



brave

dentsu

Engaging with the New 'Ad Choosers'

A co-authored whitepaper from Brave
Software and dentsu international.

March 2021

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Executive Summary

Consumers are increasingly concerned about preserving their online privacy and not being inundated with too many ads across media platforms. At the same time, the third party cookie which has been leveraged for digital advertisers is on the trajectory for a complete phaseout by 2022. Advertisers are being challenged on how to drive media results without ‘surveillance based media products’. The Brave browser, with 25MM monthly active users, is the first privacy based digital ad platform built to maintain users’ privacy. We refer to the Brave users who opt-in to receive ads as ‘Ad Choosers’. Dentsu International partnered with Brave to understand how advertising on the Brave platform impacts key branding metrics for their advertisers compared to other digital campaigns. Our analysis showed that for the three campaigns measured, the Brave ads outperformed other similar digital campaigns compared to publishers with more traditional ad models. As third party cookies are being eliminated from the digital advertising ecosystem, finding ways to respectfully connect and engage with ‘Ad Choosers’ is critical for advertisers’ success.

Introduction

Shelter in place and restrictions on travel and gatherings have given consumers more time than ever to consume news, entertainment and other media. And, by all accounts, Americans have increased their screen time partly due to working from home and the new era of socializing online. Increased regulations have made various forms of online advertising more challenging. More and more online consumers are opting out of traditional online advertising formats. Based on these trends, a new segment of consumers have emerged whom we refer to as 'Ad Choosers'. The Brave browser was developed specifically for this emergent audience: consumers who are concerned about privacy but are open to receiving advertising content on their own terms. Based on our analysis of dentsu ad campaigns on the Brave platform, it is possible not only to break through to these privacy focused Ad Choosers with your advertising message, but also to positively impact message association and brand consideration.

1. Privacy Regulations and The Demise of the Third Party Cookie

In the past several years, data privacy legislation, including Europe's GDPR (General Data Protection Regulation), CCPA (California Consumer Privacy Act) and New York SHIELD Act have limited what data websites can collect, and have required more transparency around what data are collected and how they are used. In the EU, [Programmatic Pioneers' Summit](#) estimated that programmatic advertising has declined by 20%-50% post GDPR. "This is because, in the pre-GDPR landscape, programmatic advertising relied on vast quantities of third-party data with which to seduce media buyers. However, in the post-GDPR world, this is no longer possible." California's Proposition 24 (CPR - California Privacy Rights Act), the Consumer Personal Information Law and Agency Initiative, recently passed, further expanding the state's consumer privacy laws. We believe that restrictions on use of online data will continue to expand.

In addition, manufacturers and publishers are putting into place their own policies which will impact the use of cookies that are currently used for advertising targeting. Apple is planning a new privacy feature with iOS 14 that will require developers to ask users for permission to track them across mobile apps and websites. This feature is

expected to be implemented in early 2021. Google has also announced that it will stop supporting third party cookies in 2021 for Chrome.

All of these privacy changes make programmatic online advertising (which the IAB estimates represents [85% of online ad spend](#)) less attractive. Without the ability to store information about users' activities across websites and apps, we anticipate that programmatic ad spend will decrease significantly.

Given digital advertising's current reliance on third party cookies, it's imperative to find robust and effective ad platforms that don't rely on cookies for advertiser targeting. Brave is one of the platforms addressing the privacy concerns of digital surveillance based media.

2. Media Trends: Consumption Increasing But Increasingly on Non Traditional Advertising Platforms

While time with media overall has been increasing since COVID, time with ad supported media has been declining across platforms.

Less ad supported TV: While many Americans have found more time to binge watch their favorite TV programs in the past 6 months, increasingly, they are choosing to watch through streaming platforms. [A recent study](#) showed that $\frac{2}{3}$ of all American households have cut the cable cord or are planning to do so. And, [Variety Intelligence Platform](#) predicts that partially due to economic uncertainty another 8MM will cut the cord in 2020 (up from 5.5MM in 2019).

According to Nielsen's Total Audience Report, even pre-pandemic, time with connected TV (e.g., game console, internet connected devices) was at parity with live and time shifted TV among P18-34. And that does not include time spent streaming media on laptops or PCs. Cable TV ratings for P18-49 have [declined by 27%](#) over the past two years. While some streaming platforms are ad supported, overall streamers see far fewer ads than linear TV viewers.

