STATE OF DATA 2024

HOW THE DIGITAL AD INDUSTRY IS ADAPTING TO THE PRIVACY-BY-DESIGN ECOSYSTEM

MARCH 2024

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FOREWORD

In past years, IAB's State of Data report highlighted the digital advertising industry's lack of preparedness for data privacy changes and signal loss, which have significantly altered addressability, measurement, and digital advertising overall. This year's study now finds the industry fully recognizing the permanence of these challenges, leading to substantial organizational changes including hiring experts, training staff, forming specialized teams, enhancing legal and technological capabilities, and revising advertising strategies.

The shift to a privacy-first approach, although a positive development for the industry and consumers alike, has affected the availability of what's typically been recognized as high-quality, useable data. The industry is therefore moving from deterministic to AI-based, probabilistic techniques and gravitating towards greater use of contextual advertising and sophisticated attribution methods.

Advertising budgets are increasingly being allocated to channels less dependent on third-party data, such as CTV, retail media, and social media, which allow for the use of first-party data for personalization. However, the lack of interoperability between these platforms complicates the assessment of marketing effectiveness.

State of Data 2024 illustrates a time of strategic reassessment and innovation, driven by the necessity for privacy compliance and sustainable, consumer-friendly strategies. Companies that excel in adopting new data technologies and strategies are poised to lead. This analysis, based on surveys and interviews with over 500 advertising and data decision-makers at brands, agencies, and publishers in the U.S., was conducted by IAB and BWG Strategy between November 2023 and February 2024.

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KEY INSIGHTS

01

The industry has now fully acknowledged the privacy-by-design ecosystem.

95% of data and advertising decision-makers at U.S. brands, agencies, and publishers expect continued legislation and signal loss in 2024 and beyond. Two-thirds foresee further rollout of additional state privacy laws which they know will decrease their ability to personalize messaging to consumers in those states.

02

Brands, agencies, and publishers are making significant organizational changes to adapt.

Over 80% say the makeup and structure of their organizations have been impacted by legislation and signal loss. As a result, half to nearly eight-in-ten of the companies are training their staffs in data privacy, creating teams dedicated to business transformation, and tapping external expertise via new hires and consultancy partnerships.

03

The market is facing sweeping declines in accessible, high-quality data.

About three-in-four advertising and data leaders expect the ability to collect and leverage integral consumer data, including browsing history, PII, and location to be continually reduced while 60% expect the same with demo, user preferences, and behavior. Confidence in data accuracy from key partners is falling, including from social media (59%), programmatic (57%), and ad serving companies (52%).

04

Legislation and signal loss have profoundly impacted media planning and buying.

Nearly nine-in-ten ad buyers report shifts in personalization tactics, ad spend, and their mix of first-, second-, and third-party data. Over three-in-four cite selection changes in media channels and KPIs, along with more seller-direct deals. Ad spend that taps first-party data and engages audiences at scale is being prioritized.

LEGISLATION AND SIGNAL LOSS

EXPECTATIONS AND ORGANIZATIONAL ACTIONS

The industry is now acknowledging the privacy-by-design ecosystem

95%

of data and advertising decision-makers at brands, agencies, and publishers **expect continued legislation and signal loss in 2024 and beyond**

n=507
Q: Which of the following do you expect to occur in 2024?

Brands, agencies, and publishers have felt the impact at the organizational level

82%

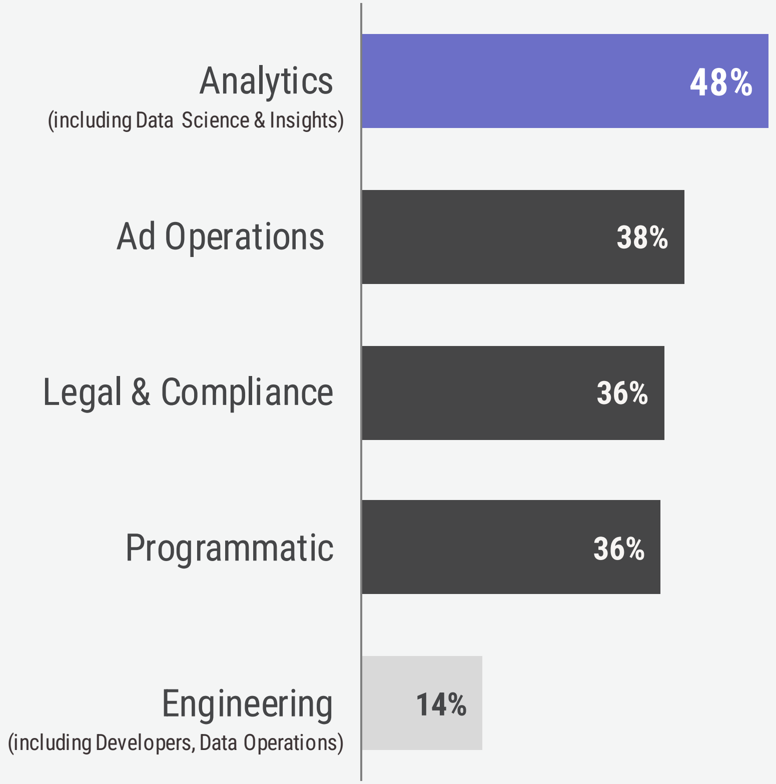
say the **makeup and structure of their organizations** have been impacted by legislation and signal loss

n=507
Q: How would you characterize to date the degree of impact to company operational practices (e.g., how your company staffs and structures teams) from signal loss (e.g., deprecation of third-party cookies and identifiers)?
Q: How would you characterize to date the degree of impact to company operational practices (e.g., how your company staffs and structures teams) from privacy legislation (e.g., state-level privacy laws)?

Analytics departments are being impacted the most by staff changes and restructuring

Along with analytics, one-third of legal and compliance, ad ops, and programmatic departments are being disrupted—due to their heavy reliance on data.

TEAMS MOST IMPACTED REGARDING STAFFING / STRUCTURING BY LEGISLATION & SIGNAL LOSS



COMPANY TYPE DIFFERENCES

51% of **brands and agencies** cite that their media buying and planning teams are among the most impacted while 41% of **publishers** cite the same for their ad sales teams.

n=507; Brands, n=170; Agencies, n=204; Publishers, n=133
Q: Which departments or teams within your company are being impacted the most from a staffing/structuring perspective due to legislation and/or signal loss?

The industry expects new state privacy laws in 2024 which they believe will further decrease message personalization

64%

Expect continued increase in the number of states passing individual privacy laws in 2024

66%

Expect reduced ability to personalize messaging in states that have privacy legislation

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n=507
Q: Which of the following do you expect to occur in 2024?
Q: If Google does deprecate all third-party cookies, and legislation continues to proliferate, how do you expect that will impact your ability to do the following? (Significantly / Somewhat Reduce)

ACTIONS TAKEN

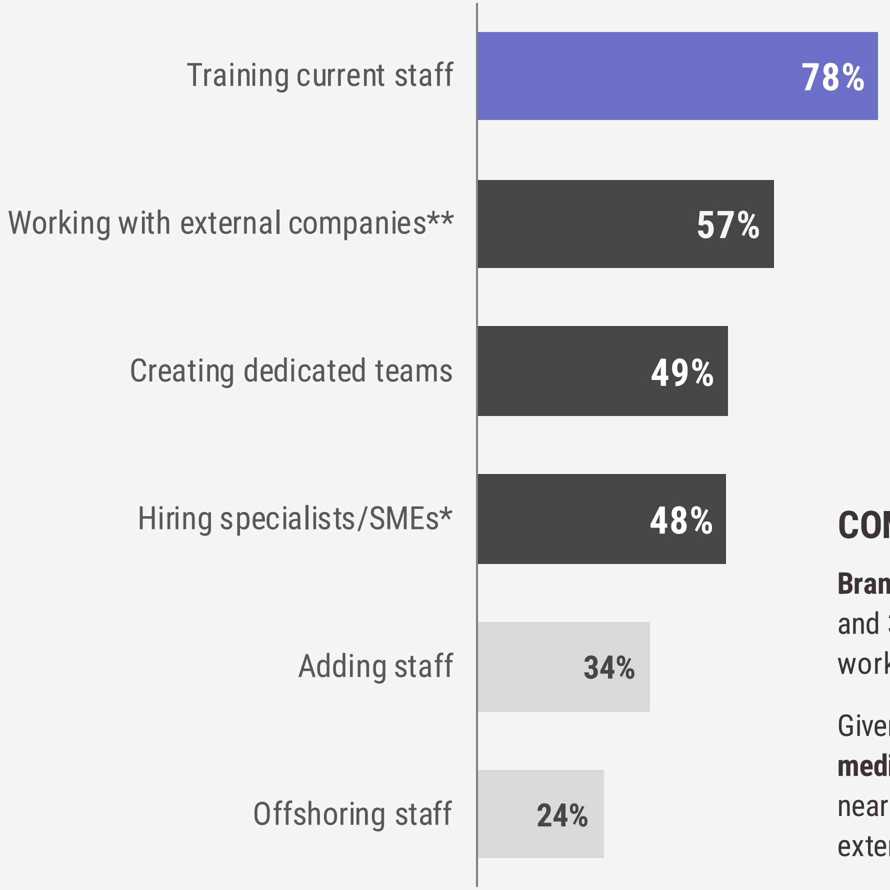
Training is the top organizational action being taken to adapt to the privacy-by-design ecosystem

Along with training, half to nearly 60% are working with external consultancies, agencies, and legal firms, creating dedicated teams, and/or hiring SMEs*.

"We now have our legal experts centralized throughout our ecosystem for knowledge sharing. They've rolled out a series of training sessions to upscale the broader organization."

