

INMOBI

Future of Mobile Advertising in Tackling Data and Identity Depreciation

Exploring The Impact Of Data Privacy On Advertising In India

A Forrester Consulting study commissioned by InMobi | March 2022

FORRESTER®



Contents



1
Research
methodology and
respondent profile

2
Introduction

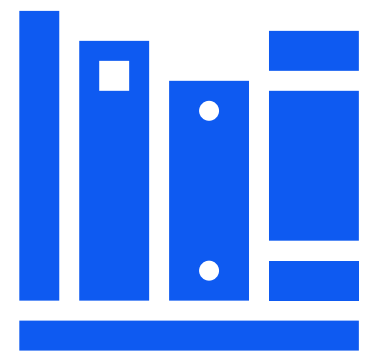
3
The mobile
marketing
ecosystem today

4
The challenges
and concerns

5
The way forward

6
Conclusion

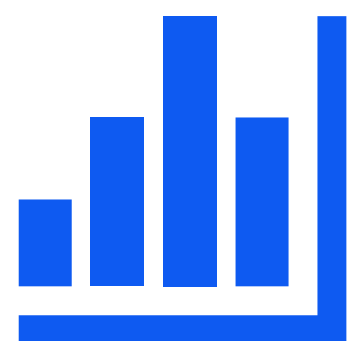
Research methodology



A Forrester
Consulting study
commissioned by InMobi



A sample of n=54
Indian Mobile
Marketing Leaders



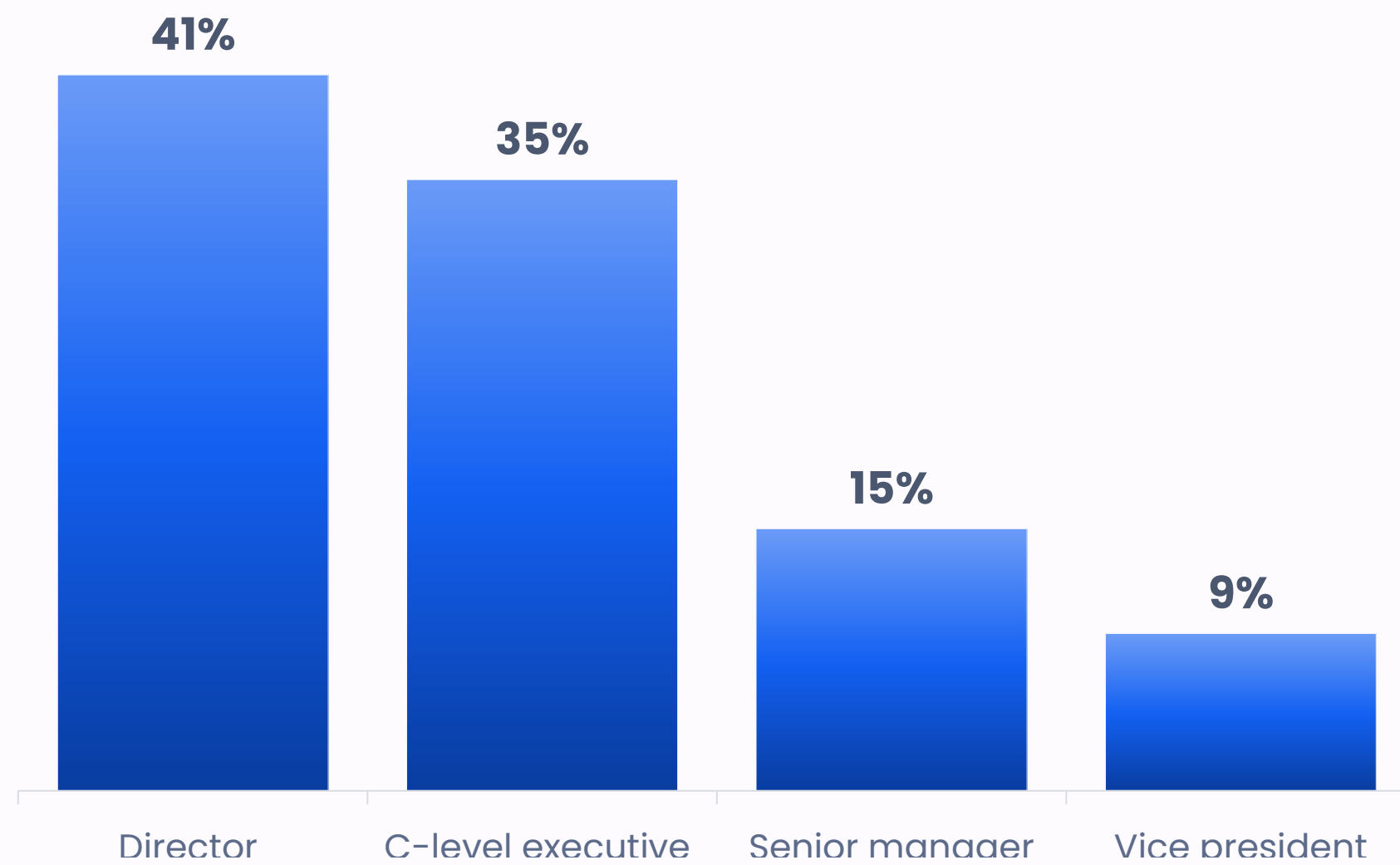
Respondents recruited
via Forrester in
January-February 2022



