

CONSUMER TRUST IN DIGITAL MARKETING

DO WE HAVE IT? WHY WE NEED IT. HOW WE CAN BUILD IT.

MARCH 2020

group^m

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This white paper is part of GroupM's "Consumer Eye: Marketing Technology" thought leadership initiative, which explores emerging media-related technologies from the perspective of consumers. This initiative seeks to envision the future and discover implications for the disruptors, the disrupted and all advertisers, which is critical as the impact of technology on marketing grows.

Using GroupM's LIVE Panel recontact capability, we conducted an online survey among 13,900 middle- to upper-income consumers ages 18 to 49 in 23 countries around the globe from July to September 2019.

Sample size breakdown as follows:

	Argentina	600
	Australia	606
	Canada.	606
	China	607
	France.	601
	Germany.	602
	Hong Kong SAR	600
	India	600
	Indonesia	600
	Italy	600
	Japan	603
	Malaysia	602
	Mexico.	611
	New Zealand	604
	Philippines.	638
	Singapore	600
	South Korea.	600
	Spain	602
	Taiwan	602
	Thailand	604
	United Kingdom.	600
	United States	608
	Vietnam	604



PROLOGUE

In the days before this document was due to be released, the world began experiencing the global spread of the COVID-19 virus. While a prologue like this cannot hope to cover the full global implications of this pandemic, the nature of the crisis reinforces many of the principles already outlined in the paper.

When building trust through platforms, brands will need to determine what, if any, COVID-19 content they are comfortable appearing adjacent to. This is not an easy task given the breadth and depth of reporting on the topic, and the variations in quality that go along with it. At the very least, brands will want to avoid appearing next to the plethora of misinformation and “fake news” on the virus. The right digital partners will need to be selected to execute the determined strategy.

With regard to building trust with data, the implications are not yet completely clear, but it is certainly possible the COVID-19 outbreak will accelerate consumers’ awareness of data privacy. Consumers may become more tolerant of their data being used for societal good (i.e.: in the tracking of movements for public health related issues) but more demanding of their data not being exploited for commercial gain without their consent. This requires an even more vigilant, future-facing, data strategy.

As for building trust beyond advertising, the pandemic will likely increase consumers’ scrutiny of the direct communications they receive from brands. This will require even closer management of the customer experience, including the nature of the content, levels of personalization and frequency. Similarly, with influencers, it will become even more important to ensure the right influencers are selected to represent your brand, particularly in a world where we can expect even further acceleration in e-commerce growth.

These are topics we will revisit in the future.

An abstract graphic featuring a dark teal sphere resting on a tilted, three-dimensional cube. The cube is composed of several flat surfaces in varying shades of teal, creating a sense of depth and perspective. The background is a solid, lighter teal color.

EXECUTIVE SUMMARY

Every day, advertisers invest billions of dollars in digital marketing to build their brands and drive sales. However, our research indicates many of these investments are made at significant risk of inefficiency, wastage or—worst of all—harm to the brands they were supposed to support.

What makes some brands more successful than others in digital marketing? Why are some brands deserted in favor of alternatives? How can we build a responsible digital marketing ecosystem? This paper provides perspective on these questions, with trust as the common theme.

This report is based on comprehensive research of 13,900 consumers in 23 countries across four continents. It presents a global view while also identifying key differences by region and market.

In the report, we focus on three areas of consumers' trust relationship with digital marketing, highlighting the key interventions required to turn risk into opportunity.

First, we illustrate how brands are impacted by the digital environments in which they appear, and how we can implement the right frameworks, partners and technology to leverage the platforms and publishers best suited for them.

Second, we highlight the breadth of concerns over data privacy and the organizational, technical and regulatory solutions to build trust in a world that offers consumers control.

Last, we show how fatigue with digital advertising requires us to better leverage direct relationships with consumers and influencers, while still applying strategic and tactical rigor.

TRUST IN DIGITAL MARKETING: IT MATTERS

In 2018, GroupM reported on the implications of data privacy issues on brand trust in Asia Pacific. We highlighted how a failure to adapt to the changing requirements of data privacy jeopardizes an increasing number of businesses, and we outlined strategies for brands to turn risks into strengths.

In 2020, we want to expand this by gauging consumers' opinions on digital marketing overall. Do consumers trust digital marketing? How does this affect trust in brands? Does it matter? And what can we do about it?

It is certainly timely for us to do this. November 2019 was the setting for the 1982 film “Blade Runner,” which, with its vision of oversized billboards and blimps, painted a dystopian future of ubiquitous digital advertising. While a credible assumption at the time, the reality has evolved somewhat differently. In the actual 2019, we were probably closer to the vision of 2002’s “Minority Report” in predicting the one-to-one personalization of advertising.

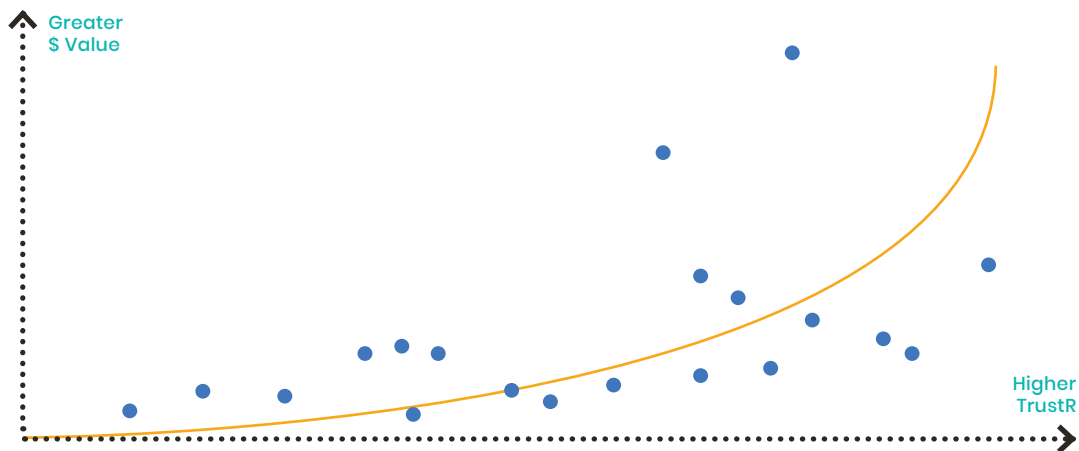
The differing visions of these two films reflect their spanning of the pre- and post-eras of digital advertising, illustrating how far we have come in a short period of time. It is easy to forget that the first clickable web banner only debuted in 1994. Digital advertising capabilities and investment have grown exponentially since then; the industry is worth over USD\$294 billion today and accounts for over 49 percent of global media spending.* While reality may not be as bleak as either of the movies forecast, it is this pace of change that compels us to take a moment for reflection.

**Source: GroupM, “This Year Next Year,” 2019*

In positioning the central theme as trust, we first need to define what we mean by that. In this paper, we define it not only in the narrow sense of whether what is being said is true or not, but also in the broader sense of a relationship. Trusting someone means you think they are reliable, you have confidence they will protect your emotional and physical well-being, and you are influenced by what they say. Of course, a consumer's relationship with a brand's digital marketing is not directly comparable to their personal relationships, but we believe the principles are consistent and important. Indeed, we know that trust in companies and brands is a key driver of business growth.

Figure 1 shows the relationship between TrustR (a composite of measure of trust and the likelihood to recommend) and brand value, as determined by the annual BrandZ Top 100 Most Valuable Global Brands ranking. More trust equals better business results.

