

# Know everything about me

The consumer take on data + ad personalization

M/GNA

IPG MEDIA LAB

verizon  
media

A low-angle, upward-looking photograph of several tall skyscrapers in a city, likely New York City. The buildings are made of glass and steel, and their lines converge towards the top of the frame. The sky is a clear, pale blue. The overall tone is professional and modern.

**Personalized ads aren't new,  
but the data landscape is  
rapidly changing.**

**Data privacy concerns**

**are a reality for today's**

**consumer...**

# Our mission



## **Ad personalization**

To uncover the consumer POV on the use of personalized ads

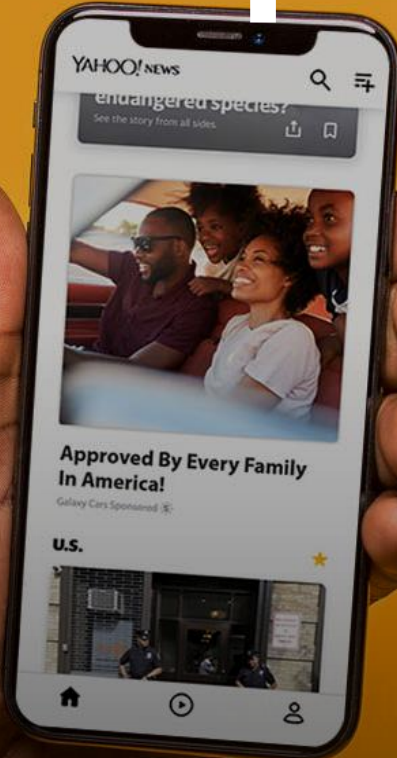


## **Data privacy**

To uncover the consumer POV on all things data privacy, including concerns and recent legislation



# Two pronged methodology



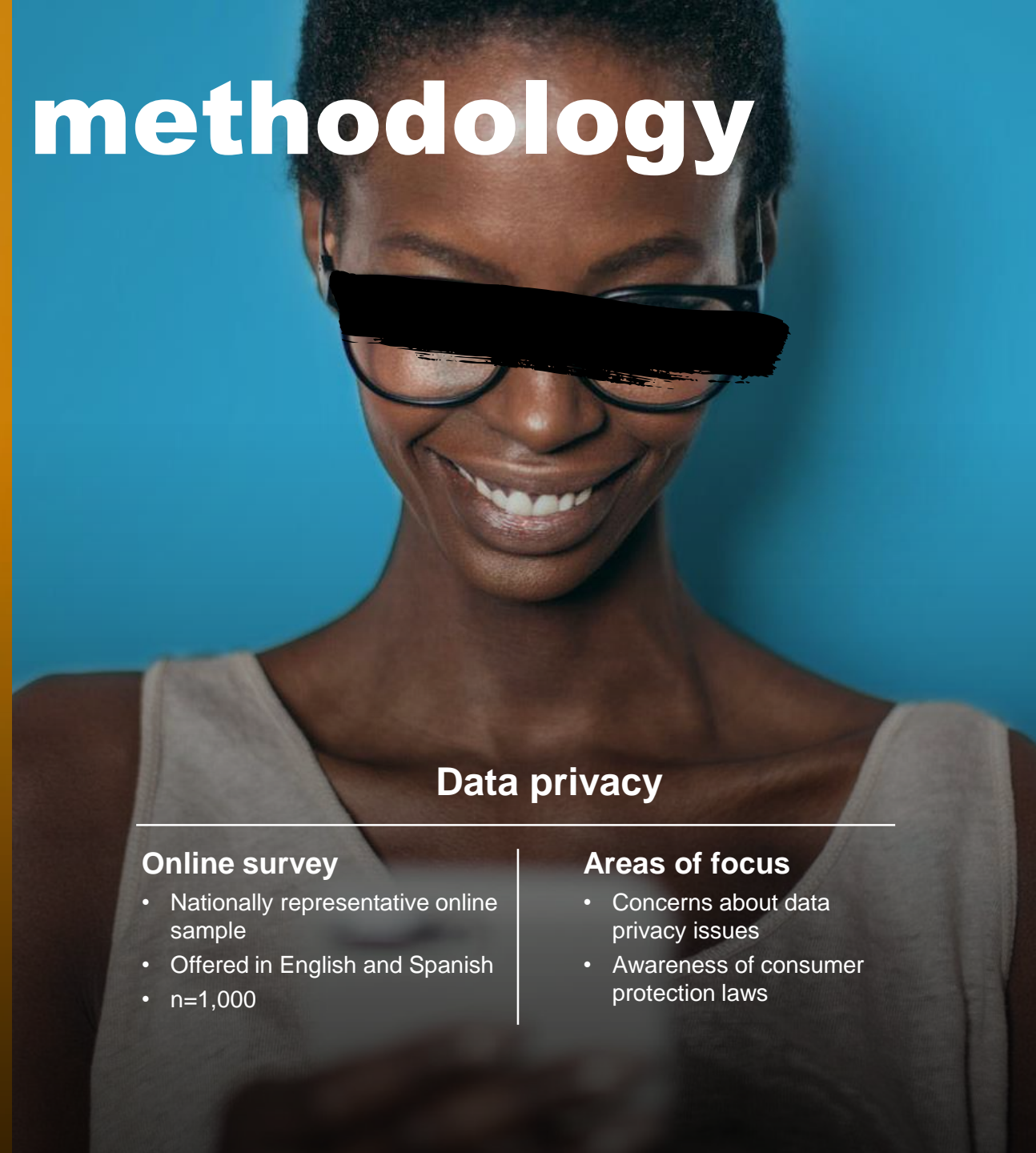
## Ad personalization

### Mobile ad testing

- Tested 39 personalization scenarios within the Yahoo News app testing environment
- Offered in English and Spanish
- n=1,112

### Areas of focus

- Perceptions of personalized ads
- Types of data willing to disclose for ad personalization



## Data privacy

### Online survey

- Nationally representative online sample
- Offered in English and Spanish
- n=1,000

### Areas of focus

- Concerns about data privacy issues
- Awareness of consumer protection laws

# What consumers really ~~don't~~ think

Data use for ad personalization

# For the vast majority of consumers today, personalized ads are nothing new

Awareness of personalized ads, % aware



Awareness has grown 42% over the past several years

Total n=1,112

Q: Before today, how familiar were you with personalized ads online? (3 point scale; % aware = have experienced or have not experienced but aware)