More streaming audio: Edison Research's Share of Ear study showed that during COVID, for the first time, streaming audio represented a larger share of time (53%)

compared to listening on linear or non-digital devices (47%). There are ad supported versions of Spotify and Pandora, but a key benefit for paid subscribers of those platforms is not receiving ads.

More Time Online, But Opting Out of Ads: In Q1 2020, Nielsen also shows that P18-49 spent more time online (through laptop, smartphone or tablet) than with television media. However, a 2019 Global Web Index [report](#) shows that nearly half of US browsers (48%) have used an ad blocker in the past month. The top reasons cited for using ad blockers are: too many ads, ads are annoying, and ads are intrusive. One in four web users are concerned that ads might compromise their online privacy.

In addition to not wanting their browsing experience to be interrupted by ads, online consumers are also deeply concerned about online privacy and how their personal data is being used. A 2019 study from [Pew Research Study](#) shows that 79% of online users are concerned about how websites and companies are using the personal data that they collect, and 81% believe the risk of data collection outweighs any benefits they may receive.

3. Brave 'Ad Choosers'

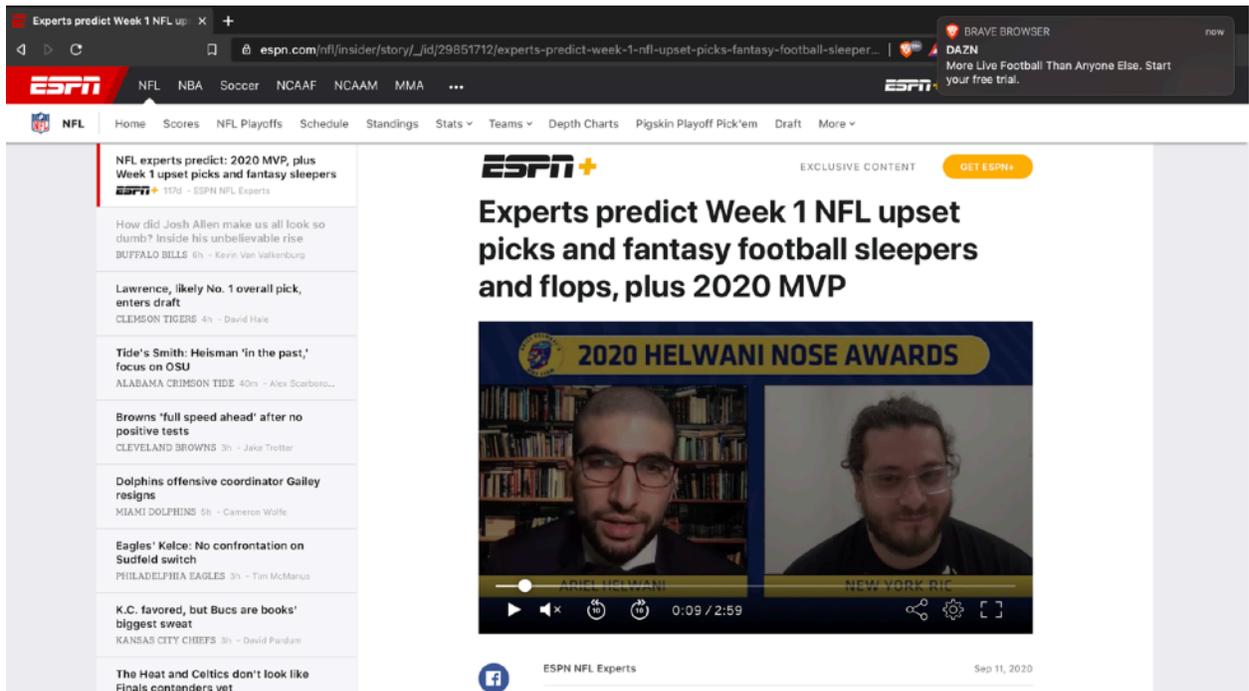
The Brave Browser's 25MM monthly users are attracted to a browser that has built in ad blocking. Users have the option to "opt in" to Brave ad notifications that preserve their privacy, and are rewarded for their attention to these ads. Not only are these ads non-intrusive to the browsing experience, but viewing these ads actually helps them earn "Brave Rewards" which they can then use to tip some of their favorite content creators or publishers, or redeem for gift cards.

Brave ad notifications do not interrupt the ad viewing experience. Brave's privacy focused browser does not collect any data, so users are comfortable that if they engage with an ad they will not be retargeted across the web.

Here is an example of a sponsored image on the Brave browser for DAZN (an OTT subscription sports streaming service) that ran in Canada.



