Scenarios on data privacy and future governance

A strategic outlook on addressability and technology in a privacy-by-design environment

nxt statista: Excellence in Digital Strategy

Management Consultancy in Digital Transformation, Business Building and Data Strategy

+17 Years

Experience in strategic consulting with a focus on digital transformation and business building, data strategies and management

+14 Years

Successful entrepreneurship from the foundation to the sale to a strategic investor

... closely collaborating in daily work to leverage synergies

4 Highly experienced Data Scientists

+600 Projects

DIGITAL TRANSFORMATION

BUSINESS BUILDING

DATENSTRATEGIEN

DATENMANAGEMENT

+25 Customers in Ad Tech

+7 Industries

AD TECH | MEDIA RETAIL | TELCO ENERGY | MEDICAL MECHANICAL ENGINEERING | ...

nxt**statista**   1

The Advertising Industry is Increasingly Under Pressure

Regulation
- GDPR
- ePrivacy Regulation
- TTDSG (Germany)
- Digital Services Act
- Activists (NOYB/ Max Schrems, Johnny Ryan, …)
- TCF Ruling, Belgian DPA

Own/internal Challenges
- New Tech-Setup
- Strategic reorientation
- Increasing shortage of skilled labour
- Balancing stakeholder expectations (legal, technical, business, user)
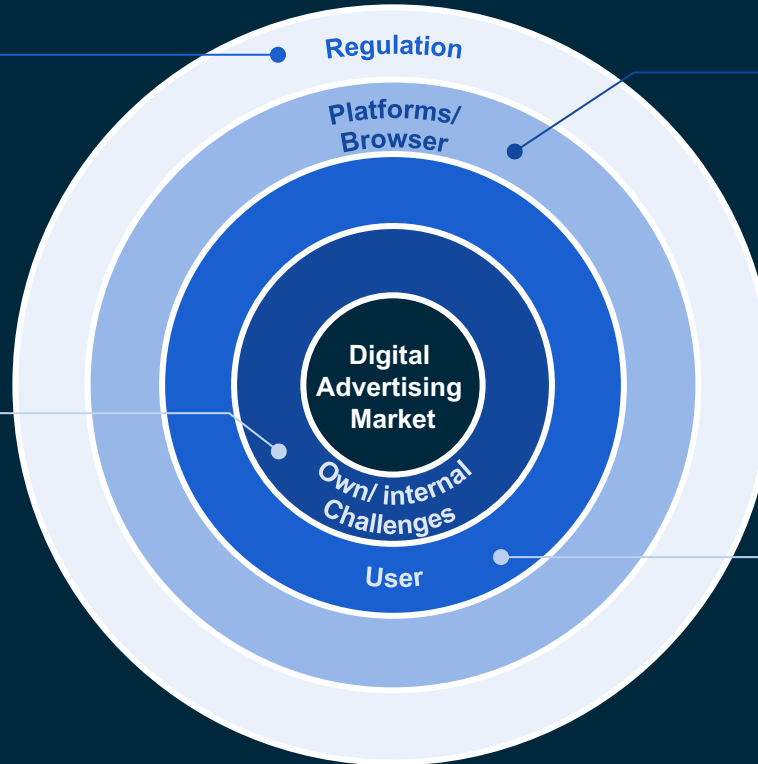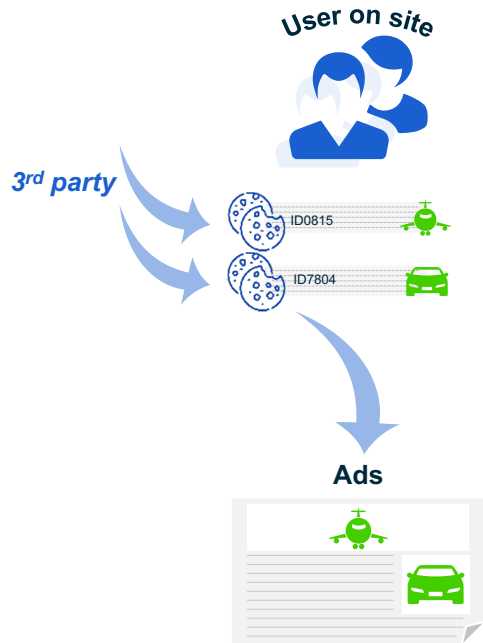
Platforms/Browser
- Google/ Chrome: Cookie Sunset (Q4 2023)
- Apple/ Safari & Mozilla/ Firefox: Limitation of 3rd-Party Cookies already present
- Apple/ iOS: IDFA subject to consent
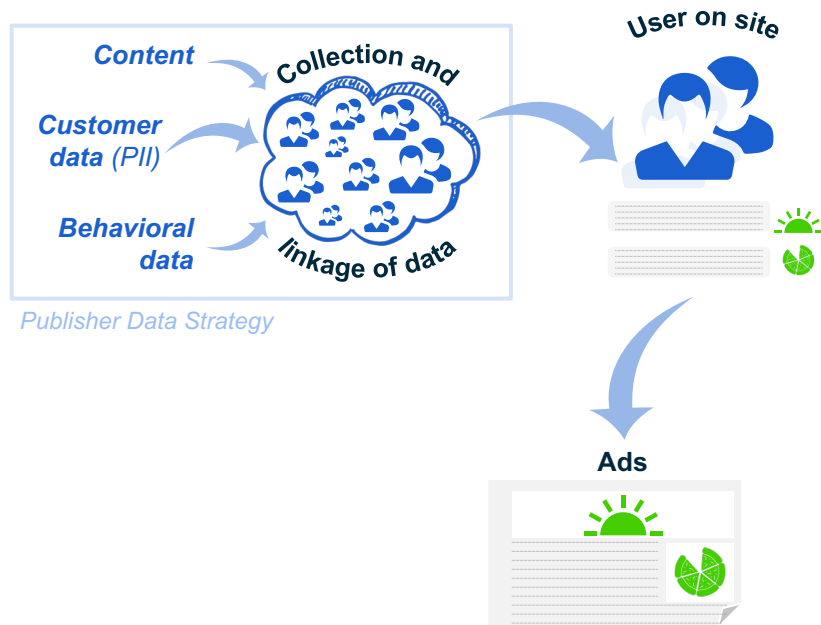- Google/ Android: GAID Sunset (timing tba, min. 2 years)