\*Source: Yahoo: The Balancing Act: Getting Personalization Right | 2014

# 88% see the benefit in personalized ads, with ‘utility’, ‘relevance’ and ‘interesting’ being top benefits

Perceived benefits of personalized ads, net score



Perceived benefits of personalized ads, indexed





# And 86% see benefits in their online shopping experience, especially the utility of relevant coupons

Perceived benefits of online shopping experience with data use, net score



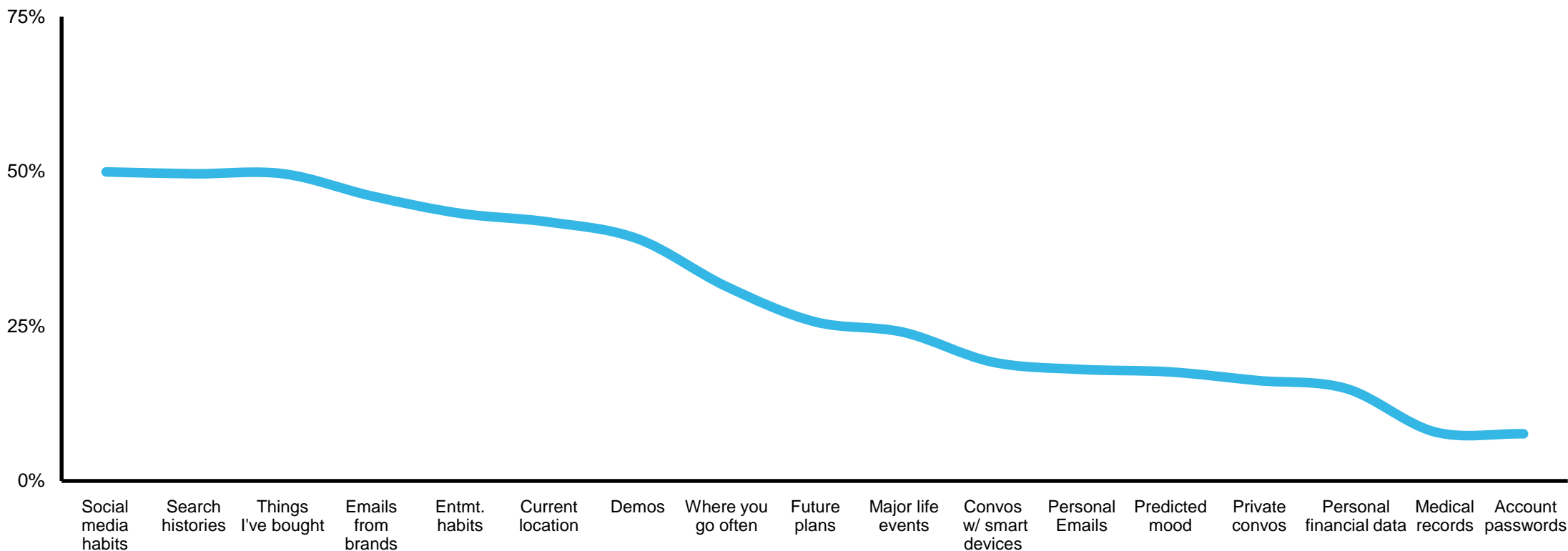
Perceived benefits of online shopping experience with data use, % agree



# While many aren't clear on the types of data being used for ad personalization

Awareness of data used for personalization

— % aware



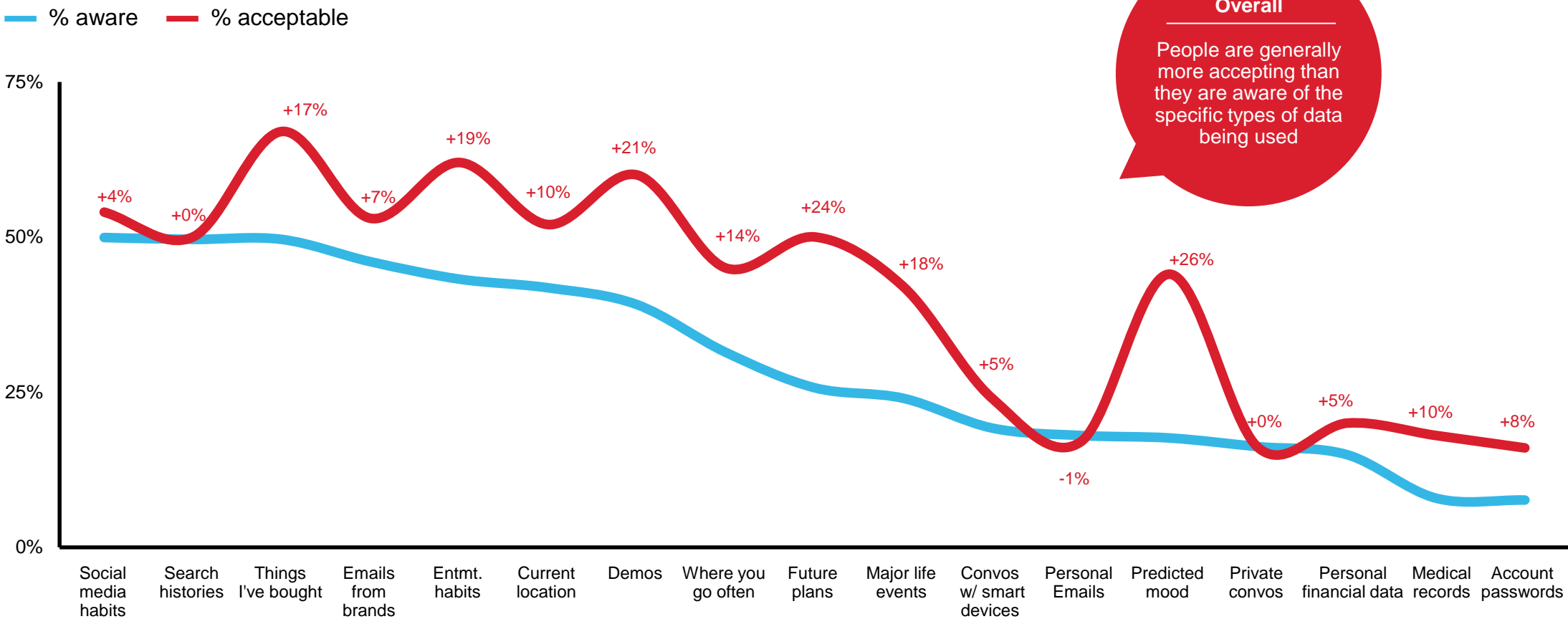
Total n=1,112

Q: What types of your data do you think advertisers are using to create more personalized ads? Select all that apply

Aware: Social Media Habits 50%; Search Histories 50%, Things I've Bought 50%, Emails from brands/retailers: 46%, Entertainment Habits 43%, Current Location 42%, Demos 39%. Where You Go Often 31%, Future Plans 26%, Major Life Events 24%, Convos w/smart devices 19%, Personal Emails 18%, Predicted Mood 18%, Private Conversations 16%, Personal Financial Data 15%, Medical Records 8%, Account Passwords 8%