And, below is an example of an ad notification that Brave 'Ad Choosers' might receive.



Brave also leverages ads across mobile and desktop in order to direct users to Twitter or other social platforms to join the conversation about specific brands or promotions. The social acceleration of adding hashtags to ad notifications is another way that Brave helps amplify brand messages among ‘Ad Choosers’.

From opt-in, anonymized surveying of the Brave audience we know that these valuable consumers are difficult to reach elsewhere. Only 1 in 5 Brave users watch ad supported television. 75% of their browsing is happening on Brave, and when they elect to use another browser, 6 in 10 have installed ad blockers. So, when Brave users opt-in to engage with ads, the ads are more memorable than others that might be presented in a cluttered environment. Measuring Brand Impact Among Brave ‘Ad Choosers’:

Brave partnered with dentsu international to run campaigns for three brands in three separate categories (technology, media and entertainment and financial services). We ran campaigns on Brave and measured the brand lift pre vs. post campaign. These results were then compared to other pre post brand lift studies that the advertiser and agency conducted across other more traditional online advertising platforms.

Pre-post survey methodology:

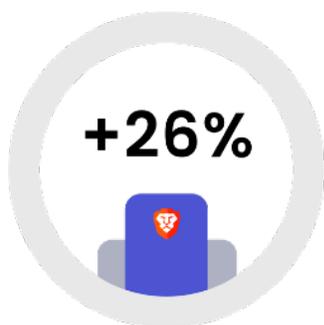
Prior to the campaign launch, Brave serves survey invitations through Push Notification to Brave users with the same interest areas and targeting as the advertisers’ campaign. Post campaign, we use the same methodology of serving survey invitations to the same footprint as the ad campaign. This methodology preserves consumers’ privacy when capturing survey results.

Note that this methodology differs from most vendors who run pre-post survey research by retargeting users who were exposed to the campaign. Since Brave’s privacy protocols do not allow for retargeting, the Brave users who receive the survey invitation have the opportunity to see the ad. For example, if a Brave user did not use her browser on a day where the sponsored image ran, she would not have been exposed to that ad. Given this methodology, we believe that the Brave survey results are more conservative than what we would see through a traditional post campaign re-targeting methodology in which anyone who received the survey invitation was also exposed to the target ad.

dentsu international campaign results:

For the three campaigns that dentsu international ran with Brave, we saw positive results overall, and more favorable brand lift results compared to other online campaigns that the advertiser ran.

Brand A: Technology Brand

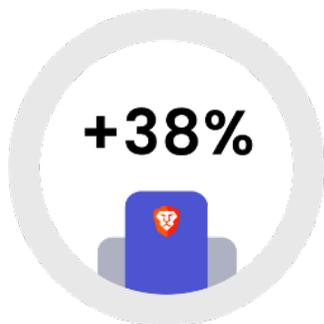


+26% lift in ad recall compared to another digital campaign

The Brave ads were not only memorable to the Brave audience, but sponsorship association more than doubled based on the ad campaign.

Brand B: Media Brand - DAZN

For DAZN, we compared results from a one-week campaign on the Brave browser to an 8 week flight with another online publisher.



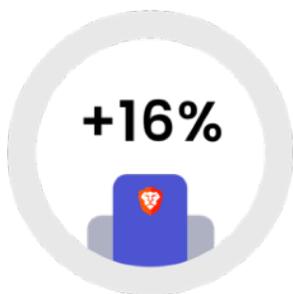
+38% lift in likelihood to subscribe vs. other campaign

“As an agency engrossed in the inevitable demise of the cookie and a heightened need for privacy-driven solution, we want to position our clients in the best way possible as our industry continues to evolve. We were looking for proof of performance to continue that momentum for what we thought could be a successful trajectory for activating media in a new medium motivated by Ad Choosers, and Brave helped us accomplish that.” - Amy Siegel, VP, Director of Innovation and Activation dentsu international

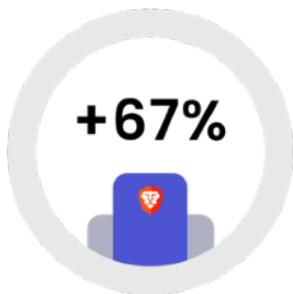
Brand C: Financial Services Brand

For a financial services brand that advertised with Brave, we saw a +16% increase in ad recall among all Brave users compared to ad recall for a campaign that the brand ran across a social platform with twice as much media weight. It's important to note that the Brave pre-post methodology serves survey invitations to Brave users utilizing the same targeting as the advertisers' campaign. The methodology used for the other digital platform serves survey invitations by retargeting those exposed to the campaign. Since the Brave users had the 'opportunity to see' the ad campaign but were not necessarily exposed to the campaign, this 16% increase is conservative.

