

Marketer's Guide

▶ Innovative thinking to make a lasting impact on your business growth.

Navigating Marketing in a Privacy Focused Landscape

Actionable Tactics to Planning and Personalizing Ad Campaigns





Navigating data privacy & security is crucial for brands to forge consumer trust.

Data is the fuel that powers the advertising economy. Considered one of the most important assets a business can hold, **the right data leveraged in the right way enables a better understanding of customers**, and how to serve them more effectively and efficiently.

As the creation and collection of data expands, **businesses have an inherent responsibility** in how they collect, store and process personal data.

As marketers navigate the privacy-focused landscape, keep in mind...

How businesses request consent to keep personal data, abide by their privacy policies and manage the data that they've collected – **is vital to building trust with customers** who naturally expect privacy as a basic right.

By taking a consumer first mindset, marketers can build stronger relationships with their audiences, **while still reaching them effectively with relevant messaging.**

In this third piece of our three-part series, we seek to provide guidance on how to **NAVIGATE** the marketing landscape with actionable tactics to help you better plan and personalize media in a privacy forward manner.

Data privacy is reshaping the conversation within the advertising landscape on how to ethically connect with consumers

 The Drum

April 4, 2024

Privacy, platforms & power shifts: 3 trends reshaping marketing and measurement

 CNN BUSINESS

April 8, 2024

US lawmakers unveil a plan to give all Americans a right to online privacy

The New York Times

July 10, 2023

U.S. and E.U. Complete Long-Awaited Deal on Sharing Data

AdAge

April 4, 2024

HOW AD TRANSPARENCY AND PRIVACY ARE THE INDUSTRY'S NEW TABLE STAKES

ADWEEK

December 8, 2023

You've Met Data Privacy Guidelines. But What About Data Ethics?

ADWEEK

How to Navigate the Complexities of Data Ownership

Forbes

December 8, 2023

Data Privacy Tops Concerns For Americans – Who Is Responsible For Better Data Protections?

AdAge

January 3, 2024

MOST PUBLISHERS SHARE CONSUMER DATA BEFORE GETTING CONSENT, COMPLIANT STUDY FINDS

Research covering 150,000 publishers and billions of impressions finds data usually flows before consent windows pop up

Forbes

April 19, 2024

Navigating The Complexity Of The Latest Data Privacy Regulations

BUSINESS INSIDER

September 6, 2023

Most major companies admit they may be selling your personal information, a new study finds

Our three-part series will help you **understand**, **decode** and **navigate** data privacy and security

UNDERSTAND

The momentum of data privacy & security legislation



[click here to download](#)

DECODE

data privacy and security



[click here to download](#)



NAVIGATE

Marketing in privacy focused landscape



What You'll Learn...

It's important to understand why **data privacy and security** is such a critical topic for the advertising industry today, what are the key actions marketers can take to **implement a privacy-first approach** and what strategies can be employed to **reach customers ethically and legally** in a privacy minded landscape

1

What is data privacy & security and why is it important?

2

What is the 'value exchange' for consumers' data?

3

How do consumers feel about personalized ads?

4

How can personalized ads be privacy safe?

5

How can marketers reach audiences in a privacy focused manner?

Click through a box above to be brought directly to the appropriate section

Understanding data privacy and security is central to advertising in the current and future media landscape

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Data privacy and security work together to ensure customer's safety and anonymity while protecting from identity theft, fraud and other cybercrimes



Data Privacy

The principle that **individuals should have control over their personal data**, including the ability to decide how organizations collect, store and use their data.



Data Security

The principle that any entity collecting data, has an ethical and legal obligation to **protect the data they collect from unauthorized access and misuse**.*

Source: IBM, What is Data Privacy?, December 2023. *Harvard Business School, "Data Privacy: 4 Things Every Business Professional Should Know", March 2021.