# Many deem the common forms of data used for ad personalization to be acceptable

Awareness & acceptability of data used for personalization

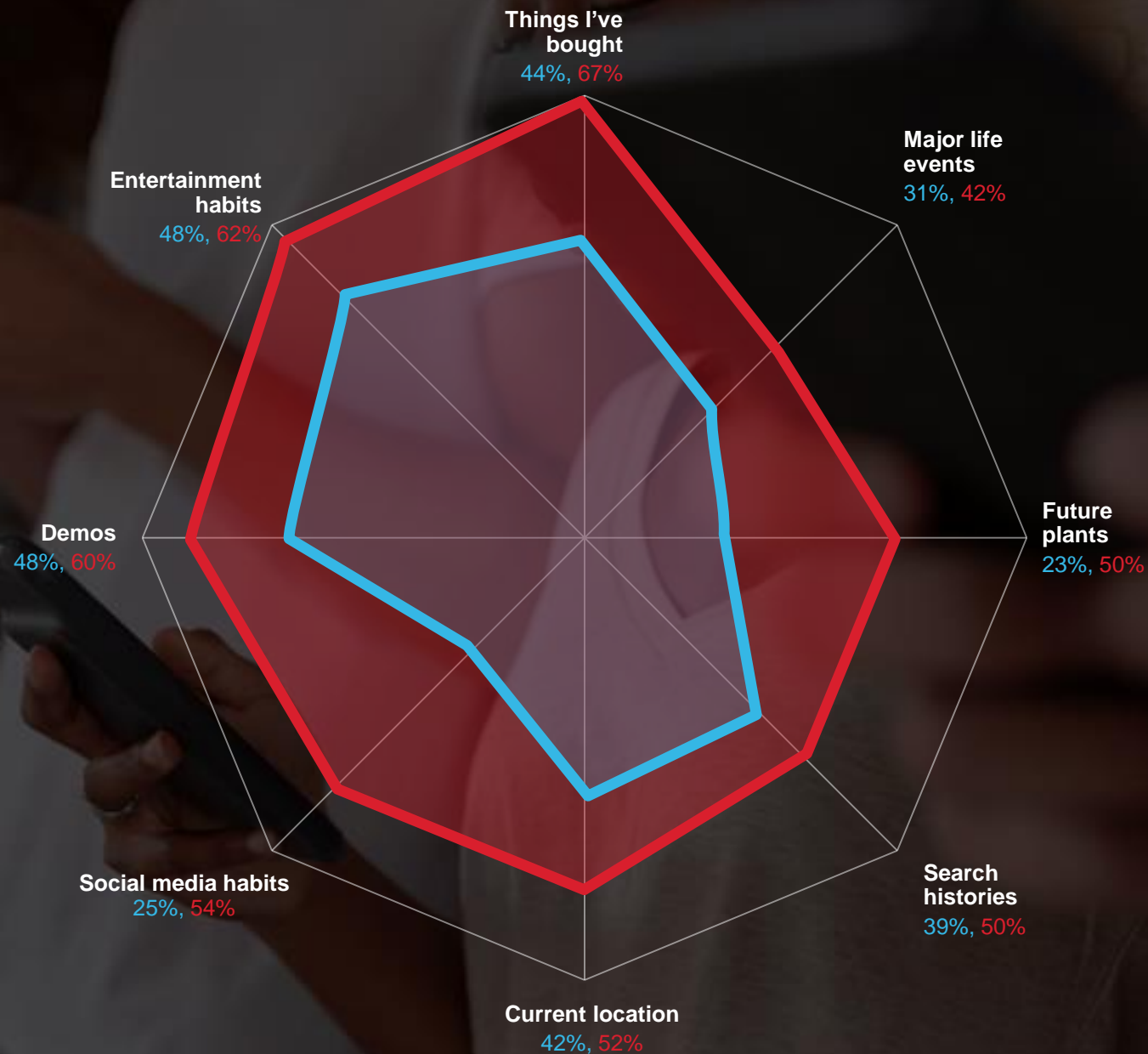


Total n=1,112  
Q: What types of your data do you think advertisers are using to create more personalized ads? (Select all that apply.)  
Q: What types of data do you find acceptable for advertisers to use to create more personalized ads? (5 point scale; % acceptable = highly/somewhat acceptable)  
Aware: Social Media Habits 50%; Search Histories 50%; Things I've Bought 50%; Emails from brands/retailers: 46%; Entertainment Habits 43%; Current Location 42%; Demos 39%. Where You Go Often 31%; Future Plans 26%; Major Life Events 24%; Convos w/smart devices 19%; Personal Emails 18%; Predicted Mood 18%; Private Conversations 16%; Personal Financial Data 15%; Medical Records 8%; Account Passwords 8%  
Acceptable: Social Media Habits 54%; Search Histories 50%; Things I've Bought 67%; Emails from brands/retailers 53%; Entertainment Habits 62%; Current Location 52%; Demos 60%; Where You Go Often 45%; Future Plans 50%; Major Life Events 42%; Convos w/smart devices 24%; Personal Emails 17%; Predicted Mood 44%; Private Conversations 16%; Personal Financial Data 20%; Medical Records 18%; Account Passwords 16%

# In fact, acceptability has increased over the past few years

Trending acceptability of data used for personalization

- % acceptable in 2019
- % acceptable in 2015\*





# Most draw the line at intimate details

Current acceptability of data types

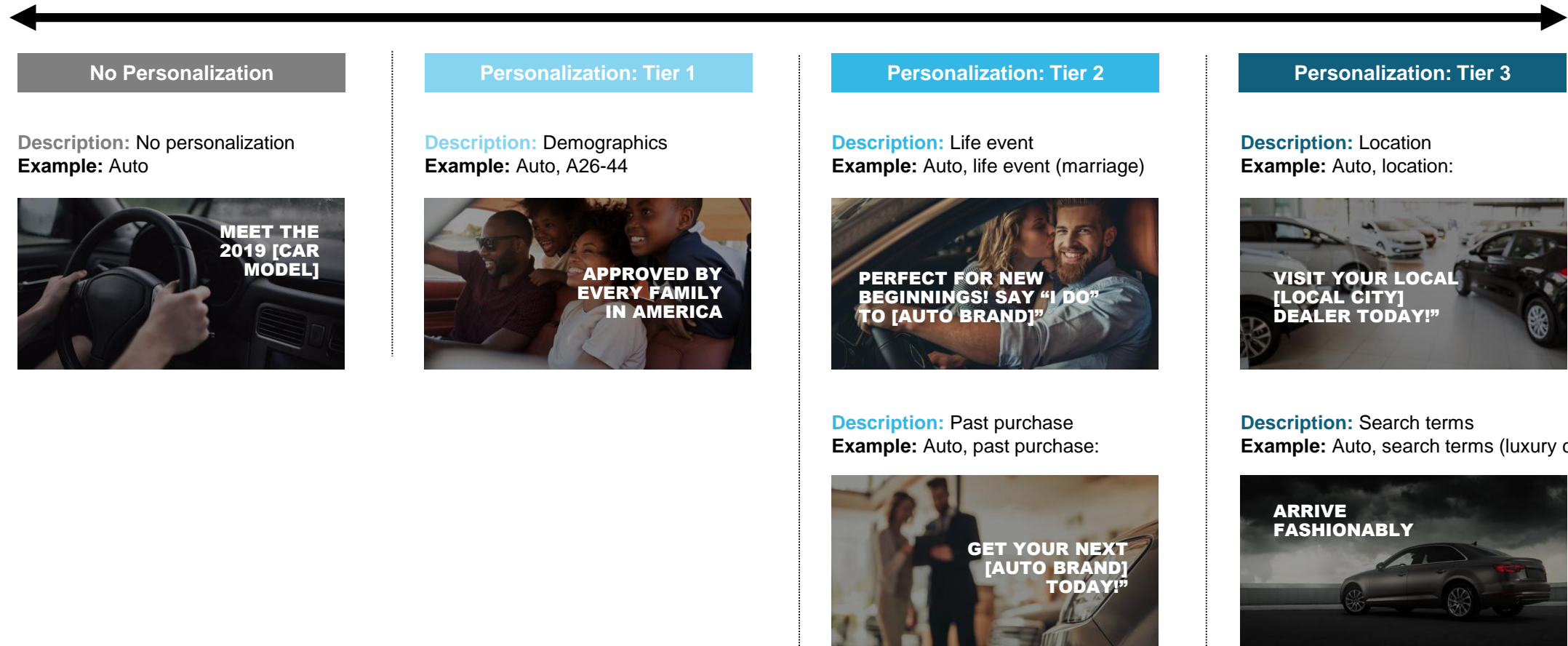
TYPE OF DATA	% ACCEPTABLE
<b>HIGH ACCEPTANCE</b>	
Things I've Bought	67%
Entertainment Habits	62%
Demographics	60%
Social Media Habits	54%
Emails from brands/retailers containing promotions	53%
Current Location	52%
<b>MEDIUM ACCEPTANCE</b>	
Search Histories	50%
Future Plans	50%
Where You Go Often	45%
Predicted Mood	44%
Major Life Events	42%
<b>LOW ACCEPTANCE</b>	
Conversations with voice-assistant smart devices	24%
Personal Financial Data	20%
Medical Records	18%
Personal Emails with family, friends, or colleagues	17%
Private Conversations	16%
Account Passwords	16%