FIGURE 1: RELATIONSHIP BETWEEN TRUSTR AND BRAND VALUE

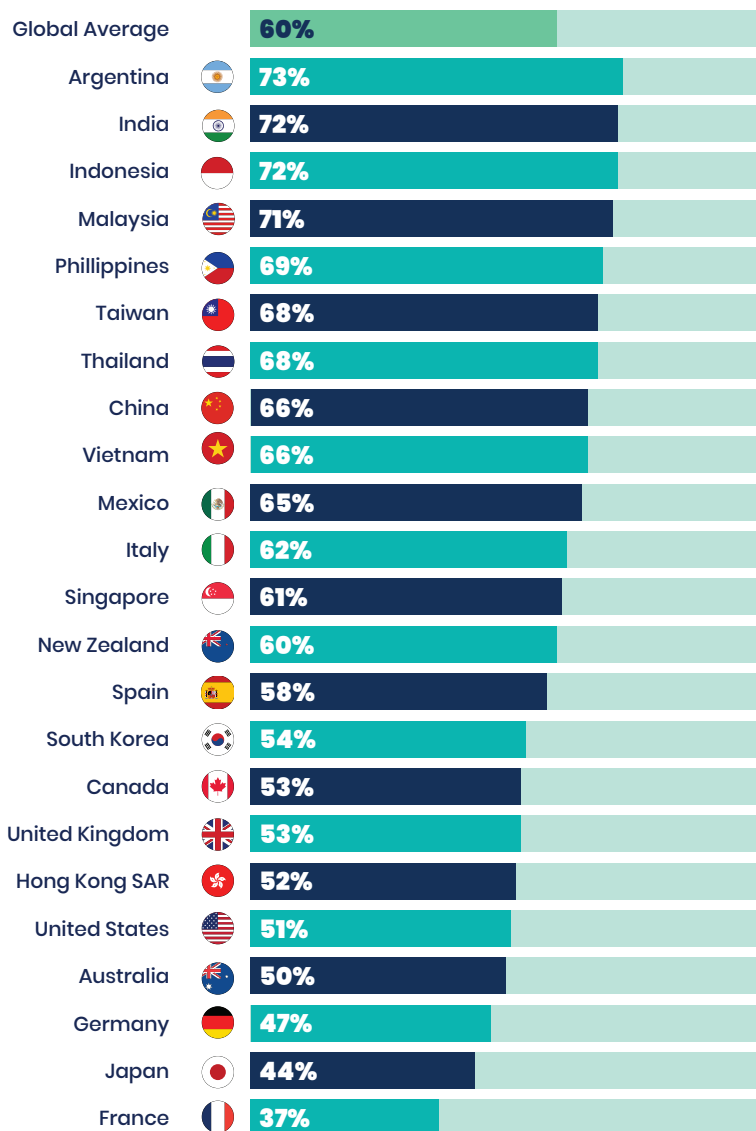


2009 BrandZ Top 100 Global Brands

Source: Kantar BrandZ

This paper will focus on the consumer's perspective. As an industry, we can be consumed by technology while forgetting that a consumer—a human being—sits at the end of it. What does a consumer think about the sprawling world of digital marketing in modern times, and what are the implications for brand trust?

This paper also provides a global perspective based on results from 13,900 interviews conducted in 23 countries: 14 in Asia Pacific, two in North America, two in Latin America and five in Europe. It aims to reveal not only what is common globally, but also how insights and implications may differ between regions and countries. We focus on middle- to upper-income consumers in each country. When taking a global view, this ensures consumers have enough access to technology and makes the paper more representative of how things will evolve in the near future, rather than at the time of writing.

FIGURE 2: PERCENTAGE OF CONSUMERS WHO SAY TECHNOLOGY MAKES THEIR LIVES BETTER


Based on 13,900 survey respondents ages 18–49 across 23 markets in Asia Pacific, Europe, Latin America and North America

Q: Which of the following statements do you agree with?

To frame this discussion, let us begin by broadening our lens from digital marketing to technology—two fields that are inextricably linked. We can see from Figure 2 that most consumers around the world feel that technology has made their lives better.

Figure 2 also shows us this tendency is even more true in emerging markets where advancements in technology have directly overlapped with the rapid growth in those markets' economies and living standards.

However, as seen in Figure 3 on page 8, while consumers are generally positive toward technology, they are not as positive toward digital advertising. Across markets, we asked consumers which advertising touchpoints gave them a more positive impression of brands. For all the digital advertising touchpoints we covered, less than a quarter of respondents for any one touchpoint indicated it gave them a positive impression. Of course, it is not news that consumers downplay the impact of advertising, but when we put it in the context of television, we can see the discrepancy. While people may complain about TV ad breaks and claim they do not influence their behavior, the percentage of consumers indicating the ads give them a more positive impression about brands is significantly higher than for any digital media—the figure ranges from 1.6 times to over three times higher.

FIGURE 3: PERCENTAGE OF CONSUMERS WHO INDICATE AN ADVERTISING TOUCHPOINT GIVES THEM A MORE POSITIVE IMPRESSION OF BRANDS


TV ads	39%	
DIGITAL ADVERTISING TYPE	GLOBAL AVERAGE	TV INDEX VS. DIGITAL AD TYPE
Social network ads	24%	163
Recommendations (influencer)	20%	195
Video platform ads	17%	229
In-game ads	13%	300
E-commerce platform ads	12%	325

Based on 13,900 survey respondents ages 18–49 across 23 markets in Asia Pacific, Europe, Latin America and North America

Q: Which of the following give you a more positive impression of brands?

As an industry, this should cause us to reflect on our shift to digital advertising and the impact on total communications effectiveness. In particular, even if digital advertising platforms are driving short term results today, are we building trust to ensure they drive results in the future? Our perspective is not that we need to pull back from digital marketing, but that we should push forward in ways that respect and leverage consumers' evolving relationship with it. This will benefit brands and consumers alike.

We will focus on three areas of consumers' trust relationship with digital marketing in this paper. In "Building Trust Through Platforms," we will focus on consumer perceptions of digital advertising supply—the locations where ads appear—and the marketing opportunities that exist in improving its management. In "Building Trust with Data," we will focus on consumer perceptions of data being used for advertising purposes and how we can create a new concord of trust, while meeting applicable regulatory requirements. Finally in "Building Trust Beyond Advertising," we will look at issues of fatigue with digital advertising, focusing on opportunities to build relationships with consumers beyond traditional advertising.

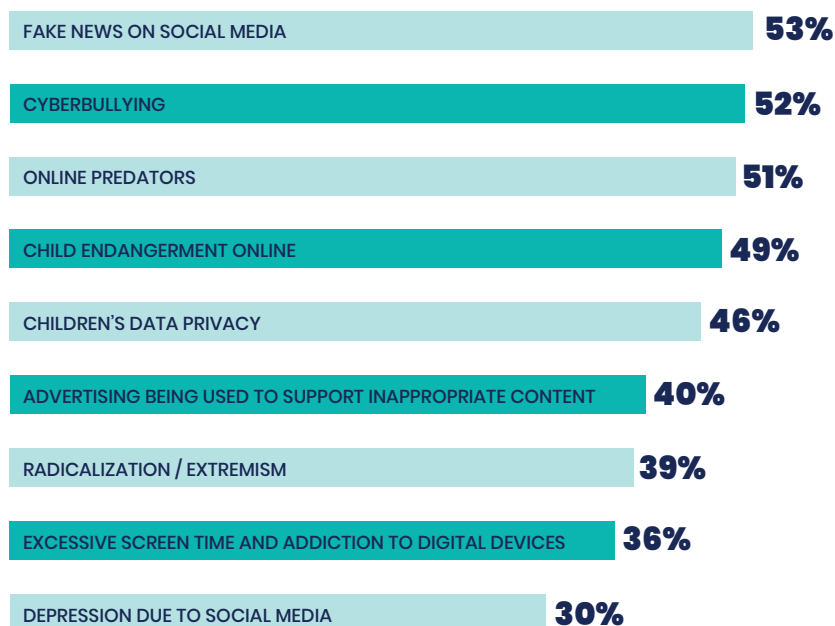
We propose that by taking a step back to consider trust along these dimensions, we will enable a more consumer-focused, strategic, long-term perspective that will increase trust in the whole digital marketing ecosystem, and ultimately benefit consumers and brands alike.

BUILDING TRUST THROUGH PLATFORMS

In our 2018 paper, “Data Privacy and Brand Trust in Asia Pacific,” we highlighted 2018 as the year the world awoke to digital data privacy. Many of the broader concerns over the health and safety of digital environments began much earlier than that. Popularization of the term “fake news” began in 2016 during the United States presidential election; concerns over the internet fostering extremism began around 2008; and research and recommendations on screen time predate the internet era, going back to the 1970s.

Through our survey, we sought to understand the extent of consumer concern over these issues. Figure 4 shows the percentage who are concerned globally.

FIGURE 4: PERCENTAGE OF CONSUMERS WHO ARE CONCERNED WITH DIGITAL ISSUES



Based on 13,900 survey respondents ages 18–49 from 23 markets across Asia Pacific, Europe, Latin America and North America

Q: Which of the following issues regarding the internet and digital devices are you concerned about?

From this data, we can see the high levels of concern. Around half of consumers are concerned about fake news, cyberbullying, online predators and child endangerment. For all other issues, 30 to 50 percent are concerned.

WHILE THE PRIMARY PURPOSE OF THIS PAPER IS TO FOCUS ON THE MARKETING IMPLICATIONS, IT IS INTERESTING TO NOTE HOW THE CONCERNS VARY ACROSS MARKETS. **FIGURE 5**, AND THE ILLUSTRATED WORLD MAP, SHOW WHICH ISSUE IS OF GREATEST CONCERN IN EACH MARKET, WHILE **FIGURE 6** SHOWS WHICH MARKET HAS THE GREATEST OVERALL CONCERN FOR THAT ISSUE.