Respondents include senior
leaders from brands, media
agencies, and app owners

Respondent Profile

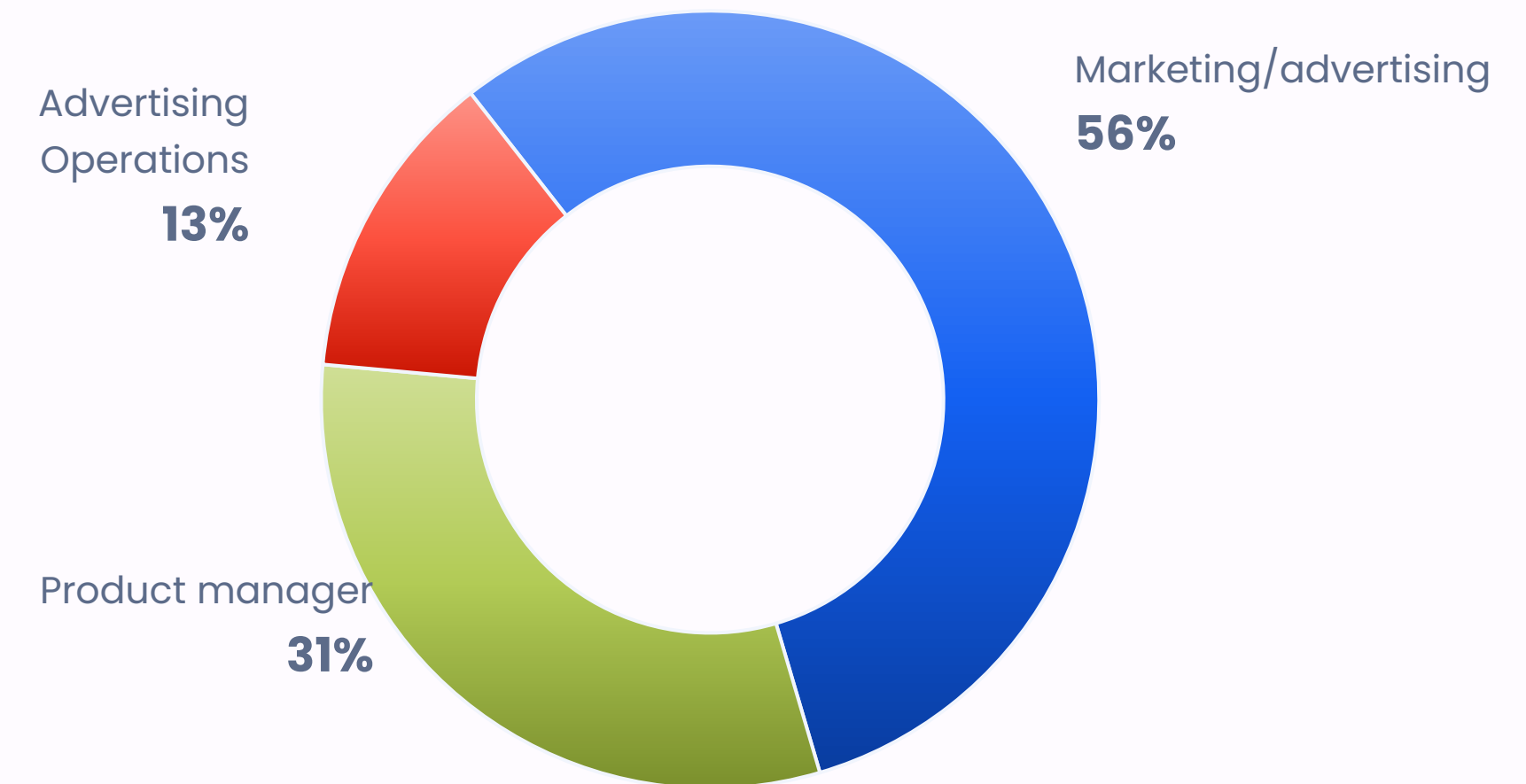
Responses by Position



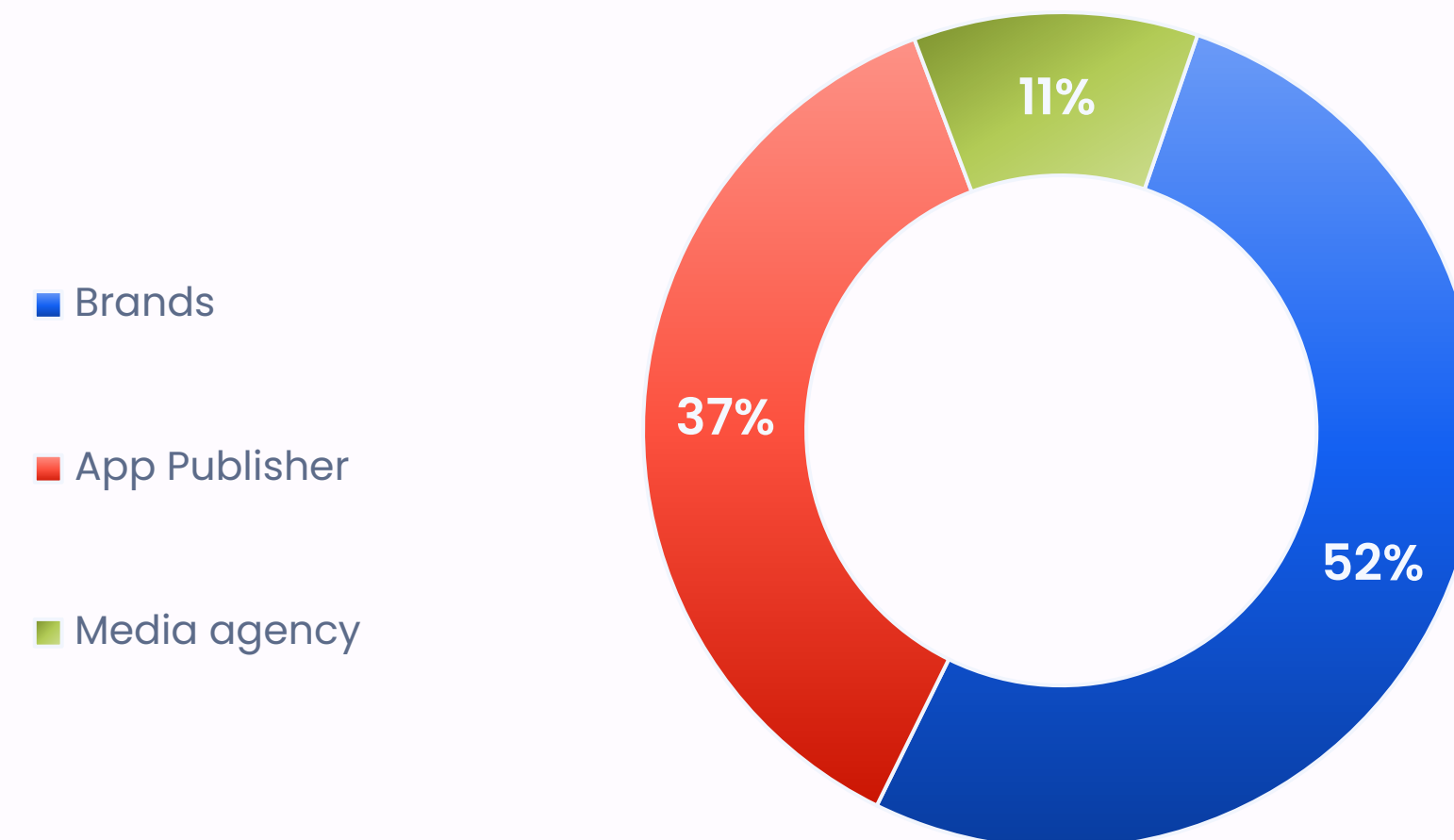
93% are directly involved in Mobile advertising

56% work for organizations with an annual revenue >\$500M.