-Department Head, Data Strategy, Agency

COMPANY CHANGES DUE TO LEGISLATION & SIGNAL LOSS (% DOING / PLANNING TO DO)



COMPANY TYPE DIFFERENCES

Brands are 2x more likely than agencies and 36% more likely than publishers to work with external companies.

Given the high cost of investment, **medium-to-large organizations** are nearly 30% more likely to work with external companies.

*Subject matter experts **Including consultants, agencies, and legal firms
n=507; Brands, n=170; Agencies, n=204; Publishers, n=133; Small companies (annual revenue <$50M), n=166; Medium-to-large companies (annual revenue $50M+), n=302
Q: Is your company making any of the following changes as a result of legislation and/or signal loss?

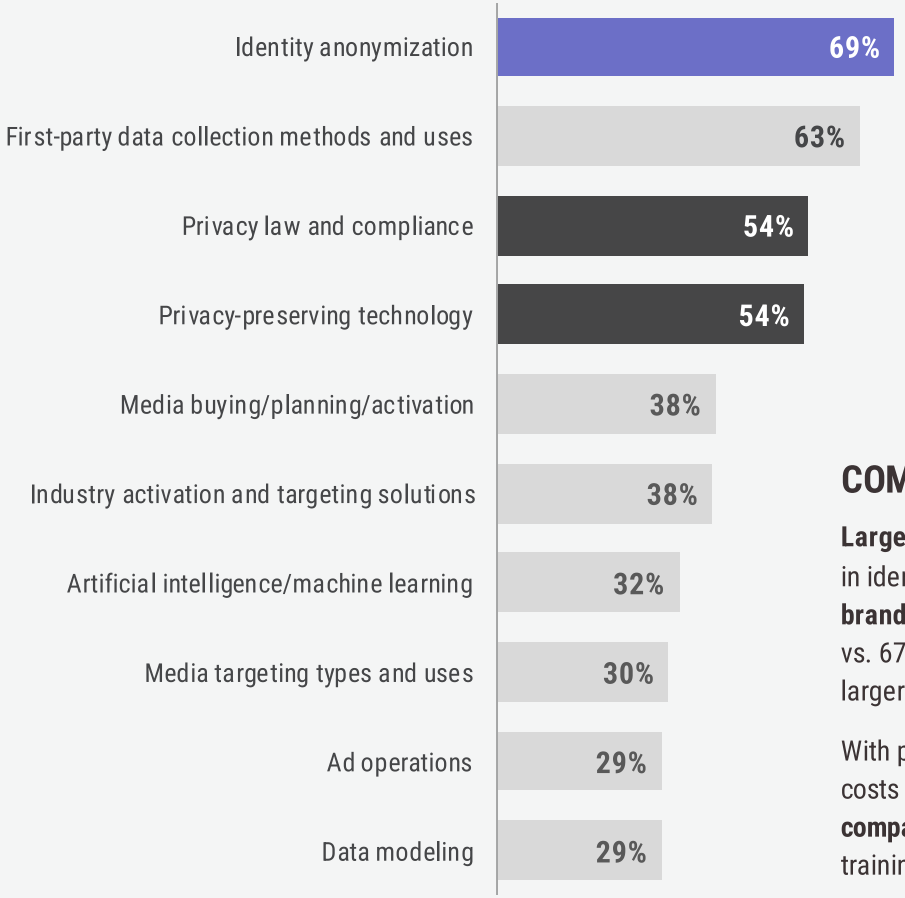
ACTIONS TAKEN

The most common training topics are identity anonymization, privacy law, and privacy tech

Nearly two-thirds are also providing training on the collection and usage of first-party data—a premium resource due to its direct, more-compliant way to maintain high-quality consumer interactions (see pages 24-25 for more information).

AREAS OF STAFF TRAINING DUE TO LEGISLATION & SIGNAL LOSS

(AMONG THOSE PROVIDING / PLANNING TO PROVIDE TRAINING)



COMPANY TYPE DIFFERENCES

Large companies outpace smaller ones in identity training (79% vs. 64%) as do **brands** vs. agencies and publishers (79% vs. 67%, 64%) due to liabilities from larger consumer datasets.

With privacy-preserving technology costs exceeding $2M annually*, **large companies** surpass smaller ones in training (62% vs. 44%).

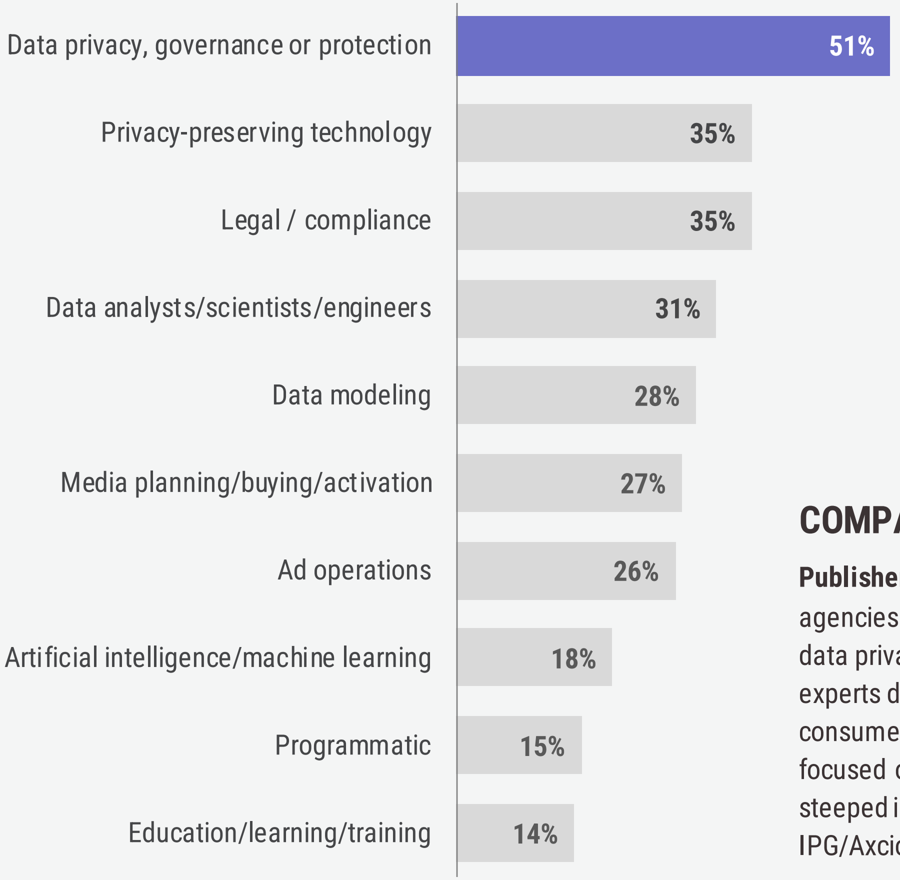
Those providing / planning to provide training, n=394; Brands, n=112; Agencies n=170; Publishers, n=112; Small companies (annual revenue <$50M), n=126; Large companies (annual revenue $250M+), n=149
Q: You indicated that you are providing or planning to provide training to staff members as a result of legislation and/or signal loss. On what topics?
*Source: IAB State of Data 2023

Half of the external SMEs being hired are specialists in data privacy, governance, and protection

Naturally, SMEs are being hired in the same areas where training is being provided and departments are being overhauled.

TYPES OF HIRES DUE TO LEGISLATION & SIGNAL LOSS

(AMONG THOSE HIRING / PLANNING TO HIRE SPECIALISTS/SMEs)



COMPANY TYPE DIFFERENCES

Publishers and brands exceed the agencies (59% & 55% vs. 43%) in hiring data privacy, governance, and protection experts due to their increased liability from consumer data records. **Agencies** have focused on acquiring data companies well-steeped in this topic (e.g., Publicis/Epsilon, IPG/Axciom, etc.).

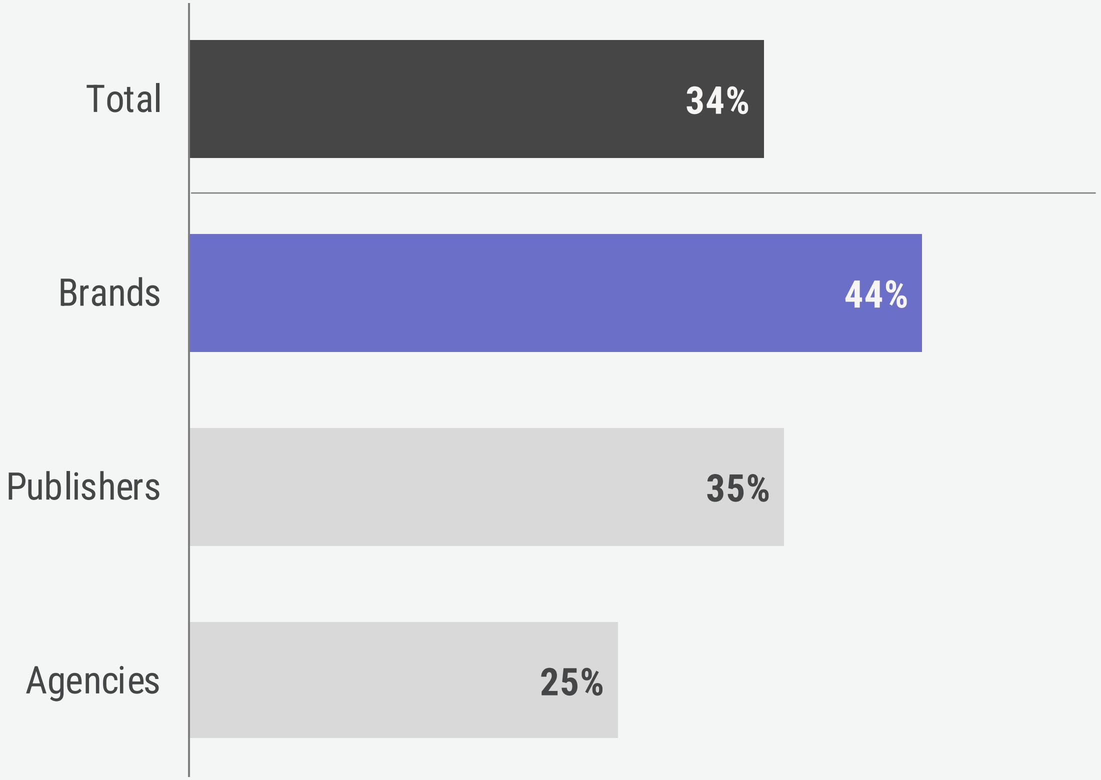
Those hiring / planning to hire specialists/SMEs, n=245; Brands, n=86; Agencies n=98; Publishers, n=61
Q: You indicated that you are hiring or planning to hire specialists/SMEs as a result of legislation and/or signal loss. What type(s) of specialists?