Marketers need to be aware of the potential business ramifications of not complying with data privacy and security regulations



**Financial
Risk**



**Brand
Reputational
& Corporate
Risk**



**Legal
Risk**

[Click here](#) to learn more about [‘Understanding the Momentum of Data Privacy Legislation’](#)

The importance of consumers' data is playing a growing role in today's media landscape

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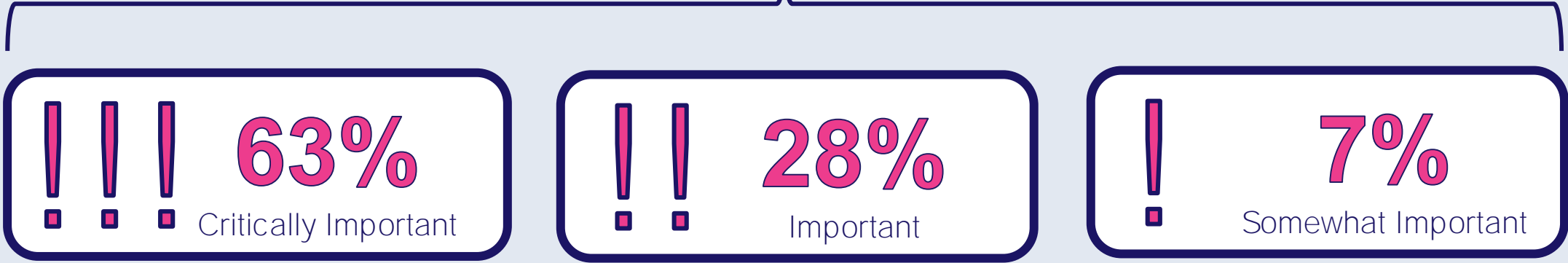
How can personalized ads be privacy safe?

5

How can marketers reach audiences in a privacy focused manner?

Responsible and secure treatment of consumer data is extremely important in shaping the customer experience for brands

Assurance that my personal data is being used responsibly and securely by the brand
% of respondents



Source: Adobe and Econsultancy, '2024 Digital Trends,' April 9, 2024, via eMarketer. N = 6,649, ages 18-74, U.S. and Europe.

Brands build trust with customers by being upfront about how they intend to use data and provide them the ability to control how it is used

