

Keynote | [Privacy Readiness] The APAC Privacy Imperative – Uncovering Opportunities for Growth Through Privacy Readiness



Google

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THE MARTECH
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How can APAC Advertisers & Publishers be Privacy-ready?

Understanding New Consumer & Business Insights



The context

The APAC region has witnessed a rapid evolution in the digital ads ecosystem **driven by privacy concerns**

Consumer Concerns

- Rising concerns over privacy of user data, and how it is used for marketing
- Driven by increasing share of digital activity

Regulatory Intervention

- 9 new or updated privacy laws since 2017¹
- Definition of personal data
- Evolution of rules around collection, storage, and use of user data

Platform Policies

- Beginning of withdrawal of support for third-party cookies from some browsers
- Mobile OS maker policy changes around identifiers
- Changes to mobile identifiers used in advertising

All signs point to a **fundamental change** in the way digital advertising will be done in the future, and the **need to adapt**



3

core privacy
research projects

14

markets covered
across APAC

100+

interviews with
businesses

10K+

user and biz
surveys

Research Objectives

- 01 Understand the **privacy state of play** across APAC, for businesses and people
- 02 Understand **the opportunities and risks** represented by upcoming privacy changes for APAC businesses
- 03 Learn from global & regional leaders about **tangible steps** for privacy readiness

Research projects:

Google x BCG

APAC Business
Privacy Readiness

Google x Deloitte

APAC Publisher and
App Developer First
Party Data Readiness

Google x Ipsos

APAC Consumer
Privacy and Data
Ethics Perceptions

Today's Agenda

- 01 **Latest research findings overview:**
new insights from APAC consumer and business research
- 02 **Key opportunity in APAC:**
privacy factors can **build customer trust and business value**
- 03 **Key opportunity in APAC:**
first-party data can be a crucial driver of differentiation with the right investment
- 04 **Key opportunity in APAC:**
tech, talent, and time are three key enablers for privacy readiness

**Latest research
findings overview:**
new insights from
APAC consumer and
business research





Insight

APAC businesses have a broad understanding of the importance of privacy readiness, but **most are missing the opportunity to take early action**

Businesses clearly demonstrate an understanding of the importance of privacy

>70%

of surveyed companies agree¹ that not being privacy-ready will have **significant consequences**



Loss of people's trust



Regulatory and legal costs



Technology costs from fixes and upgrades

n (# of survey respondents): 178

1. Answered "Strongly agree" or "Agree" to Q13. "I believe that the consequences of not being privacy-ready will be significant in the next 2-4 years."

Source: Google-BCG APAC ads privacy survey, Interviews, BCG analysis

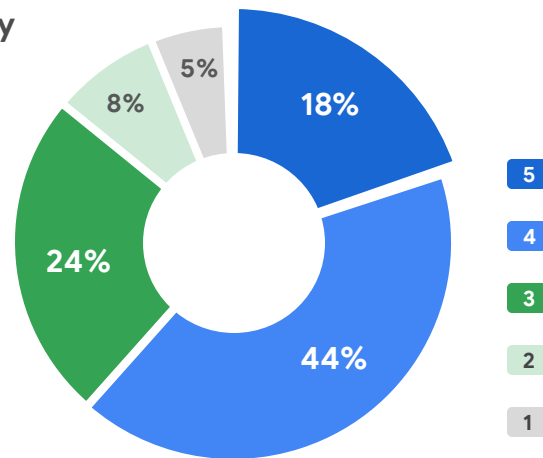
C-suites across APAC say that they are making privacy a key priority and a key strategic pillar

~62%

of publishers and app developers surveyed reported that privacy is a **key priority for C-suites**

Is privacy a C-suite priority in your organization?¹

(Please rate from 1 to 5, where 1 is “irrelevant” and 5 “A key strategic pillar, with accountable targets and outcomes”)



However, actual investment in privacy readiness seems to lag behind awareness of importance

>40%

of surveyed companies in BCG research said¹ that they had taken no concrete actions

What is holding you back from investing more aggressively in the use of first-party data in your ad sales efforts?