One-third of companies are also seeking external legal expertise

Brands likely outsource legal work more than agencies do primarily because they assess risks across all marketing initiatives, e.g., beyond media investment and other specialized agency areas.

> *"In the last three to five years we've created a data governance pillar under our general counsel. We've had to upscale beyond standard lawyers and bring in outside folks to help us implement protocols and governance about the way we collect and share our data."*
>
> *-VP, Data, Global Beauty Brand*

% RELYING / PLANNING TO RELY ON EXTERNAL LEGAL SUPPORT DUE TO LEGISLATION & SIGNAL LOSS



n=507; Brands, n=170; Agencies, n=204; Publishers, n=133
Q: Is your company making any of the following changes as a result of legislation and/or signal loss?

Though nine-in-ten expect Google Chrome to deprecate third-party cookies at some point, far less expect that to occur in 2024

Questions were fielded February 14 - 22, 2024

94%

Expect Google Chrome will eventually deprecate third-party cookies and identifiers

42%

Expect 2024 will bring full deprecation of all third-party cookies and identifiers in Google Chrome

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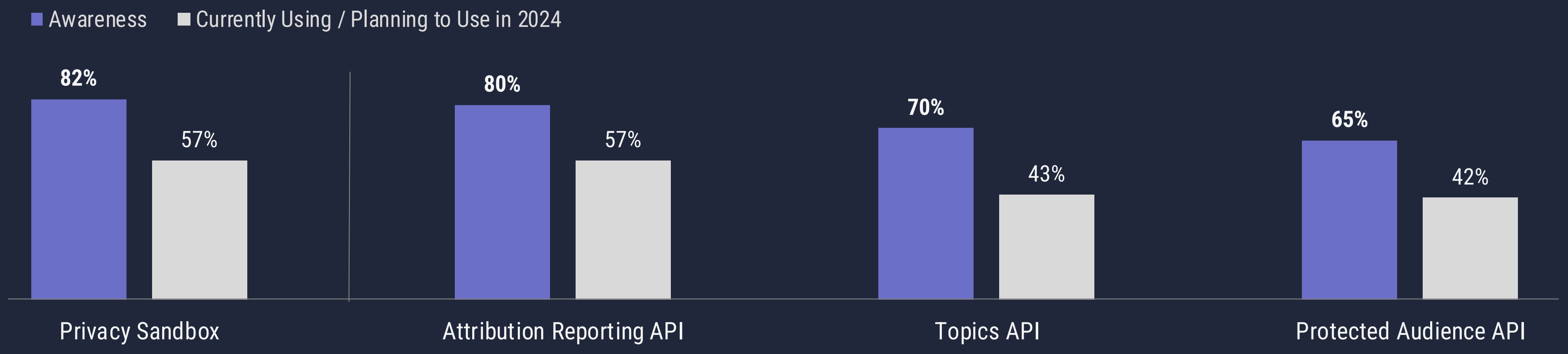
n=242
Q: Which of the following do you expect to occur in 2024?
You indicated that you don't expect full deprecation/blocking of all third-party cookies, data signals, and identifiers in Google Chrome to occur in 2024. When do you expect it to occur?

Although over 80% are aware of Privacy Sandbox, less than 60% are using or planning to use it this year

Awareness of specific Privacy Sandbox APIs does not lag far behind the overall initiative. It's likely that the Attribution Reporting API leads the others as advertisers are most interested in understanding campaign performance and ROAS.

Questions were fielded February 14 - 22, 2024

AWARENESS AND USAGE OF PRIVACY SANDBOX



n=242
Q: Which of the following industry activation and targeting solutions are you aware of or are you using as a result of privacy legislation and/or signal loss?

On iOS, brands, agencies, and publishers expect further limitations this year in tracking and message personalization

Even after the 2021 launch of the App Tracking Transparency framework ("ATT"), Apple continues to deprecate signals and identifiers. For example, the release of iOS 17 in 2023 saw the removal of URL tracking parameters across Apple Mail, Messages, and Safari "Private Browsing" which further impedes user tracking and campaign measurement.

70%

Expect continued deprecation of third-party cookies, data signals, and identifiers in Apple iOS in 2024

61%

Expect their ability to personalize messaging on Apple iOS to be reduced

n=507
Q: Which of the following do you expect to occur in 2024?
Q: If Google does deprecate all third-party cookies, and legislation continues to proliferate, how do you expect that will impact your ability to do the following? (Significantly / Somewhat Reduce)

As a result, most ad buyers of iOS in 2023 are not increasing spend there in 2024

"We are finding with programmatic that it's increasingly expensive to convert iOS users, and even to serve ads to these users without a mobile-specific DSP."

-Director, Media Planning, Apparel Brand

"We are looking into alternative options to recapture some of the traction that has been lost since iOS 14.5. We're re-evaluating device targeting, understanding what portion of budget can/should go to mobile vs desktop, and preparing clients for increased costs year-over-year."

-Department Head, Media Planning, Agency

70%

Of brand and agency ad buyers who ran ads on iOS devices in 2023 will decrease or only maintain their investment in 2024

1/3

Of companies overall are leveraging or planning to leverage SKAdNetwork which is essential for measurement in iOS

n=507; Ad buyers who ran ads on iOS devices in 2023, n=261
Q: Which of the following industry activation and targeting solutions are you aware of or are using as a result of legislation and/or signal loss?
Q: As a result of legislation and/or signal loss, do you plan to spend more or less on the following in 2024?

SECTION
2

DATA QUALITY

CHALLENGES AND ACTIONS

Brands, agencies, and publishers recognize significant limitations in data collection—resulting in diminished quality

These limitations severely reduce the ability to gain insight into integral consumer data, including behaviors, PII, location, and preferences, while also slowing down the pace in which they receive data at all.

"As we've started to lose some of these data signals and we can no longer effectively remarket, we've certain seen a drop off in performance. We certainly saw a decrease in the quality of our audience and with that an increase in cost per conversions."

-SVP, Analytics, Agency

72%

Expect their ability to use or access browser history, real-time signals, PII (e.g., email, name) and location (e.g., IP address, GPS) to be reduced

61%

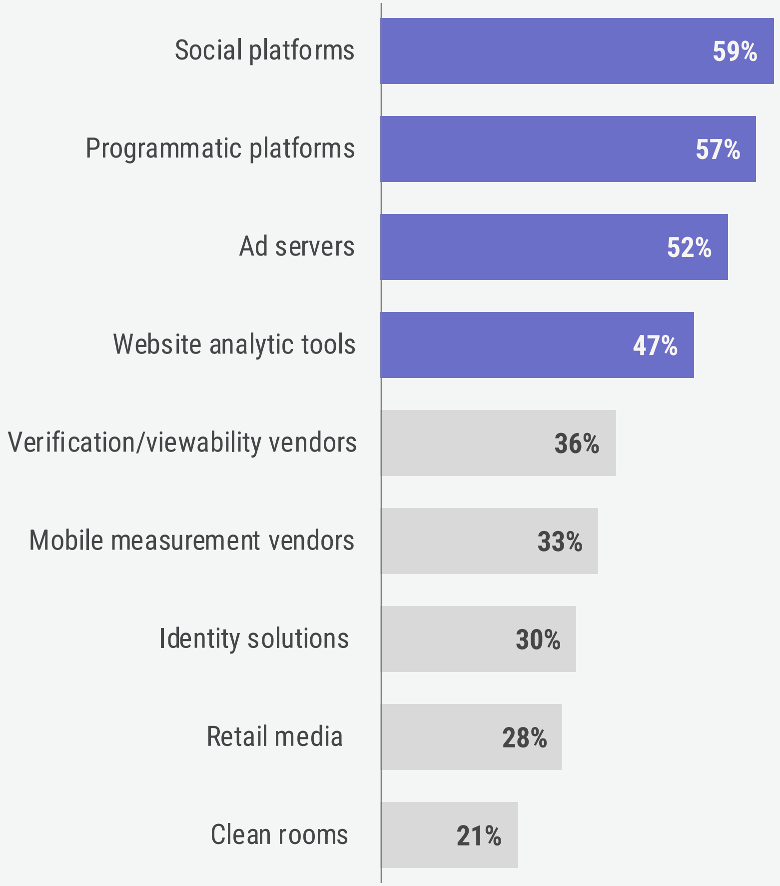
Expect it to be harder to collect demo, user preferences, and behavior from third-parties

n=507; Data decision-makers, n=150
Q: If Google does deprecate all third-party cookies, and legislation continues to proliferate, how do you expect that will impact your ability to do the following? (Significantly / Somewhat Reduce)
Q: Which of the following best describes the effect that legislation and/or signal loss has had or you expect will have on the data that you can collect through third-party partners?