# Personalized ads ~~not~~ at work

# Types of personalization tested

Least Sensitive Data

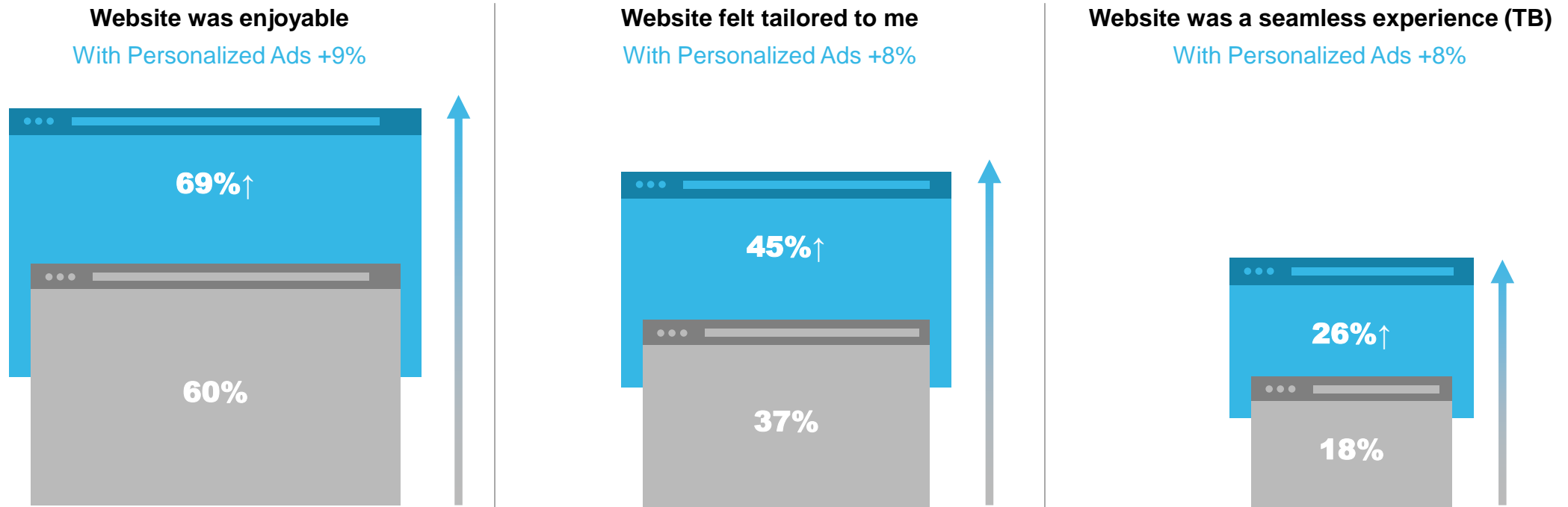
Most Sensitive Data



# Personalized ads make better web experiences

## Impact of personalized ads on website experience | % agree

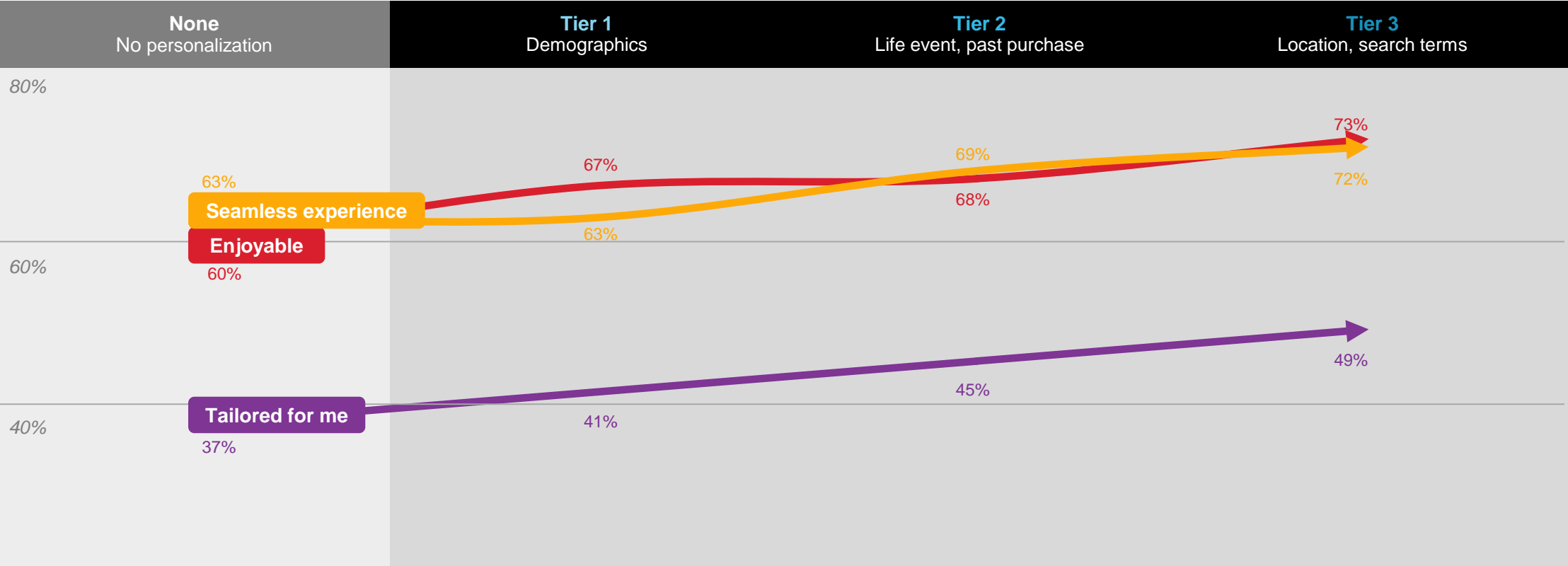
Websites with or without personalized ads: ■ Without ■ With





