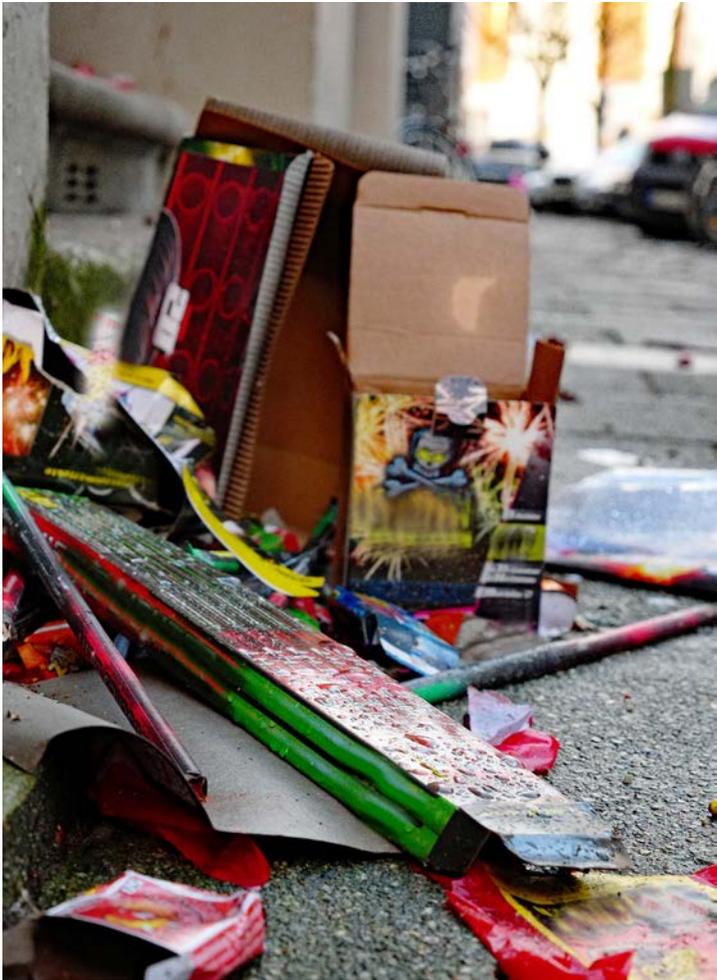
Global ID's like the IAB's Project Rearc do not address the issues of privacy legislation. Targeting, or personalisation based on an identifiable individual requires informed consent. The ePrivacy directive states that even anonymous tracking, requires the subject to be made aware they're being tracked. Slotting a new identifier into the existing ecosystem does not remove the confusion and lack of transparency current permissioning provides.

Cookie-free Tracking

On 17th Jan 2020 the ICO issued the following statement about the current digital ecosystem.

"There is significant lack of transparency due to the nature of the supply chain and the role different actors play. Our June 2019 report identified a range of issues. We are confident that any organisation that has not properly addressed these issues risks operating in breach of data protection law."

Just like global ID's, Cookie free tracking in isolation does not address this issue



Google Sandbox

Google have not yet published details of their sandbox. It's likely when they do that it will have many features which maintain privacy and appeal to advertisers .

The existing Walled Gardens have a clear strategy to control how individuals are identified in the digital ecosystem. Google and Facebook logins already provide a low friction login process which allow them to control the information publishers see. Apple recently announced that from some time in 2020, all apps in the App Store will require the option for an anonymised Apple sign-in.

With four options already in the market, the chances of success for a universal ID are reduced, in addition, for 5bn Apple users the UX of an anonymous apple ID, powered by facial recognition, is perhaps too good to ignore.

Google Sandbox is far more likely to supplement this trend than it is to undermine it



Is this the end for digital marketing?

In this white paper we've looked at the headwinds that the current ecosystem is facing. And it's important to recognise these. Some in the industry say that the rise of digital advertising is now over. It's true that the writing is on the wall for many of the data related practices which have allowed the marketing industry to develop its scale and effectiveness over the past thirty years. The challenges ahead can be summarised into three driving forces:

1. The impact of regulation has not yet been felt

Forrester predicts in 2020 "Regulation will upend two major areas of the marketing ecosystem: third-party data and Ad-tech." This will have a direct impact on how the \$385bn predicted to be spent on digital advertising in 2020 is spent.