Companies are losing confidence in the accuracy of data received from key ad partners

Nearly half to 60% are less confident in the data being used by social media, programmatic platforms, ad servers, and website analytic tools.

% LESS CONFIDENT IN THE ACCURACY OF DATA THAT THEY RECEIVE FROM AD PARTNERS DUE TO LEGISLATION & SIGNAL LOSS



COMPANY TYPE DIFFERENCES

Two-thirds to three-fourths of **tech advertisers** are less confident in the accuracy of data from social, programmatic, and ad servers.

Nearly 70% of **financial advertisers** and 60% to 66% of **health advertisers** are less confident in programmatic and ad serving data accuracy.

n=507

Q: Have legislation and/or signal loss impacted your CONFIDENCE in the accuracy of data you receive or will receive from the following ad partners? (Significantly / Somewhat Less Confident)

Measurement effectiveness is being disabled by lower data quality and accuracy

Nearly three-quarters of companies are experiencing and expecting more hurdles with measurement—the key to understanding performance and ROI.

This is pushing ad investment to walled gardens where personalized messaging and conversion signals comingle to power closed-loop measurement (see page 31 for more information).

73%

Expect their ability to attribute campaign/channel performance, measure ROI, track conversions (incl. post-view), and optimize campaigns to be reduced

57%

Of companies expect it to be harder to capture reach and frequency

n=507
Q: If Google does deprecate all third-party cookies, and legislation continues to proliferate, how do you expect that will impact your ability to do the following? (Significantly / Somewhat Reduce)
Q: Which of the following best describes the effect that signal loss has had or you expect will have on measuring the following KPIs?

To improve data quality, brands, agencies, and publishers are turning to first-party and data enrichment tools.

They are also adopting analytical methods, including artificial intelligence (AI), machine learning, and media mix modeling, which are less dependent on tracking signals and third-party cookies.

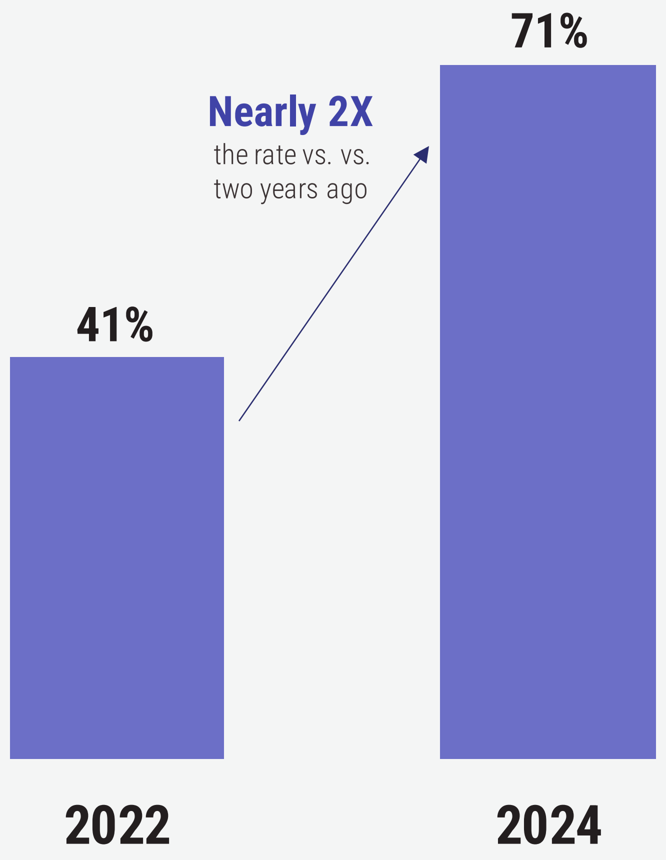
71% of brands, agencies and publishers are increasing their first-party datasets

The shift to first-party data is a strategic response to legislation and signal loss as it offers companies a way to maintain high-quality consumer interactions, ensure compliance with privacy laws, and build more sustainable marketing and data analytics strategies.

35%

Those increasing their first-party datasets in 2024 anticipate an average growth rate of 35% within the next 12 months.

% EXPECT TO INCREASE FIRST-PARTY DATASETS



COMPANY TYPE DIFFERENCES

At 80%, **publishers** are leading the initiative vs brands and agencies (67% & 64%) since on average only 20-30% of publisher audiences are “known” i.e., deterministic per IAB’s State of Data 2022 Part II report.

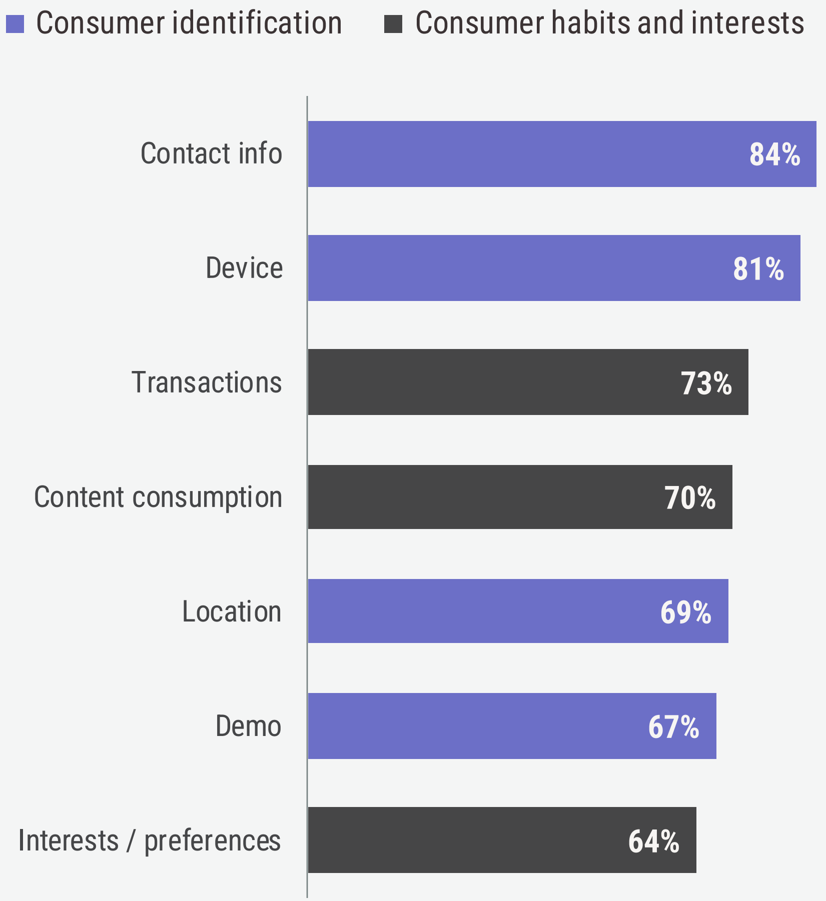
Data decision-makers, n=150; Brands, n=52; Agencies n=47; Publishers, n=51; State of Data 2022 data users: n=125
Q: Does your company have any plans within the next 12 months to grow its first-party data set to support media efforts? And if yes, by how much?
State of Data 2022 Survey Q: How do you expect the coming changes to 3P cookies and identifiers will affect your company’s use of data? (Increase spending / emphasis on use of 1P data)

An array of first-party data points are being collected in the creation of robust consumer profiles

Companies are collecting consumer data points that enable them to identify who a specific consumer is (e.g., contact info and device) and then know their habits and interests, including transaction history and content consumption.

FIRST-PARTY DATA POINTS BEING COLLECTED IN 2024

(ONLY ANSWER CHOICES 60%+ ARE SHOWN)



COMPANY TYPE DIFFERENCES

Publishers and agencies are exceeding brands in collecting content consumption data (77% and 72% vs. 62%).