Responses by Department



Responses by Company Type

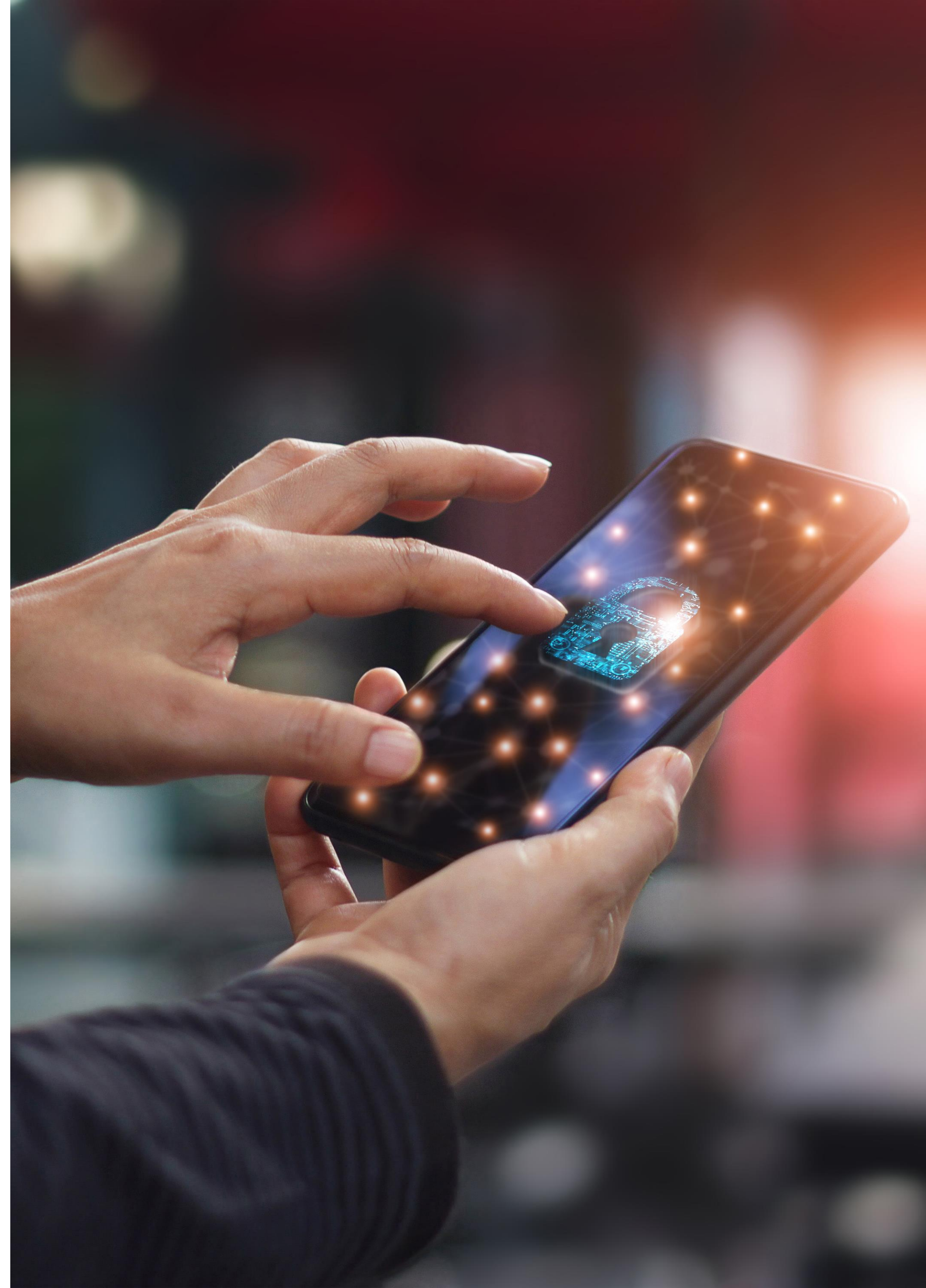


Introduction

Mobile has carved a new niche for itself since the pandemic. Digital channels and more so mobile, became the lifeline of consumers and marketing organizations alike as they sought to meaningfully connect with the world around them.

But just as the advertising ecosystem was getting better at delighting its consumers through personalization, the ability to do so came under the scanner. Data and privacy regulations were introduced across countries the world over. Consumers today are more aware and concerned about the privacy of their data. Ecosystem players have made significant updates to the way advertisers connect with them to understand their consumers. This has caused a lot of concern about the future of mobile advertising.

In order to understand the ecosystem's state of readiness, we commissioned a custom study with Forrester Consulting, to explore the key areas of concern and challenges that decision-makers across brands, media agencies, and app publishers face today. Through our interactions with them, we delve into the initiatives being undertaken and the strategies being revamped to pave the way for the future of mobile advertising.



The mobile marketing ecosystem today

Marketing Priorities, Challenges, Adoption, and Drivers



OVERVIEW


Data and identity deprecation is here. The Indian advertising ecosystem does not seem ready


Consumer data privacy is still in its nascent stages in India. With the Data Protection Bill yet to come into effect, marketers are currently dealing with the fallout of IDFA deprecation and preparing for a privacy-first world.


Consumer expectations and regulatory requirements are also making it difficult for advertisers and marketers to collect and utilize consumer data. For instance, consumers are increasingly conscious of their personal data privacy, actively monitoring the collection and use of their personal information. Regulators in tandem, are introducing more stringent data privacy regulations across the region.

Our study of 54 business decision-makers responsible for advertising and/or digital marketing strategy in India sheds light on their journey.

Key Findings

 Almost 2 in 3 organizations are still learning about the impact of consumer data privacy developments on their digital/mobile advertising strategy.

 Rising consumer concerns and awareness and the need to comply with data privacy regulations are key challenges for most organizations (83%) and the top driver for organizations to adopt consumer data practices.

 67% organizations have now onboarded specialists for first-party data collection, and they will look to onboard more to manage several walled gardens.

