

Sequent Partners Examines GDPR, Google Ad Data Hub (ADH) And What They Mean For MultiTouch Attribution

GDPR, the European privacy regulations, has been in the press a lot. So many companies have been impacted by the regulations and it's not surprising the wide-reaching regulations have jolted the US multi-touch attribution industry.

The purpose of this paper is to help users of attribution services understand the unfolding changes.

GDPR

For those of you who have ignored GDPR because it's only about Europeans, it's important to know that GDPR impacts any digital business and anyone using digital data as part of their media analysis.

GDPR's regulations about PII data and eye-watering fines are being taken seriously by most data providers. But Google's response has, perhaps, the most significant ramifications for media analytics due to its immense footprint in the digital ecosystem.

Google's Compliance

Google recently made extensive changes to the availability of consumer data across its properties to comply with GDPR. They are no longer providing user IDs with log files from DoubleClick or DoubleClick Bid Manager. Further, they have altogether eliminated 3rd-party tracking tags from YouTube. Industry watchers speculate that this might be a trial balloon to test the marketplace for a total tag ban of 3rd party tracking across all Google properties. This is a big problem for marketers who created reporting mechanisms based on Google IDs, across any Google property including DCM, DBM, YouTube and AdWords.

Immediate Ramifications

Without the DoubleClick IDs, log files can't be used to determine cross-platform reporting and measurement ... or to build MTA measurement models. The ability to track consumer behavior through digital paths to purchase, and schedule reach & frequency analyses are no longer possible. Clearly, Google's decision impacts schedule optimization, frequency capping and just about everything else that made the digital ecosystem the most measurable medium in history. No wonder writers of industry trade blogs suggest the industry is freaking out. This situation, plus Verizon's announcement that it is no longer supporting Convertro, is causing people to scramble for new unified measurement solutions.

It's important to keep in mind Google didn't make this change overnight. Google has been reaching out to providers for months. While some people in the industry accuse Google of annihilating independent attribution with monopolistic strong-arming, Google does have the responsibility to do what it needs to do in order to comply with GDPR. The fine for non-compliance, 4% of revenue, or about \$5B for Google is significant.

Measurement Options Now Available

What options do marketers, agencies and measurement providers have for measuring their performance within the Google ecosystem? Google offers two solutions:

- a) Place ads within the Google properties and have Google AT 360 conduct the attribution work
- b) Work directly with Google to become Google Ads Data Hub (ADH) certified.

The first solution, consolidating all media and analytics with Google and “click a button” for attribution and optimization, sounds like a relatively easy solution. Since Google has access to its own data, and will make user-level available to its own products. This might be an attractive solution to smaller marketers who spend all or most of their media money within the Google universe.

The second solution – working directly with Google to become ADH Certified -- maintains independent measurement, but requires a hefty investment on the part of modelers who choose to go in that direction.

Martin Kihn of Gartner, wrote in a recent AdExchanger article, that only five third party vendors have gone through Google’s ADH Certification and only one measurement specialist, C3 Metrics, is certified by Google and able to provide continuous independent MTA and unified measurement. C3 Metrics has worked on this initiative for 6-7 months with a dedicated team provided by Google.

Drawbacks in an All Google World

If non-Google media are essential elements in your media mix, there could be a significant drawback to the first solution. Whether you call it the ‘fox guarding the hen house’ or ‘students grading their own homework’, a marketer’s credibility could be called into question anytime a Google-owned property looks better from an ROI perspective. Though we consider the Google platform to be independent, the fact that its called ‘Google Analytics’ and owned by Google may make it difficult for marketers looking to make significant budget changes.