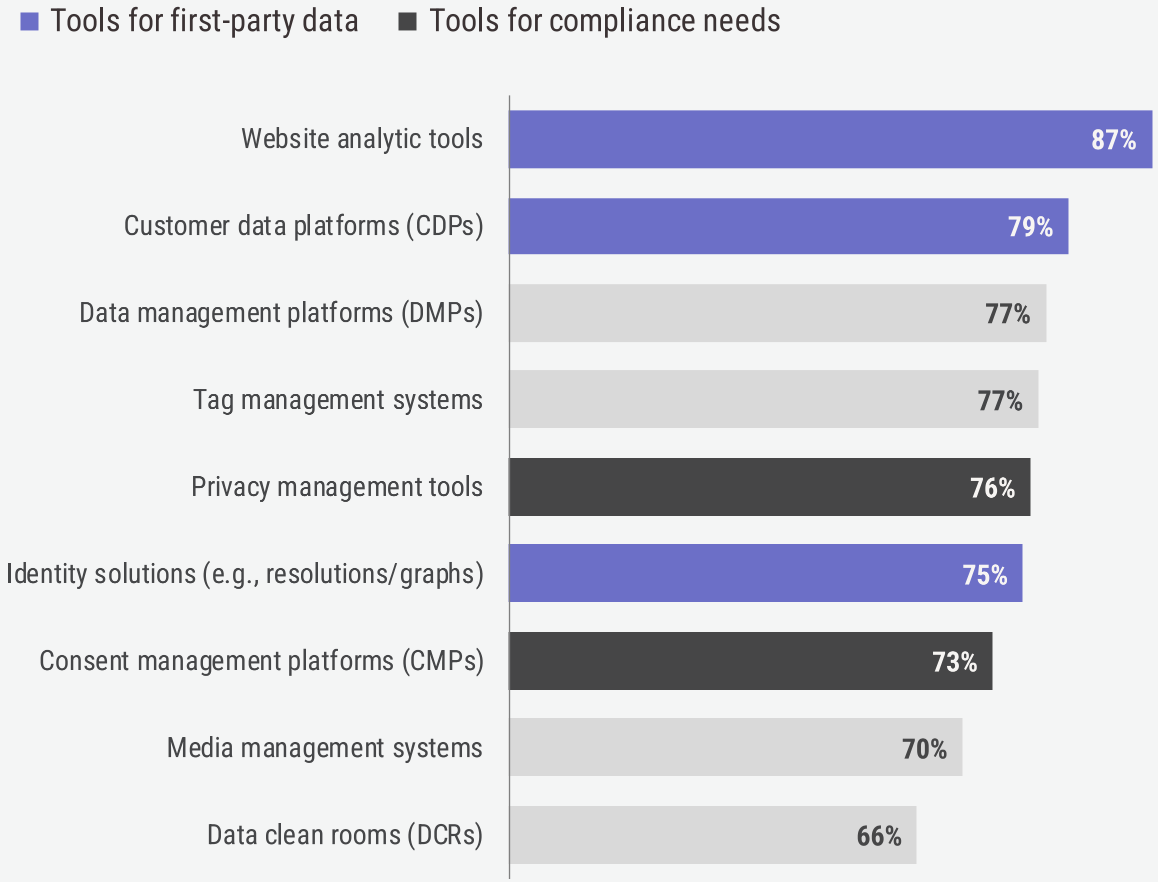
Data decision-makers, n=150; Those providing / planning to provide training, n=394; Small companies (annual revenue <$50M), n=126; Medium-to-large companies (annual revenue $50M+), n=241
Q: What first-party audience data points is your company currently collecting to support media efforts?
Q: You indicated that you are providing or planning to provide training to staff members as a result of legislation and/or signal loss. On what topics?

Tech stacks are being built to capture, organize, and enrich data while ensuring consent and compliance

The investment in web analytic tools, customer data platforms, and identity solutions are integral to leveraging first-party data, while consent management platforms and new privacy management tools handle the compliance needs.

% INVESTING / PLANNING TO INVEST DUE TO LEGISLATION & SIGNAL LOSS

(ONLY ANSWER CHOICES 60%+ ARE SHOWN)



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Data decision-makers, n=150
Q: As a result of legislation and/or signals loss, which of the following best describes your usage/adoption level of the following tools, software and/or third-party partnerships?

ACTIONS TAKEN

One-third of brands, agencies, and publishers are using AI to enhance their first-party data sets

AI algorithms analyze first-party data collected directly from consumers through interactions on websites, apps, and other digital platforms. By extracting patterns, AI helps enrich datasets, and provides deeper insights into consumer profiles and preferences.

Adoption is projected to increase as companies determine how to incorporate and validate the data that power the AI models.

32%

Are currently using AI and machine learning to enhance their first-party consumer profiles or records

1/3

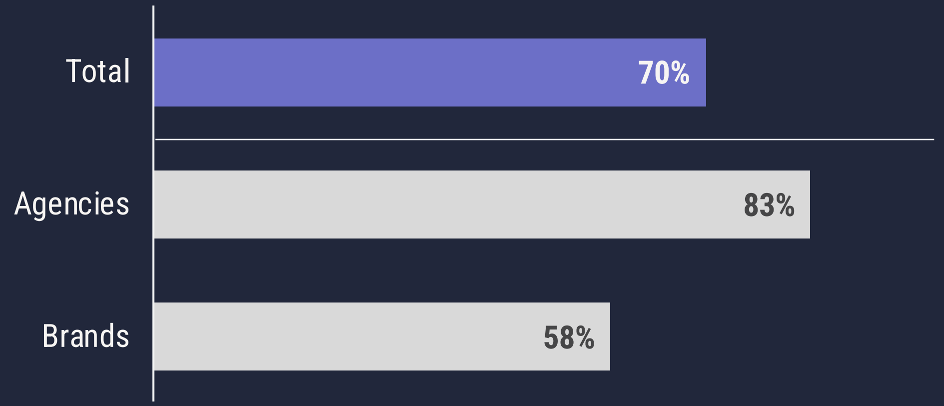
Of those providing training to adapt to the privacy-by-design ecosystem are focusing on AI, machine learning, and data modeling

Data decision-makers, n=150; Those providing / planning to provide training, n=394
Q: Do you use any of the following techniques to enhance your consumer profiles or records?
Q: You indicated that you are providing or planning to provide training to staff members as a result of legislation and/or signal loss. On what topics?

Brands and agencies are tapping into legacy measurement technology that is not third-party cookie-based and less reliant on signals

Media mix modeling and multi-touch attribution provide alternative ways to measure advertising effectiveness across different channels and touchpoints. Although buyers do express concerns with the accuracy and data quality within these tools, they are working on ways to improve their effectiveness.

% BUY-SIDE INVESTING / PLANNING TO INVEST IN MEDIA MIX MODELING DUE TO LEGISLATION & SIGNAL LOSS



76%

Of brands and agencies are investing or planning to invest in new forms of multi-touch attribution due to legislation and signal loss

Buy-side data decision-makers, n=99; Brands, n=52; Agencies n=47
Q: As a result of legislation and/or signals loss, which of the following best describes your usage/adoption level of the following tools, software and/or third-party partnerships?

PRIVACY-BY-DESIGN ECOSYSTEM

AD INVESTMENT ACTIONS

SECTION 3

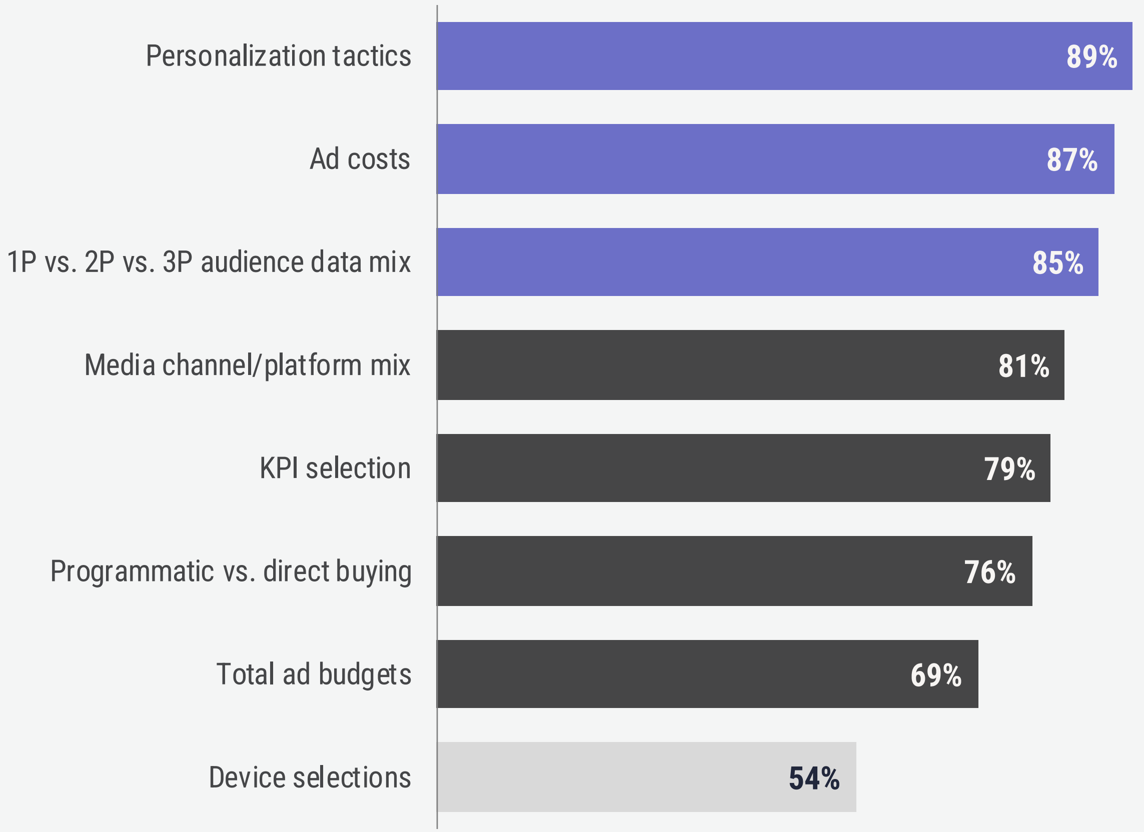
Legislation and signal loss have had a material impact on media planning and buying

Almost 90% of ad buyers report that their personalization strategies, ad investment costs, and mix of data across first-, second-, and third-party sources are being redesigned.

Over three-fourths also cite the impact on their selection of media channels and KPIs, as well as their activation methods—programmatic vs. direct.