2. The consumer backlash is just beginning.

Forrester predicts privacy class-action lawsuits will increase by 300%.

3. Big tech firms are pulling up their walls

Big tech firms such as Apple, Google and Mozilla are providing consumers with new tools that shut out data collection.

Brands that fail to address this changing environment and future proof their 'audience data relationship' run the risk that they will soon find themselves in a data wasteland, with limited ability to understand and engage their audience.

Is the party really over?

Sacha Baron Cohen's scathing attack on Facebook as the 'greatest propaganda machine in history' was not, on the face of it, an attack on digital marketing but it highlighted the extent which poor regulation has allowed micro-targeting to be abused. The fact it went viral is a barometer of public opinion, and as marketers we should take heed.

Regulatory and Consumer awareness is on the rise and brands that do not respond to this changing environment will undoubtedly suffer.

This is just the beginning of the road for digital though, data driven technology (data-tech) has the potential to 'engage and delight' audiences at significant scale. It can communicate the idea behind your brand to your audiences, across international boundaries, while tailoring this idea to appeal to each individual's imagination.

To unleash this potential there is a balancing act to perform between commerce and privacy. The requirement is a change the 'data relationship' between brands and consumers, from one based on mistrust and lack of control, to a transparent data/value exchange. In an exchange such as this, the audience benefits from the value of the user experience providing their data enables, and the brand benefits from the resulting, more positive audience



A photograph of two men in suits standing in front of a grey concrete wall. The man on the left is wearing a dark grey suit jacket and blue jeans, standing on a tall stack of colorful books. He has his hands on the top edge of the wall, looking out over the horizon. The man on the right is wearing a dark blue suit and is standing on the ground, also looking out over the horizon. The sky is blue with scattered white clouds.

Think ahead to Future proof your brand's audience

In a recent Mymyne survey those in the creative side of the industry were much more likely to believe that recent developments, particularly browser privacy measures, will benefit the industry (58%). This contrasts with those more heavily involved with data.(27%) The creatives are right, this is not the end of the road. Brands must recognise that the way they deal with privacy concerns has a direct impact on trust and associated brand values. And they must realise that in the new world audiences demand value in exchange for the data they sacrifice

The next two white papers in this series address two different aspects of the privacy first world.

Redefining your audience data relationship:

Creating and leveraging First Party audience relationships through value, trust and control

Privacy friendly programmatic campaigns:

Contextual audience optimisation at scale.



mymyne™

In the new data ecosystem, audience data is harder to come by, but audiences expect brands to 'know' them.

This means; delivering a consistent brand experience, regardless of channel or touch-point, and delivering communication, which is appropriate to their lifestyle, context and timing.

'Knowing' your audience makes the difference between intrusive and unwelcome SPAM and a useful marketing message.

Mymyne Insights delivers the technology and data to enable brands to:

- Leverage their first party data to help to 'know' their audience.
- Decant this understanding into scaled, cookie free, programmatic campaigns across Digital, TV, OOH, and Mobile.

We work with media buyers and brands to deploy machine learning powered real time analytics into your existing DSP to create cookie free, privacy compliant, future-proof, campaigns.

CONTEXTUAL AUDIENCE OPTIMISATION
Right time, right message, right place

UNDERSTAND YOUR AUDIENCE

Identity Resolution

- Create a single view of your relationships on and offline.

Contextual Segmentation

- Analyse website traffic, pre and post engagement behaviour
- View your audiences' complete sum of experiences when interacting with your brand.
- Create contextual audience segments based on content, time, location and channel.

Descriptive Analysis and Visualisation

- Combine your first party data with our third party network to understand demographics, lifestyle, brand affinities and motivations.
- Create pen portrait descriptions of your audience segments.
- Investigate your audience using Mymyne's Insights dashboard.

ACTIVATE YOUR AUDIENCE

Programmatic Audience Definition

- Combine Descriptive Analysis with Contextual Segmentation to define Right Time, Right Message, Right Place.

Activation and Optimisation

- Deploy 'audience rules' to your DSP to create dynamic audiences in the appropriate buying platform for each digital channel.