FIGURE 5: LARGEST DIGITAL CONCERN BY MARKET

Australia	Online predators	Thailand	Online predators
China	Cyberbullying	Vietnam	Child endangerment online
Hong Kong SAR	Cyberbullying	Canada	Online predators
India	Fake news on social media	United States	Online predators
Indonesia	Fake news on social media	Argentina	Child endangerment online
Japan	Online predators	Mexico	Cyberbullying
Malaysia	Fake news on social media	France	Child endangerment online
New Zealand	Cyberbullying	Germany	Online predators
Philippines	Fake news on social media	Italy	Cyberbullying
Singapore	Fake news on social media	Spain	Cyberbullying
South Korea	Fake news on social media	United Kingdom	Child endangerment online
Taiwan	Cyberbullying		

FIGURE 6: MARKET WITH HIGHEST LEVEL OF CONCERN FOR EACH DIGITAL ISSUE

Advertising being used to support inappropriate content (e.g., extremist content)	Taiwan
Fake news on social media	Philippines
Child endangerment online	Vietnam
Children's data privacy	New Zealand
Excessive screen time and addiction to digital devices	New Zealand
Cyberbullying	Philippines
Radicalization / extremism	New Zealand
Depression due to social media	Philippines
Online predators	Thailand

Based on 13,900 survey respondents ages 18–49 from 23 markets across Asia Pacific, Europe, Latin America and North America

Q: Which of the following issues regarding the internet and digital devices are you concerned about?

Online predators

Cyberbullying

Fake news on social media

Child endangerment online

The issues in Figure 6 reflect multiple factors, including top-of-mind concerns, government agendas and the tendency of digital technology to amplify pre-existing issues. The issues in Figure 6, in which the Philippines and New Zealand feature prominently, reflect the nature and events of those two countries. Filipinos have some of the highest usage rates of social media in the world; therefore, it is not surprising to see some of the highest concern over fake news, cyberbullying and depression interweaving with any positive benefits of usage. For New Zealand, we reported on their high concern over data privacy in our 2018 paper; it is therefore not surprising to see that extend more broadly to device usage. New Zealanders' concern over radicalization and extremism is likely amplified by the March 2019 events in Christchurch that happened approximately three months before this research took place.

Tackling the issues themselves is obviously beyond the scope of our research. From a social platform perspective, we will continue to see debate on their categorization as publishers versus technology companies, and the myriad of issues surrounding this dichotomy. From a “traditional” publisher perspective, we will continue to see the creation and coverage of dirty-dozen content.*

The question we should ask as marketers is: “What implications should these issues have on our choices of where to advertise?” The first consideration is whether consumers see platforms as responsible for the content that appears, regardless of the legal, political and regulatory considerations. Figure 7 demonstrates that they do.

FIGURE 7: PERCENTAGE OF CONSUMERS WHO AGREE / STRONGLY AGREE



Based on 13,900 survey respondents ages 18–49 from 23 markets across Asia Pacific, Europe, Latin America and North America

Q: How much do you agree or disagree with the following?

The second consideration is whether brands can become tainted by association if their advertising appears on platforms and next to content that consumers perceive as inappropriate. Figure 8 suggests they can. From our survey, nearly two in three indicated they would have a negative opinion about a brand “if it appeared next to inappropriate content.”

*Adult, Arms, Crime, Death or Injury, Online Piracy, Hate Speech, Military Conflict, Obscenity, Illegal Drugs, Spam or Harmful Site, Terrorism, Tobacco

FIGURE 8: PERCENTAGE OF CONSUMERS WHO AGREE / STRONGLY AGREE



Based on 13,900 survey respondents ages 18–49 from 23 markets across Asia Pacific, Europe, Latin America and North America

Q: How much do you agree or disagree with the following?

We do not write this to criticize any digital platform or publisher. The role of the internet in society is a complex topic, and similarly, there is no one-size-fits-all solution to determine the optimal environment for brands to be seen. However, this data emphasizes the need for marketers to have a consideration of whether the online advertising environments in which they appear are appropriate to them. This is a fundamental pillar of good media planning.

Marketers should apply a standard of rigor to the digital supply landscape, similar to what they have traditionally done in TV, out-of-home billboards and magazines. This does not mean there should be one standard. Indeed, for some brands and marketers there may be a conscious decision to have a more moderate standard. What it does mean is that each brand should define the actionable parameters of how their ads are placed online to ensure they are appropriate to them, to build marketing effectiveness and to protect hard-won brand value.

Applying this discipline represents an opportunity for brands to build trust with consumers. Indeed, there is a robust body of evidence demonstrating the halo of premium media environments' on brands. Multiple pieces of research have proven this, and marketers should not discard this evidence in favor of chasing the cheapest CPM. As an example, a 2016 study from Comscore showed that premium publishers are more than three times more effective in driving mid-funnel brand lift metrics such as favorability and consideration.*

In practical terms, managing the context and locations where our advertising appears requires a comprehensive strategy. This begins with ensuring the basics such as ad-serving are in place, then requires a combination of selecting the right digital partners (out of the several million options available) and technology to detect harmful content and prevent advertising from appearing adjacent to it. Advertisers should work with expert partners to develop brand safety strategies based on a realistic assessment of their tolerance for risk with each platform and publisher.

In the longer term, we should begin asking a fundamental question: If consumer concerns are rising, will brands eventually be asked how they can support an ecosystem that cannot control harmful content? This represents a tremendous threat to trust in digital marketing, but also an opportunity. Fortunately, we do see progress, with initiatives like the Global Alliance for Responsible Media (GARM), launched by the World Federation of Advertisers in 2019 to address broader goals beyond brand safety—making media better, safer and more sustainable for all users of the internet.

*"The Halo Effect: How Advertising on Premium Publishers Drives Higher Ad Effectiveness," Comscore, July 2016

BUILDING TRUST WITH DATA

FIGURE 9:
**CONCERN OVER
DATA PRIVACY**

VERY CONCERNED 17%
SOMEWHAT CONCERNED 38%
NOT SURE 24%
NOT PARTICULARLY CONCERNED 15%
NOT AT ALL CONCERNED 6%

Q: How concerned are you with the privacy of the information companies collect about you?

Based on 13,900 survey respondents ages 18–49 from 23 markets across Asia Pacific, Europe, Latin America and North America

Earlier, we showed the relatively low percentage of consumers who indicate digital advertising formats give them a positive impression of brands relative to TV. For certain touchpoints, we asked a follow-up question: “Why don’t the formats give you a positive impression?”

For digital advertising, the most cited reason (37 percent*) was that the “ads are too intrusive.” While intrusion can have multiple meanings, including the interruption of consumers’ user experience, it is also symptomatic of the broader intrusion into consumers’ lives through utilization of their data. It is this topic that we will cover in this section, as we look at consumers’ perceptions of how their data is used for advertising purposes, and the implications this has for trust in digital marketing and brands.

Our research confirmed consumers’ concern over data privacy. Figure 9 shows that across 23 markets globally, more than half of consumers indicate they are somewhat or very concerned, with only about one in five indicating they are not concerned.

We also know consumers are acting on this concern, with only 18 percent* indicating they have not taken any action over the past year to restrict the information companies collect about them. Thirty-eight percent* indicated they have restricted more information that companies collect about them this year than they did last year.

Before moving on to the specific implications for marketing, we should again ask whether these statistics matter. We have shown that trust is broadly related to business growth, but do consumers make product or service choices with data privacy as a consideration? Certainly, some companies believe they do, which is why brands such as Apple have invested in advertising campaigns to leverage their data privacy credentials.