User
- Scepticism/mistrust
- Rising privacy expectations
- "Consent fatigue"
- Aversion to tracking/retargeting

Regulation

Platforms/ Browser

Digital Advertising Market

Own/ internal Challenges

User

In contrast to today, in the future, targeting will have to rely on publishers to fully understand their users.

TODAY

User on site

3rd party

ID0815

ID7804

Ads

FUTURE

Content

Customer data (PII)

Behavioral data

Collection and linkage of data

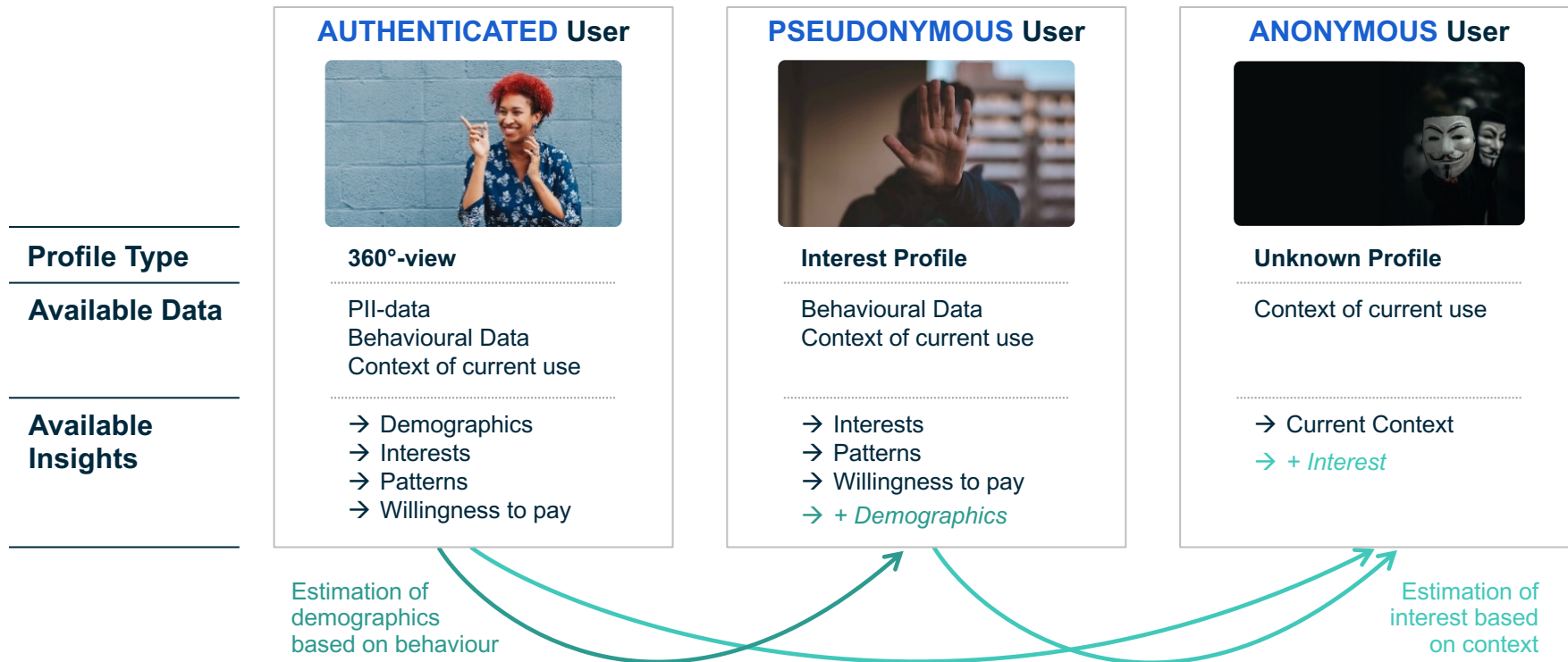**User on site**

Publisher Data Strategy

Ads

Authenticated User

Pseudonymous User

Anonymous User

Understanding of "higher" customer groups help to estimate preferences of unknown users

	AUTHENTICATED User	PSEUDONYMOUS User	ANONYMOUS User

Profile Type

Available Data

Available Insights

AUTHENTICATED User

360°-view

PII-data
Behavioural Data
Context of current use

→ Demographics
→ Interests
→ Patterns
→ Willingness to pay

PSEUDONYMOUS User

Interest Profile

Behavioural Data
Context of current use

→ Interests
→ Patterns
→ Willingness to pay
