

SEEDTAG

# Understanding Consumers' Perceptions Of Online Advertising

**SEEING DATA PRIVACY AS AN OPPORTUNITY**



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# 01 • Introduction

In recent years, perceptions of online advertising have worsened significantly, with consumers growing increasingly tired of encountering the same irrelevant, intrusive ads wherever they go online. We've all experienced it. You search for a product and end up being bombarded with ads for it on every site you visit, even long after you are no longer interested.

Modern consumers **are increasingly aware of how their personal data is used for advertising purposes**, and are taking precautions with regards to where and how their data is shared. These privacy concerns have led to cookies being phased out of the advertising diets of brands. Four years after the launch of GDPR and with the death of third party cookies on the horizon, brands and consumers alike are still unsure of what to expect from this brave, new privacy-first world.

In an ideal world, cookies are intended to improve the consumer experience. If advertisers have a better understanding of consumer interests, they can offer ads that are more relevant to those interests. **The problem with cookies has always been their lack of privacy**, and advertisers will have to modernise their techniques to fit in with this new reality. Every action taken by these players to protect user privacy is good for society, but **brands also know that their ROI will suffer dramatically if they continue to rely on increasingly outdated techniques**, such as demographic targeting.

Seedtag collaborated with YouGov to conduct a survey into the privacy concerns and attitudes towards advertising of European consumers.

## KEY RESULTS/OBSERVATIONS INCLUDE:

- Most participants (**58%**) are comfortable with ad-supported or hybrid methods of funding online editorial content.
- **84%** of respondents feel the ads they are served online lack personal relevance.
- Many respondents see data collection for advertising purposes as their main online privacy concern, while **82%** look favourably upon those brands who have decided to stop using cookies.
- **53%** of users responded that ads embedded within high quality content were more likely to grab their attention.

All of this highlights the need for a solution that would allow brands to serve their target audience ads that are engaging and related to their interests, without using any personal data.

# 02 • About the research

## Objectives and Methodology

The main aim of the survey was to gain a direct **understanding of consumers' perceptions of advertising and attitudes towards privacy and security**. The survey aimed to find out the burning privacy concerns of internet users as well as their preferences when it comes to being targeted online. It also aimed to find out what consumers value most in the advertising they are currently being served and how receptive they would be to ads that are related to the content they are consuming.

Seedtag collaborated with the international internet-based data analysis and market research firm YouGov to survey **3,000 adults across 6 countries** (500 in each country) in May 2022. The survey was developed in-house by Seedtag, with YouGov providing data collection services. The respondents were also taken from YouGov's database of survey participants in **France, Germany, Italy, Spain, The Netherlands and the United Kingdom**.

The data collected from the survey was then compiled and analysed by Seedtag's expert research team. The results were weighted by age within both gender and region to ensure they are aligned with the actual proportions of the real-life population.



# 03 • Key findings

## Insight 1:

### Data Privacy benefits both consumers and brands



The research found that overall, consumers' awareness of their digital footprint is growing and that they like seeing brands consciously deciding to stop using personal data to develop their marketing and targeting strategies. **82% of participants feel positive or very positive about brands ending their use of personal data for targeting.** Meanwhile, when asked about current cookie usage, only 17% of respondents feel positively about brands using their personal data to tailor ads to them.

Consumers are also very conscious of taking measures to protect their data, particularly in relation to data collection by cookies. **Over half of respondents (53%)** reject cookies on certain websites, while 32% deny cookies on all sites they visit while 12% provide false information when filling out cookie consent forms.

For those users who feel negatively about their personal data being used to tailor advertising to them, the ads they are served online are also often seen as irrelevant. Over half of these users find that the ads they encounter online are not relevant at all, while 47% consider themselves unlikely to notice ads even when embedded within high quality content.

As the cookie-based model remains the prevailing form of advertising, many users who feel negatively about the use of personal data no longer encounter ads that are relevant to their interests. This typically used model has led to negative perceptions of brands that use this approach, as users tend to associate this relevance with these invasive techniques that lack transparency and don't offer them any meaningful choice.