In our research, for each of the following five purposes, we asked consumers how their willingness to buy or use a product or service would change if a company used their data for that purpose:

1

**To improve
experience
of current
services and
products**

2

**To help you
connect with
other people**

3

**To develop
future
services and
products**

4

**To deliver
personalized
ads**

5

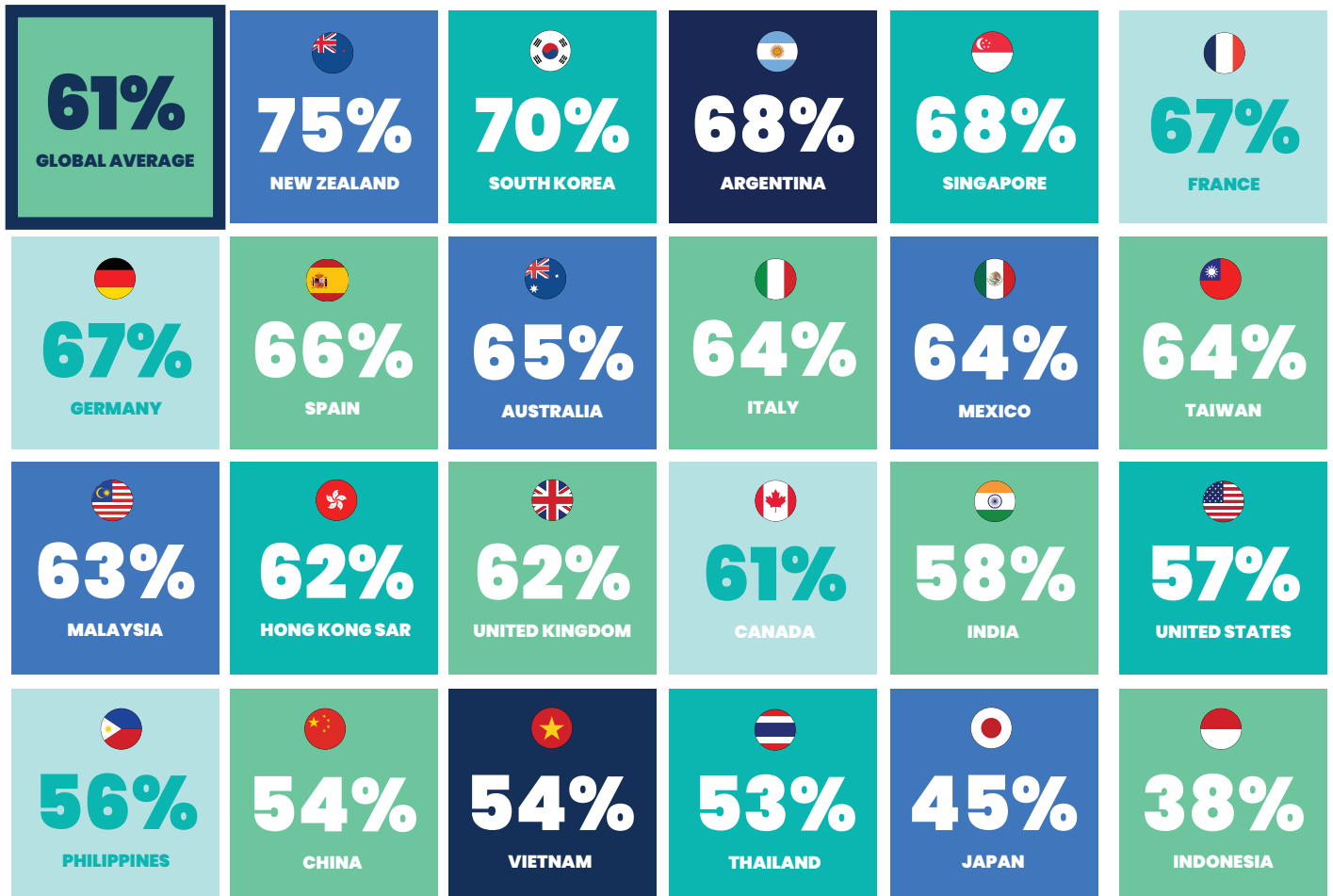
**To suggest
personalized
content**

*Average percentage of respondents who think in-game, esports, e-commerce platform, and video platform ads do not provide a more positive impression of brands because the ads are too intrusive

Figure 10 shows that around six in ten consumers globally indicated they would be less willing to buy or use a product or service if their data were used for any of these purposes. While there will be variations by product category, this demonstrates the elevation of data privacy considerations in decision-making. Put simply, data privacy matters, and will only matter more as the Internet of Things encompasses an ever-broader range of products.

When looking at the numbers by market, we also see a slight tendency for data privacy concerns to be a larger barrier to product and service usage in developed markets.

FIGURE 10: PERCENTAGE OF CONSUMERS WHO ARE LESS WILLING TO BUY OR USE A PRODUCT OR SERVICE IF COMPANIES USE THEIR PERSONAL DATA



Based on 13,900 survey respondents ages 18–49 from 23 markets across Asia Pacific, Europe, Latin America and North America

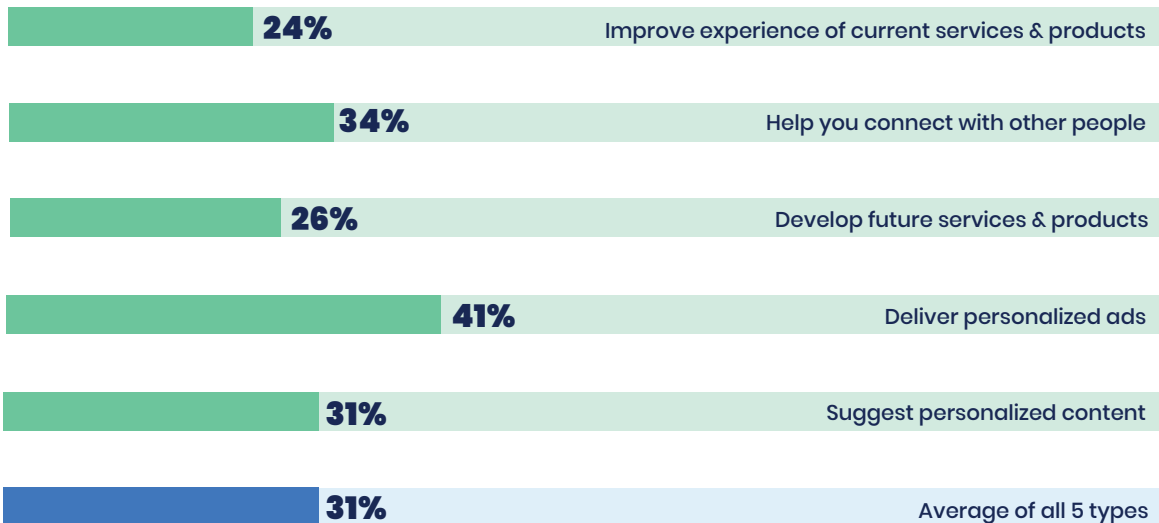
Note: Percentages reflect anyone somewhat less willing to buy or use a product or service if their data were used for any of the 5 purposes.

Q: How would your willingness to buy or use a product or service change if the company used your data for the following purposes?

This is likely a result of emerging markets' relatively lower scrutiny on data privacy, higher general positivity toward technology (see Figure 2) and greater inherent challenges to adoption in terms of infrastructure and economics. However, as fundamental barriers to adoption dissipate over time, we can expect the “softer” concern of data privacy to rise. This will also be true in developed markets as technology becomes cheaper and more commoditized.

So, if we know that consumers are concerned about data privacy and that it is impacting brand selection, what does this mean for marketing? First, it implores marketers to be even more judicious in how we use data for advertising. Figure 11 shows the change in consumers' willingness to use a brand specifically if their data is used to deliver personalized ads. While an average of around 30 percent indicate decreased willingness if their data is used across purposes, the number jumps to 41 percent if the data is used to deliver personalized ads. Consumers are more sensitive to the use of their data for advertising than for other purposes, demonstrating the care with which we should proceed.

FIGURE 11: PERCENTAGE OF CONSUMERS WHO ARE LESS WILLING TO BUY OR USE A PRODUCT OR SERVICE IF THEIR DATA IS USED TO...



Based on 13,900 survey respondents ages 18–49 from 23 markets across Asia Pacific, Europe, Latin America and North America

Q: How would your willingness to buy or use a product or service change if the company used your data for the following purposes?

Of course, for many years we have seen evidence and implications of this trend. Indeed, when we asked consumers which actions they have taken to restrict the information collected about them, we found that the top two actions taken are the changing of privacy settings and the deletion of cookies and browser history—two areas that greatly impact digital advertising.

FIGURE 12: PERCENTAGE OF CONSUMERS WHO HAVE TAKEN ACTIONS TO RESTRICT INFORMATION COMPANIES COLLECT ABOUT THEM

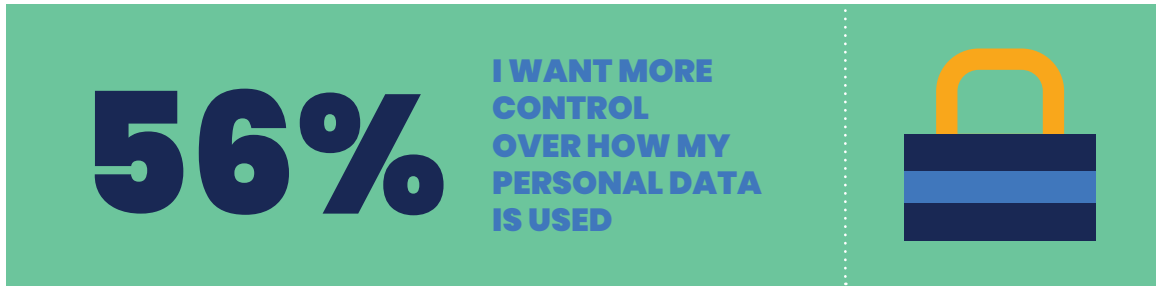


Based on 13,900 survey respondents ages 18–49 from 23 markets across Asia Pacific, Europe, Latin America and North America

Q: What action(s) have you taken to restrict the information companies collect about you?