Marketing priorities and challenges reflect the changing privacy landscape

Marketing priorities today are reflective of both an old and the new world. Other than increasing brand equity in the market, the increased awareness about data privacy laws has also influenced a marketer's agenda.

Complying with new data privacy laws and regulations casts a shadow on all aspects of consumer data – marketers might be unable to derive actionable insights required for making informed business decisions unless quality data is readily accessible.

The ability to deliver relevant messaging and experiences to audiences while being compliant with data privacy regulations is a fine balancing act that worry most organisations today. Given the volatile data privacy landscape, overcoming these challenges will be a continuous process over the next couple of years.

Top Marketing Priorities



Key Marketing Challenges



A Forrester Consulting study commissioned by InMobi | March 2022

Q1. Which of the following initiatives are your organization's top marketing priorities today?
Q7. Please rate the extent of the following marketing challenges/concerns? Sample size = 54

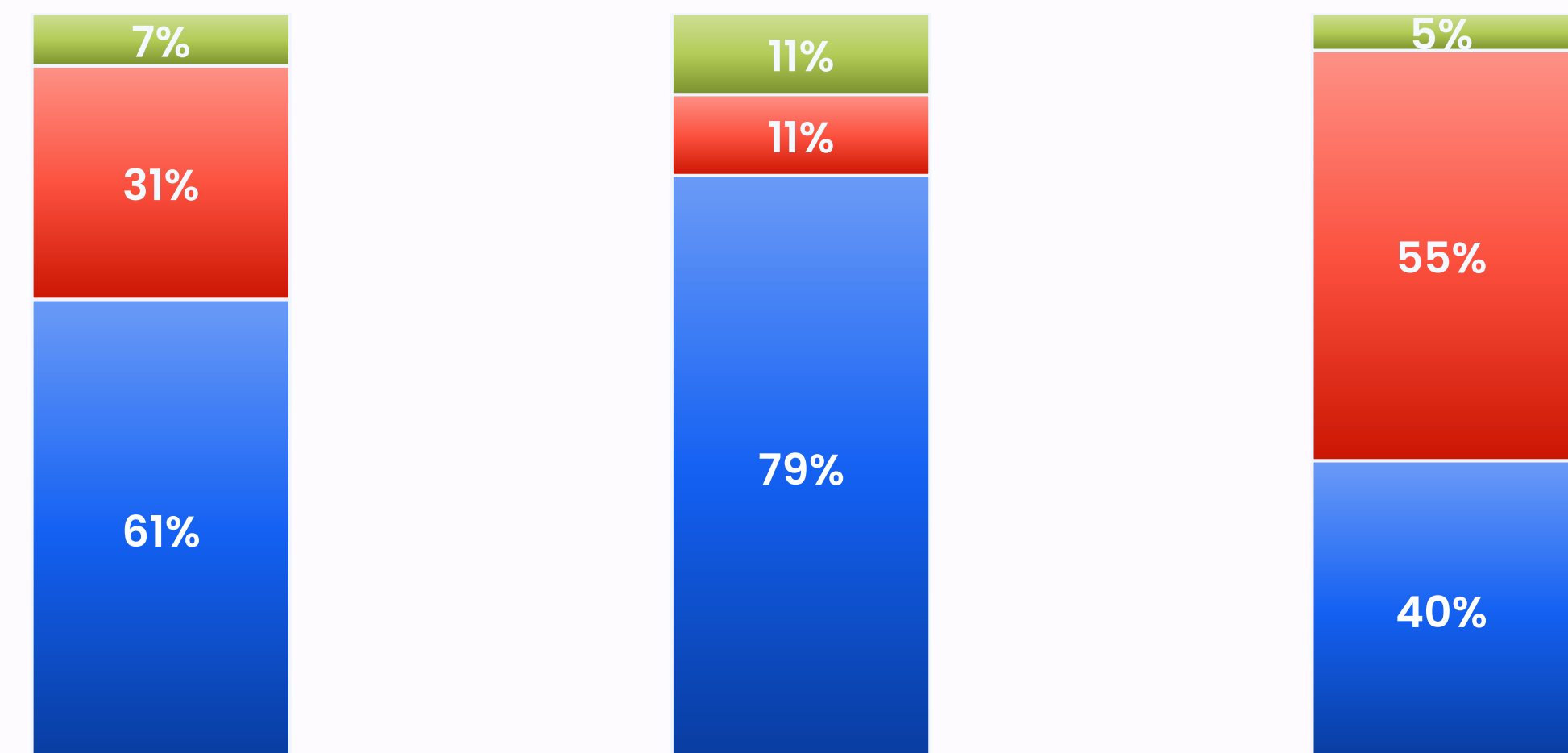
The Indian advertising ecosystem lacks readiness for data and identity deprecation

Consumer data privacy is still in its nascent stages in India. 3 in 5 Indian organizations surveyed across brands and publishers are still in Stage 1 of maturity – trying to understand the impact of consumer data privacy developments on their current digital/mobile advertising strategy and planning the necessary steps internally.

Brand advertisers more so than app publishers – almost 80% of them, find themselves still trying to understand unfamiliar laws and their impact on the digital/mobile advertising strategy.

However, given the nature of their business, 3 in 5 app publishers are already in Stage 2 of maturity, managing and executing strategic changes with regard to data and privacy. It's no surprise then that 70% of publishers/media owners are confident in providing a meaningful solution to brands/clients to balance consumer data privacy and personalized customer engagement

Current state of organization's readiness and maturity to consumer data privacy management



India

Brands

Publishers

- Stage 3: Expanding and optimizing
- Stage 2: Implementing executive governance structures
- Stage 1: Learning and planning

70%

of Publishers think they can provide brands/their clients with a meaningful solution to balance consumer data privacy and personalized customer engagement/marketing/advertising

A Forrester Consulting study commissioned by InMobi | March 2022
Q2. Which of the following best describes your organization's approach/readiness to consumer data privacy management?
Q10. To what extent do you think you will be able to provide brands/your clients with a meaningful solution to balance consumer data privacy and personalized customer engagement/marketing/advertising? Sample size = 54, 20



Challenges and concerns

With data privacy and identity deprecation

Brands look for ecosystem partners while publishers battle organizational silos

The challenges for brands are manifold – from the lack of reliable ecosystem partners for gathering first-party data to insufficient human, educational and financial resources.