1. n (# of survey respondents): 178. Note: Vietnam excluded given low survey response. Answered "Have not started any discussions at C-level yet on this topic; no actions at all yet to become more privacy-ready," "Have had discussions at C-level on this topic, but no assessment yet of how the company would be impacted," or "Have assessed how the company would be impacted in becoming more privacy-ready, but have not taken any concrete actions" to Q26. "How would you describe your company's attitude towards becoming more privacy-ready in the next 2-4 years?". Source: Google-BCG APAC ads privacy survey, interviews, BCG analysis.



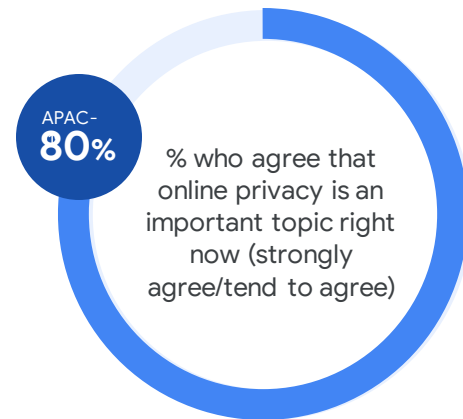
Three reasons to **invest** **now in privacy readiness**

1. Businesses may be underestimating the importance of privacy to their customers

Apart from India, **more than half of businesses believe privacy is important to users** in their country today¹ (IN at ~44%)



... but when the research surveyed APAC users themselves, **the average number was far higher, at 80%**



1. n (# of survey respondents): 178. Note: Vietnam excluded given low survey response. Answered "Critically important" or "Very important" to Q1. "In your opinion, how important is privacy to users (based on Google customers) in your country today in how they engage online? (1 - Not important, 5 - Critically important)". Source: Google-BCG APAC ads privacy survey, interviews, BCG analysis.

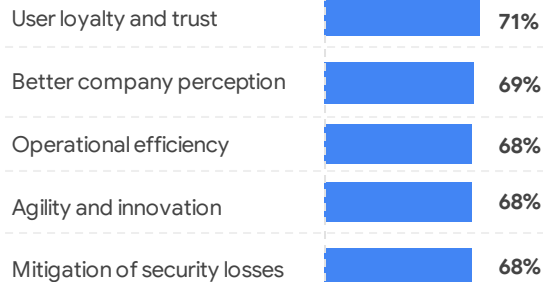
Q13_5. "To what extent do you agree or disagree with the following statements?" - "Online privacy is an important topic right now" Source: Google/PSOS, APAC Consumer Expectations: Understanding Data Privacy Ethics for Effective Marketing, Australia, Hong Kong, India, Indonesia, Malaysia, Philippines, Singapore, South Korea, Taiwan, Thailand, Vietnam, n=16,500, Internet users, January-May 2022

2. Businesses may not fully understand the positive ROI and benefits of privacy readiness

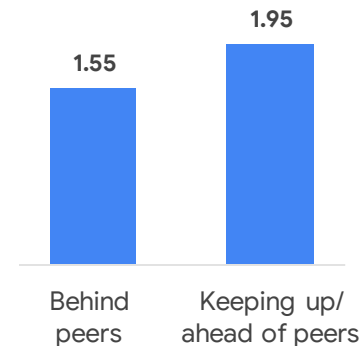
>60%

of companies globally report¹ **benefits to being more privacy-mature**

Areas where respondents report significant benefits to privacy maturity² (numbers represent percentage of respondents)



Estimated privacy return³ based on relative privacy-maturity of company



1-3 Estimated financial value of benefits from privacy divided by value of privacy investments from [Cisco Data Privacy Benchmark Study 2022](#)
 Note: Cisco responses were gathered in 2021 from > 5,300 security professionals across 27 geographies including Australia, China, Hong Kong, India, Indonesia, Japan, South Korea, Thailand, and Vietnam among others; privacy-related questions were directed to > 4,900 professionals who indicated familiarity with their companies' privacy processes
 Source: Google-BCG APAC ads privacy interviews, BCG analysis, [Cisco Data Privacy Benchmark Study 2022](#)