> *"We've had to rapidly think differently about how we can optimize our media and really deliver ROI when our signals have suddenly become so deeply obfuscated. We've lost almost 70 to 80%. It's been a scramble to recalibrate and reestablish what good looks like."*
>
> *-SVP, Analytics, Agency*

ASPECTS OF MEDIA PLANS AND ACTIVATION IMPACTED BY LEGISLATION & SIGNAL LOSS



Brand and agency ad buyers, n=275
Q: How would you characterize to date the degree of impact of privacy legislation (e.g., state-level privacy laws) and/or signal loss (e.g., deprecation of third-party cookies and identifiers) on the following aspects of your media plans? (Significant / Somewhat Impact)

Ad buyers are increasing spend where they can tap into 1P data and reach engaged audiences at scale

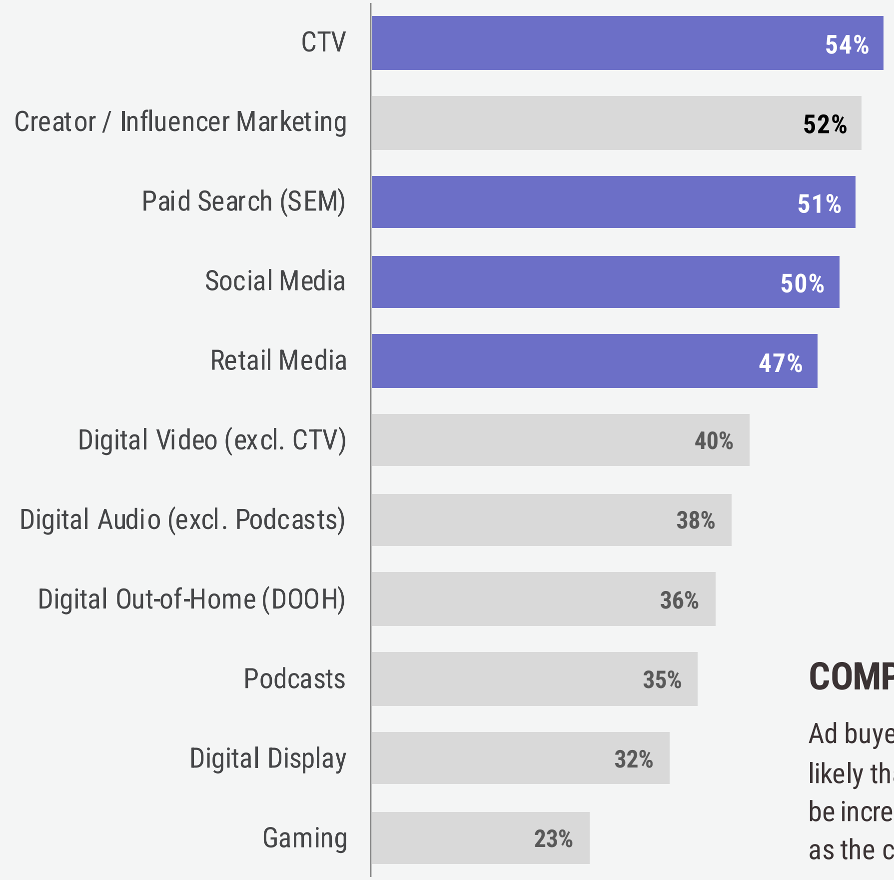
About half of ad buyers who ran in CTV, search, social, and retail media in 2023 are increasing spend in those channels in 2024.

Increased spend in these non-interoperable, walled gardens impedes detailed and consistent performance assessment across environments.

> *"Having a logged-in user drives a distinct advantage. CTV and the walled gardens are well positioned because of it and a strong first-party dataset that allows you to be much more creative when you lose identity signals for targeting and data sharing."*
>
> *-VP, Data, Publisher*

% INCREASING 2024 AD SPEND DUE TO LEGISLATION & SIGNAL LOSS, BY CHANNEL

(AMONG 2023 AD BUYERS)



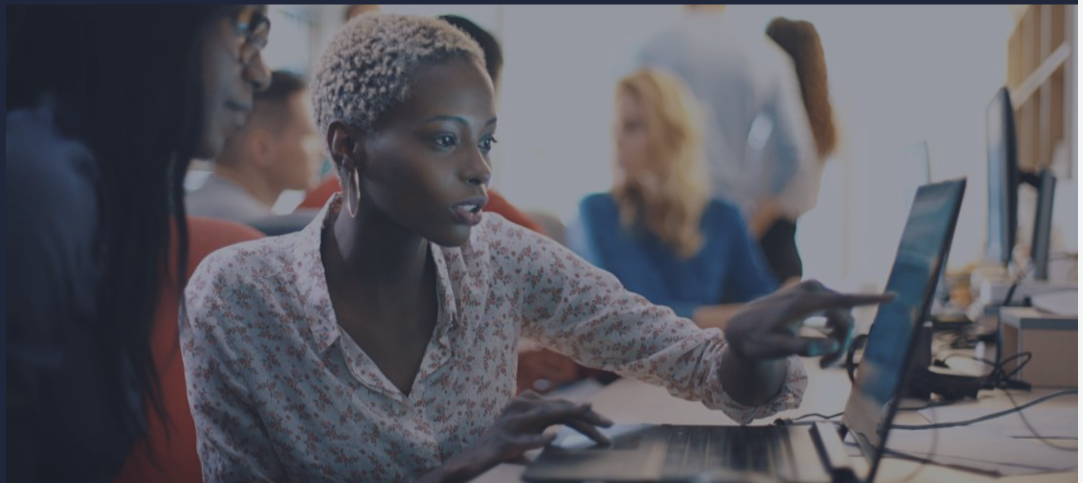
COMPANY TYPE DIFFERENCES

Ad buyers at **large companies** are more likely than those at small companies to be increasing CTV spend (62% vs. 49%) as the channel's CPMs are high.

n=floating base – 2023 brand and agency ad buyers
Q: As a result of privacy legislation and/or signal loss, do you plan to spend more or less on the following in 2024?

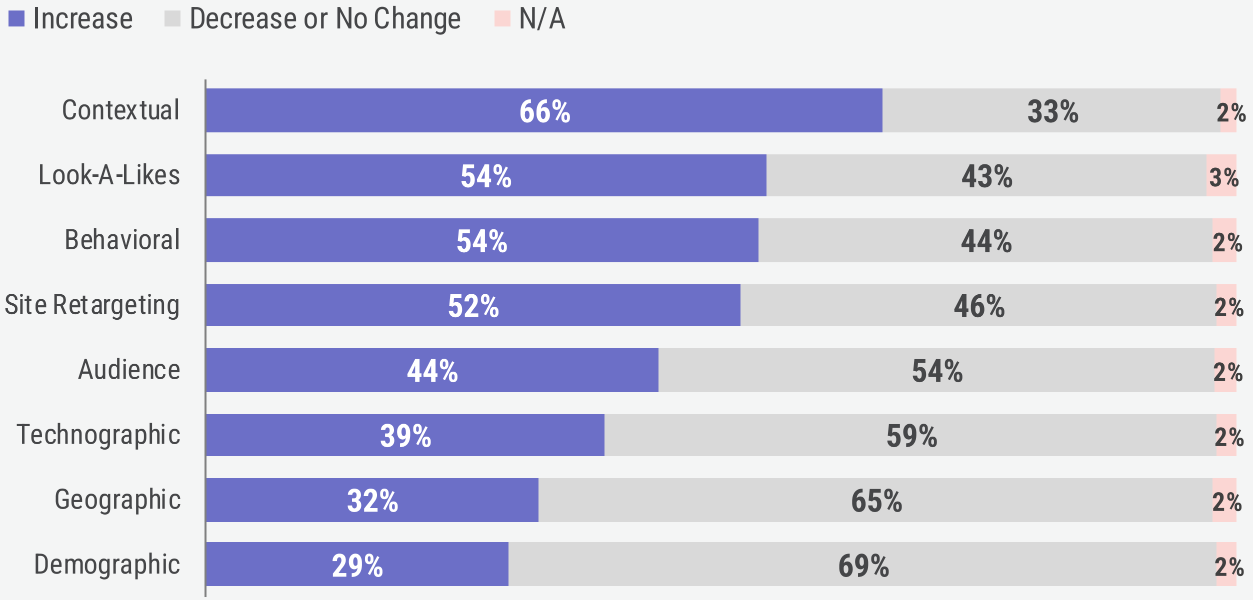
Ad buyers are further investing in contextual—a tactic unlikely to be limited by privacy and signal loss

In 2024, 66% of current contextual ad buyers plan to boost their investments, while two-thirds of geographic and demographic data purchasers intend to reduce or maintain their current levels due to their reliance on third-party cookies.



% INCREASING 2024 AD SPEND DUE TO LEGISLATION & SIGNAL LOSS, BY TACTIC

(AMONG 2023 AD BUYERS)



COMPANY TYPE DIFFERENCES

As they typically have higher ad budgets, **agencies** are more likely to be increasing contextual (73% vs. 56%) and look-alike tactics (59% vs. 48%) than brands. Similarly, **medium-to-large companies** are more likely to be increasing contextual than small companies (70% vs. 56%).

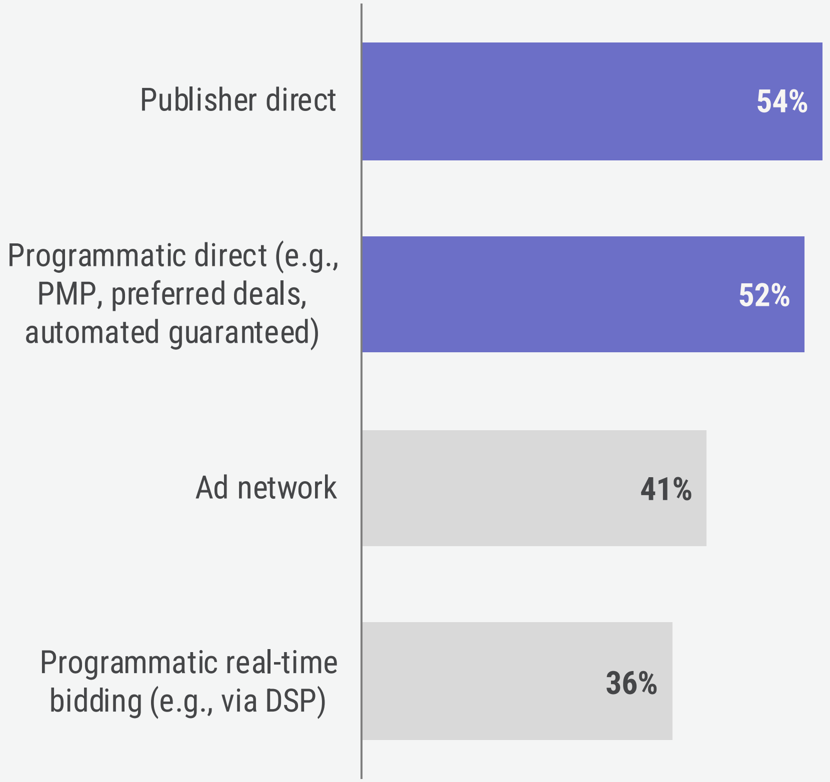
n=floating base – 2023 brand and agency ad buyers
Q: As a result of privacy legislation and/or signal loss, do you plan to spend more or less on the following in 2024?

