

A black and white photograph of a woman with dark, wavy hair and glasses, wearing a dark trench coat over a light-colored collared shirt. She is looking down at a smartphone in her hands with a slight smile. The background is blurred, showing what appears to be a street scene with buildings and a car.

data and privacy **state of the nation report**

december 2022

iab.
australia

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The IAB Australia Data Council were keen to sign off the 2022 calendar year by running a pan-industry survey to gather local feedback and ascertain the level of preparedness for changes to come, understand what the most prevalent data related industry pain-points are in and inform the group on what to prioritise on as collaborative outputs through 2023.

The council were delighted with the detail and volume of meaningful responses received and feel that the results highlight key areas of focus for the industry moving forwards.

Quality responsibly collected & managed first party data remains critical, the industry feels better prepared for the future landscape - but does need to engage more actively in evolving solutions and be prepared to trial solutions that are already in-market. The critical topic of concern and uncertainty is in relation to ongoing review of Australian privacy laws.

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The IAB Australia Data Council conducted an online survey in October 2022 amongst **100 advertising decision makers** across media agencies, DSPs, creative agencies and marketers.

Digital media innovation, the continued deprecation of signals and imminent changes to privacy regulation has brought increased focus on the collection and usage of data for the purposes of digital advertising.

This survey was designed to help the IAB prioritise industry education and training as well as **to develop initiatives to help marketers safely and ethically capitalise on the usage of data for digital advertising.**

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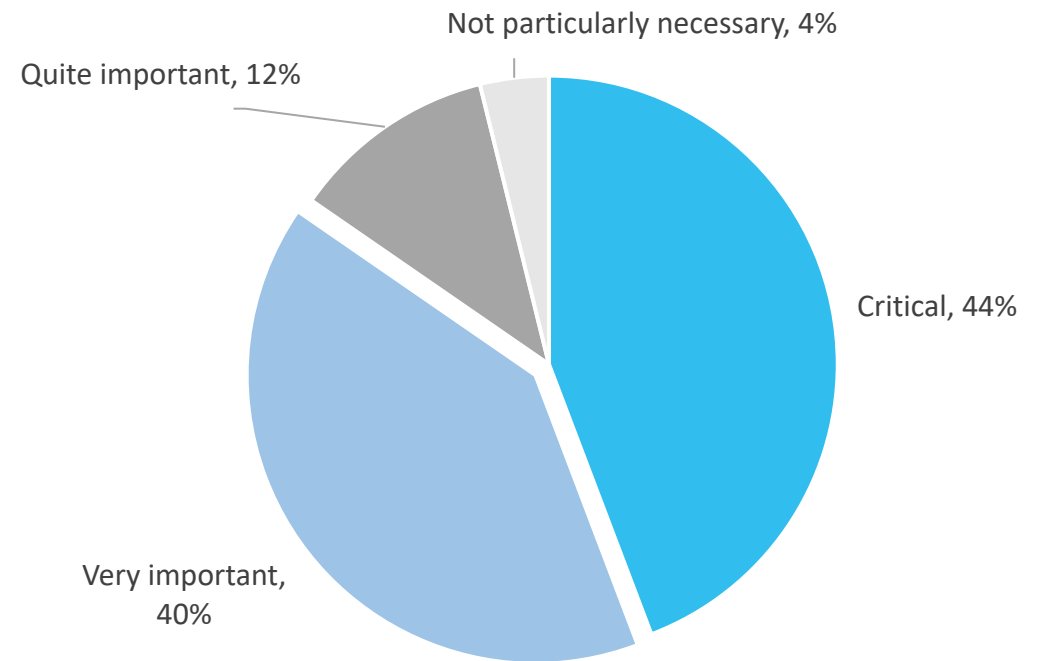
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84% of respondents say data is critical or very important to the success of digital advertising and driving business growth.