Three components of ethical data collection



Transparency

Communicate **what data** is being collecting and **how you intend to use it**



Consent

Gain user permission for data collection whenever possible

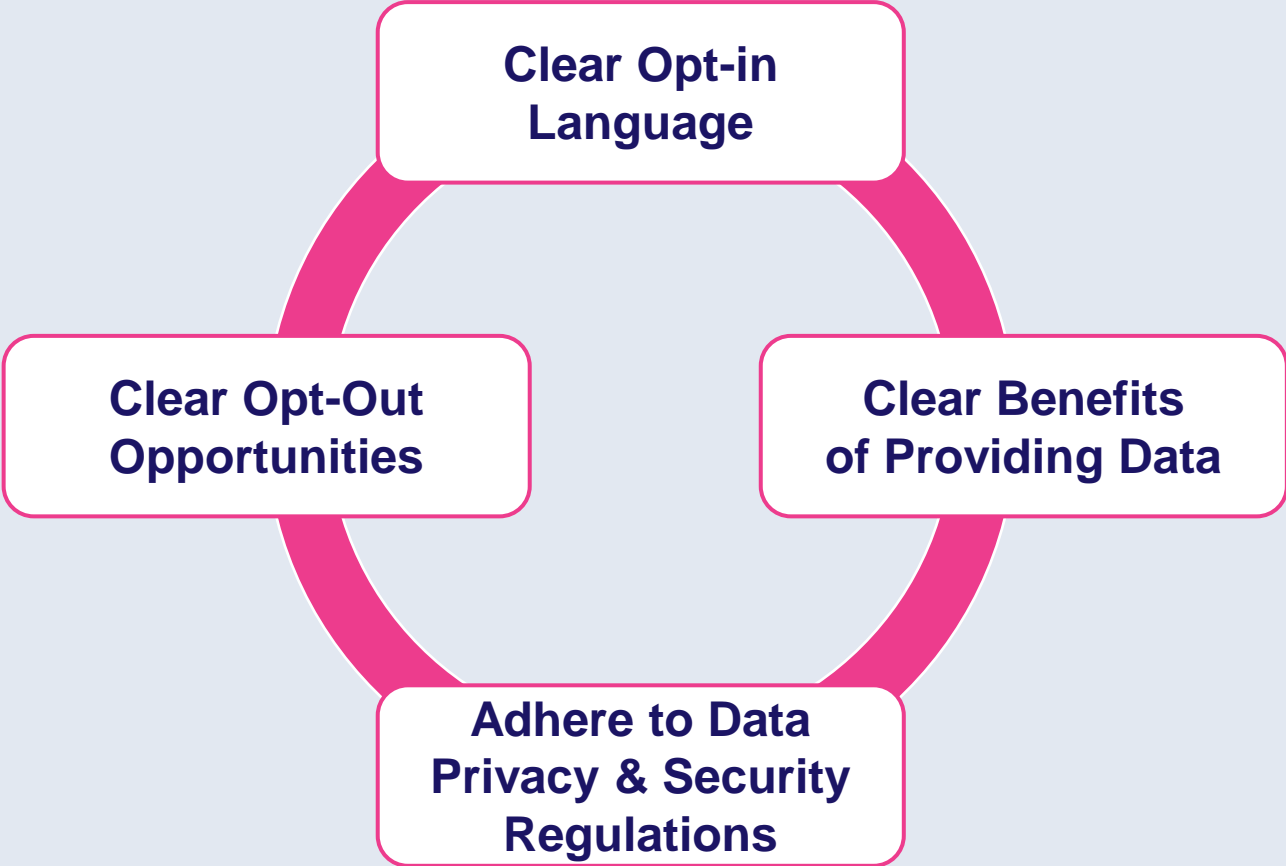


Value Exchange

Provide **clear benefits** and details on what a user gets in return **for sharing their data**

The Value Exchange: Consumers are much more likely to share their information with a business when the value of doing so is made clear

Common Components of a Fair Value Exchange



Consumers are more willing to share their personal information when receiving value (like deals and access) from brands and retailers in return



74%

of consumers are willing to **share personal information** with brands and retailers when prompted

Click [here](#) to learn more about Personal Information in 'What Is...Data Privacy and Security'

Top Reasons for Sharing Personal Information



Source: The Trade Desk Intelligence and YouGov Consumer CPG/Apparel Buying Behaviors Study, January 2024.

Marketers use personalized ads to drive deeper connections and stronger engagement with customers

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Consumers want the advertisements they receive from brands and retailers to be more relevant to their needs and interests



Ad Personalization

A marketing strategy that uses **known information about a consumer's interests and behaviors** to serve **relevant ads to a specific user**. This enables marketers to tailor the ad to a user's preferences, needs and stage within the customer journey.



71%

of consumers **expect companies to deliver personalized interactions**

Source: McKinsey & Company, 'The value of getting personalization right—or wrong—is multiplying', November 2021.

Data collected ethically and securely can be leveraged to provide value to customers through personalized ads

Common Benefits of Ad Personalization

Consumers



Relevant Ads

Receive ads relevant to interests and needs



Product Discovery

Find needed products faster and easier

Marketers



Targeting

Reach target audiences more effectively

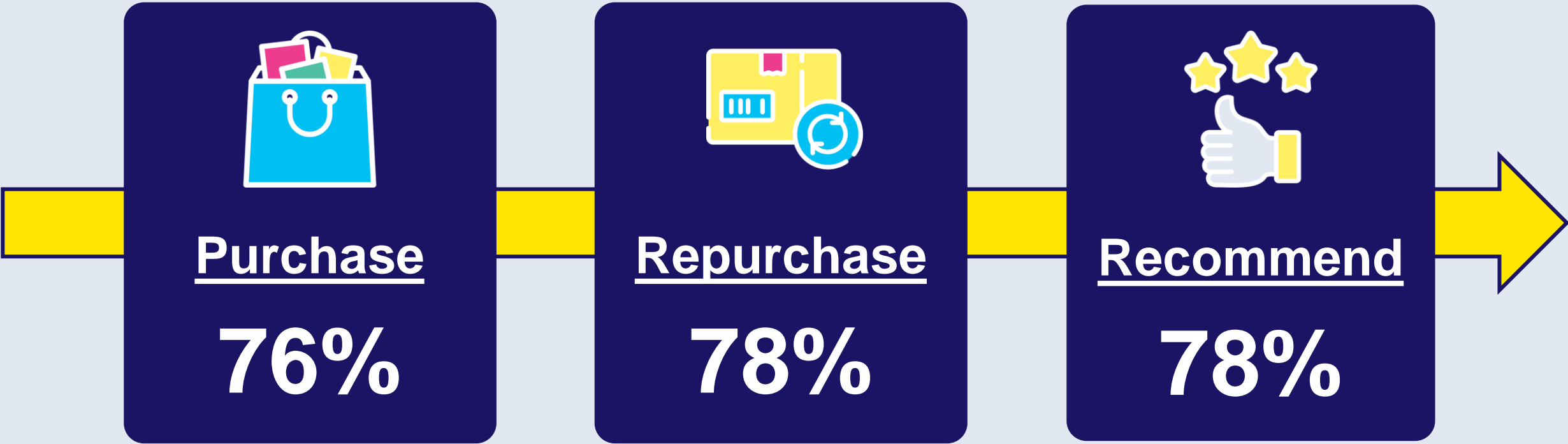


Ad Engagement

More likely to capture consumer attention and drive engagement

Consumers who receive personalized ads from brands and retailers are more likely to take action

