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# Implications of Changing Privacy Frameworks on Measurement & Marketing

November 2, 2022

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# Speakers



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# The Value of Ads



**Neha Bhargava**  
*Advertising Research Director*  
**Meta**

# The Value of Ads

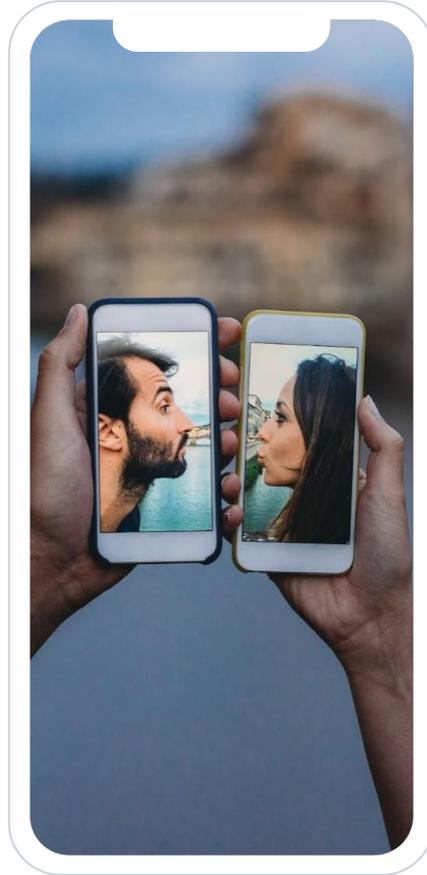
Neha Bhargava  
Director of Advertising Research

November 2022



 Meta

Privacy is  
inherently  
about people



-  Ads drive value for consumers
-  Ads drive business value for advertisers
-  Personalization and privacy can co-exist

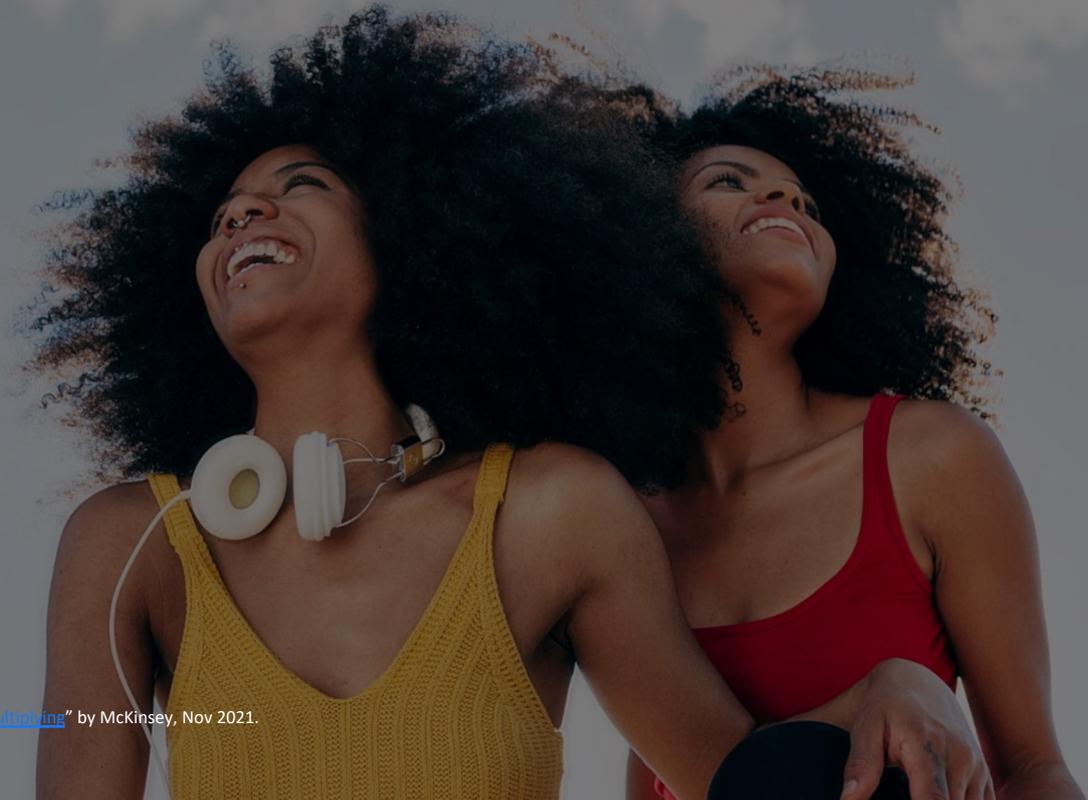
# Consumers today expect personalization