The results of this survey further underline why marketers need to take proactive steps to prioritise privacy now more than ever, and incorporate it into their strategy moving forward. **This data justifies why developing and investing in a data privacy strategy is a top priority for businesses worldwide**, challenging the way we have thought about the consumer and their identity up to this point. Going forward, data privacy and security is not just a demand from consumers, but an absolute necessity for brands to continue being perceived positively by consumers.

Insight 2:







## Consumers don't mind being served advertising in exchange for free content

A spectrum exists when it comes down to consumer preferences about their data privacy. The research shows that consumers are generally happy to accept seeing ads in exchange for free editorial content. **58% of participants chose hybrid or ad supported methods for consuming journalistic content, instead of paying for a subscription, paying per article or receiving a limited number of free articles.** These respondents don't mind seeing advertisements, as long as it means they can consume content that interests them.







This shows that while consumers have been typically unlikely to find the ad content they come across relevant to their interests, advertising still remains the preferred option when it comes to funding online content. This puts the onus back on advertisers to find a solution that would help consumers not only notice their content, but also improve relationships with their brand.

### WHERE ARE CONSUMERS MORE LIKELY TO SUPPORT A HYBRID OR AD FUNDED MODEL? - RANKING BY COUNTRY




**ONLINE ADVERTISING**

-  UK 76%
-  IT 54%
-  FR 52%
-  ES 51%
-  DE 51%
-  NL 44%

**HYBRID**

-  NL 20%
-  IT 17%
-  ES 17%
-  FR 15%
-  UK 15%
-  DE 13%

**EITHER \***

-  UK 91%
-  IT 71%
-  ES 68%
-  FR 67%
-  NL 64%
-  DE 64%

\*Percentage of respondents that consumed online media that were likely to support either a hybrid or ad funded model.



**Insight 3:**

## Relevant ads attract attention when placed in the right context

For consumers surveyed, the context within which an ad is placed and the visual content are the most important factors in its memorability. For example, **53% of users responded that ads embedded within high quality content were more likely to grab their attention.** Meanwhile, half of participants **considered creativity and visual content among their top two most important factors** in the recall value and appeal of an advertisement. This also highlighted the importance users placed on privacy. **Just 25% of users considered search history or demographics the most important factor in making ads more attractive and memorable,** while 27% of participants included the content of an ad among their two most important factors in its memorability.

For **"dedicated" readers**, ie. those participants who spend time reading digital media multiple times a day, **the context within which ads are placed is greatly important.** These users are **177% more likely to feel positively about ads that show up in content that is relevant to them.** They are also 58% more likely to notice ads in high quality content.

When brands stop using cookies, it has a large positive impact on these dedicated readers. This highlights how the context of an ad is a hugely effective way for brands to capture their audience's attention and ensure they are seen in a positive light, all without the use of cookies.

On the other hand, **participants that felt positively about brands consciously deciding not to use their personal data or cookies for their targeting strategies** were also more likely to be more receptive to ads that are placed within content that is relevant to them. **64% of these respondents felt very positively about brands whose ads were embedded in content that interested them,** while 49% felt very likely to notice ads that were surrounded by high quality content.

This once again highlights both the importance of privacy and context to the memorability and effectiveness of an ad. **When a brand doesn't use cookies, consumers are more likely to feel positively about them, while also paying more attention if they are featured within the right content.**

However, many consumers are faced with the problem of continuously encountering ads that are not relevant to them. 84% of respondents don't consider the ads they encounter to be often or very often relevant to them.



## Key findings PER COUNTRY

### FRANCE

32% of French consumers consider the visual content as the most important factor in the memorability of an ad, 18% above average. 32% of French participants say they deny the storage of cookies on all websites, 27% above average.

### GERMANY

German respondents generally adjust their cookie settings depending on the page, which was 141% above average. German consumers surveyed generally replied "never" when asked about how often online ads are relevant for them, 41% above average.

### ITALY

49% of Italian respondents consider "data collection on a website to analyse user behaviour" to be among their two biggest privacy concerns online.

### NETHERLANDS

87% of respondents feel positively about brands not using cookies for advertising purposes, which was above average.

