

Privacy-Enhancing Technologies

A Marketer's Guide

Key findings and actionable next steps from a Meta-commissioned Deloitte industry research paper.

Digital advertising is evolving. Technology platform changes, privacy regulations and shifting consumer expectations are forcing the ads industry to reimagine digital advertising while paving the way for a privacy-first digital advertising ecosystem. This new normal is not isolated to one single team, department or industry. To continue to drive performance in this new era of advertising, businesses must take action now to explore how privacy enhancing technologies can usher in a new era of digital advertising centered on protecting user privacy.

Deloitte's Marketers Guide to Privacy-Enhancing Technologies (PETs) is a resource designed to equip marketers with tangible ways to prepare for the use of PETs within their organizations and vendors. It highlights key trends that provide insight into where the industry is going; core PET use cases for identity matching, activation, attribution, measurement and re-targeting; and actions to take today to prepare for the future.

What are PETs?

PETs fall within a broader spectrum of data privacy protection approaches, from organizational to technological.

Privacy-Enhancing Protection Spectrum

ORGANIZATIONAL

Reliant on contractual and operational protections

TECHNOLOGICAL

Reliant on technological protections

- Consented First-Party Data
- Data Governance
- Purpose Limitation
- Data Minimization
- Time Delayed Reporting
- Pseudonymization

PETs

TECHNIQUES

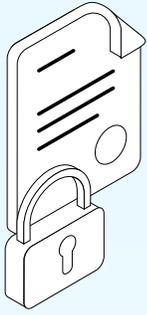
- Differential privacy
- K-anonymity
- Synthetic data
- Zero Knowledge Proofs
- Homomorphic encryption

TECHNOLOGIES

- Federated Analytics
- Multi-party computation
- Trusted Execution Environment



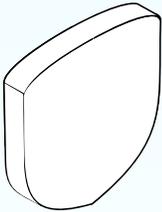
PETs sit at the technological end of the spectrum and prevent unauthorized access and/or use (including analysis) of consumer data sets using a mix of cryptography, hardware and statistical techniques.



Why are PETs important?

As the ecosystem evolves, advertisers will find it more challenging to address key use cases such as reaching new audiences and measuring the return on investment (ROI) of digital marketing efforts under the status quo. PETs can enable you to achieve marketing utility including return on spend and measurable insights while delivering data protections and privacy assurances to customers.

The AdTech industry and consortiums are actively experimenting with PETs and applying them to key digital advertising use cases. Standards and frameworks will need to be established and are currently under development. This means now is the time for marketers to lean in and bring their voice to the discussions that will shape future solutions. These standards and frameworks will lead to the solutions implemented by tech platforms and other AdTech partners which marketers will ultimately have to adopt.



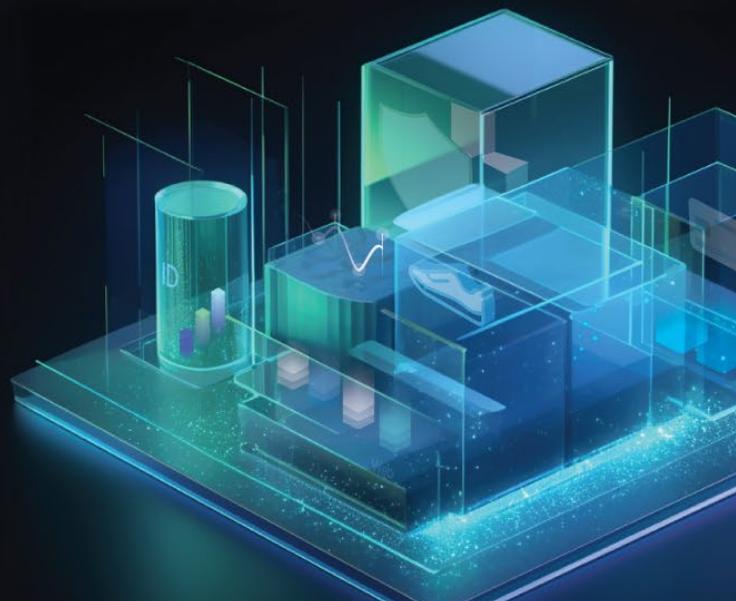
What is happening in the industry?

Advertisers and publishers are using PETs to protect first-party data provided by customers before it is shared with a partner for further analysis. Measurement partners and platforms are using PETs to process shared data and protect the results.

AdTech platforms and measurement partners are currently leading the drive to adopt PETs, with marketers still focused on awareness and education.

“The landscape is evolving. Marketers and Publishers face an essential need to make structural changes to prepare for privacy enabled, first-party, data driven marketing in 2023 and beyond”

– Tanneasha Gordon, Deloitte & Touche LLP



Five actions to embrace PETs and prepare for the future

1 EDUCATE AND BUILD AWARENESS

The first step in taking action is to share knowledge internally on PETs for all stakeholders, from employees, customers, partners to end users, is aware of your privacy strategy and data ethics that support your brand values and market positioning. Communicate the critical need for adopting PETs as a business imperative that supports privacy protections and customer trust. Get involved with consortium efforts like IAB Tech Lab Privacy-Enhancing Technologies' Initiative, World Wide Web Consortium's (W3C) Private Advertising Technology Community Group (PATCG), and World Federation of Advertisers' (WFA) Digital Governance Exchange to make your organization's voice heard.