% of consumers that are more likely to engage with brands that connect in personalized ways



Source: McKinsey & Company, 'The value of getting personalization right—or wrong—is multiplying', November 2021.

Privacy Enhancing Technologies (PETs) enable marketers to reach consumers in a personalized way while remaining privacy focused

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Across the media landscape, there is a need for privacy focused solutions that aid the gathering, accessing and sharing of data



“Each of the publishers who we work with today have such rich first-party data at their hands. They **need control**, they need a way to be able to **provision access to that data in privacy-safe ways**. And there is so much benefit to doing that.”

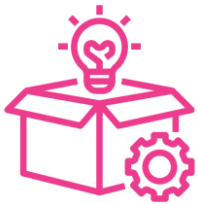
Brittany Slattery

Chief Marketing Officer, OpenAP

What are Privacy-Enhancing Technologies (PETs)?

Hardware or software solutions that **ensure data privacy and protection** while allowing organizations to **extract value from data**.

How can PETs address marketing privacy concerns and regulations?



Offer products and services **without accessing person level data**.



Utilize **analytics and research** without person level data.



Allow for **data sharing between two parties** without disclosing sensitive data.

Note: *PETs should not be considered as a complete solution to privacy compliance. It is suggested that they are used within a legal framework, and not as a substitute.*

Source: FTC, "Keeping Your Privacy Enhancing Technology (PET) Promises", February 2024

Encryption: It is essential that sensitive data is protected to ensure the confidentiality of consumer information is never jeopardized



What is Encryption?

The mathematical process of transforming readable plain text into unreadable ciphertext to mask sensitive information from unauthorized users.

A 'key' is a cryptographic tool that is used to scramble (encrypt) or unscramble (decrypt) data.

How does Encryption preserve privacy?

Keeps data secure by scrambling data so that it can only be read by authorized personnel

What are the Benefits of Encryption

- Enables two parties to **exchange sensitive data** without leaking or exposing data
- Can be leveraged to **meet compliance standards** in sensitive industries such as healthcare and finance
- Deter or **mitigate the severity of data breaches**
- Has applications in retaining and managing the **authenticity and integrity of data**

How Does Encryption Work?



Data should be **encrypted** because it is **virtually impossible to decipher without the key**

Data Clean Rooms: Leveraging privacy preserving data collaboration methods ensures all parties involved protect and secure their sensitive data



What are Data Clean Rooms?

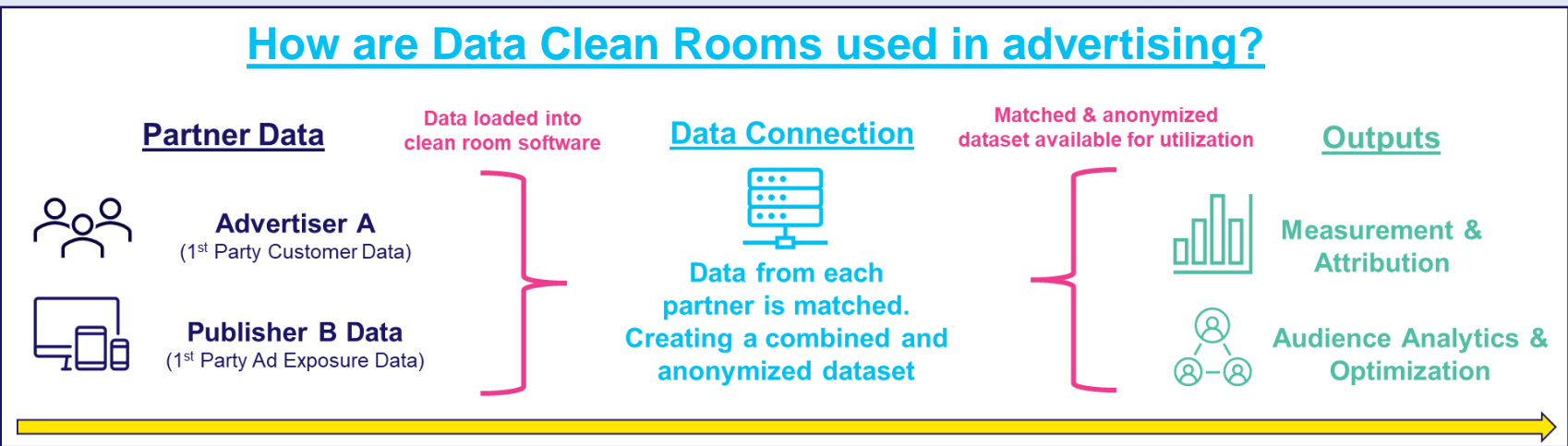
A secure software environment that **enables data collaboration between two or more parties**, which allows sensitive customer data to be shared, and/or matched for joint analysis in a secure and privacy compliant manner.