### SPAIN







42% of respondents (65% above avg) feel very positive about brands deciding to stop using their personal data for targeting purposes, while 84% feel at least somewhat positive. 56% of Spanish respondents are likely to notice an ad if it's surrounded by high quality content, while they are also 30% more likely to consider the visual content as the most important factor in an ad.

### UNITED KINGDOM

39% of users considered graphic design as the greatest factor in the value of an ad. 51% of UK respondents also preferred online advertising as a method of online media financing, 18% above average.

## RANKING OF COUNTRIES MOST LIKELY TO ADJUST COOKIE SETTINGS

I have generally set my Internet browser so that cookies are not stored permanently or at least their use is restricted

 IT	38%
 DE	35%
 NL	35%
 SP	32%
 FR	30%
 UK	29%

Depending on the website, I deny the storage of cookies or adjust the scope of the storage of cookies

 FR	59%
 IT	58%
 ES	54%
 NL	54%
 UK	52%
 DE	49%



# Conclusions

## THERE'S A SPECTRUM WHEN IT COMES TO HOW CONSUMERS FEEL ABOUT THEIR ONLINE DATA PRIVACY

- Consumers are categorised based on their willingness to share their personal data and how aware and/or comfortable they are with it being used. Users take different measures to protect their data and have different opinions on how they would like to be targeted online.
- This ranges from those who are completely against the use of personal data, to those who are willing to exchange their personal data for benefits and those who are in favour of alternate targeting approaches such as being served relevant ads embedded in content they are interested in.

## PRIVACY CAN BE LOOKED AT AS AN OPPORTUNITY RATHER THAN A BARRIER AND HARNESSSED WITHIN YOUR MARKETING STRATEGY

- While the "death" of cookies is likely to have a profound effect on the industry, advertisers should be encouraged by the openness to more contextual solutions, exhibited in this survey. Users are more likely to engage with ads that they encounter within relevant content. They're also more likely to view these brands favourably.
- Changing consumer attitudes highlight the need for more innovative advertising techniques. For example, more than 25% of respondents are already blocking out cookies entirely. AI-driven solutions may satisfy this need, making targeting more efficient by allowing brands to understand what consumers are interested in and target them in real time, without using personal data. All of this highlights the need for advertisers to adapt their strategies accordingly.

## EMBRACING PRIVACY PRACTICES CAN SUPPORT A MUTUAL VALUE EXCHANGE BETWEEN THE BUSINESS AND THE CONSUMER

- Not all consumers are completely averse to providing personal data. Consumers are also open to a mutual value exchange. When it comes to being served with ads in exchange for free content, more than half of the respondents see this as a fair deal. Through this survey, it was found that the right content can help brands build brand equity if they are able to leverage it properly.
- Many believe that privacy and personalization are incompatible, and that marketers are simply unable to reach their target audience without cookies. This is untrue. In fact, this survey shows that this may be having the opposite effect, as many users believe the ads they are currently being served are irrelevant. The phasing out of third party cookies opens the door for solutions such as contextual advertising, that are able to serve relevant, engaging ads to consumers without using any personal data. These solutions will thrive as they are truly privacy-first and deliver true value to brands and consumers alike.

## ABOUT SEEDTAG

*Seedtag is the leading Contextual Advertising Company that creates highly impactful and engaging solutions for relevant premium visual content, powering targeting and returns for top publishers and the finest brands. The company's contextual A.I. allows brands to engage with consumers within their universe of interest on a cookie-free basis.*

*Seedtag was founded in Madrid in 2014 by two ex-Googlers who wanted to get the most out of editorial images and to this day it is a global company that has more than 300 employees and an important international presence with offices in Spain, France, Italy, UK, Benelux, Germany, Mexico, Brazil, Colombia, Argentina, Chile, United Arab Emirates and the US.*

## ABOUT YouGov®

*YouGov is an international online research data and analytics technology group.*

*Their mission is to offer unparalleled insight into what the world thinks. Their innovative solutions help the world's most recognised brands, media owners and agencies to plan, activate and track their marketing activities better.*

*With operations in the UK, the Americas, Europe, the Middle East, India and Asia Pacific, they have one of the world's largest research networks.*