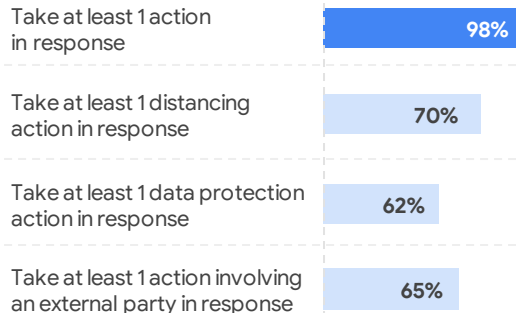
3. APAC users are quick to take action in response to breaches of their trust on data privacy

98%

of APAC consumers would take at least one action to protect themselves or in response to a violation of their trust around data

“When a company violates, breaches or exceeds the amount of information they have collected from you, what are the activities you would do in response?”

Consumers who would



Distancing actions refer to **stop buying from a brand/company or switching to another brand/company**, stop using the brand's site/app, etc.



Data protection actions refer to changing data-sharing permissions, using a VPN service, being more cautious about sharing data with the company, etc.

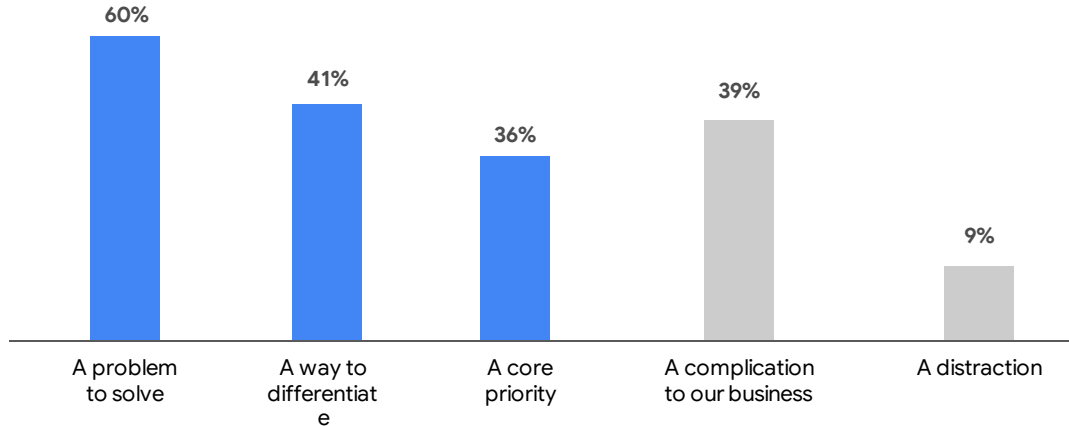


Actions involving an external party refer to reporting the company to a local authority, reporting the company to a global authority, exposing the breach on social media, etc.

However, some businesses are showing real leadership, and treating privacy as an opportunity to differentiate themselves

>40% of publishers surveyed indicated that they saw privacy as an **opportunity to differentiate themselves**

How do you view the increased focus on privacy?





Key Takeaway

Privacy readiness is
just **good business**

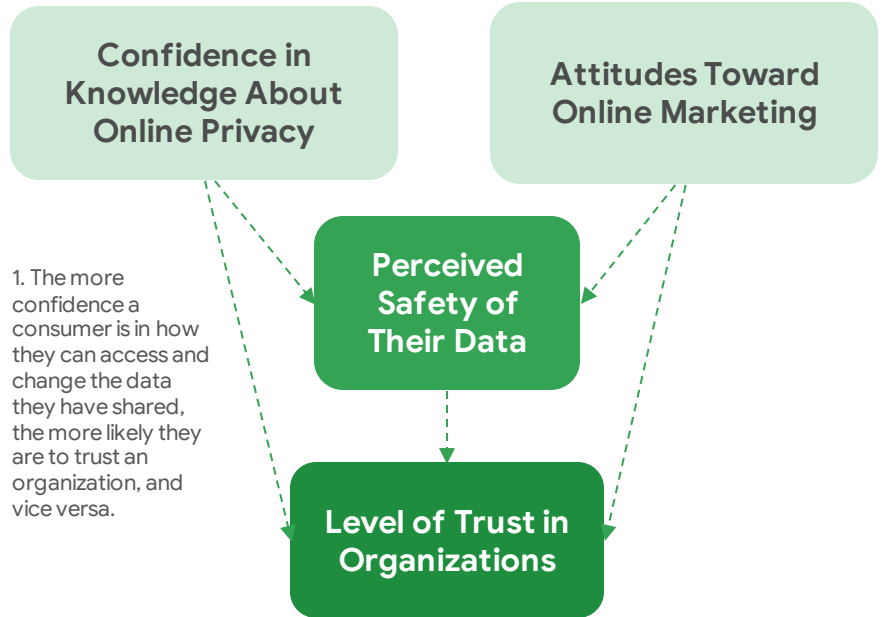
Key opportunity in APAC:

Privacy factors can **build customer trust and business value**



User trust is driven by data privacy confidence, safety, and attitudes toward online marketing

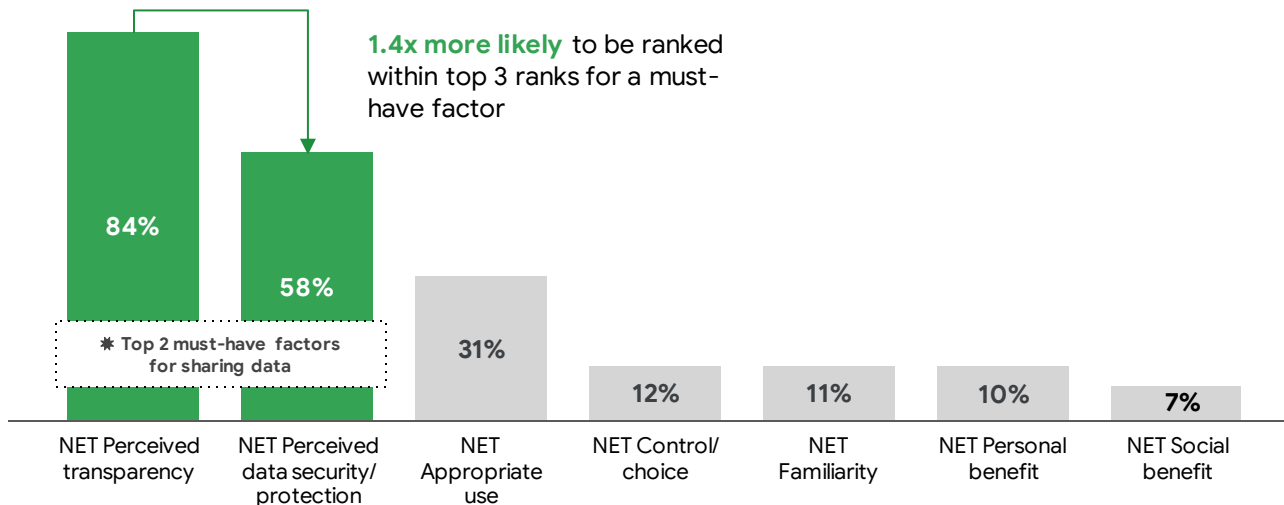
Each factor is a direct driver of user trust - and while both knowledge of privacy and attitudes toward marketing are influencers of a perception of safety, across APAC the influence of privacy is stronger



Privacy factors drive trust and willingness to share personal data

Transparency in data policies and strong data protection measures were found to be the top must-have factors for consumers to share their data

% who ranked at least one factor from the following factor types (NET*) as their top 3 must-have factors for sharing their data