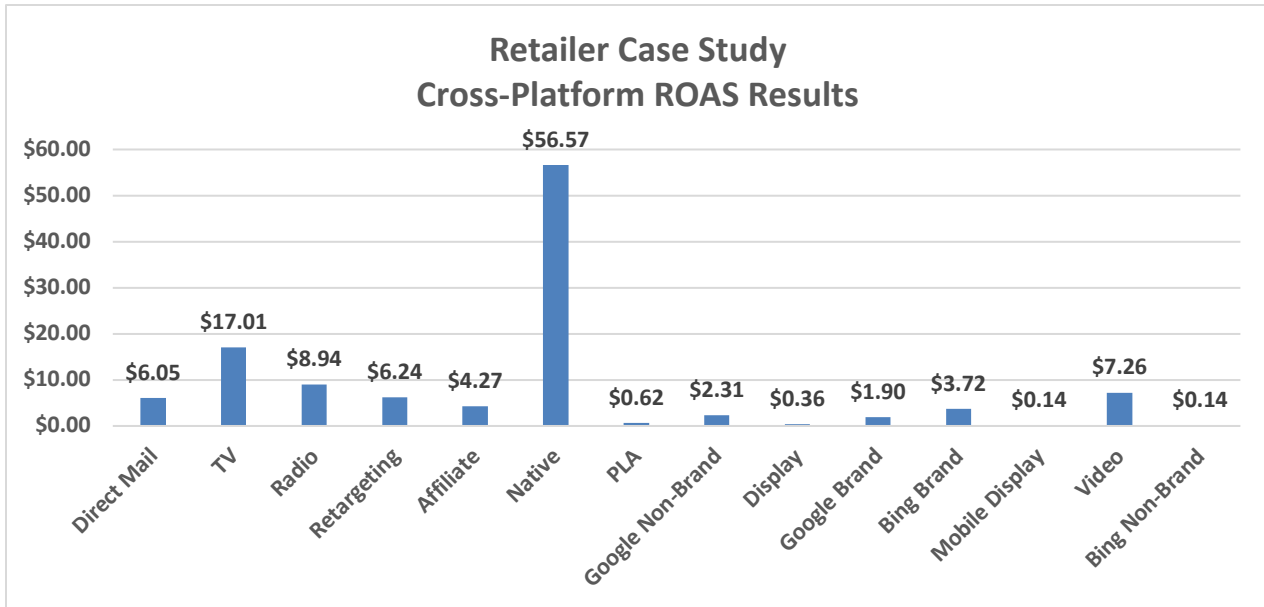
Aside from the potential credibility issue, it’s important to remember Google only has visibility into its own properties – they won’t have the media data and sales data for other elements of the digital mix or most of the offline mix like, radio, outdoor, etc.

The Value of Independent Cross-Platform Attribution

To demonstrate the possible drawbacks of a Google Attribution360 modeling solution versus full cross-platform solution, we turned to C3 Metrics. They provided a terrific case study that demonstrates the effects of not having the ability to model outside the Google system.

In this case study, C3 developed the ROAS of a campaign for a large brick/mortar retailer. Using their integrated approach to unified measurement and attribution, they saw the sales associated with a wide variety of online and offline media. The results can be found in Figure 1.

Figure 1.



Source: C3 Metrics, 2018

This client saw a strong return from its native content, followed by television, radio, video and Direct Mail and modest results from Google PLA (Product Listing Ads), Display, Google Search, Mobile Display, and Bing no-brand search.

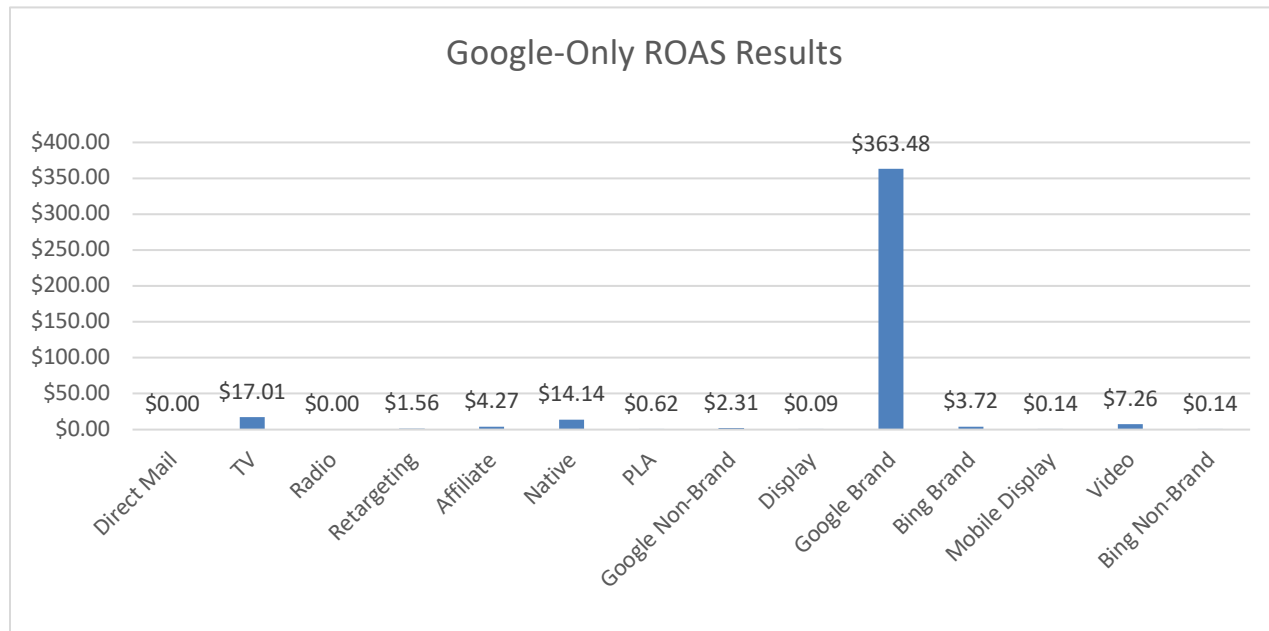
Using the following assumptions, C3 Metrics re-modeled this campaign to mirror what the ROAS results would look like in a Google Attribution world.