→ *+ Demographics*

ANONYMOUS User

Unknown Profile

Context of current use

→ Current Context
→ *+ Interest*

Estimation of demographics based on behaviour

Estimation of interest based on context

Subscription

Advertising

Holistic user profiles are already being used in the context of **subscriptions.**

For **Advertising**, user profiles still show some **gaps.**

→ **The data is there – it just needs to be used.**

The Future of Digital Advertising

	AUTHENTICATED **USER**	PSEUDONYMOUS **USER**	ANONYMOUS **USER**
TODAY			
Cookies (3rd-Party)	✔	✔	✔
Contextual	✔	✔	✔
FUTURE			
Deterministic ID	✔		
Probabilistic ID	✔	✔	(✔)
Seller-Defined Audiences	✔	✔	
Data Clean Rooms	✔	✔	
Privacy Sandbox	✔	✔	✔
Contextual Advertising	✔	✔	✔

Deterministic ID Solutions

MINIMUM | ADDITIONAL DATA

MAIN USE CASES
Targeting, Optimization, Measuring

CHALLENGES
Limited Scale, Cluttered Market

OPPORTUNITIES
Stable Addressability
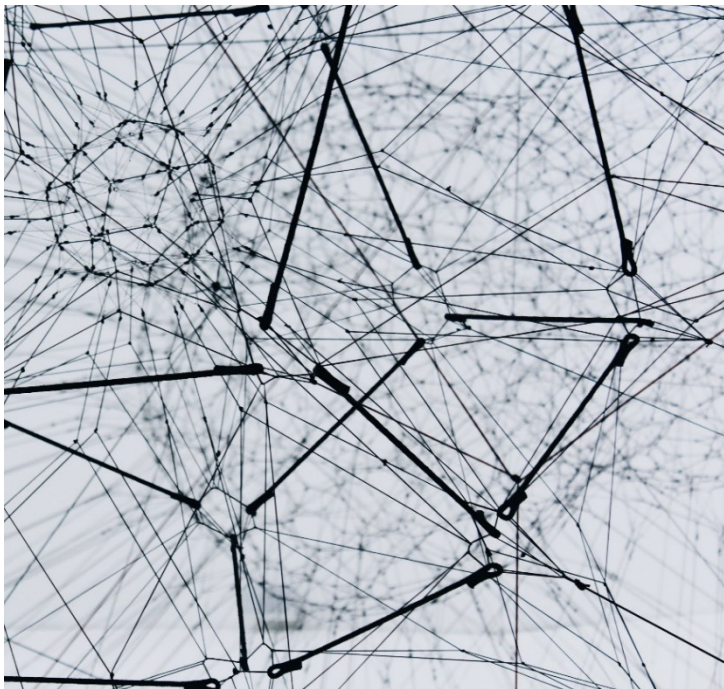
Contextual data   PII Data   Engagement Signals   Probablistic information   Commerce signals