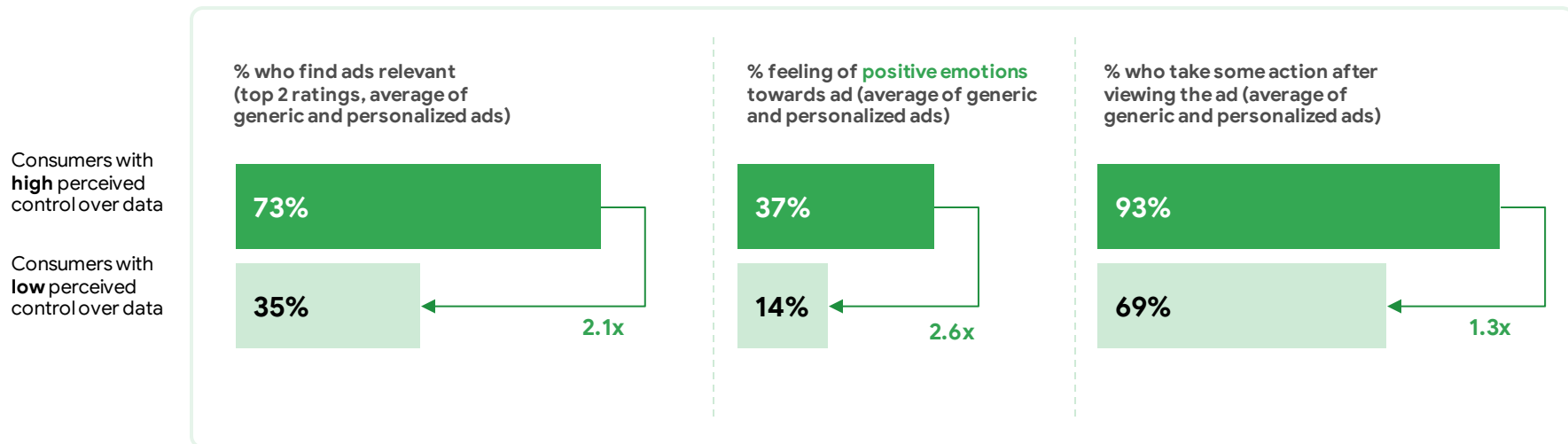


APAC2. "Of the reasons below, please rank the top 5 factors that must be fulfilled before you are willing to give organizations access to your personal information/data." Source: Google/PSOS, APAC Consumer Expectations: Understanding Data Privacy Ethics for Effective Marketing, Australia, Hong Kong, India, Indonesia, Malaysia, Philippines, Singapore, South Korea, Taiwan, Thailand, Vietnam, n=16,500, Internet users, January-May 2022

*NET refers to respondents who selected at least 1 factor from the factor type (e.g. Perceived transparency) in their top 3 ranks of must-have factors

Privacy factors drive marketing performance

A high sense of control over their own data was found to drive positive marketing results across a number of factors, including **perceived ad relevance, positive emotions, and ad engagement/interaction**



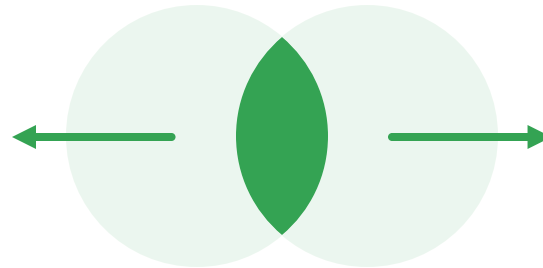
D1. "Which word describes how you feel after seeing this ad on the website?" D2. "Given the scenario you just went through, how relevant would this ad be for you?" D3. "Which of these actions would you be most inclined to take after seeing this ad?" Source: Google/IPSOS, APAC Consumer Expectations: Understanding Data Privacy Ethics for Effective Marketing, Australia, Hong Kong, India, Indonesia, Malaysia, Philippines, Singapore, South Korea, Taiwan, Thailand, Vietnam, n=16,500, Internet users, January-May 2022

Building trust with user experience

Key insights on building trust: **transparency and consent come first**

User trust depends on a fully consented relationship

- Get fully informed consent by being effectively transparent
- Allow consent to be given directly **by each person**
- Allow consent to be fully controlled, so people can not just opt in **but** can also opt out



Privacy-safe user experiences put people first

- Share the right incentives for the right information
- Be empathetic when designing the experiences through which people share their information



Design your privacy policy and related features like any product so it's usable, useful, and supportive of a long-term brand relationship

Key opportunity in APAC:

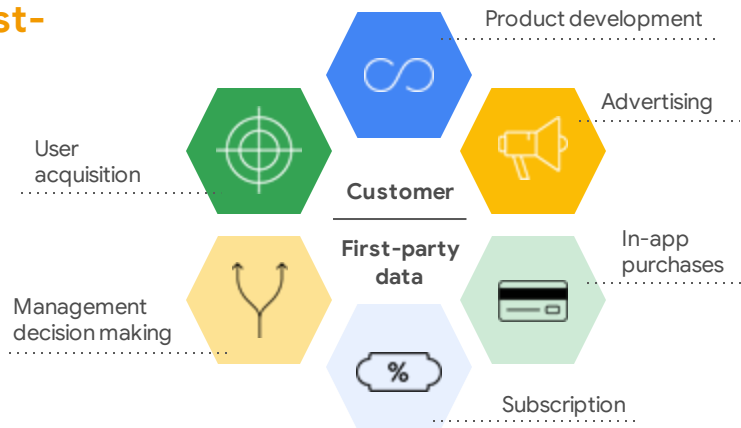
**First-party data can
be a crucial driver of
differentiation with
the right investment**



Broad business benefits to strengthening first-party data

Beyond the changes to cookies and mobile app IDs, the **potential for first-party data to drive business value is immense**