Regarding cookies, they have been a mainstay of digital identity for decades, and the threat to them has had direct implications throughout the digital marketing system, including frequency capping, remarketing, attribution and others. The increasing consumer tendency to delete cookies, which we see from this research, has been amplified by recent tracking prevention capabilities in browsers. This means that advertisers will need to work with expert partners to guide them through the necessary actions. On GroupM's part, we are working closely with our clients and the industry to build an identity strategy for the future. This includes developing a responsible data and AI ethics framework that will ensure proper data collection, strong data governance and compliance, and ongoing training and learning, both internally and externally.

Ultimately, if we are to build relationships with consumers, the primary shift we need to make, or momentum we need to continue, is to offer control. We see this clearly from our research, with over half of consumers globally wanting more control over how their personal information is used.

FIGURE 13: PERCENTAGE OF CONSUMERS WHO SELECTED THE ATTITUDE STATEMENT

Based on 13,900 survey respondents ages 18–49 from 23 markets across Asia Pacific, Europe, Latin America and North America

Q: Which of the following statements do you agree with?

In the future, we can only predict that this desire for control will increase in line with consumer awareness of data privacy issues and understanding of the value of their data. In turn, consumers will become more calculating in terms of what they will accept or reject, and how they expect to be incentivized in exchange for use of their data.

Consumers' desire for control over their data will increasingly be underpinned by legislation. The California Consumer Privacy Act (CCPA), for example, requires businesses to publish how they calculate the value of data, if they provide a specific incentive for sharing.

In the future, whether driven by legislation or a desire to do what is ethical, marketers have two options to foster trust in digital advertising: We can either openly lay out the arguments for why consumers should share their data “for free,” or we can directly incentivize them in other ways.

In the case of the former, it is a staple of the advertising industry to claim that data collection benefits consumers because they are shown advertisements of greater relevance to them. However, data from our study suggests that consumers are very skeptical of this claim, with less than one in five believing that sharing their data leads to an improvement in the products and services they receive. If companies wish to continue using consumers' data for free to advertise to them, they will have to communicate the benefits more convincingly.

FIGURE 14: PERCENTAGE OF CONSUMERS WHO SELECTED THE ATTITUDE STATEMENT

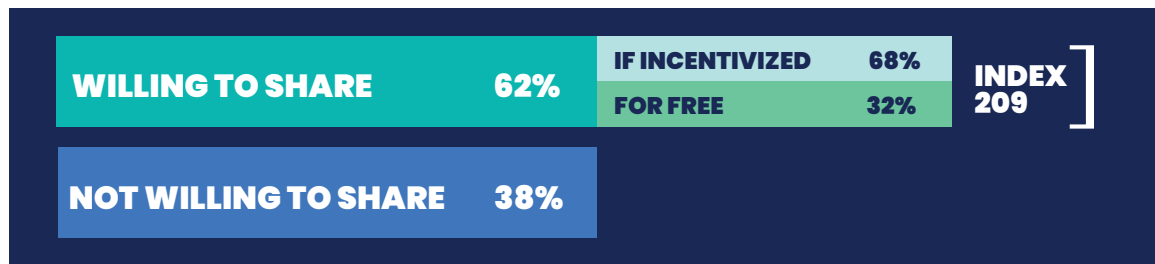
Based on 13,900 survey respondents ages 18–49 from 23 markets across Asia Pacific, Europe, Latin America and North America

Q: Which of the following statements do you agree with?

It is also a fundamental proposition of many companies to state that they offer consumers free content or services in return for seeing advertisements. However, even there we may be beginning to see the formation of cracks. In our research, we asked consumers for their willingness to pay subscriptions for services that they currently use and are ad-supported. Across 98 services around the world (ranging from Facebook to WeChat to BBC), we found that on average, 55 percent* would be willing to pay for the service in an ad-free model.

The second route we can take is direct incentivization. Across a basket of 15 data types#, we see that on average, 62 percent are willing to share any piece of data. However, among the 62 percent who are willing to share, 68 percent are only willing to share if incentivized, while only 32 percent would share with no incentive. In other words, over two times more people require an incentive to share as opposed to sharing for free. We can express this as an index: willing to share if incentivized (68 percent) / willing to share for free (32 percent) = Index 209.

FIGURE 15: CONSUMERS' WILLINGNESS TO SHARE PERSONAL DATA



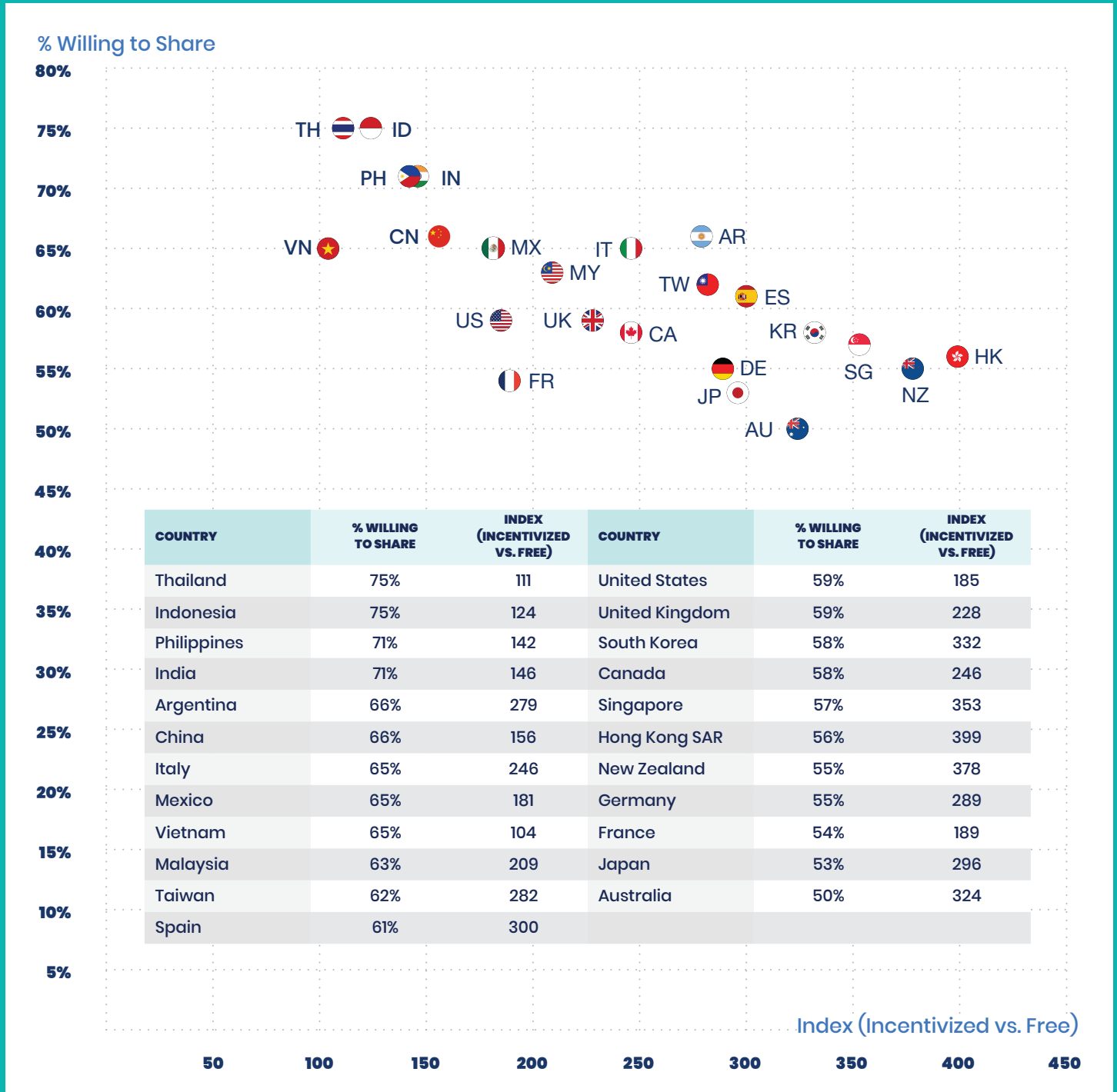
Based on 13,900 survey respondents ages 18–49 from 23 markets across Asia Pacific, Europe, Latin America and North America
 Note: Percentages are calculated by averaging the scores of 15 types of personal data measured in the survey

Q: For each of the following type(s) of personal data, which of the following best describes your willingness to share with companies?