## 71%

Of consumers expect companies to deliver  
personalized interactions

## 76%

Of consumers get frustrated  
when they don't find it



# People derive different types of value from personalized ads



Useful savings  
e.g., discounts, rewards



Relevance & Efficiency  
i.e., finding what is needed when needed



Ability to support small and/or local  
businesses



Discovery of new brands, products, or  
information

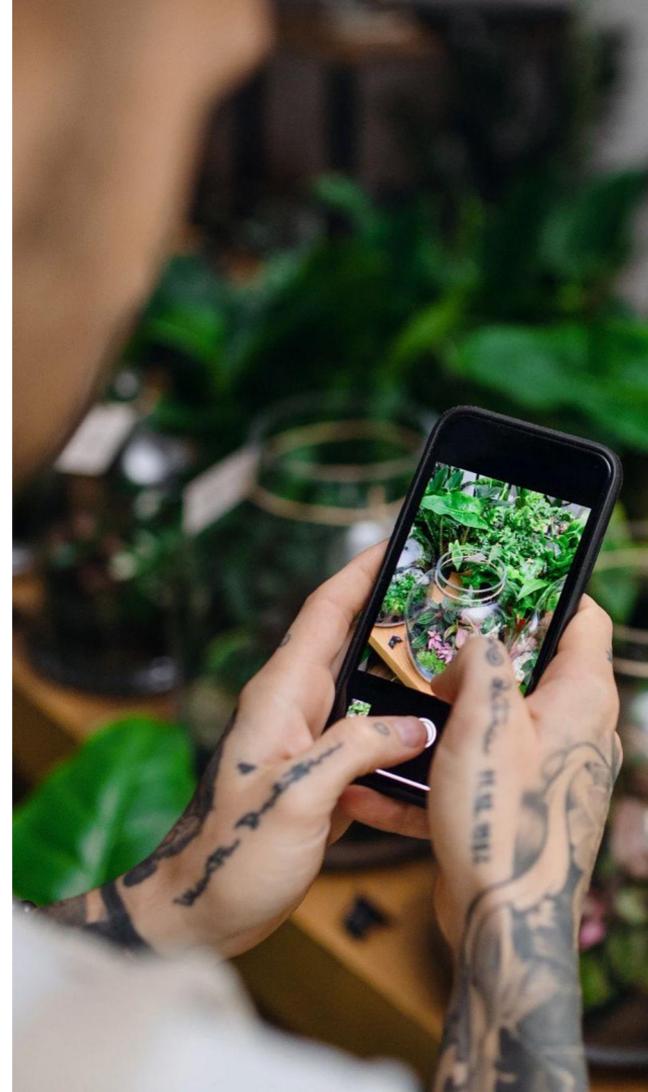


Tailored entertainment



Reduced cost or free access to goods  
and services

Sources: [“How to overcome iOS 14 impacts on customer experience”](#) by Accenture, 2020  
[“People Globally View Personalized Ads as a Valuable Tool for Finding Relevant Goods and Services”](#) by Ipsos  
Poll (Meta commissioned study of 58,000 people ages 18+ in 54 countries in April and May of 2021), June 2021.



# Personalized ads are valuable to businesses, too

A large-scale experiment showed that limiting ad delivery to only leverage onsite data increased cost per incremental conversions by

# 37%

compared to strategies that can leverage both on- and offsite data

Source: “Estimating the Value of Offsite Data to Advertisers on Meta” SSRN, August 2022, completed in partnership between Meta, Northwestern University, and University of Chicago.



## Advertiser size

Small advertisers would be hit nearly **2x** as hard as large advertisers in terms of cost per incremental conversions.



## Industry vertical

CPG, E-commerce, and Retail advertisers are hardest hit seeing the cost per incremental conversions increase by **64%**, **45%**, and **48%** respectively.

# Understanding people privacy concerns

In an open-ended survey, respondents described 16 distinct privacy concerns for online experiences. The concerns included a mix of actual app practices, personal experiences, and common myths.