[Click here to learn more about Data Clean Rooms in 'What's the Deal With Identity'](#)

How do Data Clean Rooms preserve privacy?

Prevent access to user-level data and aggregate outputs into groupings.

How are Data Clean Rooms used in advertising?



Examples of companies that offer Data Clean Room solutions



Universal IDs: Their use backed by opted-in data has increased as marketers become more privacy minded and signal loss grows



What are Universal IDs?

Unique identifier that allows publishers and advertisers to **recognize and authenticate users** across publishers, platforms & devices, which provides a holistic view of audiences.

[Click here to learn more about Universal IDs in 'What's the Deal With What's Next in Measurement'](#)

How do Universal IDs preserve privacy?

When hashed, UID's prevent a user's raw data such as an email address from being used or traced back to them.

How can Universal IDs can help marketers?

- Eliminate dependency on 3rd party cookies
- More seamlessly partner with publishers and data providers to match first-party data on PII in a privacy compliant and secure manner
- Achieve greater precision in audience targeting
- Increases accuracy of cross-channel measurement

Examples of companies that offer Universal ID solutions

BLOCKGRAPH
BlockGraph ID

theTradeDesk
UID 2.0

OPEN .P.
Open ID

/LiveRamp
Ramp ID

Synthetic Data: By embracing AI that preserves privacy, brands are poised to meet future legal and customer demands



What is Synthetic Data?

Utilizes known information about a population to train a model to **make accurate predictions about others in the population that you don't have a full set of data for.**

[Click here to learn more about Synthetic Data in 'What's the Deal With What's Next in Measurement'](#)

How does Synthetic Data preserve privacy?

Since synthetic datasets do not maintain a 1:1 relationship with the original data, audiences are impossible to reidentify.

What is an example of Synthetic Data?

VID (Virtual People Identifiers) Models

- VIDs are synthetic individuals that can be grouped together to mimic the general population through the assignment of probabilistic demographics
- A way to label impression data consistently across all data providers enabling de-duplicated cross platform reach and frequency
 - Can be used to complement and enhance calibration panels

Examples of companies that offer Synthetic Data solutions



Micro-Cohort Measurement: Through this, marketers can accurately measure audience exposure in a privacy focused methodology



What is Micro-Cohort Measurement?

Campaign measurement through exposure probability of **small defined groups** with demographic and/or behavioral data **without individual users being identified.**

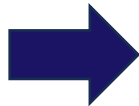
[Click here to learn more about Advanced Measurement in 'What's the Deal With What's Next in Measurement'](#)

How does Micro-Cohort Measurement preserve privacy?

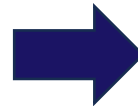
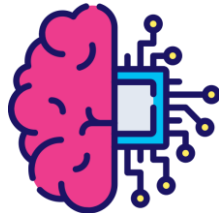
By leveraging exposure probability through a small groups, there is no 1:1 viewer data identified in the measurement.

How does Micro-Cohort Measurement work?

Small Measured Group



Exposure Calculation



Scaled Measurement



Examples of companies that offer Micro-Cohort Measurement solutions



Signal loss and privacy concerns are driving marketers to leverage innovative marketing strategies

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New legislation, significant industry changes, and an increased rate of consumer opt-out have led to greater signal loss

Signal Loss

The diminishing availability of data points directly tied to campaigns or individual users that allow marketers to acquire, measure and retarget customers.