importance of data to the success of digital advertising



data signals used

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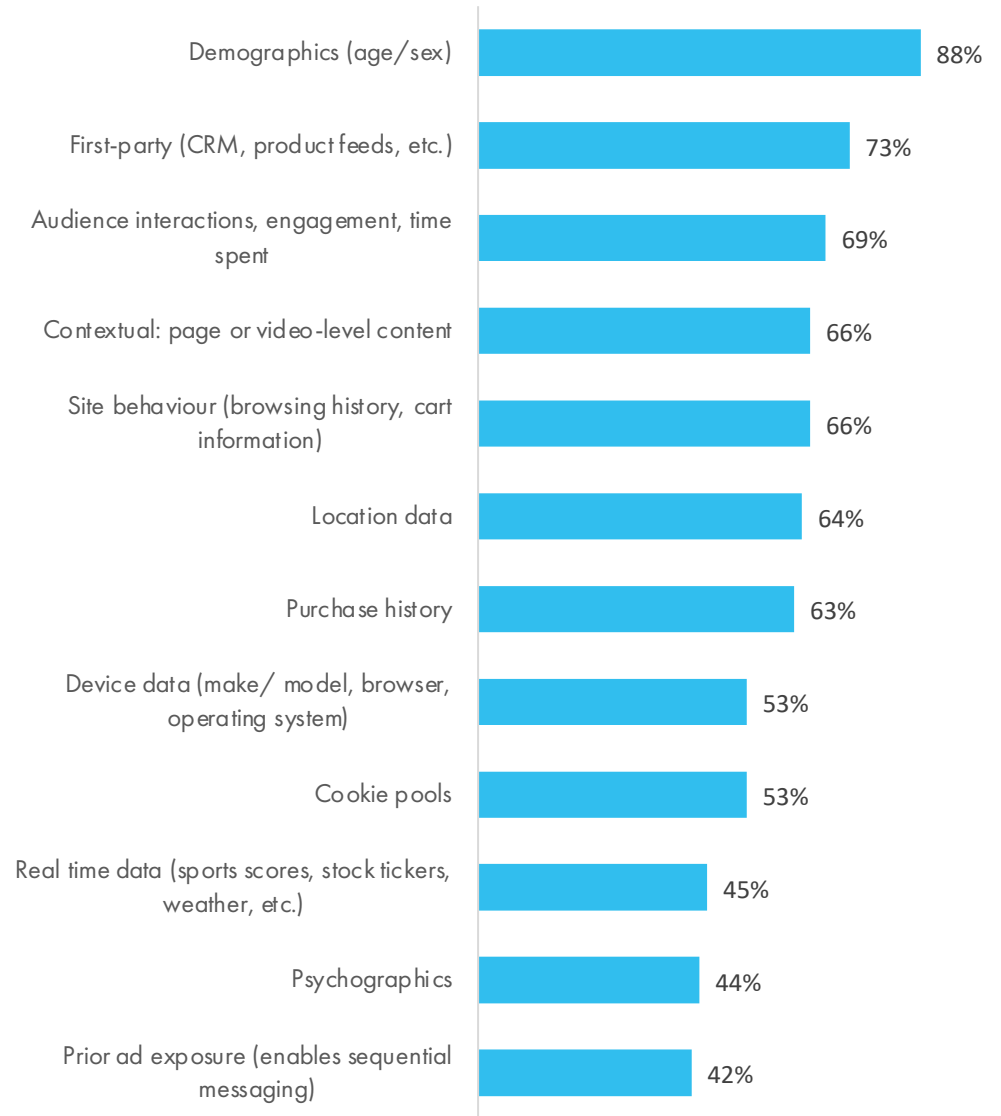
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A range of data signals are being using to inform targeting and creative for digital advertising.