# More personalization = a better online experience

Impact of data tiers on website experience, % agree

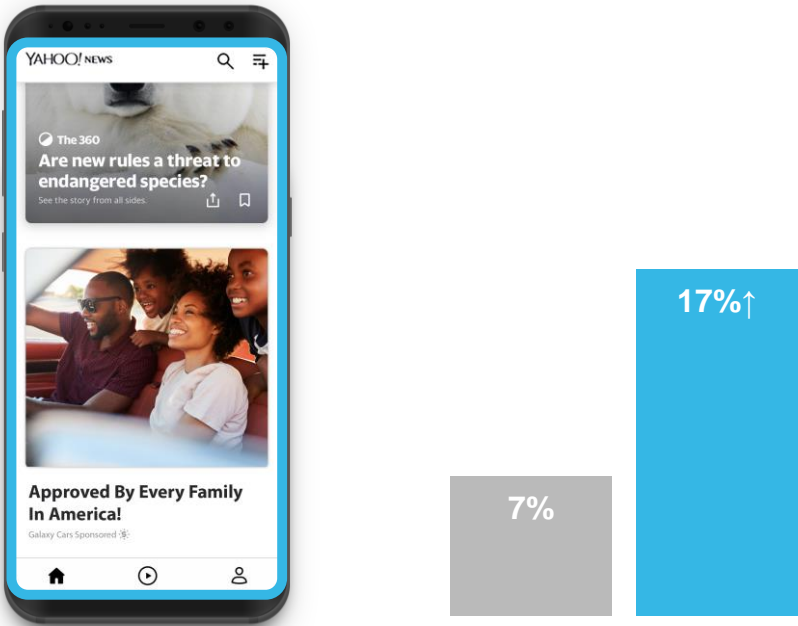


# Even those who find data use unacceptable have a more positive web experience

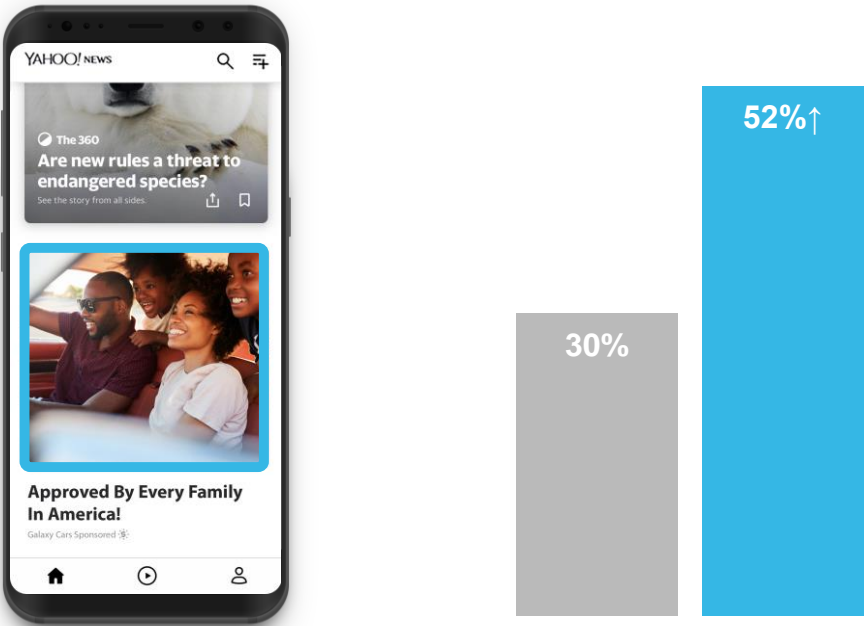
Impact of personalized ads among consumers who believe data use is unacceptable, % agree

Consumers exposed to:  Non-personalized ads  Personalized ads

Website was enjoyable (TB)



Ad was well integrated with the content



# Personalized ads meet consumer expectations - ads must be relevant

## Expectations of personalized ads | % in first ranking

Relevant to me and my interests



Provide useful information



From a brand I've purchased from



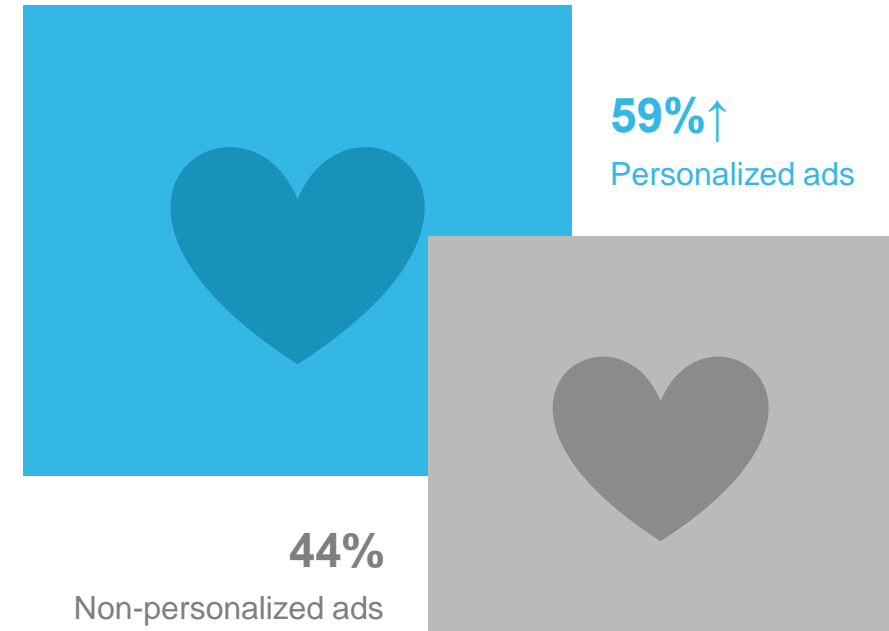
From a brand I have researched



Relevant to my location



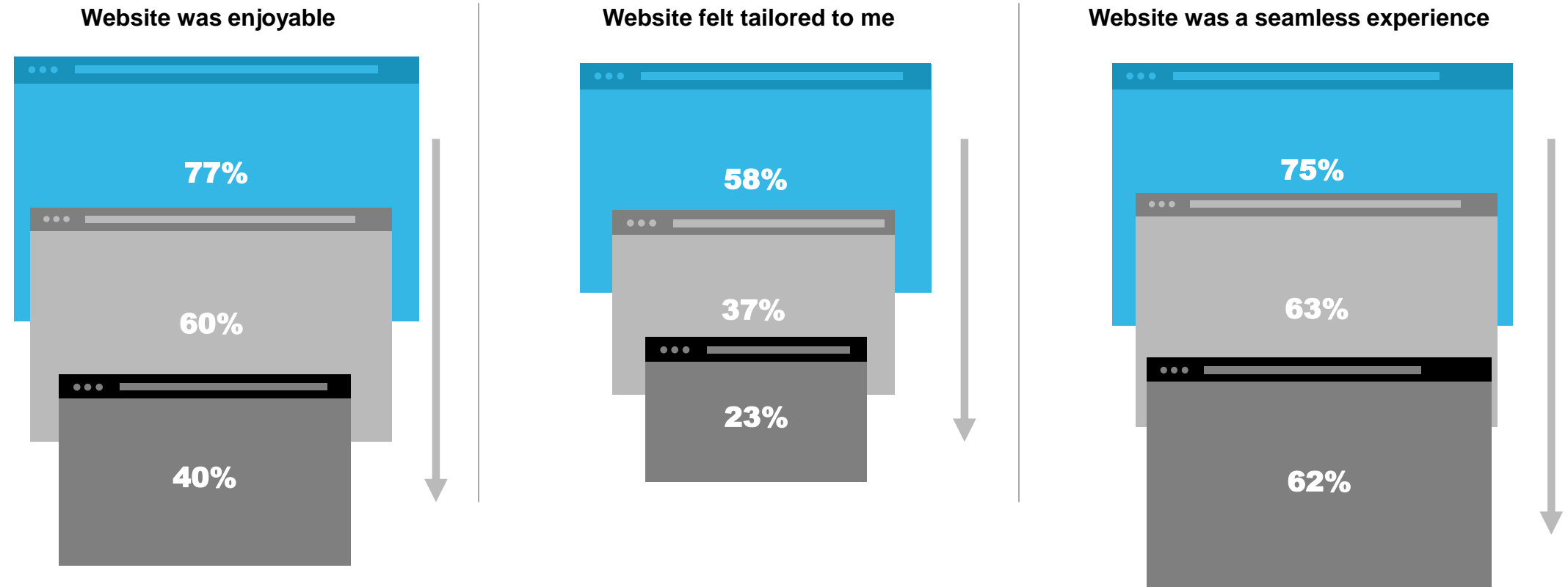
## Ad is relevant to my interests, % agree



# A non-personalized ad is better than a personalized ad that isn't considered relevant

Impact of personalization relevance on website experience, % agree

■ Personalized Ads Perceived As Not Relevant   ■ Non-Personalized Ads   ■ Personalized Ads Perceived As Relevant