## Interpersonal concerns

**Reason for concern: Perceived risk of potential harm (physical, financial, social, emotional), risk of interpersonal conflict, reduced sense of personal control.**

- Others see personal info you don't want them to
- Others leak your info
- Others use your info to try to harm you
- Others send you unwanted messages
- Others tag you with something unwanted (e.g., photos)
- Others add you to unwanted groups (e.g., message threads)



## Data collection and use concerns

**Reason for concern: Perceived invasiveness, reduced sense of personal control, appearance the company benefits more than the user.**

- App monitors physical location
- App collects offline purchase history
- App eavesdrops on offline conversations
- App tracks behavior on other apps and sites
- App uses data to rank content
- App uses data to personalize ads



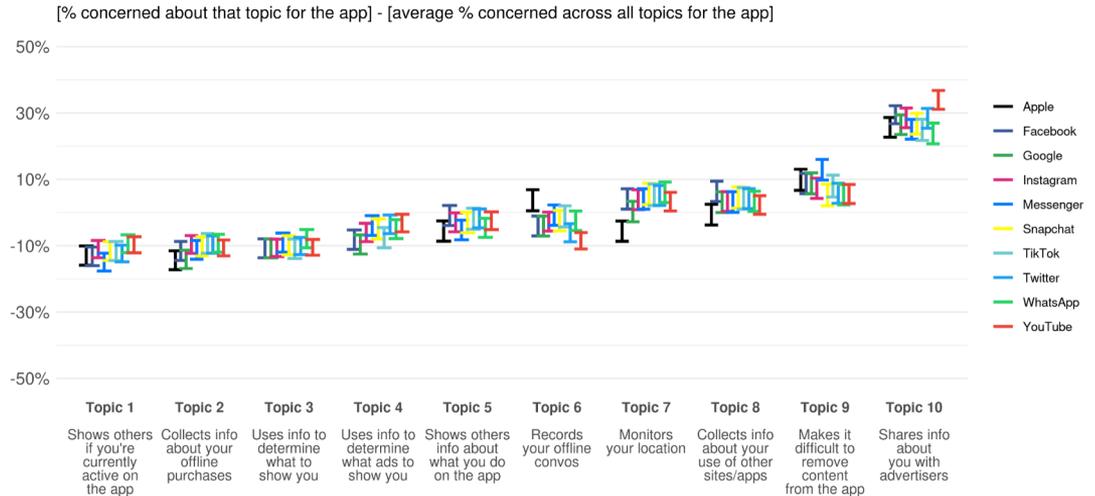
## Data access concerns

**Reason for concern: Risk of interpersonal conflict, reduced sense of personal control, appearance the company or other people benefit more than the user.**

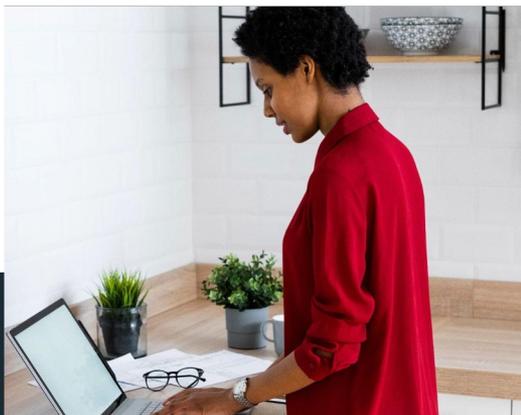
- App gives personal info to advertisers
- App shows others your in-app actions (e.g., history of likes)
- App shows others if you're currently active
- App content is difficult to remove

# Privacy is an industry-wide challenge

Conducted a survey to measure privacy concerns across a range of popular apps and topics. Once we adjust for factors like brand effects and population differences, rates of privacy concerns are mostly the same across the apps.



# Actions for the ads industry



## Give customers more transparency into how their data is used

People want to understand how their data is being used. If you understand your audience well, you can then best explain how you use this data in a simple way and provide the right level of education.



## Be good stewards of the data that is collected

Protect the data that you collect by investing in data privacy stewardship now may also make it easier for you to address evolving expectations from people, regulators, and industry bodies.



## Shape the future through collaboration across the industry

Test products, share feedback, and participate in industry conversations to influence future technologies and standards.



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**Thank you!**

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