Interestingly, when we look at these two numbers across markets (the percentage willing to share and the index of incentivization), we can again see the pattern for more developed markets' consumers to be more demanding—characterized by less willingness to share data and greater demand for incentives.

*Percentage who would be willing to pay any value when asked - "The below services are currently free to use as they are funded by advertising or similar means. If these services were funded by subscription fees, what is the maximum amount you'd be willing to pay per month to keep using?"

#Social class, voice recognition, biometric, facial recognition, purchasing behavior, online browsing behavior, calendar information, lifestyle information, real-time location, contacts and connections, entertainment history, demographic information, communication history, travel history, and health and well-being

FIGURE 16: **CONSUMERS' WILLINGNESS TO SHARE PERSONAL DATA BY COUNTRY**

Based on 13,900 survey respondents ages 18–49 from 23 markets across Asia Pacific, Europe, Latin America and North America

Note: Percentages are calculated by averaging the scores of 15 types of personal data measured in the survey

Q: For each of the following type(s) of personal data, which of the following best describes your willingness to share with companies?

Complicating this area further, consumers' willingness to share data and demands for incentivization—not surprisingly—depend on the specific type of data they are being asked to share. This can be seen in Figure 17.

FIGURE 17: PERCENTAGE OF CONSUMERS WHO ARE WILLING TO SHARE TYPES OF DATA IF INCENTIVIZED OR FOR FREE

Entertainment history	84%	Calendar information	57%
Lifestyle information (hobbies / interests, etc.)	82%	Real-time location	50%
Purchasing history	80%	Voice recognition	48%
Demographic information (age, gender, life stage)	80%	Communication history (emails, etc.)	44%
Health and well-being	74%	Contacts and connections	42%
Travel history	73%	Facial recognition	41%
Social class (income, products owned, etc.)	69%	Biometric	37%
Online browsing behavior	65%		

Based on 13,900 survey respondents ages 18–49 from 23 markets across Asia Pacific, Europe, Latin America and North America

Q: For each of the following type(s) of personal data, which of the following best describes your willingness to share with companies?

While there are gray areas, if we split this list in half, we can see that the data in the left-hand column—which consumers are most willing to share—is more likely to be general, aggregated, online behavioral information. This kind of data enables consumers to be classified into certain groups. The data in the right-hand column—which consumers are least willing to share—is more likely to be personal information. This kind of data enables consumers to be identified as individuals.

For personally identifiable information, we can see that for most types, less than 50 percent would be willing to share even if incentivized. Consumers are sensitive about this kind of data. Of note here is location-based data, which is already commonly used across commerce. While consumers may be opting in, it is likely they do not have full visibility on the multiplicity of usage. Voice recognition, facial recognition, contacts and connections, and communication history may be the future flashpoints as advertising begins to appear on the associated platforms and leverages the data they produce.

What can we surmise from this in terms of implications for trust in digital marketing and brands? Ultimately, given the sensitivity over personal data and the need for brands to protect their reputation, marketers must have a clear data-usage framework that guides which kinds of data can be used for what purposes. For example, an organization may use “aggregated” information (such as demographic information or purchasing history) on a tactical, personalized, creative level with no incentive since consumers are less sensitive to usage of this kind of data. This allows relative freedom within the realm of e-commerce, for example.

On the other hand, usage of “individual” information (such as travel history, calendar information, etc.) may only be permitted on a strategic, non-personalized, segmentation level. On a final level, a decision may be made that other “individual” information, such as communication history, will never be used except with high incentivization and a clear statement that the data will only be used for non-advertising purposes.

Of course, the way this looks will vary for each organization. We should not be under any illusion that it will be easy to communicate to consumers, but all organizations should consider their approach to this level of detail as the data they collect on consumers continues to broaden and deepen. In turn, this creates an organizational implication in the need for chief marketing officers to be even more closely aligned with data protection officers. The marketing opportunities afforded by data will only increase, simultaneously increasing the opportunities for data privacy requirements to be controverted. This requires tight, multifunctional communication and discipline within the organization.

This transitions us from the consumer perspective to the need for a combination of technical, regulatory and advertising expertise to navigate the practical implications of data privacy. This will span from assessing the need for day-to-day changes to comply with regulatory requirements to understanding how the corresponding consumer rights and controls relate to long-term consumer engagement.

As we have shown, the starting point in building consumer trust is absolute transparency with the consumer, at the earliest opportunity, on the data that is being collected from them and how it will be used. The GroupM Global Privacy program, as an example, supports this by:

1

Working with advertisers to ensure they have a clear view of all tags / pixels being deployed on their digital properties, enabling them to describe activity succinctly and clearly in privacy notices.

2

Surveying digital publishers about their privacy disclosures and engaging in dialogue with those who are less advanced to advocate best practice.

3

Requiring all data vendors to complete self-assessments about their privacy and security practices to help advertisers avoid purchasing data from vendors who may undermine consumer trust in any way.

4

Evolving and advocating initiatives such as the IAB Europe Transparency & Consent Framework, which helps advertisers and ad tech providers communicate consumer preferences clearly.

Again, by taking this step back to look at consumers’ perspectives on how their data may be used, we believe there is an opportunity to create a new concord of trust with consumers in the digital marketing process. This in turn represents an opportunity to build trust with brands.

Before closing our discussion of this topic, it is important to note that in the future, these issues will apply not only to an ever-increasing number of brands, but also to an ever-increasing range of data types and advertising spaces. In terms of the former, data collection will become more opaque as we move from the relatively simple process of gaining permission from specific devices, where a simple question can be asked, to the ambient collection of data from the wider world. In terms of the latter, the growth of connected out-of-home advertising, for example, will increase the screens, surfaces and areas on which personalized advertising can be delivered. This is not an area that will stand still.

BUILDING TRUST BEYOND ADVERTISING

In the previous two sections, we outlined actions for us to build trust in digital advertising. To some extent, these actions focused on the application of traditional, good-quality media and business planning to the needs of a modern, dynamic world. While this is necessary, we do not see it as sufficient. We should also embrace consumers' changing relationships with digital marketing to explore and maximize alternative opportunities to communicate beyond traditional advertising.

From several perspectives, our research consistently confirms consumer fatigue with digital advertising. When we asked consumers why digital advertising formats did not give them a positive impression of brands, the second most cited reason was that there were “too many ads in the environment,” at 32 percent.* As mentioned earlier, the most cited reason was that “the ads are too intrusive.” We also highlighted that 55 percent of consumers would be willing to pay for currently “free” services they use in return for an ad-free model. In our research, we also see the high incidence of ad-blocker installation, as can be seen in Figure 18.

FIGURE 18: PERCENTAGE OF CONSUMERS USING AD BLOCKERS



Based on 13,900 survey respondents ages 18–49 from 23 markets across Asia Pacific, Europe, Latin America and North America

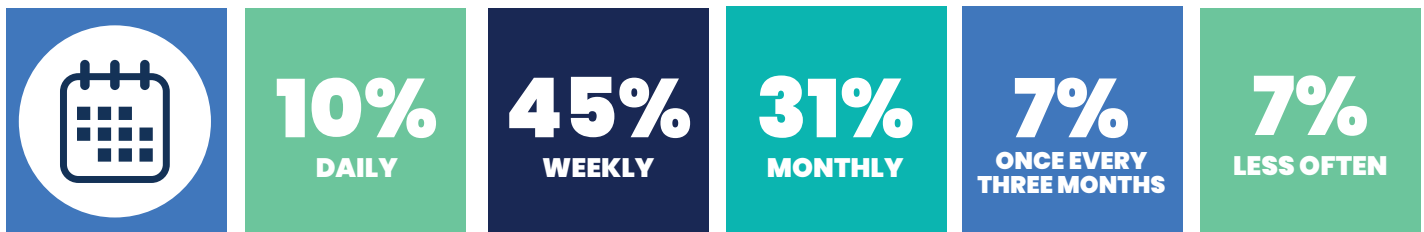
Q: What action(s) have you taken to block or avoid ads on your computer and / or mobile device?

**Average percentage of respondents who think in-game, esports, e-commerce platform and video platform ads do not provide a more positive impression of brands because there are too many ads in the environment*

This evidence shows how consumers are seeking—and in some cases are willing—to pay for a reduction in the number of ads they see. This has tactical implications across important areas such as clutter and frequency optimization, but here we will focus on two implications of strategic, long-term opportunity: first, the implications for brands to expertly manage and leverage direct relationships with consumers, and second, the opportunity to leverage influencers. Neither of these are new, but we wish to elucidate their importance and best practice, given the elevated role they will have in the trust equation with digital marketing and brands.