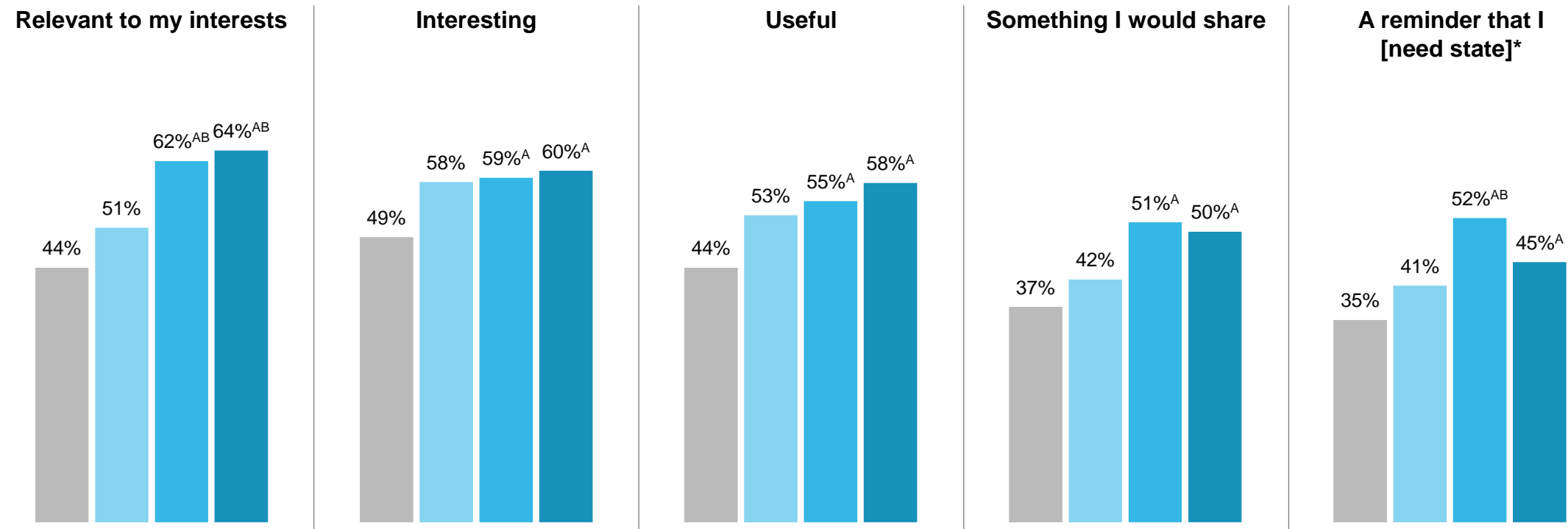




# What more personalization does for ads

## Impact of level of personalization on ad opinions, % agree

Types of data tested (personalized ads):   ■ None (A)   ■ Tier 1: Demographics (B)   ■ Tier 2: Life event, past purchase (C)   ■ Tier 3: Location, search terms (D)

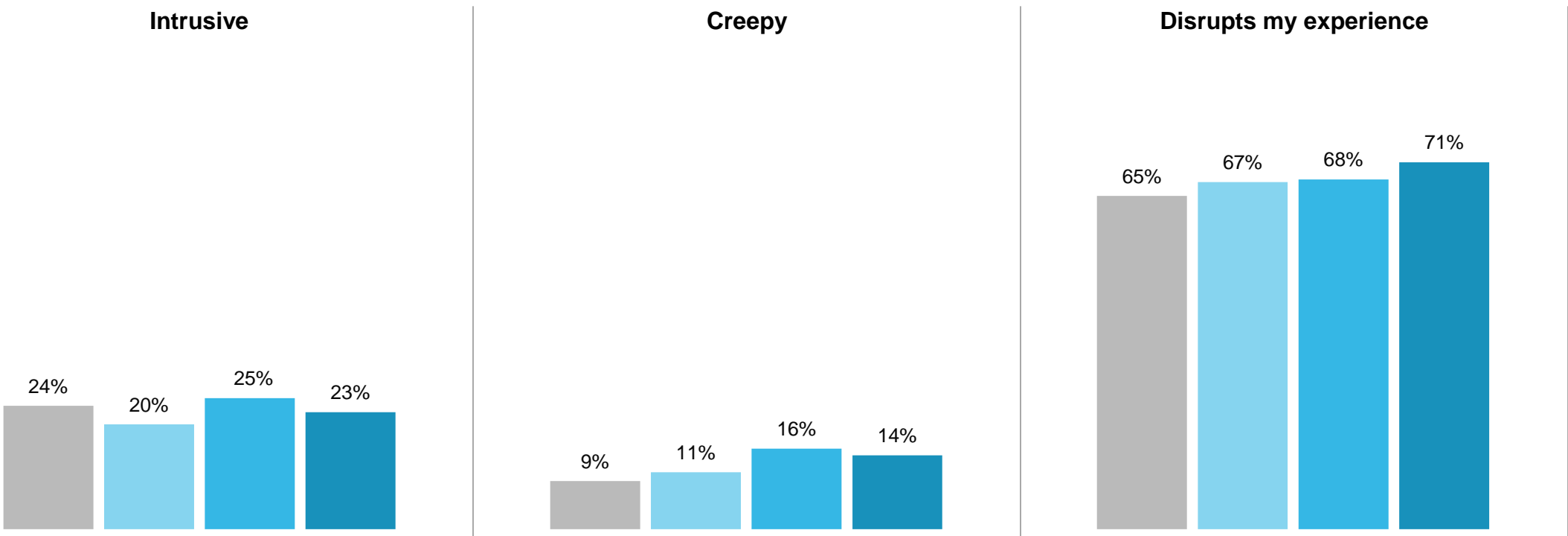


\*A reminder that I...: need to buy a car, need to book a flight, am thirsty  
Total n=1,112 (Non-Personalized n=268, Tier 1: 281, Tier 2: 276, Tier 3: 287)  
Q: How much do you agree or disagree with the following statements about the ad? (5 point scale; % agree = strongly agree/agree)  
A/B/C/D = Statistically significant difference between test groups at >= 90% confidence

# What more personalization doesn't do for ads

Impact of level of personalization on ad opinions, % agree

Types of data tested (personalized ads):   ■ None (A)   ■ Tier 1: Demographics (B)   ■ Tier 2: Life event, past purchase (C)   ■ Tier 3: Location, search terms (D)



# A look at the broader ~~non~~ issue

Data privacy

# Consumers see the benefit in data sharing

Data exchange, net score

**88%**

Would exchange data for some service

**12%**

Would not exchange data for some service





# But there are still some data types that are off limits-even with a value exchange

Data exchange | Tercile based heat map

- Top Tercile
- Middle Tercile
- Bottom Tercile



# In general, consumers are concerned about their data privacy

## CONCERN ABOUT DATA PRIVACY

**49%**

Very concerned (scale: 7-10)

**38%**

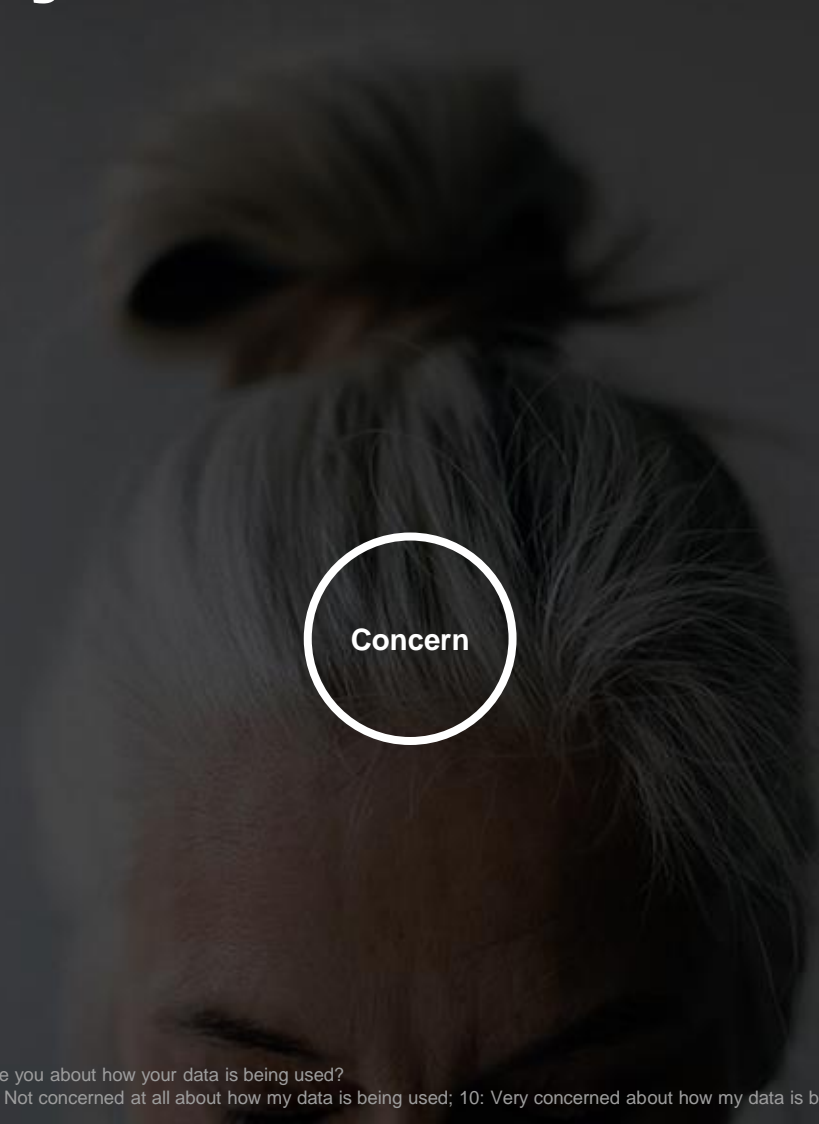
Concerned (Scale: 4-6)