Assumptions

1. From experience, C3 knows that any Display, Native or Retargeting which was with non-Google partners, would now have 75% of the value go towards Google Search since most consumers would reach the brand's website via a branded search on Google.
2. In addition, because Google does not have offline/traditional media (except television in their premium model), the effect of that media investment cannot be directly attributed to the offline media, but instead, the sales driven by those missing media are now attributed to Google Search, assuming most consumers reach the brand's websites via a branded search on Google.

Figure 2 examines the impact of the cross-platform ROAS results.

Figure 2.



Source: C3 Metrics 2018

Clearly, the Google Brand benefits significantly in this scenario. Its return jumps from \$1.90 per media dollar spent to \$363.48. Native drops significantly from being the #1 medium in terms of ROAS to significantly falling behind television.

Channel	Cross-Platform ROAS	Google-Only
Direct Mail	\$6.05	\$0.00
TV	\$17.01	\$17.01
Radio	\$8.94	\$0.00
Retargeting	\$6.24	\$1.56
Affiliate	\$4.27	\$4.27
Native	\$56.57	\$14.14
PLA	\$0.62	\$0.62
Google Non-Brand	\$2.31	\$2.31
Display	\$0.36	\$0.09
Google Brand	\$1.90	\$363.48
Bing Brand	\$3.72	\$3.72
Mobile Display	\$0.14	\$0.14
Video	\$7.26	\$7.26
Bing Non-Brand	\$0.14	\$0.14

Conclusion

For small advertisers, where 75% or more of media investments are with Google, go with Google Attribution 360.

For larger advertisers with significant media investments outside the Google ecosystem, select an independent cross-platform measurement partner who is ADH Certified and able to accurately measure Google media.

The commitment to be Google ADH Certified will take most measurement partners several months and will be an ongoing effort, but we're confident that the industry leading efforts made by C3 Metrics will be followed by other independent platforms in the coming year.

Final Word

No, the world has not come to an end. This is just another bend in the river that marketers need to navigate. It certainly won't be the last.

About C3 Metrics

C3 Metrics is a global leader in cross-channel advertising measurement & accountability. Built by marketers and backed by the former Chairman and CEO of Nielsen, the company's award-winning Attribution Data Cloud unites TV + Digital + In-Store with machine learning to provide unified marketing measurement driving both increased performance and budgets. The combination of proprietary fraud controls with the Attribution Data Cloud generates a documented 15%-44% improvement in media ROI with marketers generating 30% larger budgets from finance. C3 Metrics can be reached at contact@c3metrics.com or by visiting www.c3metrics.com

About Sequent Partners

The Sequent Partners are highly respected research industry leaders and entrepreneurs, who have held leadership positions at J. Walter Thompson, General Foods, Leo Burnett, FCB and Y&R, BASES, and recently, RealityMine. They are past Chairman and President of the Advertising Research Foundation. They bring to this project deep expertise in advertising and media research, digital technology, measurement and econometrics.

Since 2003, Sequent Partners has driven innovation through proprietary, best-practice consulting for top advertisers and media companies. The firm conducted nine highly-visible industry ROI metrics and analytics initiatives, re-engineered network business frameworks through audience identification and segmentation, developed analytic approaches for single source big data, created technical requirements and techniques for data fusions, designed a cross-platform advertising measurement system, advised major advertisers on how to navigate changing media/data landscape, and developed USA TouchPoints, the only syndicated study of consumer's daily lives and media consumption.

Sequent Partners is respected for its objective, external expert perspective based on our broad experience across leading companies, cultures and disciplines ... and our industry-wide network.