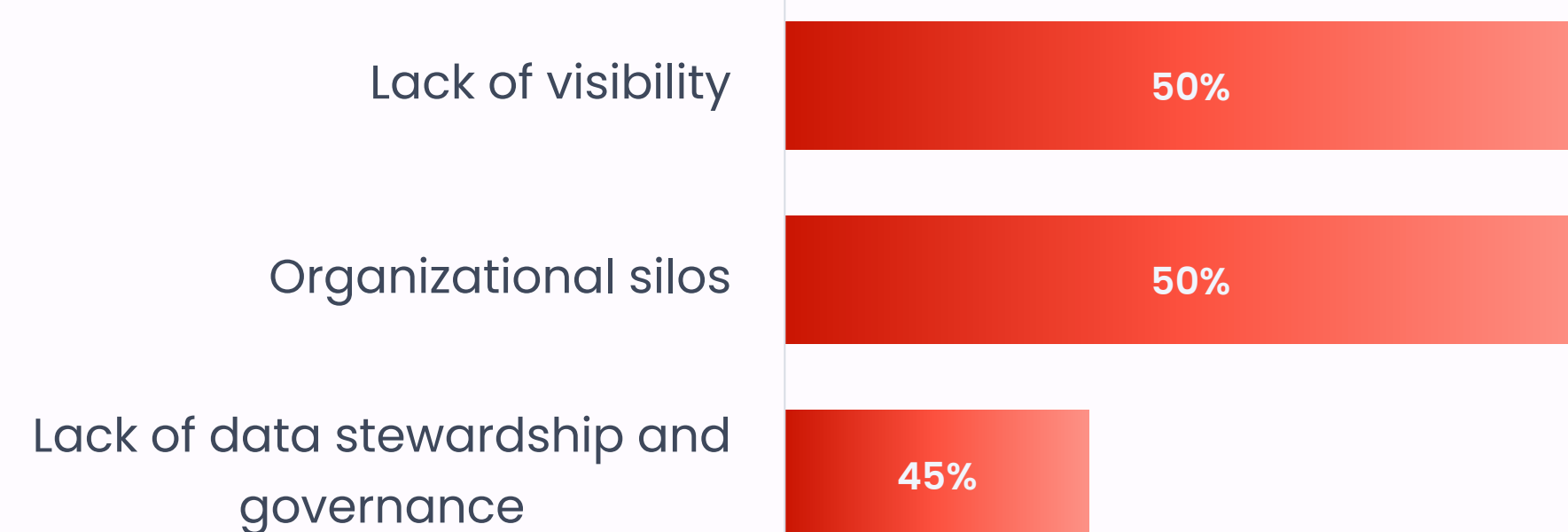
For app publishers specifically, there is a lack of visibility around privacy-related regulations and a struggle to consolidate data, owing to organizational silos.

A common challenge, however, across businesses is the lack of executive support for a data stewardship and governance program. Such a program would determine how data is accessed, stored, shared, processed, and used for analytics. The absence of a comprehensive program can affect the quality and validity of data – the very bedrock of any marketing strategy.

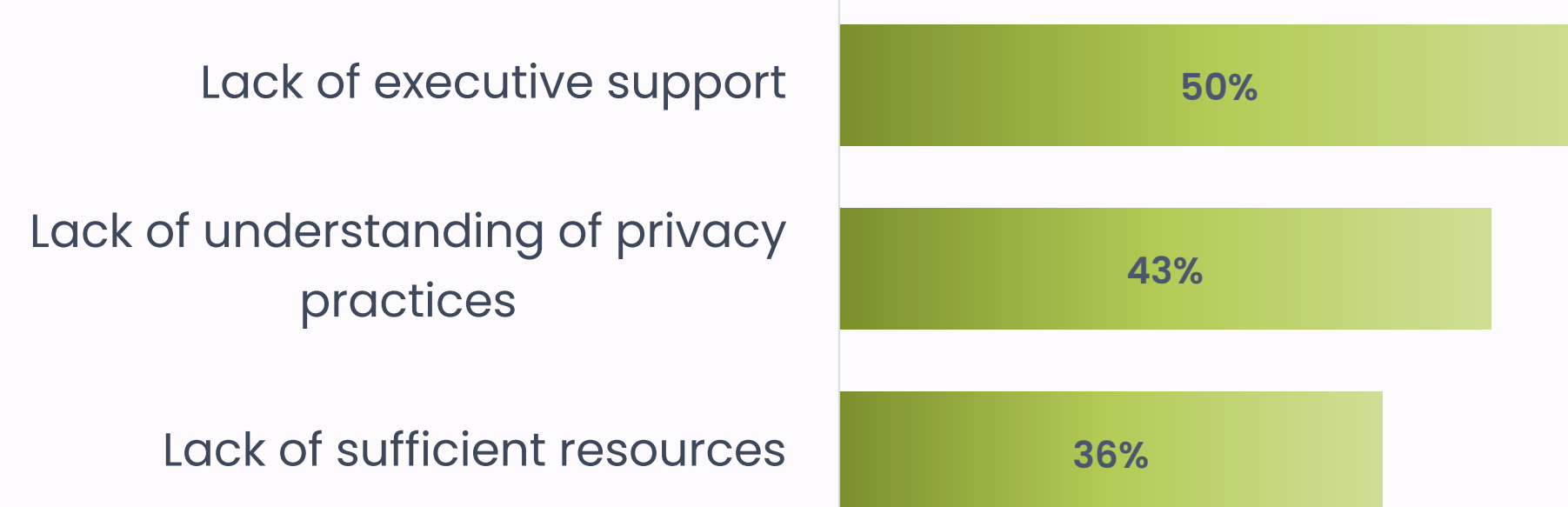
Hence, building holistic privacy solutions is the need of the hour. Instead of a zero-sum situation, where users can only benefit at the companies' expense and vice versa, there's a need to implement privacy by design measures so that unfair trade-offs can be avoided.