The opportunity in the first topic is highlighted when we look at the frequency with which consumers would like to receive communication from brands and retailers. The results from Figure 19 indicate 86 percent would like to be contacted once a month or more, and 55 percent once a week or more. While this is infrequent from the perspective of brand advertising, if we look at it from the perspective of customer relationship management, this is a significant granting of permission to communicate with consumers on a deeper, more substantial level. This is both an opportunity and a responsibility; getting it right will only become more important with macro-level trends such as the rise of e-commerce.

FIGURE 19: FREQUENCY WITH WHICH CONSUMERS WOULD LIKE TO RECEIVE COMMUNICATION FROM BRANDS OR RETAILERS



Based on 13,900 survey respondents ages 18–49 from 23 markets across Asia Pacific, Europe, Latin America and North America

















Q: How often would you like to receive communication from brands or retailers?

To leverage this opportunity, brands should tailor the frequency of communication to the type of communication. In our research, we asked consumers which types of communication they have received from brands or retailers and then compared that with what they would like to receive. As we can see from Figure 20, discounts and offers are both the type of communication that most consumers have received and the type of communication that most consumers would like to receive. All other communication forms see a higher percentage who have received than would like to receive: on average, six percent higher.

FIGURE 20: TYPES OF COMMUNICATION CONSUMERS HAVE RECEIVED VERSUS APPRECIATE RECEIVING

STATEMENT	HAVE RECEIVED	APPRECIATE RECEIVING	DIFFERENCE
Latest discounts and offers	56%	59%	3%
Notification of new products or services	36%	31%	-5%
Product reviews	32%	27%	-5%
Personalized recommendations	30%	24%	-6%
Reminders to purchase products previously looked at / added to cart	31%	18%	-13%
Reminders to purchase previously bought products	22%	15%	-7%
Invitation to complete satisfaction surveys	36%	20%	-16%
Personalized reminders to purchase gifts on special occasions	23%	23%	0%
Other	8%	2%	-6%
Average	30%	24%	-6%

FIGURE 21: AVERAGE DIFFERENCE BY COUNTRY IN BRAND COMMUNICATIONS RECEIVED VERSUS APPRECIATE RECEIVING

 Thailand	1%	 Mexico	-5%	 Indonesia	-8%
 Hong Kong SAR	-2%	 India	-5%	 Italy	-9%
 Vietnam	-2%	 Taiwan	-6%	 United Kingdom	-10%
 China	-2%	 United States	-6%	 Australia	-10%
 Malaysia	-4%	 Germany	-6%	 Argentina	-10%
 Japan	-4%	 South Korea	-7%	 Spain	-11%
 Philippines	-5%	 France	-7%	 New Zealand	-15%
 Singapore	-5%	 Canada	-8%		

Based on 13,900 survey respondents ages 18–49 from 23 markets across Asia Pacific, Europe, Latin America and North America

Q: Which of the following type(s) of communication have you received from brands or retailers in the past three months?

Q: Which of the following type(s) of communication from brands or retailers do you appreciate receiving?

If we look at this average number by market, it provides us with a broad index of how aligned the brand and retailer communications are in each market versus consumer expectations. Overall, we can see only one market—Thailand—is positive.

We do not have room in this paper to discuss all the possible reasons why each market sits where it does, but it is clear that the whole industry has an opportunity to learn and improve. By means of thorough testing strategies, brands and retailers need a matrix—tailored for their market, organization and business goals—that combines the level of personalization, the type, and the frequency of their communication to consumers.

Regarding personalization, marketers will need to be careful of both consumer and regulatory concerns. While marketers can implement robust consumer choice (whether opt-in or opt-out), they will need to undertake a more detailed regulatory assessment if they are tying data from their email program to that same user's data in other channels (e.g., e-commerce conversions on a third-party retailer site). In this respect, having a detailed understanding of a data vendor's privacy practices will be of increasing importance.

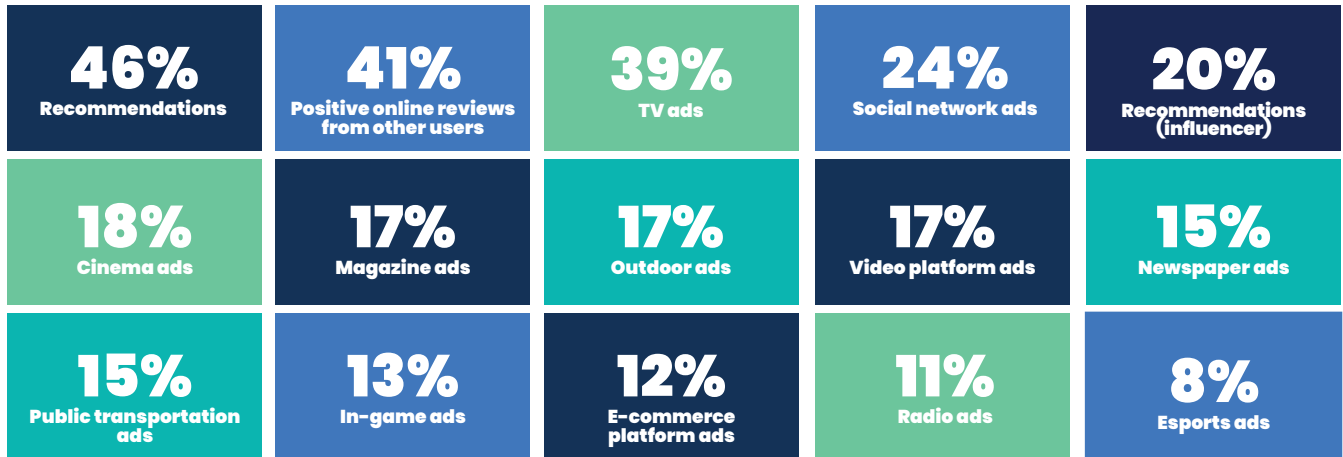
In terms of the intersection between type and frequency, short-term goals like conversions need to be balanced with longer-term health metrics such as unsubscribe rates. On this theme, brands should resist the temptation to leverage or become associated with dark patterns. These include not only the classic deceptions of websites and apps, but anything that manipulates consumers to do something they do not want to do. There are certainly gray areas in this space, but marketers should always ask whether they are undermining long-term trust in order to achieve short-term goals.

Overall, there is no one-size-fits-all answer that suits all companies, or even one that suits all campaigns for one company. Rather, the intersection of content, personalization and frequency will need to be understood relative to the goals the organization is trying to achieve. This makes the case for senior leadership to oversee the customer experience (CX); these roles will need to manage the short-term goals while placing due emphasis on long-term brand health, full funnel marketing, and the consumer experience as part of the holistic picture.

Let us now change direction to consider the role of influencers in the changing consumer landscape. The use of influencers, in the broadest sense, is an age-old marketing tactic harking back to the role of spokespeople in newspaper ads or celebrities in TV commercials. However, in the modern sense of influencers, we can consider them tools to avoid digital advertising fatigue by providing “real,” authentic, trusted voices that enable brands to cut through the clutter. We predict their influence to continue rising as long as they are used in ways that respect and do not abuse consumer trust.

In the ranking of media channels that provide a positive impression of brands, our research shows that recommendations from influencers places fifth among all channels, above the likes of cinema, magazine, and outdoor. Interestingly, the actual ranking may be even higher given the likelihood of some misattribution to the second ranked item of “positive online reviews from other users.” Many consumers may not be able to distinguish between reviews and recommendations that are paid versus non-paid. Indeed, there will also likely be some misattribution to other items such as social network and video platform ads, particularly in markets such as China with heavy influencer video streaming.

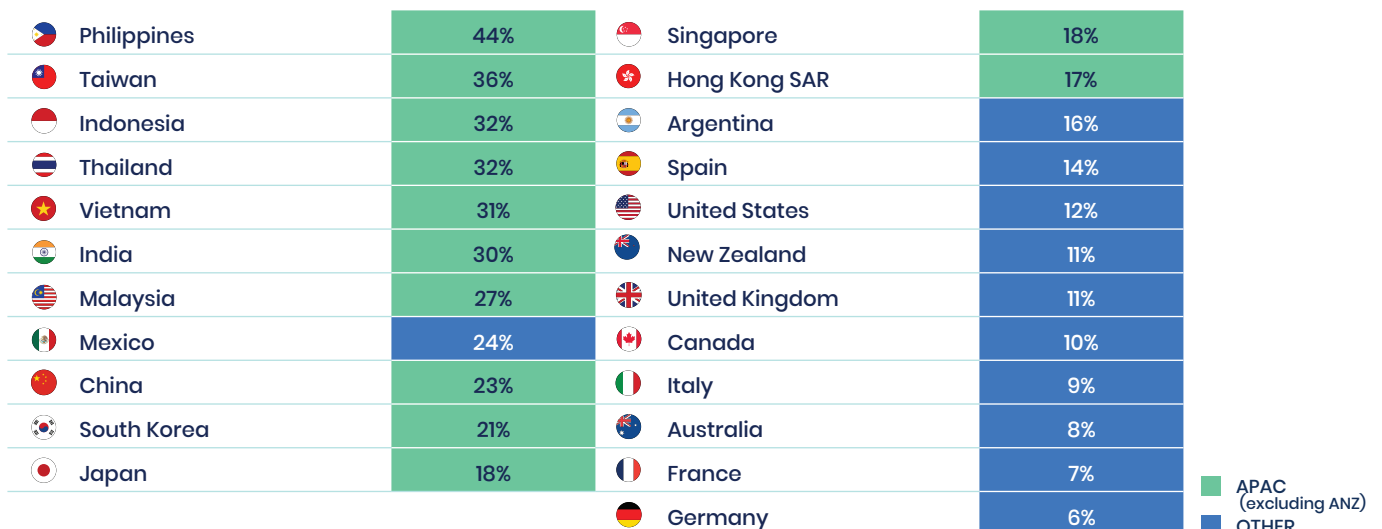
This is an enlightening result even if we should not forget that TV still plays a prominent role in creating positive impressions for brands as part of a holistic strategy.

