

# PRIVACY, SIGNAL LOSS AND THE FUTURE OF ADVERTISING. 2024



## Executive Summary

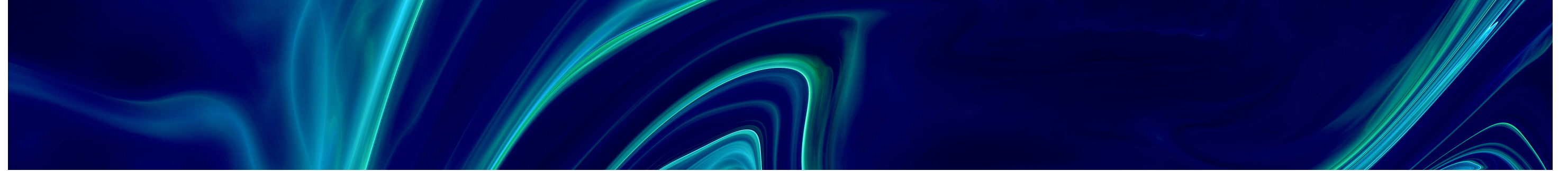
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Ongoing privacy legislations and significant updates across the marketing and media landscape call for changes in the way businesses operate, and fundamentally interact with their customers.

In this guide, Omnicom Media Group ANZ senior leaders' share their stance on privacy and signal loss, and strategies to help marketing teams stay ahead of the curve including;

- Conducting a privacy review & strategy
- Measuring performance (using cookieless attribution & marketing mix modelling)
- Moving from data-fuelled planning to insight-fuelled planning
- The role of Marketing Mix Modelling (MMM) the future of measurement
- Data clean room solutions





## Privacy Review and Strategy

Navigating the landscape of privacy demands, technological advancements and evolving legislation can be complex. To assist clients in addressing the multifaceted risks associated with legal, user experience (UX), customer experience (CX) and advertising, we advocate for a systematic approach.

At Omnicom Media Group, we suggest all brands look to undertake a comprehensive assessment of how changes in privacy regulations will impact various digital assets, including websites, apps, analytics and advertising channels. These assessments are essential to accurately identify organisational risks, rather than adopting any one-size-fits-all solution on offer by tech vendors.

It's important to recognise that the impact of privacy changes varies greatly across different business sectors. For example, a consumer-packaged goods (CPG) brand will face different challenges than a digital e-commerce retailer.

The best approach to privacy is unique to every brand's needs, however, there are common areas that can be addressed for businesses to stay on the right side of new privacy laws and legislations, and as such brands should consider the following focus areas.

## Composable Customer Data Platforms (CDPs)

A robust customer data infrastructure is critical for businesses wanting to own and control their customer data. A lot of businesses are opting for non-SaaS solutions as they offer increased flexibility and customisation options versus what technology vendors offer. Having a CDP helps mitigate challenges related to security, privacy, cost, and data transferability when a MarTech and AdTech stack needs to scale or adapt to unique client, industry, or market-specific needs.

## Digital Tagging Modernisation

Modern digital tagging practices, such as Google Floodlights and the Facebook Pixel are becoming table stakes. By adopting a cookieless approach, migrating to first-party data, or implementing secure server-to-server solutions businesses can better manage data privacy and reduce the risk of signal loss.

Greater control over the data transmitted to third-party platforms from a brand's owned assets, such as websites and apps, will provide an increase in data that can be used for attribution, modelling and activation. For advertisers, regaining conversion signal loss by implementing cookieless solutions like Facebook CAPI or Google Enhanced Conversions can see a significantly higher number of conversions.

## Consent Management Tech Strategy

With legislation evolving globally, there's a growing focus on investing in technology to simplify consent management. Having the right consent approach will be critical, especially in light of the Australian Privacy Principles and EEA Digital Markets Act.

Omnicom Media Group are working closely with leading ad platforms and CMPs to manage their specific consent features, such as Google's Consent Mode, which allows platforms to recognise which data can and cannot be used for attribution and optimisation.

## Utilisation of First-Party Data

Developing new strategies for collecting and leveraging 1st-party data will be imperative for businesses that need to optimise across the entire customer experience. Omnicom Media Group have been working with clients to build first-party data strategies that integrate digital and offline experiences. Long-term consistent identifiers such as an email address will be invaluable in the post-cookie era and will require a value exchange between you and the consumer. Clients are having to think outside the box where a website doesn't easily lend itself to getting a user to login.

## Digital Channel Review

As advertisers embrace cookie deprecation a great first step is to review important digital channels and understand how impacted they are by the changes. The next step is to understand what data fields are required to get the best out of the channel, and what technology can be used to make that data available for activation. This will help define the first-party data and technology strategies.