Probalistic ID Solutions

MINIMUM | ADDITIONAL DATA

MAIN USE CASES
Optimization, Measurement

CHALLENGES
Lack of Accuracy and Durability

OPPORTUNITIES
Complement Deterministic Data

Contextual Data   PII Data   Engagement Signals   Probablistic Information   Commerce Signals

Seller Defined Audiences by iab. TECH LAB

MINIMUM | ADDITIONAL DATA

MAIN USE CASES
Targeting

CHALLENGES
Slow Buy Side Adoption, Limited Measurement Possibilities

OPPORTUNITIES
Scalable privacy-by-design Addressability

Contextual Data   PII Data   Engagement Signals   Probablistic Information   Commerce Signals

Data Clean Rooms

MINIMUM | ADDITIONAL DATA

MAIN USE CASES
Planning, Measuring, Activating

CHALLENGES
Lack of Standardization and Interoperability

OPPORTUNITIES
Create technology-based Trust

Contextual Data   PII Data   Engagement Signals   Probablistic Information   Commerce Signals

Contextual

MINIMUM | ADDITIONAL DATA

MAIN USE CASES
Targeting, Optimization

CHALLENGES
Limited Measurement and Target Group Reach

OPPORTUNITIES
Improved User Experience

Contextual Data   PII Data   Engagement Signals   Probablistic Information   Commerce Signals

There will not be "the one" approach, but a mix of many. For every approach, own data will be needed

	PUBLISHER DATA	AUTHENTICATED User	PSEUDONYMOUS User	ANONYMOUS User
TODAY				
Cookies (3rd-Party)	☒	✔	✔	✔
Contextual	🧩	✔	✔	✔
FUTURE				
Deterministic ID	🔳 | ⬡	✔	✔	
Probabilistic ID	⬡ | 🧩 👆	✔	✔	(✔)
Seller-Defined Audiences	🧩 | ⬡ 👆 🛒	✔	✔	
Data Clean Rooms	🔳 | ⬡ 👆 🛒	✔	✔	
Privacy Sandbox	☒	✔	✔	✔
Contextual Advertising	🧩 | ⬡ 👆 🛒	✔	✔	✔

🧩 Contextual Data   🔳 PII Data   👆 Engagement Signals   ⬡ Probablistic Information   🛒 Commerce Signals

Advanced Quality Criteria – The Calculation of the Buyside

Viewability

+ Brand Safety, Brand Suitability

+ Inventory Signals

+ Engagement Signals

+ Predicted Attention

+ Behavioural Prediction

= max. Bid on CPM

Key Takeaways

Publisher in Driver Seat

Data is Already Available
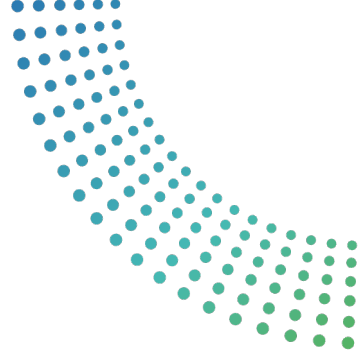
No Silver Bullet

Know your Inventory

Let's Discuss

- Where do you see the biggest room for improve in your company?

- Which of the presented methods may offer the greatest potential and why?

- What do you see as the most important factor in a publisher's future monetization strategy?

Let's Talk!

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Seller Defined Audiences

Steps for publishers or their data partner

(1) Determine audience attributes based on user interactions on their properties

(2) Map similar groups of users to broad, standardized taxonomy attribute descriptions (AudienceTaxonomy, Content Taxonomy)

(3) Document audience characteristics/metadata via a standardized transparency schema (the Data Transparency Standard aka DTS)

(4) Push audience metadata to Transparency Center

(5) Relay taxonomy ID's within OpenRTB to inform downstream signaling by buyers

SDA System Design