FIGURE 22: PERCENTAGE OF CONSUMERS WHO INDICATE AN ADVERTISING TOUCHPOINT GIVES THEM A MORE POSITIVE IMPRESSION OF BRANDS

Based on 13,900 survey respondents ages 18–49 from 23 markets across Asia Pacific, Europe, Latin America and North America

Q: Which of the following give you a more positive impression of brands?

It is also interesting to compare the strength of influencers across markets. Figure 23 shows the percentage of consumers in each market who indicate influencers give them a more positive impression of brands. The findings highlight the strength of influencers in Asia Pacific, with only Mexico being ranked higher than an Asia Pacific country (if we partition Australia and New Zealand as a subregion unto itself).

FIGURE 23: PERCENTAGE OF CONSUMERS WHO INDICATE INFLUENCERS GIVE THEM A MORE POSITIVE IMPRESSION OF BRANDS

Based on 13,900 survey respondents ages 18–49 from 23 markets across Asia Pacific, Europe, Latin America and North America

Q: Which of the following give you a more positive impression of brands?

The high figures likely result from a combination of complex cultural factors, together with how Asia Pacific has economically developed with emerging digital technologies and marketing solutions rather than legacy perceptions.

This makes a strong case, particularly in Asia Pacific, for the following three actions:

1

Begin leveraging influencers or increasing the percentage of marketing spending that you allocate to them.

2

Be strategic in the leveraging of influencers.

3

Apply traditional media rigor to this modern marketing technique.

Beginning with the first item, we see the importance of influencers continuing to rise, given the fatigue with digital advertising we have highlighted. Additionally, and as importantly, the growth of direct-to-consumer e-commerce sales from influencers will accelerate this trend. Recent surveys in China have suggested that e-commerce is roughly on par with marketing and advertising as the top source of revenue for influencers.* Platforms and applications will evolve and emerge to capture this opportunity, along with the broader sphere of social selling.

Regarding the second point, there is not enough space in this paper for a comprehensive playbook on influencers, but any strategy should consider whom to work with (e.g., celebrities, micro-influencers, nano-influencers), the platforms to leverage (e.g., Instagram, TikTok, Twitch) and the tactics to use (e.g., live streaming, contests, educational content). With regard to influencer size, the fact that consumers are more positive about “reviews from other users” than “influencers” (see Figure 22) makes the case for leveraging smaller influencers as more authentic users of the product.

For the final point, it is certainly time for the influencer industry to mature. As we saw in Figure 22, influencers are currently ranked fifth in terms of the media providing the most positive impression to brands (and as discussed, the actual ranking may be even higher). With that opportunity comes a greater responsibility to get it right. Fraud in the industry, both in terms of measurement and nondisclosure, is rife. While there has been some improvement, the diligence applied to cleaning up the influencer space is still not proportional to the percentage of spending and power that this paper suggests influencers have. Accurate, verified, robust measurement based on outcomes is required. It is for all these reasons that GroupM has rolled out INCA—an influencer marketing solution—in Asia Pacific and other markets globally.

In this section, we have shown the extent of consumer fatigue with digital advertising and two strands for how best to communicate to consumers in this saturated digital world. We believe that with enough rigor, discipline and respect, these represent a tremendous opportunity to build trust in digital marketing, increase marketing effectiveness and grow brands.

*Source: iResearch Consulting Group and Weibo, “China’s Internet Celebrity Economy Development Report,” August 10, 2018

CONCLUSION

Consumer trust in digital marketing is not as high as we hoped. Each of this paper's three main sections highlights key challenges and the interventions marketers can make to rise to them.

In "Building Trust Through Platforms," we showed how consumers view platforms as responsible for their content and how brands can become associated with that content, both positively in terms of good content and negatively in terms of bad content. We must have the right frameworks, partners and technology to ensure that brands only appear in environments appropriate to them.

In "Building Trust with Data," we illuminated consumers' concern over data privacy and how this affects their choices of products and services. We can return control to consumers by incentivizing them to share data. We can align chief marketing officers, data protection officers and external experts to create detailed matrices on which data is used for what purposes, all while meeting regulatory requirements.

In "Building Trust Beyond Advertising," we demonstrated how consumers are open to brands communicating with them but are fatigued by digital advertising. We can fully leverage direct relationships with consumers by optimizing the variety, personalization and frequency of our communication. Further we can apply strategic, tactical, and technological rigor to leverage the rise of influencers, particularly in APAC.

So why does any of this matter to you?

As we said at the beginning, there is a clear correlation between trust and brand value. The paradox of digital marketing is that while it has given us the tools (channels and data) to create better relationships more easily than ever before, the risks are also higher. In the words of Warren Buffett, "It takes 20 years to build a reputation and five minutes to ruin it. If you think about that, you'll do things differently."

We fully expect that brands and organizations will have their own views on these issues, some of which may differ from ours. Regardless of what those views are, our hope is that they are based on listening to the consumer's voice, as we have done here.

While not every organization will implement all the actions we have identified, we hope that every brand will consider Mr. Buffett's advice and think about how they can do things differently to build a responsible digital marketing ecosystem for the future, based on trust.

GroupM is the world's leading media investment company responsible for more than \$48B (COMvergence) in annual media investment through agencies including Mindshare, MediaCom, Wavemaker, Essence and m/SIX, as well as the outcomes-driven programmatic audience company, Xaxis. GroupM creates competitive advantage for advertisers via its worldwide organization of media experts who deliver powerful insights on consumers and media platforms, trading expertise, market-leading brand-safe media, technology solutions, addressable TV, content, sports and more. Discover more about GroupM at www.groupm.com.

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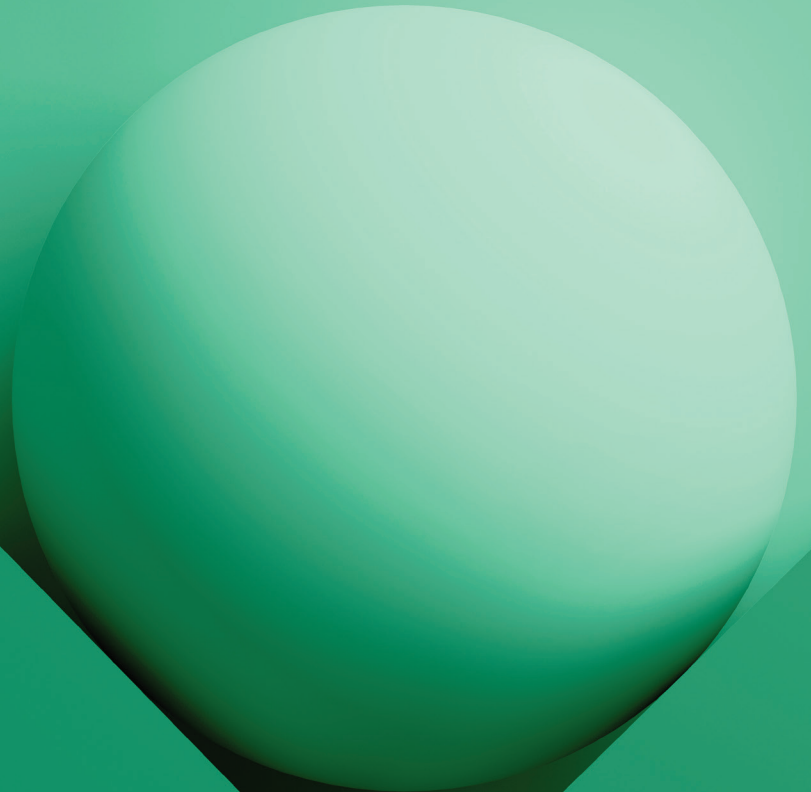
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