- *One of the most common examples of signal loss today is the **deprecation of third-party cookies**, which have serious privacy concerns associated with them.*
- *Signal loss also occurs when consumers decide to **opt-out of sharing their personal data**.*

Source: Digiday, 'Why connectivity is critical for clean rooms to turn signal loss into signal gain', April 2024.

Signal loss of 3rd party cookies underscores the importance of Connected TV advertising



“In response to the loss of 3rd party signals, **marketers have turned to a slew of new solutions and tools** to help them maintain ways to connect with their audiences. Marketers can **better connect and activate more of their first-party data** and engage parts of the ecosystem that no longer use 3rd party cookies, this **includes premium platforms like connected TV, where 3rd party cookies were never the answer.**”

Travis Clinger

Chief Connectivity and Ecosystem Officer, LiveRamp

“With the ad industry increasingly prioritizing consumer privacy and moving away from third-party cookies, the **Connected TV space, specifically, finds itself a unique position.** CTV as a medium has never relied on cookies, **making it an attractive option for advertisers looking to shift their spend from web and mobile to reach new audiences.**”

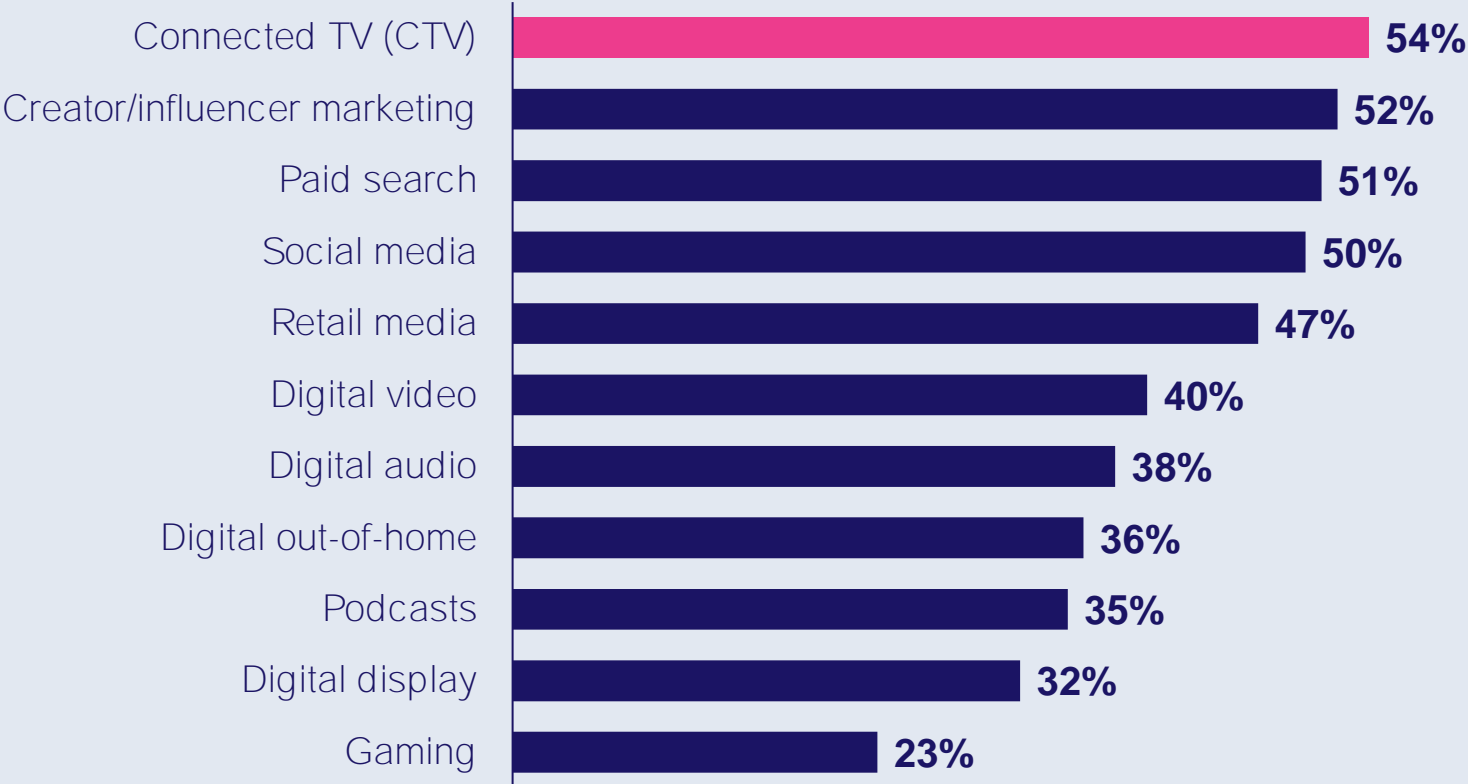
Peter Crofut

VP, Business Development – Agencies & Brands, WURL

Source: Digiday, 'Why connectivity is critical for clean rooms to turn signal loss into signal gain', 4/11/24.

Marketers are shifting media investments into CTV more than any other platform as privacy legislation and signal loss increases

% of US ad buyers who plan on increasing spending in 2024 due to legislation and signal loss, by channel



Source: eMarketer, 'Make Sense of TV Ad Measurement in 2024: What You Need to Know,' February 2024.



Contextual advertising is growing due to its ability to serve ads that are personalized to audiences' interests without personal data



“Privacy considerations have become central to digital interactions, leading to a **demand for future-proof targeting solutions** that respect user privacy. By reaching users based on their real-time interests, **contextual advertising operates without personal data.**”

Brian Danzis
President, Seedtag

Adopting contextual targeting strategies allows marketers to address signal loss and reach customers on CTV in a privacy minded manner

Two Examples of Targeting Focused Data Privacy Strategies for Marketers



Contextual Targeting

Ad placements that are based on **the type of content** within the media environment, implemented by **identifying and matching categories or keywords** that are relevant to the brand/product advertising.



Semantic Targeting

A more advanced form of contextual targeting which involves the use of **machine learning to understand the meaning of content** rather than just identifying matching keywords on a page.