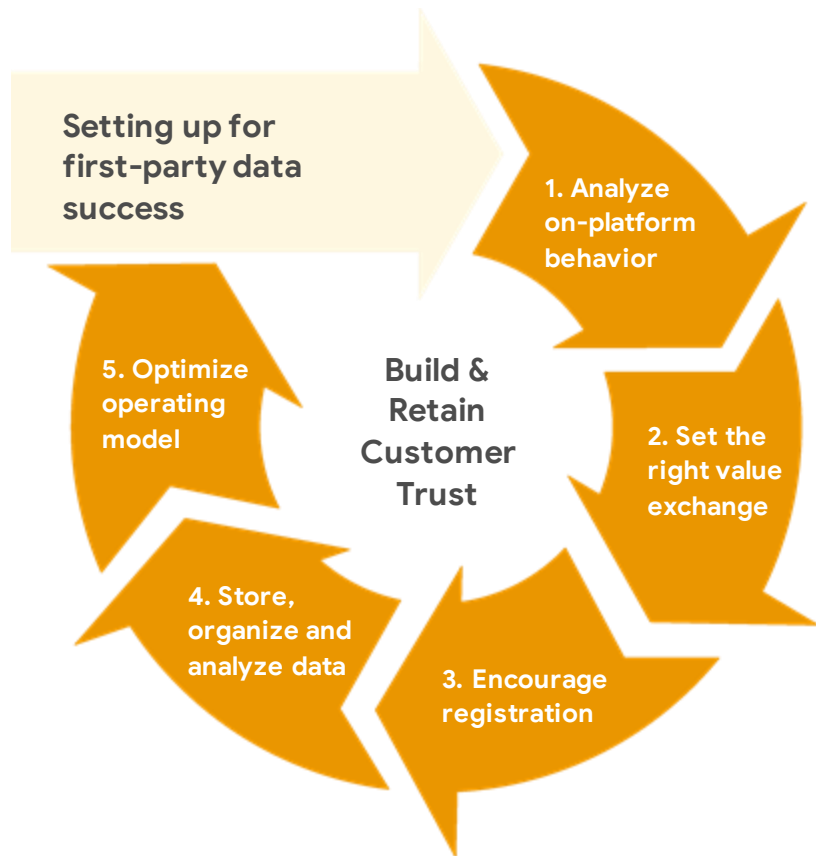
Benefits of first-party data



This may explain why

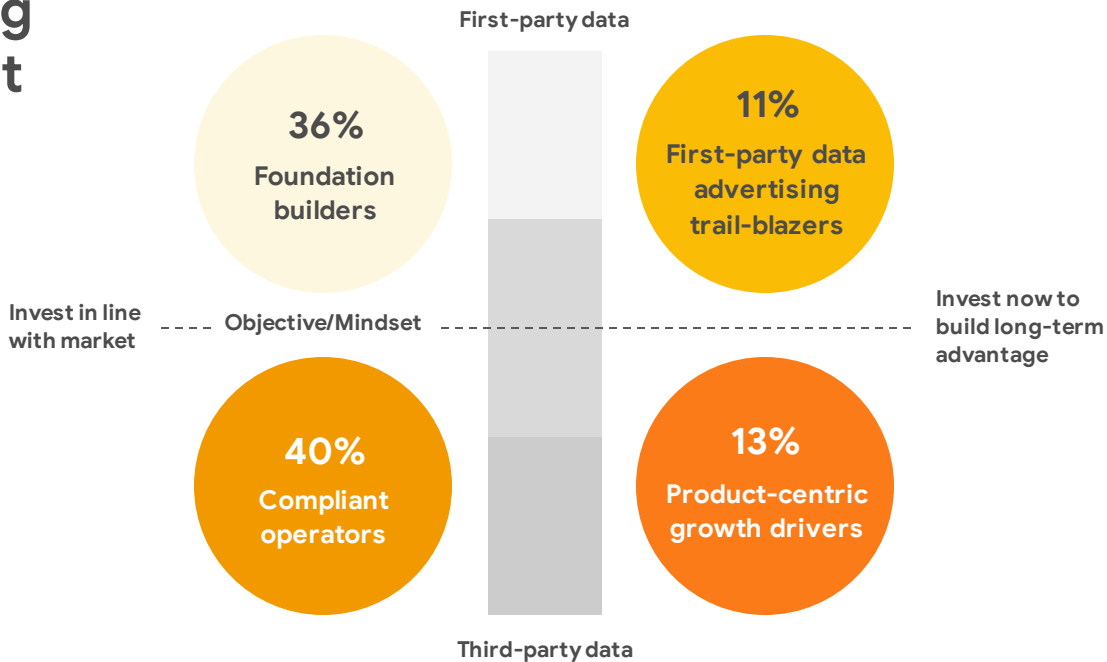
65%

of our publisher research respondents plan to evolve their data strategy, starting with collecting more data as part of a trust-based customer relationship¹



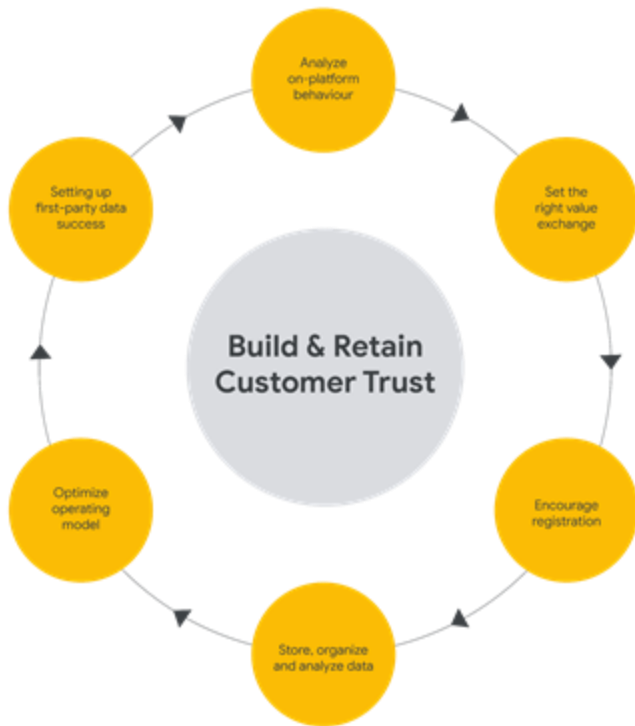
Majority of publishers surveyed¹ are still investing only in line with the market

Leaders in first-party data readiness investment are **highly creative and innovative in their use of technology to drive growth**



1. "Customer Trust and First Party Data" Google and Deloitte Research 2022

Roadmaps to success in first-party data exist – the challenge is setting up your organization to follow them



Five ways to supercharge ad sales growth

- Fuel more effective audience matching
- Build a more direct relationship with the buy-side
- Optimize ad placement
- Drive user acquisition
- Unlock new forms of monetization

Making progress on your privacy journey:

- Stay abreast of developments
- Understand how privacy impact you
- Join and shape the conversation
- Lead from the top
- Experiment at scale
- Make it a company-wide effort
- Never walk alone
- Partner for success?
- Don't delay!