**13%**

Not concerned (Scale: 1-3)

**Half are very  
concerned**

# Being older or having past personal experience with data privacy significantly increases levels of concern



Concern

# Being older or having past personal experience with data privacy significantly increases levels of concern

## Drivers of concern about data privacy

● Strongest drivers of concern

*\*Note: Modeling was used to control for key variables to understand the strongest drivers of data privacy concern.*



Gen Pop n=1,000

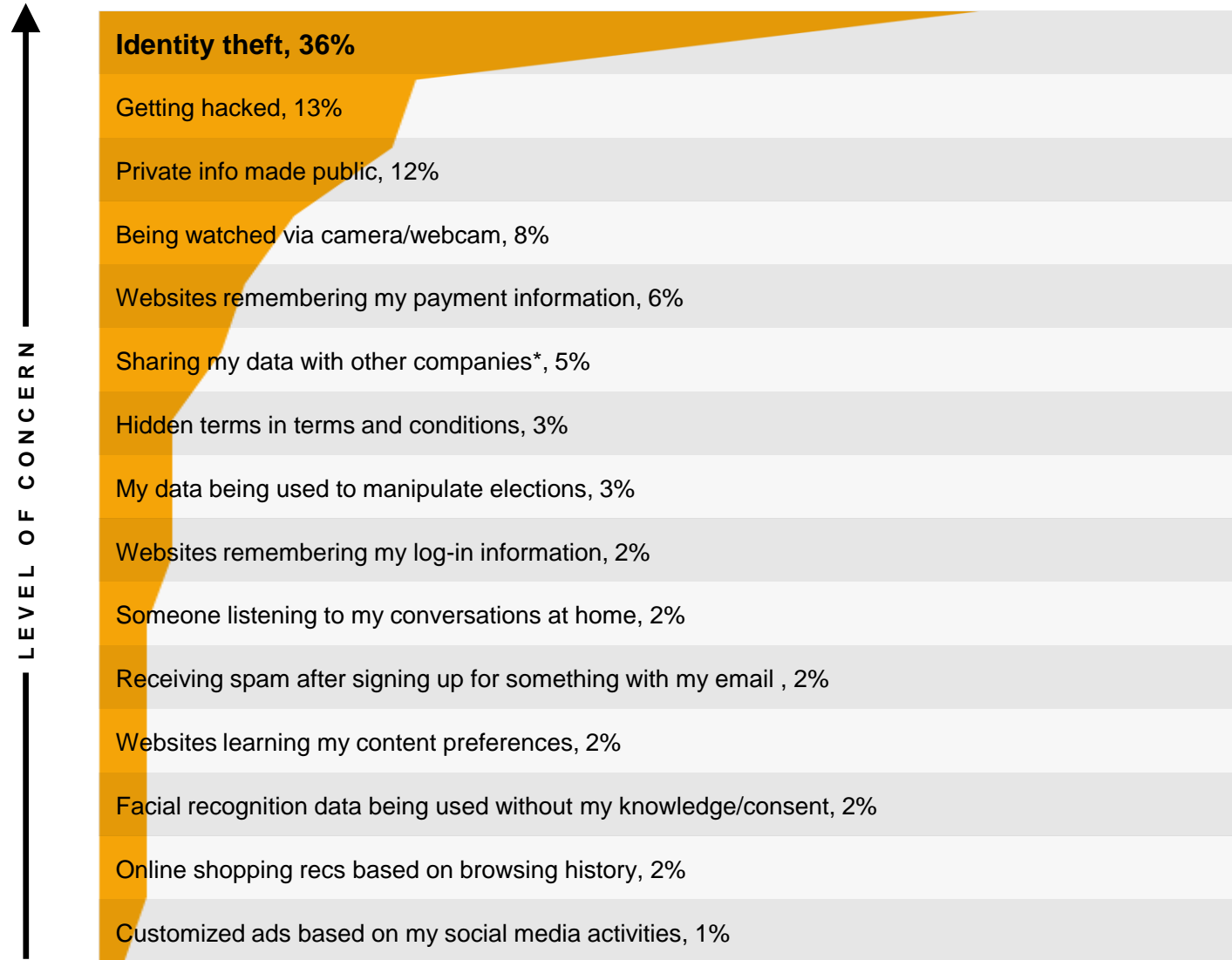
Q: On a scale from 1 to 10, how concerned are you about how your data is being used?

Drag the slider to a point on the scale. (e.g. 1: Not concerned at all about how my data is being used; 10: Very concerned about how my data is being used)

Linear Regression Coefficients: Past Data Issues=0.55 (significant); Generation=0.42 (significant); Early/Late Tech Adopt=0.14; Ethnicity=0.09; Income=0.02

# By far, the biggest concern is identity theft

Biggest concern about data privacy

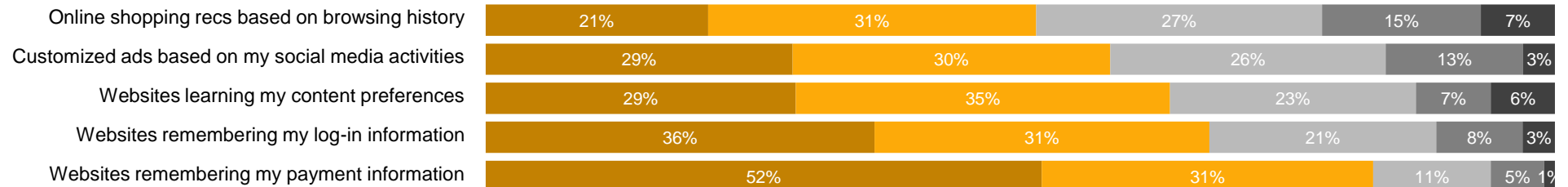


# Personalization is the least of consumer concerns

## Concern by data privacy issue, % agree

■ Highly Concerned
 ■ Somewhat concerned
 ■ Neither concerned nor unconcerned
 ■ Somewhat unconcerned
 ■ Not at all concerned