Ad buyers are working more directly with publishers to leverage 1P data and appear in trusted environments

More than half of ad buyers who leveraged publisher direct and programmatic direct methods (e.g., PMP) in 2023 are increasing those investments in 2024 due to the higher levels of transparency and lower levels of ad waste.

% INCREASING 2024 AD SPEND DUE TO LEGISLATION & SIGNAL LOSS, BY ACTIVATION METHOD

(AMONG 2023 AD BUYERS)



COMPANY TYPE DIFFERENCES

Agencies are also significantly more likely to be tapping into programmatic direct than brands (57% vs. 43%)—likely due to their robust industry relationships.

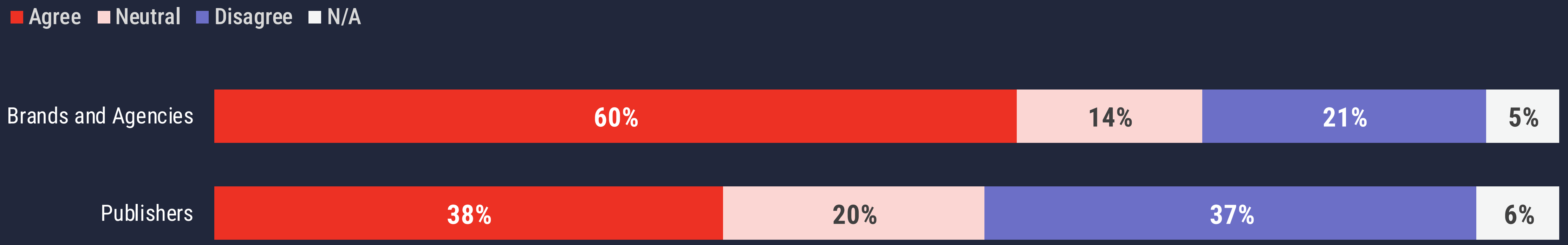
n=floating base – 2023 brand and agency ad buyers
Q: As a result of privacy legislation and/or signal loss, do you plan to spend more or less on the following in 2024?

To ensure compliance, companies are adjusting their ad-serving at the state level—though ad buyers and sellers differ in their approaches

60% of brand and agency ad buyers are using/planning to use a one-size-fits-all approach ("strictest common denominator") across states while publishers are split between using/planning to use it or not (38% vs. 37%).

Ad buyers favor a uniform approach for its consistency and ease across campaigns, whereas some publishers prefer a state-by-state strategy to preserve products and maximize audience monetization.

AGREEMENT WITH USING / PLANNING TO USE A ONE-SIZE FITS ALL APPROACH ACROSS STATES WITH PRIVACY LAWS AND/OR NATIONALLY



Brand and agency ad buyers, n=275; Publisher sellers, n=82
Q: How much do you agree or disagree with the following statements about your approach to serving ads as a result of privacy legislation (e.g., state-level privacy laws)?

SECTION 4

RECOMMENDATIONS

EMBRACING THE PRIVACY-BY-DESIGN ECOSYSTEM

Act Now

Below are four key focus areas to acclimate your company to the privacy-by-design ecosystem. Determine where to start based on your organization's current progress.

1. **Imbed privacy principles into all aspects of your business**
2. **Invest in specialist talent and expertise**
3. **Implement data practices that mitigate quality challenges**
4. **Innovate via new tools and technology**

See the following two pages for more details on the above.

Key focus areas (1 of 2)

1) IMBED PRIVACY PRINCIPLES INTO ALL ASPECTS OF YOUR BUSINESS

- ❑ **INTEGRATE PRIVACY-BY-DESIGN FROM THE BEGINNING**

  Integrating privacy considerations into all projects and decisions from the outset ensures that privacy controls are foundational, mitigates risk, and builds trust with consumers.

- ❑ **CULTIVATE A PRIVACY-CENTRIC CULTURE**

  Foster a company-wide culture that values privacy and security through regular communication of its importance as both a legal requirement and a commitment to consumers. Empower every employee to contribute.

- ❑ **ASSESS RETURN ON INVESTMENT (ROI) FOR PRIVACY INITIATIVES**

  Consider the ROI for privacy measures, both the tangible and intangible benefits such as avoiding fines, building customer trust, and enhancing market reputation.

2) INVEST IN SPECIALIST TALENT AND EXPERTISE

- ❑ **UPSKILL TEAM MEMBERS**

  Commit to continuous learning for staff on privacy laws, data management practices, and emerging technologies. Provide formal training programs and workshops as well as access to industry conferences to ensure employees stay updated and have a forum to exchange ideas with peers.

- ❑ **HIRE OR CONTRACT SPECIALISTS/SMEs**

  Employ experts in privacy law, data science, and security who can help navigate complex privacy landscapes, anticipate challenges, devise robust strategies, and transform a company's approach from reactive to proactive.

- ❑ **SEEK EXTERNAL PARTNERSHIPS**

  Partner with technology providers, consultancies, and/or legal experts for guidance, best practices, and help finding new, compliant ways to engage consumers–while saving costs and the burden of in-house development.

Key focus areas (2 of 2)

3) IMPLEMENT DATA PRACTICES THAT MITIGATE QUALITY CHALLENGES

- ### INVEST IN FIRST-PARTY DATA

  Prioritize this investment via new collection methods on O&O channels and/or through external partnerships to foster direct relationships with consumers. Ensure clear user consent for data usage.

- ### PRIORITIZE DATA MINIMIZATION AND QUALITY

  Collect only relevant, necessary data for key business functions that align with privacy legislation to navigate the new reality with purpose, reduce resource burden, and avoid processing excess information.

- ### OPTIMIZE COMPANY TECHNOLOGY STACK FOR EFFICIENCY

  Gain an understanding of the flow of data within your organization, identify any overlapping functionality, and evaluate each tool's cost-benefit ratio to determine if activities can be consolidated and/or simplified. This will allow for reduced complexity, enhanced data quality, and the ability to reallocate resources for innovation and growth.

4) INNOVATE VIA NEW TOOLS AND TECHNOLOGY

- ### INVEST IN PRIVACY MANAGEMENT TOOLS

  Utilize privacy enhancing technology (PETS) and management tools like IAB's Diligence Platform that assess compliance with legislation and recommend improvements. These tools are essential for streamlining privacy management, protecting sensitive data, and adapting to regulatory changes.

- ### EMBRACE AI WITH A CALL FOR RESPONSIBLE INNOVATION

  Leverage AI to analyze vast amounts of user data and optimize campaign performance, while ensuring compliance with legislation. Collaborate within the ad industry to establish best practices and share insights and ethnical frameworks to ensure that AI drives positive change without manipulation or intrusion.

A perspective from IAB's Measurement, Addressability & Data Center

Adopting privacy-by-design is vital, not just for compliance but as a strategic imperative to do what is in consumers' best interests and to reinforce our responsibility as industry leaders. By embedding privacy into their operations, businesses can directly address concerns over excessive data collection while enhancing consumer trust and loyalty—key drivers of economic success. Achieving a balance between protecting consumer privacy and driving economic growth is crucial. This approach not only respects individual rights but also supports innovation and enables a competitive marketplace.

Ignoring privacy risks can lead to regulatory fines and undermine public trust in advertising, potentially harming consumer engagement and economic performance. Keeping up with evolving privacy standards is critical for companies aiming to maintain a positive market position and ensure long-term success.

However, the industry faces hurdles, notably the lack of clear regulatory guidance and technological structure to support diverse business use cases. A privacy framework that prioritizes consumer rights while enabling companies to efficiently target consumers and provide effective measurement and attribution is essential.

Privacy-by-design is more than a compliance requirement; it's a commitment to aligning business practices with modern values of privacy. Implementing it requires careful thought and planning to ensure that privacy measures are deeply integrated and not hastily added, which could dilute their effectiveness, compromise consumer trust, and lead to potential revenue and profitability loss.

Companies that integrate privacy into their operations thoughtfully not only mitigate backlash but also positively influence public attitudes towards advertising.

Embracing privacy-by-design collectively can spark a wave of innovation and growth, pioneer new advertising models and technologies that honor consumer privacy, and drive brand engagement. This concerted effort can significantly enhance the industry's standing and pave the way for economic opportunities previously unimagined.

APPENDIX

SECTION
5

Further resources from IAB and IAB Tech Lab

- **IAB Tech Lab's Accountability Platform** provides the industry a way to transparently show that user preference signals are being passed and/or received as is and have not been altered across the digital ad supply chain.