In addition to ad recall being higher on Brave, we also saw a 67% increase in message association post-campaign. For the similar campaign on the other digital platform, the financial services brand did not see any increase in message association.



+16% lift in ad recall compared to another digital campaign



+67% lift in message association compared to the other digital campaign

Summary of Results

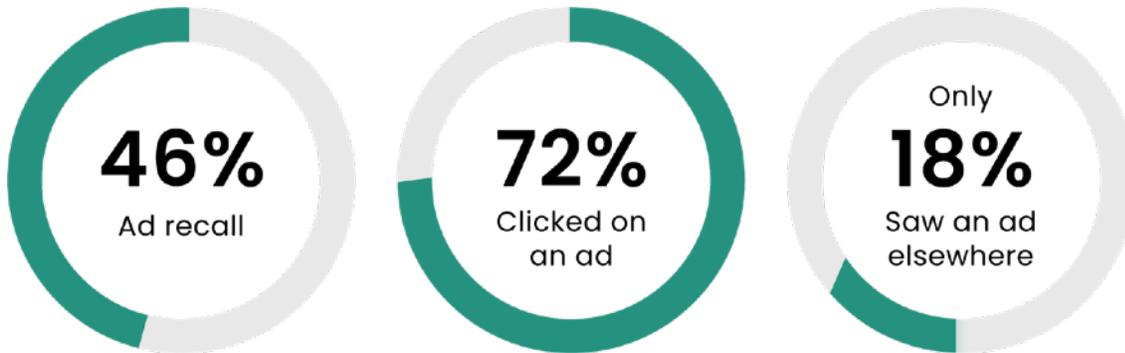
 Campaign	 Metric	Brave results vs other digital media platforms
Technology brand	Ad recall	+26%
DAZN (entertainment)	Likelihood to subscribe	+38%
Financial services brand	Ad recall	+16%
	Message association	+67%

5. Lack of Clutter Means Results:

Marketers are benefiting from the uncluttered environment and opt-in nature of Brave ads. Across 20 post-campaign studies that we conducted, ad recall was 49% on average. These numbers are unheard of for digital campaigns and probably have not been seen since the days of three network TV stations. On average 76% of those who recalled seeing these ads claim to have clicked on the ads. Tellingly, for the average campaign measured, on average only 14% of Brave users saw an ad for the specific advertisers elsewhere.

In addition to the ads being memorable, they also are impacting business results. We see significant change in key brand perceptions among Brave users, often paired with increased usage or purchase intent of our brand partners.

And despite general skepticism towards advertising, half of Brave users admit that they feel more positively towards brands who advertise on Brave. Given that they are unlikely to see our partners' ads elsewhere, we are happy to help them reach and engage with these difficult to reach and attractive consumers.



Key Insights:

'Ad Choosers' vs. Ad Avoiders:

- It is possible for advertising platforms to develop a value proposition that incents their user base to become 'Ad Choosers'
- 'Ad Choosers' are opting out of many traditional media platforms and are harder to reach with advertising messages
- Those 'Ad Choosers' who invite advertisers into their media experience notice and engage with ads

Non-Surveillance Based Media Drives Results:

- Ads served in opt-in environments stand out even more than interruptive ads on other digital advertising platforms from brand/promotion awareness to message association and purchase intent
- Increased attention and ad engagement translate to strong branding KPIs for brands, from message association

About Brave

Brave is the first global digital ad platform built for privacy, offering advertisers the opportunity to participate in a premium, brand safe, and opt-in ad ecosystem, designed for a future without 3rd party cookies. Its privacy-focused browser provides users with the fastest browsing experience, and the highest level of privacy in the marketplace. Users have full control and earn rewards through the Basic Attention Token. With 25 million users worldwide and a 9% CTR platform average, brands choose Brave as their preferred advertising platform.

About dentsu international

Part of dentsu, dentsu international is made up of eight leadership brands – Carat, dentsu X, iProspect, Isobar, dentsumcgarrybowen, Merkle, MKTG, Posterscope and supported by its specialist brands. Dentsu International helps clients to win, keep and grow their best customers and achieve meaningful progress for their businesses. With best-in-class services and solutions in media, CXM, and creative, dentsu international operates in over 145 markets worldwide with more than 46,000 dedicated specialists. www.dentsu.com