The top 3 challenges in light of consumer data privacy practices

Publishers in India



Brands in India



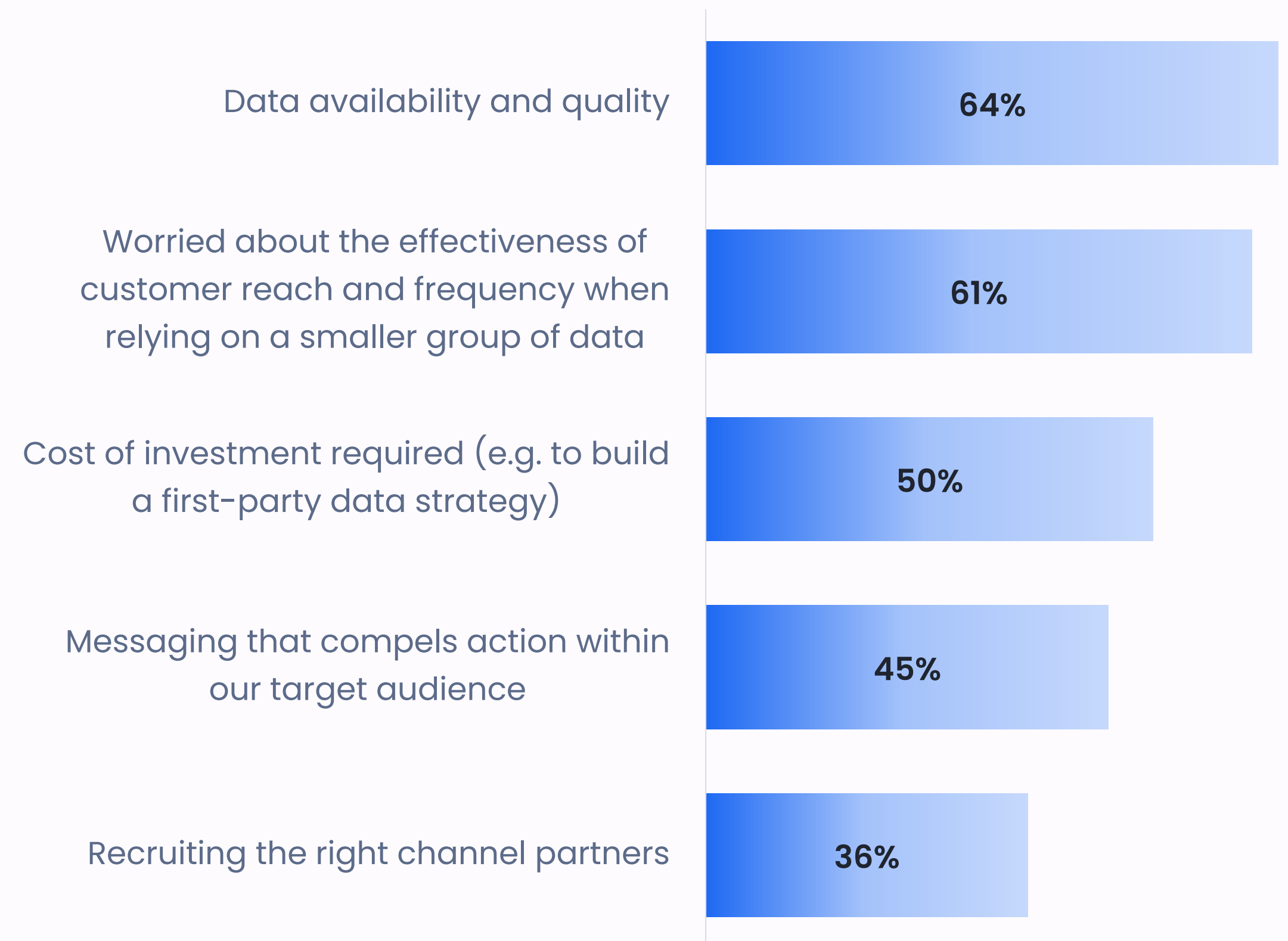
Identity deprecation impacts every stage of campaign planning, from audience segmentation to measurement

In the absence of a unifying advertising identity, data pools are bound to get smaller, and access to quality real-time, first-party data will become harder. However, concerns around identity deprecation are more deep-rooted than this.

Marketers worry about its impact on the entire consumer journey and in turn on their campaigns – right up to delivering personalized messaging and measuring its impact. Without the right data, businesses are bound to have a poor understanding of their customer's needs.

To tackle this, businesses should build a first-party data repository, the cost of investment for which is huge. It is thus crucial that organizations maximize all sources of their consumer data and experiment with new marketing techniques that are built on privacy-first principles.

The top 5 concerns on the phasing out of advertising identity



A Forrester Consulting study commissioned by InMobi | March 2022

Q8. Please select your top five concerns on the phasing out of advertising identity.

Q4. How much do you agree or disagree with the following statements about the impact of advertising identity deprecation on your practices and partnerships? Sample size = 44, 54

The way forward

The opportunity



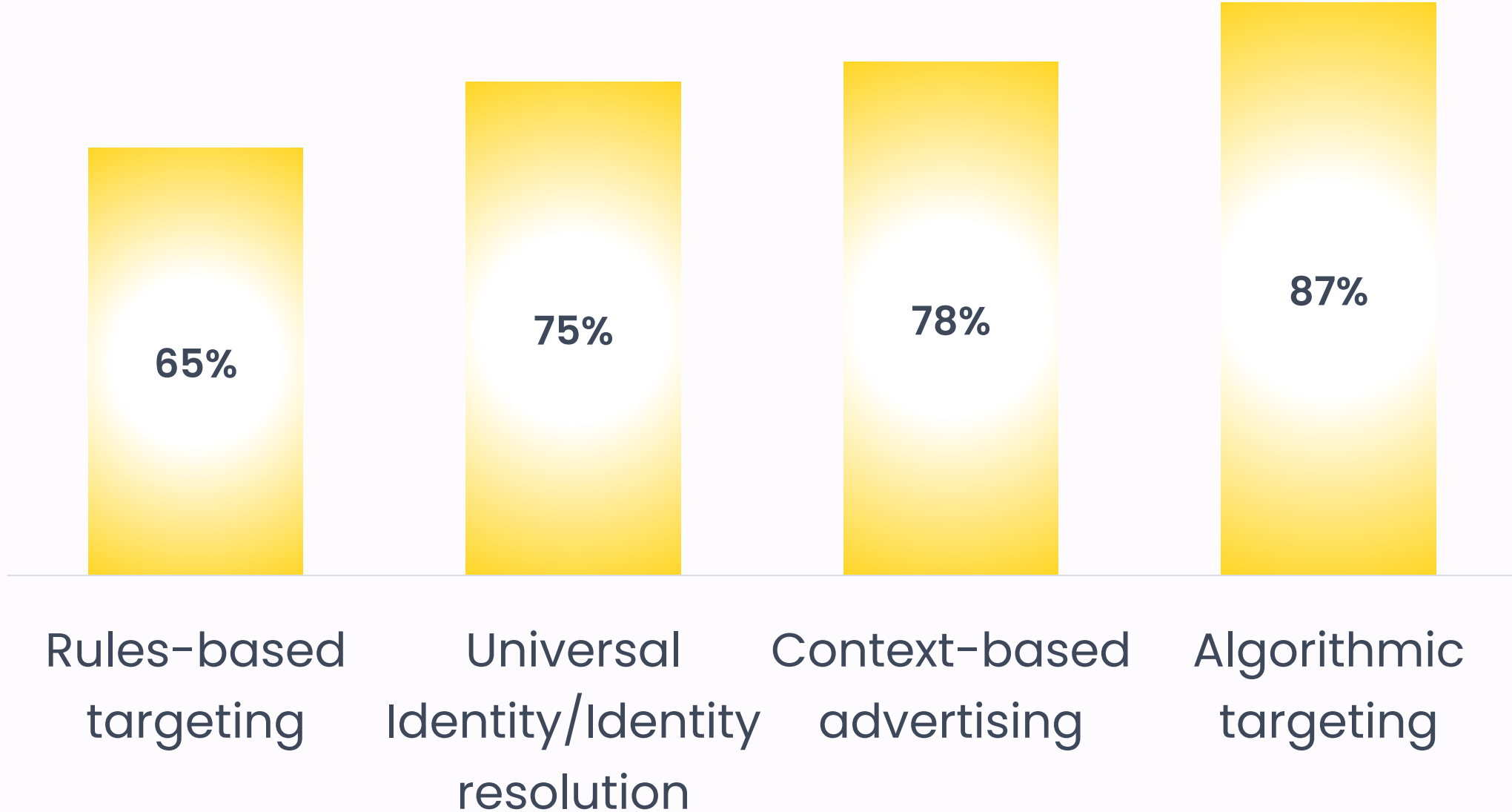
Alternative targeting approaches are coming to the fore