- **IAB Tech Lab's Data Clean Rooms: Guidance and Recommended Practices** is an informational guide for companies to understand DCR functions and evaluate different offerings against their own privacy policy and requirements.

- **IAB Tech Lab's Data Deletion Request Framework** is a specification that standardizes and facilitates the handling of user data-deletion requests as consumer privacy rights evolve.

- **IAB Diligence Platform**, a hub powered by SafeGuard Privacy, enables companies to complete a questionnaire containing a standard set of privacy questions. These questions can be utilized for assessing their practices, vetting partners, and staying updated as legislation evolves.

- **IAB Tech Lab's Global Privacy Platform (GPP)** is a standard mechanism for communicating user preference signals to help the industry comply with privacy legislation. Implementation allows companies to understand per market whether they have appropriate permissions to collect and/or process consumer personal information, and for what purpose.

- **IAB's Internet for Growth initiative** promotes the transformative role the advertising-supported internet and data-driven, digital advertising plays in empowering America's small businesses and local economies.

- **IAB Multi-State Privacy Agreement (MSPA)** creates a common framework with a consistent, transparent set of privacy terms for advertisers, agencies, technology vendors, and publishers to use when implementing the new privacy laws taking effect in 2023 and beyond.

- **IAB Tech Lab's Privacy Sandbox Fit Gap Analysis** is a comprehensive analysis shedding light on the implications of the elimination of third-party cookie-based tracking from Google Chrome and challenges associated with the industry's adoption of Privacy Sandbox.

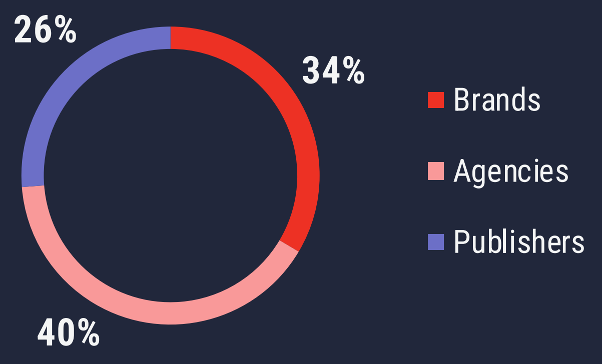
- **IAB State Privacy Law Survey Results** provides insights from a recent survey of publishers, sell-side and buy-side ad tech companies, agencies, brands, and law firms regarding the implementation of the new state privacy laws and best practices.

- **IAB U.S. Multi-State Privacy Toolkit** provides an overview of the important state privacy law compliance priorities for publishers, advertisers, and the technology companies, which can be used to conceptualize and build a compliance program.

METHODOLOGY & RESPONDENT PROFILE

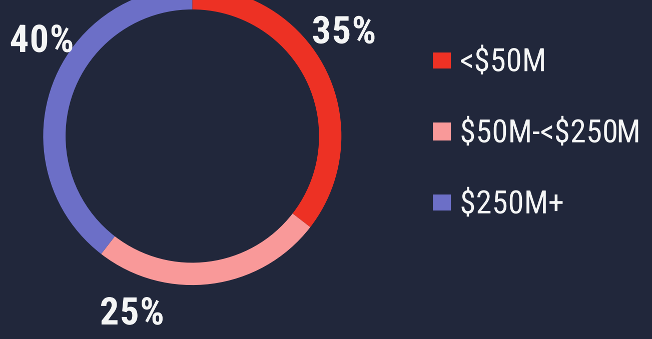
IAB, in partnership with BWG Strategy, surveyed and interviewed over 500 U.S. data and advertising decision-makers at brands, agencies, and publishers between November 2023 and February 2024 to understand the real-world implications of legislation and signal loss on advertising practices, data practices, and company operations.

COMPANY TYPE

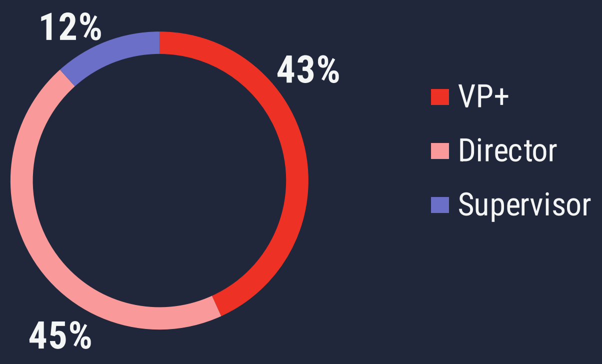


COMPANY SIZE

(BASED ON ANNUAL REVENUE)



JOB TITLE



ABOUT IAB

The Interactive Advertising Bureau empowers the media and marketing industries to thrive in the digital economy. Its membership comprises more than 700 leading media companies, brands, agencies, and the technology firms responsible for selling, delivering, and optimizing digital ad marketing campaigns. The trade group fields critical research on interactive advertising, while also educating brands, agencies, and the wider business community on the importance of digital marketing. In affiliation with the IAB Tech Lab, IAB develops technical standards and solutions. IAB is committed to professional development and elevating the knowledge, skills, expertise, and diversity of the workforce across the industry. Through the work of its public policy office in Washington, D.C., the trade association advocates for its members and promotes the value of the interactive advertising industry to legislators and policymakers. Founded in 1996, IAB is headquartered in New York City.

ABOUT BWG STRATEGY

Established in 2013, BWG Strategy is a primary research firm with an unwavering commitment to data quality. Our journey began with hosting live in-person events featuring industry thought leaders in New York City. These events have established BWG as a trusted thought partner to the buyside community.

As BWG's reputation for investment-grade insights grew, so did the strong client following. Today, BWG's research is leveraged by 300+ investment firms managing over $6T in assets. BWG supports multi-strategy funds, private equity and venture capital investors, as well as corporate decision makers in finding answers to their most challenging questions.

BWG Custom Research, the firms' fastest growing segment, delivers meticulously tailored custom research projects to help clients in their research and decision making. BWG Custom Research team is proud to serve a diverse client portfolio that spans the top private equity and management consulting firms, and Fortune 500 corporations. BWG Custom Research offers solutions for a wide array of use cases, including product marketing, mergers and acquisitions, customer and competitor studies and thought leadership. This dynamic evolution underscores BWG Strategy's commitment to providing innovative, tailored research solutions that empower its clients to excel in an ever-changing business landscape.

ABOUT THE IAB MEASUREMENT, ADDRESSABILITY, AND DATA CENTER

MEASUREMENT, ADDRESSABILITY & DATA CENTER

The collection and use of data to reach audiences and measure online advertising campaigns is central to powering the digital advertising ecosystem. IAB's Measurement, Addressability & Data Center aims to provide essential industry guidance and education on solutions amid changes in underlying technology, privacy regulations in a constantly evolving ecosystem.

- Develop measurement and addressability standards, best practices, and guidelines for digital media.
- Identify requirements for improving data assets for brand suitability, brand safety, transparency, and trust.
- Provide updated standard IAB Terms & Conditions to allow companies to transact more efficiently.
- Deliver guidance on new addressability and measurement solutions of known and unknown audiences and/or changes in the marketplace.
- Accelerate the development of effective emerging markets, such as retail media networks, data clean rooms, etc.

IAB Measurement, Addressability, and Data Center Board Member Companies

Acxiom	Havas Media	Roundel
Amazon Ads	Hearts & Science	The Mars Agency
Audigent	Horizon Media	The Trade Desk
Bayer	Infillion	TikTok
Canvas Worldwide	Meta	TransUnion
Dentsu	Monster Energy	Visit Orlando
Dotdash Meredith	Nielsen	Wavemaker
DoubleVerify	Nomology	Western Union
Experian	Pinterest	Yahoo
Google	Quigley Simpson	

ABOUT OUR SPONSORS

Platinum Sponsor
Comscore (NASDAQ: SCOR) is a global, trusted partner for planning, transacting, and evaluating media across platforms. With a data footprint that combines digital, linear TV, over-the-top and theatrical viewership intelligence with advanced audience insights, Comscore empowers media buyers and sellers to quantify their multi-screen behavior and make meaningful business decisions with confidence. A proven leader in measuring digital and TV audiences and advertising at scale, Comscore is the industry's emerging, third-party source for reliable and comprehensive cross-platform measurement.

Platinum Sponsor
Dstillery is the leading AI ad targeting company. We empower brands and agencies to target their best prospects for high-performing programmatic advertising campaigns. Backed by our award-winning Data Science, Dstillery has earned 21 patents (and counting) for the AI technology that powers our precise, scalable audiences. Our newest technology, ID-free®, is patented, privacy-safe behavioral targeting that reaches 100% of ad impressions and can be used with any Dstillery product. Our premier user segment product, Custom AI Audiences, is a just-for-your-brand targeting solution that refreshes hundreds of millions of users every 24 hours to deliver the best performance. To learn more, visit us at www.dstillery.com or follow us on LinkedIn.

Platinum Sponsor
Google's mission is to organize the world's information and make it universally accessible and useful. Through products and platforms like Search, YouTube, Maps, Gmail, Android, Google Play and Chrome, Google plays a meaningful role in the daily lives of billions of people. Google is a subsidiary of Alphabet Inc.

Premier Sponsor
TransUnion is a global information and insights company with over 12,000 associates operating in more than 30 countries. We make trust possible by ensuring each person is reliably represented in the marketplace. We do this with a Tru™ picture of each person: an actionable view of consumers, stewarded with care. Through our acquisitions and technology investments we have developed innovative solutions that extend beyond our strong foundation in core credit into areas such as marketing, fraud, risk and advanced analytics. As a result, consumers and businesses can transact with more confidence and achieve great things. We call this Information for Good® — and it leads to economic opportunity, great experiences and personal empowerment for millions of people around the world.

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