Examples of Contextual & Semantic Targeting Companies



Marketer Takeaways: Protect your brand by taking a ‘privacy by design’ approach to your marketing strategies

Three Actions You Can Take Now to Protect Your Customers and Your Brand

1

Establish a Value Exchange with Your Customers

Prioritize privacy centric data collection methods to ensure privacy centric measurement. Gathering consent from consumers while collecting information will enable you to identify them accurately in a privacy complaint way throughout your campaign lifecycle.

2

Take a ‘Privacy by Design’ Approach

A ‘privacy by design’ approach means that privacy is embedded at every step of your marketing process. Privacy is a priority for consumers; therefore, it is critical that marketers approach data privacy ethically.

3

Be Proactive Against Signal Loss

Embrace new technology and platforms that enable you to connect with consumers in a privacy conscious manner. Doing so allows marketers to build durable marketing strategies that are no longer tied to deprecating, and privacy concerned, data signals.

Explore our full three-part series to **understand**, **decode** and **navigate** data privacy and security, with actionable insights

Understand the momentum behind **data privacy legislation** and explore the continued **shortcomings of 'Big Tech'** in this area.



[Download Here](#)

Decode data privacy and security to learn about the key topics, concepts and terms and **why it matters to your customers**.



[Download Here](#)

Navigate marketing strategies in a privacy-focused landscape, with actionable tactics to reach audiences with personalized ads.



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Creators

Jason Wiese

SVP, Director of Strategic Insights
jasonw@thevab.com

Reed Kiely

Director, Data Insights & Trends
reedk@thevab.com

Benjamin Vandegrift

VP, Measurement Solutions
benjaminv@thevab.com

Kaileen Cain

Senior Insights Analyst
kaileenc@thevab.com

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Exposed

5 Inconvenient Truths We Learned From Marketers



Hidden Costs

Three critical business ramifications of digital ad fraud



What is Brand Safety?



Untangling Terminology in Data, Identity & Privacy



What's the Deal With... Identity?



What is The Digital Video Supply Chain

About VAB

VAB plays a dual role in the video advertising industry. We are leading the change to bring about a more innovative and transparent marketplace. We also provide the insights and thought leadership that enables marketers to develop business-driving marketing strategies.

Drawing on our marketing expertise, we **simplify** the complexities in our industry and **discover** new insights that **transform** the way marketers look at their media strategy.



We are committed to your business growth and proud to offer VAB members, brand marketers and agencies **complimentary access** to our continuously-growing Insights library. **Get immediate access** at theVAB.com.