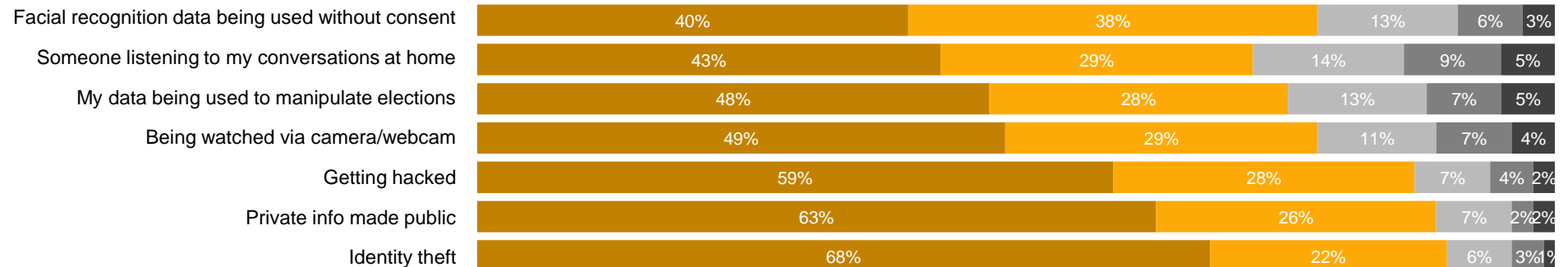
### Legal but harmless data issues



### Legal but nefarious data issues



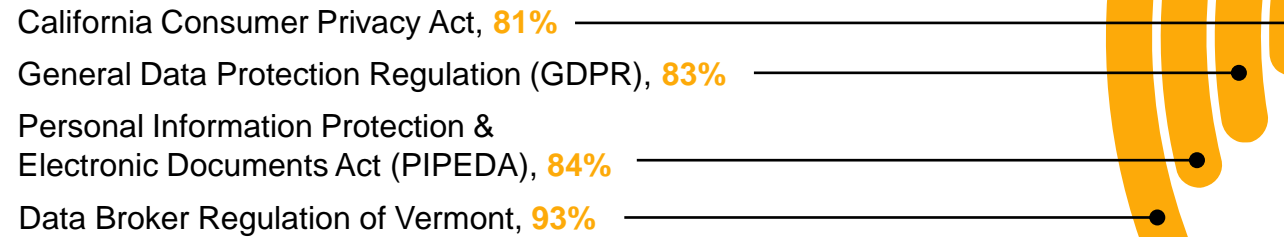
### Illegal data issues





# But there's an education issue. Most aren't aware of the data privacy laws

Privacy law awareness, % unaware



# Those aware think the laws are effective

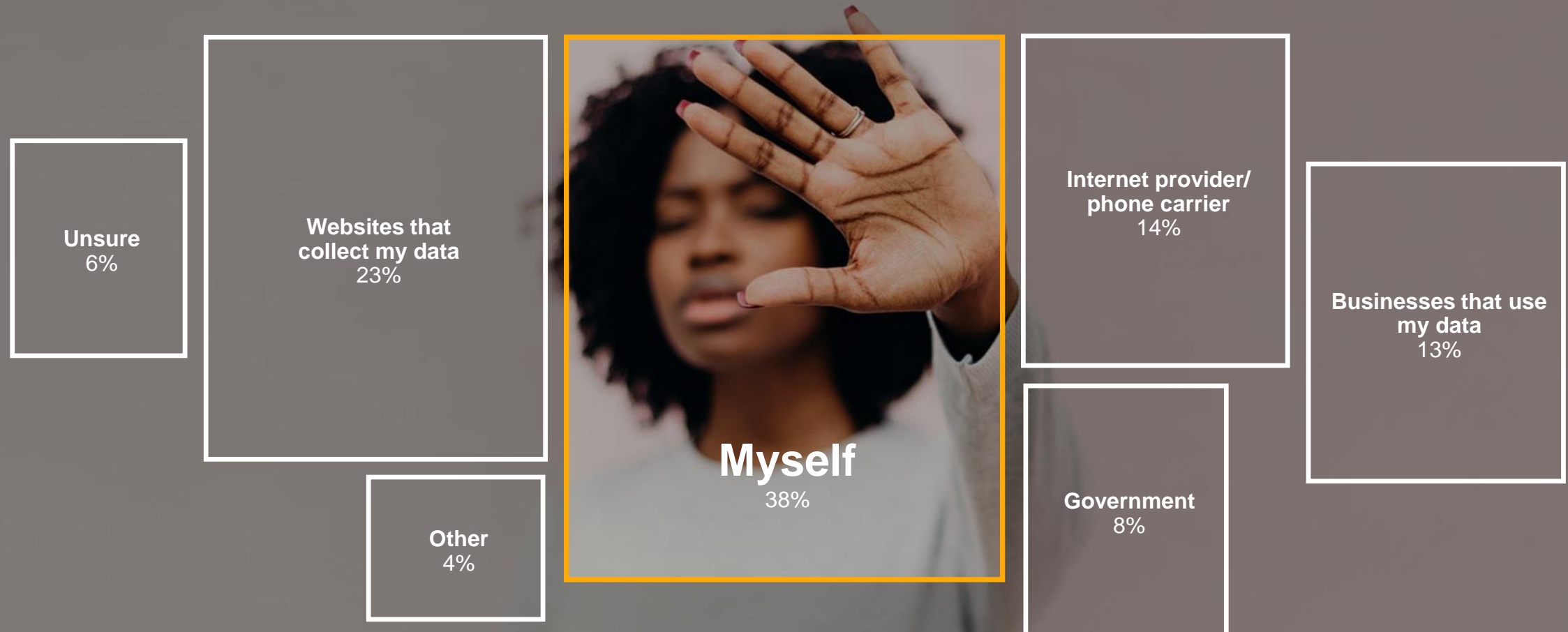
Perceived effect of laws among those aware of law(s)

**87%**  
Laws are effective

**13%**  
Not effective

# There's no clear consensus on who's responsible for data protection

Perceived responsibility for data protection

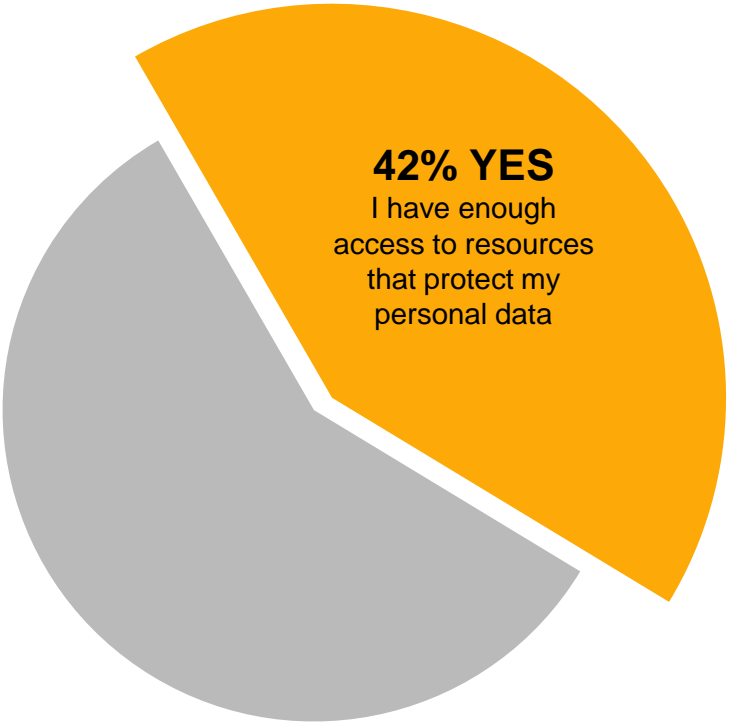


# However, most aren't empowered to protect their data

Awareness of ability to opt-out of data use



Access to resources for data protection



# Implications

1

## People want ad personalization

People benefit from ad personalization and are increasingly open to it. Marketers should use personalization, but be thoughtful and test & learn to avoid missing the mark.

2

## Desire for personalization trumps data concern

Though there is certainly concern about data privacy, harmful uses of data are what consumers are truly concerned about.

3

## Data concerns are real, but lack of education is equally problematic

When it comes to data concerns, most consumers don't feel empowered to protect their data. There is an increased need for the industry to educate consumers and provide adequate tools for them to protect personal data.



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# Thank you