Key opportunity in APAC:
Tech, talent, and time
are essential enablers of
success in privacy-readiness
investment



Adopt an adaptive and experimental approach to technology investment

Technology investments: **Activation Solutions, Data Infrastructure, Measurement**

Solutions for Activation

Explore and experiment with multiple alternatives to IDs:



Machine learning APIs



Privacy-durable techniques for activation

Data Infrastructure

Invest in data platforms, services, and solutions to ...



Integrate multiple online and offline data sources



Set up a reliable and privacy-safe environment for people's information

Measurement

Integrate a range of complementary solutions

↑ Depth: Individual actions

Single-channel attribution

Incrementality tests

Survey-based measurement

Media mix modeling

↓ Breadth: Cross-channel view

Building your team: requires long-term vision and the willingness to upskill over time

"In an age where your skills need to keep growing and evolving, you cannot hire for skills. **You have to hire for attitude, heart and strong fundamentals.**"

Large Singaporean publisher

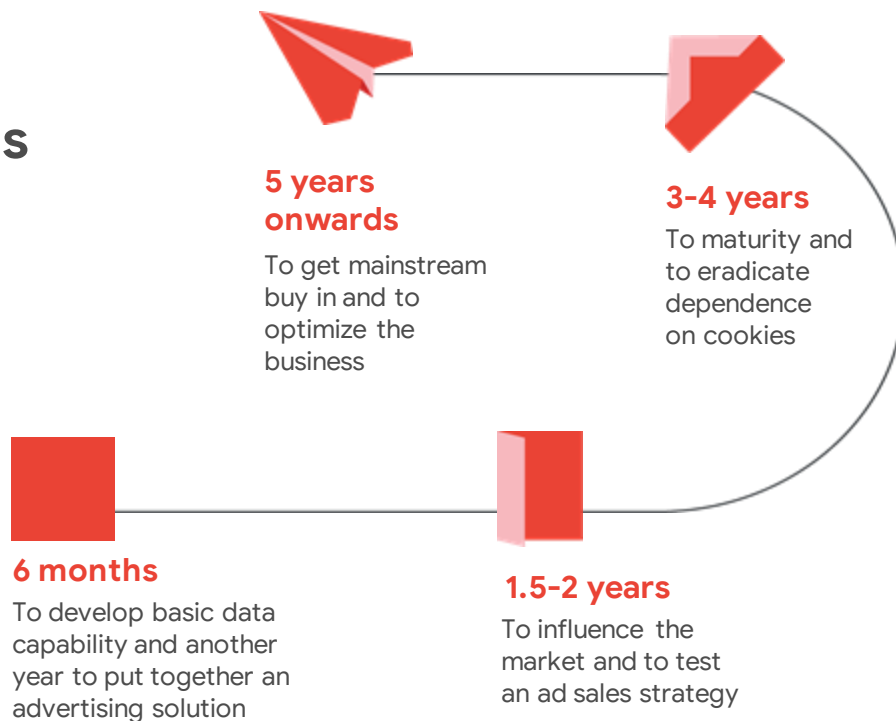
Building your team

Speaking to players around the region allowed us to receive the following advice on how to build an effective data-led ad sales team in the face of a global war for talent:

1. Prioritize mindset over experience
2. Trust talent with a traditional background to adapt to a digital, privacy-centric way of working
3. Ensure all recruits can demonstrate using some form of data in meeting their objectives
4. Bring the team together on a regular basis to discuss recent ecosystem changes, their impact on the business and the team's top tips to thrive in the ever-changing landscape
5. Invest in on-the-job learning and development

Message to leaders: building maturity takes years, not months

Privacy is an opportunity to differentiate and readiness can take years to achieve, so don't delay; **the time is now**





Thank You