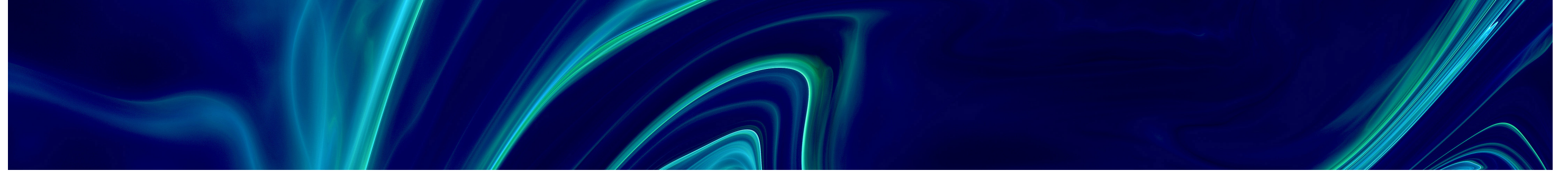
## Measuring Performance

Brands need to recognise that data and reports from digital platforms will increasingly diminish in accuracy as the industry moves away from traditional cookie-based tracking.

Exploring ways to supplement or validate information for critical decision-making is recommended. As an industry, we will rely less on tools and more on people to distil the data into insight and useful recommendations, bringing on an overdue reprioritisation of analysis driving analytics, rather than mass and anonymous data-crunching.

There are bound to be "solutions" that pop up quicker than regulators can assess and address, so when planning investment in capability, consider whether it adheres to the intent and spirit of regulations to gauge sustainability.

Agile Marketing Mix Modelling is recommended to evaluate marketing effectiveness across various channels, which enables



more sustainable and privacy-compliant strategies, allowing for accurate performance measurement.

## Implement Data Clean Room Solutions for Enhanced Privacy Compliance

The rise of data clean rooms to analyse consumer data in a secure, privacy-first manner is delivering enhanced consumer insights for targeted campaigns without compromising on privacy by ensuring compliance with evolving data protection regulations.

The emergence of data collaboration tools (like data clean rooms) means that brands will have the opportunity to craft rich and relevant data sets for profiling through multiple partnerships – something that has not been possible up until recently.

Platform clean rooms such as Meta's Advanced Analytics, or Google's Ads Data Hub(ADH) platform will us to continue to use the vast data set contained in these environments as a basis for profiling and customer insight.

## Insight-fuelled Planning

As we move beyond the ability to simply pick pre-defined behavioural audiences to activate across multiple environments, we'll need to spend more time analysing our own customer data to "deconstruct" our segments into

the relevant and meaningful attributes and behaviours they display.

We can then use this list of "ingredients" to rebuild our target segments across various environments, using the data points available in each as proxies for our own observations, whether that be as simple as defining device preferences, or as refined as distilling observations into keyword sets for contextual targeting.

This approach will place a much greater value on strategic and creative thinking and will ultimately mean that brands will have a greater all-round understanding of their customers, which will make for more informed decision-making across the board.

## Conduct Regular Privacy Maturity Assessments to Stay Ahead

Regularly evaluate your organisation's privacy marketing practices to ensure alignment with local privacy standards and readiness for new regulations. By proactively addressing privacy challenges, brands can maintain consumer trust, leading to stronger customer relationships and potentially higher retention rates in a landscape where privacy is increasingly valued.

Marketing teams can hold a lot of dependency on their legal team to remain up to date with privacy legislation, however, if you want the business to remain on the right side of privacy, speaking with your legal team

and understanding the privacy legislation which impact the business you operate in is recommended.

Learn from other countries and the legislation there such as GDPR or CCPA. Ask yourself: If the legislation came to Australia, would I be ready?

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**"Big changes in privacy and data are already well underway and more is coming fast that will have a material impact on just about every business in Australia.**

**The key question for advertisers and marketers is: are you ready for those changes?"**



**Josh Faulks**  
CEO AANA

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## In Summary

In 2024, with substantial changes on the horizon, marketers will confront a redefined landscape for assessing effectiveness.

The worldwide discontinuation of third-party cookies and device IDs on Chrome represents a major shift. Additionally, challenges such as ad blockers, shorter conversion periods, and evolving user expectations will complicate the assessment of digital marketing effectiveness.

At the same time, new privacy regulations, like the Digital Markets Act, EEA (DMA) and Australian Privacy Principles will change how marketers interact with online audiences.

The upcoming DMA changes will impact any brands targeting customers in Europe. If the impacted digital platforms (Google + 50 others) cannot access consent options from tags on advertisers' apps and websites then conversion, event and audience data will be nullified meaning a large impact on measurement, activation and reporting signals.

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## For more information

Contact Sam at Omnicom Media Group ANZ - Digital:  
**[Samantha.smith@omnicommediagroup.com](mailto:Samantha.smith@omnicommediagroup.com)**

To get involved in the conversation, get in touch with AANA:  
**[ceo@aana.com.au](mailto:ceo@aana.com.au)**