As organizations start experimenting with alternative targeting approaches, 8 in 10 firms are using contextual advertising. The goal is to serve personalized messages to consumers based on their demographics, preferences, behavior within the app, and a host of related data points.

Businesses are also leveraging rules-based targeting to switch app experience for consumers using real-time, reliable data around geography, operating system, browser, and mobile device. Through algorithmic targeting – that enables an analysis of customer preferences and behaviors – marketers are predicting the customer’s needs and position their services accordingly.

Even though experimentation is key, finding a lasting solution to identity will be key to establishing market leadership and trust in customers. All businesses today have an omnichannel presence and without a concrete answer to identity issues, businesses will have to battle disconnected experiences across their assets.

Top 4 Targeting Strategies being Adopted by Businesses



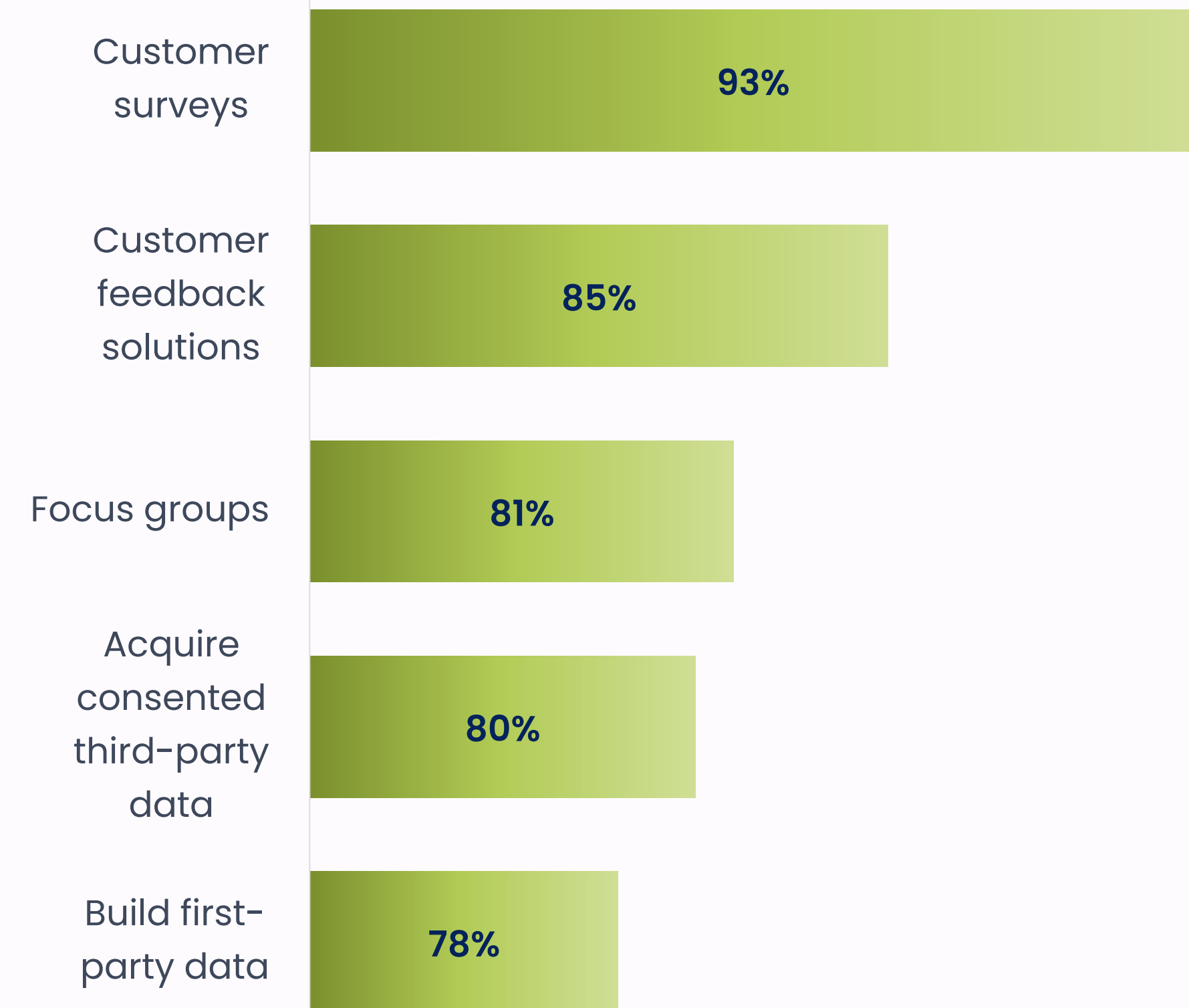
Data collection methods get re-imagined for better accessibility

The importance of data as an asset continues to increase exponentially, putting organizations under mounting pressure to ensure data safety, security, consistency, and quality. But the accuracy of data gathered in the future will be questionable. Inadequately maintained data can steer a company in the wrong direction, causing disastrous business results.