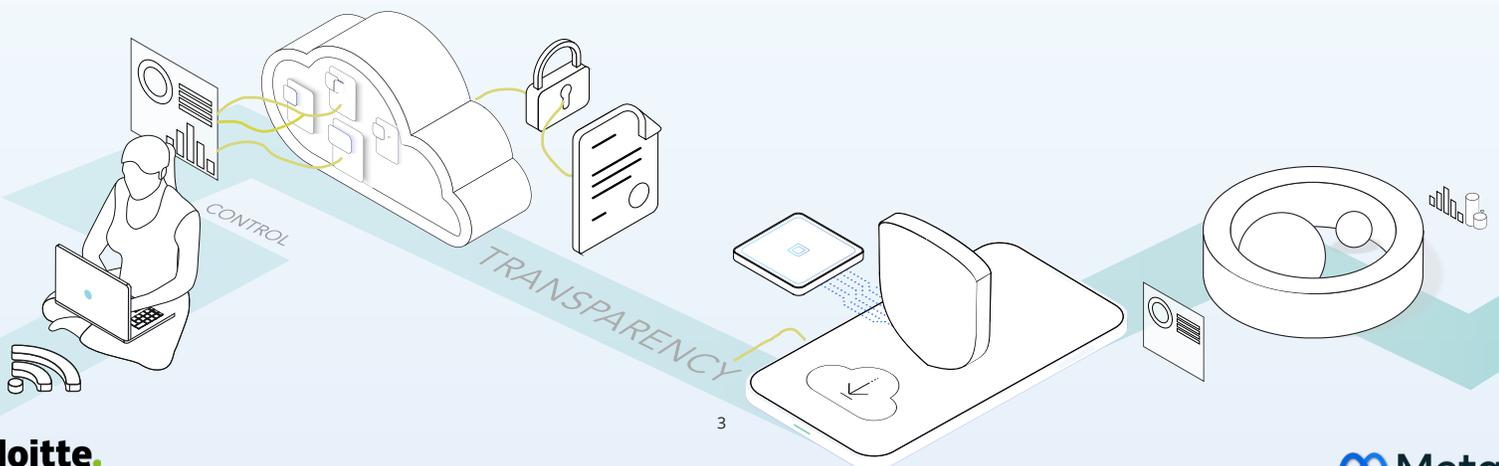
PETs are part of a larger set of developments in the AdTech industry. In order to help enable success, you and your organization need to know how to discuss and share your data strategy such that your goals and needs are being best served.

2 UNDERSTAND WHERE YOUR BUSINESS IS TODAY

Understand where your business stands in developing data strategies that deliver both on data privacy and business value. You'll want to consider asking yourself questions like: "Is my business aware of the privacy landscape shifts?"; "What data is my business currently using and what data have we not unlocked value from?"; and "What data is shared or managed by partners and what protections do we have in place?"

Once you have a clear understanding of where you are, you'll be able to determine your next steps more effectively.

In the full paper you will find a chapter on how the ecosystem is likely to evolve and a maturity curve. These will help you understand where you currently fit and how you should be thinking about evolving to embrace PETs. Investment decisions will be required and considered in parallel with existing marketing tactics, whilst they still remain effective.



3

MAKE YOUR DATA STRATEGY AS COLLABORATIVE AS YOUR BUSINESS

The impact of your data strategies is not isolated to any one team. Marketing and analytics teams are major users of customer data and should play a primary role in setting data strategy, but an effective data strategy will also require input and alignment with your IT, Legal and Privacy teams. It's critical to break down internal organizational silos and increase synergy between relevant teams. You'll want to consider things like workflow, cross-training and steering committees.

Create a Data Board, led by the CMO, CPO, and CIO. Establish your organization's data needs, privacy positioning(s), and approach to using data privacy techniques and PETs when protecting owned first-party data and when combining your data with other ecosystem data partners.

4

ENHANCE PRIVACY AND CONSENT CAPABILITIES

Data privacy is evolving from a regulatory 'check box' exercise to a major driver of business enablement. Your data governance, privacy policies and system architectures need to reflect the increasing complexities of the ecosystem in which you operate. It is essential to have the right data governance frameworks in place before exploring the opportunities PETs can deliver.

Maintain a uniform customer experience across brands and channels by developing governance, consent and preference management solutions, and data privacy protections. Create and manage single customer IDs across your brand portfolios and deliver operational efficiencies through automation of data subject requests and evolving regulation requirements.

5

PARTNER, EXPERIMENT, AND TEST

Ask for help from trusted advisors who have the experience to start your journey leveraging PETs. Build a road map to experiment with different PET-enabled solutions. Select organizations who share your approach on data ethics and ask questions such as "how do I protect my customer's data when sharing it?"; "How is my data protected when mixed with the partner's data?"; "Are my data and computed results deleted, stored or used by the partner once the analysis is completed?"

While PETs are relatively new in the AdTech world, there are a number of different solutions available to suit different use cases. In the main paper, we outline a number of use cases in advertising and how different currently available solutions stack up against them, including Meta's Private Lift, the World Federation of Advertiser's Halo, and more. Deloitte can help your organization identify how your organization can benefit from PETs and select the solution or solutions that best fit your needs.



EXECUTIVE SUMMARY | PRIVACY-ENHANCING TECHNOLOGIES

This publication contains general information only and Deloitte is not, by means of this publication, rendering accounting, business, financial, investment, legal, tax, or other professional advice or services. This publication is not a substitute for such professional advice or services, nor should it be used as a basis for any decision or action that may affect your business. Before making any decision or taking any action that may affect your business, you should consult a qualified professional advisor.

Deloitte shall not be responsible for any loss sustained by any person who relies on this publication.

About Deloitte

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited ("DTTL"), its global network of member firms, and their related entities (collectively, the "Deloitte organization"). DTTL (also referred to as "Deloitte Global") and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see www.deloitte.com/about to learn more.

Copyright © 2023 Deloitte Development LLC. All rights reserved.