Marketers are now casting a wide net to access data from various sources. They are working to build their own first-party data while investing in second-party (e.g., Adobe Audience Marketplace) and third-party (e.g., Acxiom, Epsilon) data sources.

The success of such an approach relies heavily on a strong data stewardship and governance program, especially when dealing with massive datasets. Such programs often improve data quality by streamlining processes and provide efficient and effective data analytics. Ultimately it enables businesses to improve their understanding of their customer's needs and in turn their campaign strategy.

Top 5 Alternate Data Sources being Leveraged by Businesses



Constant experimentation will define data management and consumer persona building

Being compliant with data privacy regulations requires a complete overhaul of the traditional work processes. For example, to build personas and draw insights from the various data sources, marketers are onboarding specialists for first-party data efforts, building customer data platforms, and overcoming the challenges of walled-garden data.

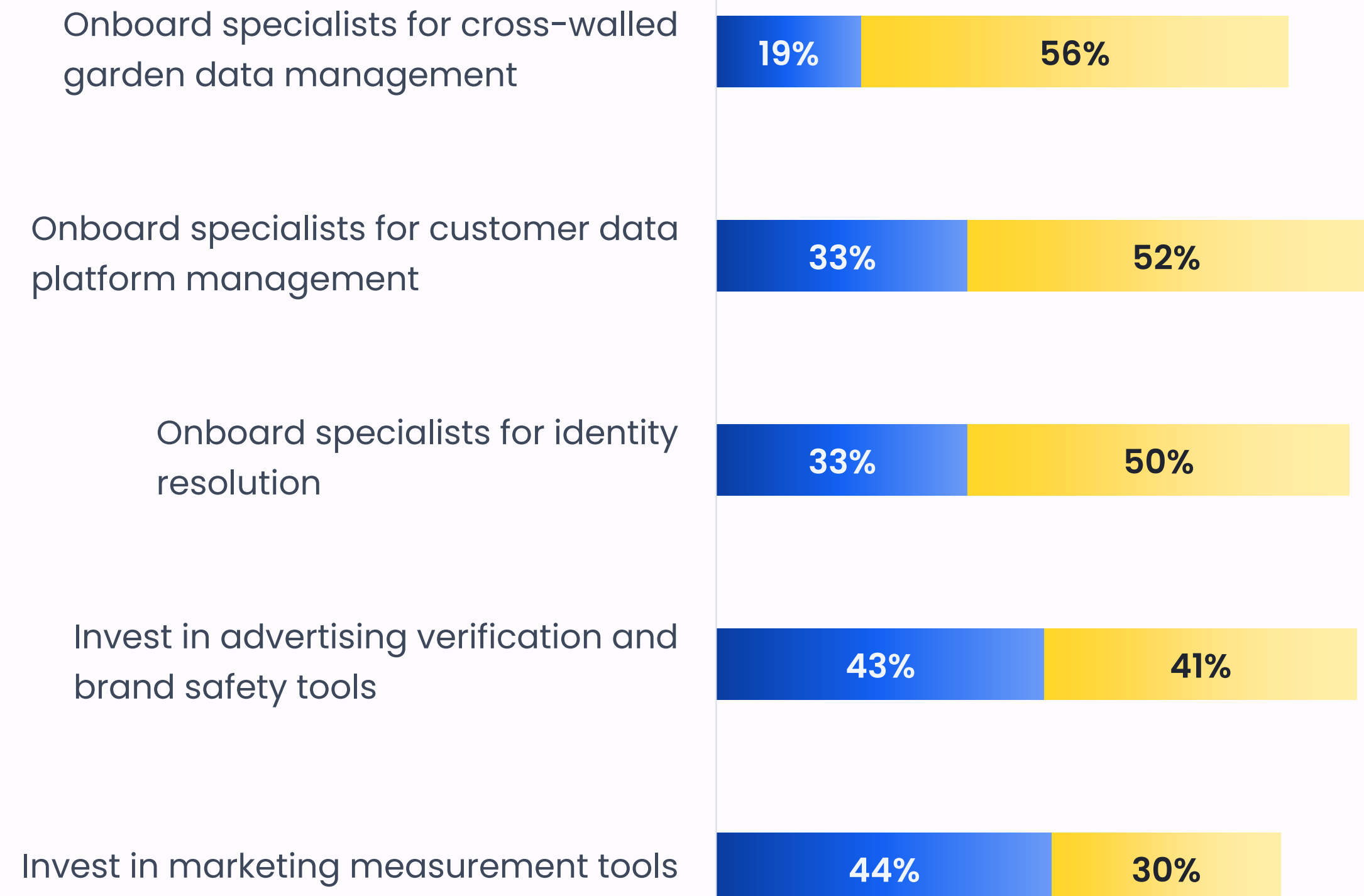
To better track and measure the impact of their campaigns, they continue to invest in verification, brand safety, and measurement tools.

8 in 10 brands are already using and will expand their usage of preference management platforms to help them understand the needs of their customers better.

However, each of these solutions must incorporate privacy security of data end-to-end – from the point of collection to the eventual destruction of data. At every point in the data lifecycle, it must be protected and accounted for so that there's no risk of non-compliance with existing regulations.

Top 6 Strategies for Data Management and Processing

■ Today ■ In the next 12 to 24 months



Conclusion

Rethink identity and adopt alternative targeting methods.

It is imperative for the advertising industry to focus beyond traditional targeting methods (i.e., third-party cookies), to pave the way for success with new identity solutions and contextual targeting. Test out a portfolio-based strategy with a mix of targeting approaches.

Invest in first-party data.

Maximize the value of first-party data through tools like customer data and preference management platforms. Be transparent about data collection and usage, and communicate value to consumers, not just free content but a better customer experience.

Embed Privacy by Design (PbD) principles to your marketing approach.

Adopt a privacy-first approach and proactively think about how to protect customers' privacy and aim to build a privacy-first culture across your firm.



InMobi is a leading provider of marketing and monetization technologies reaching more than a billion consumers around the globe. With deep expertise and unique reach in mobile, it is the trusted and transparent technology partner for marketers, content creators, and businesses of all kinds.

Powered by

Mobile Intelligence

Transparent

Always On

Integrated



Interested in learning more? Write to us at mobilemarketing@inmobi.com