- **Demographics are the most used data signal by 8 in 10 respondents**
- **7 in 10 respondents are using first-party data signals**

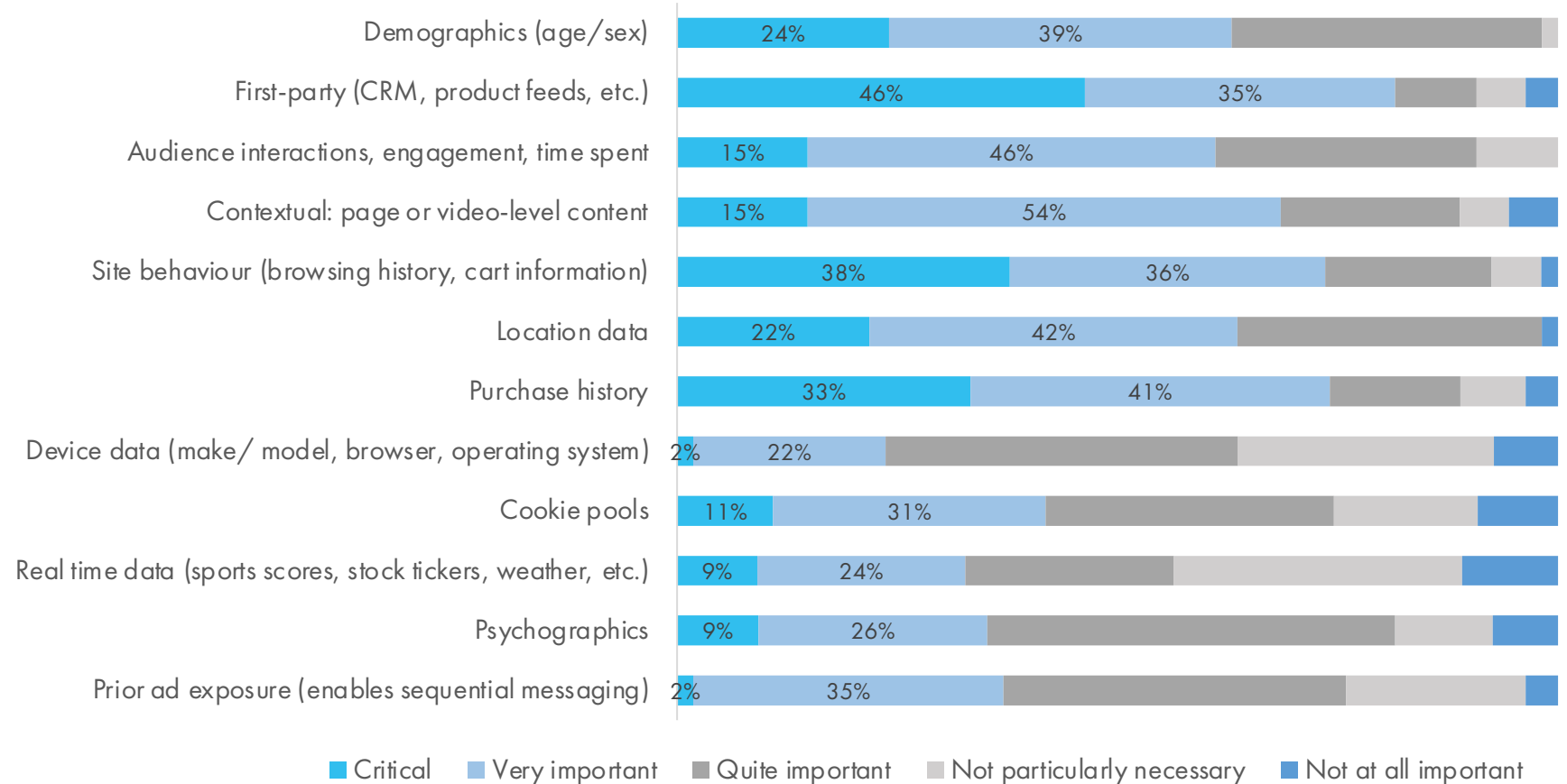


important data signals

First-party data is rated as the most important data signal for informing targeting and creative for digital advertising (81% of respondents say its at least very important).

Site behaviour and purchase history are both rated as the next most important data signal with 74% saying they are at least very important.

Device data is rated as least important.



impact of signal changes on use of data

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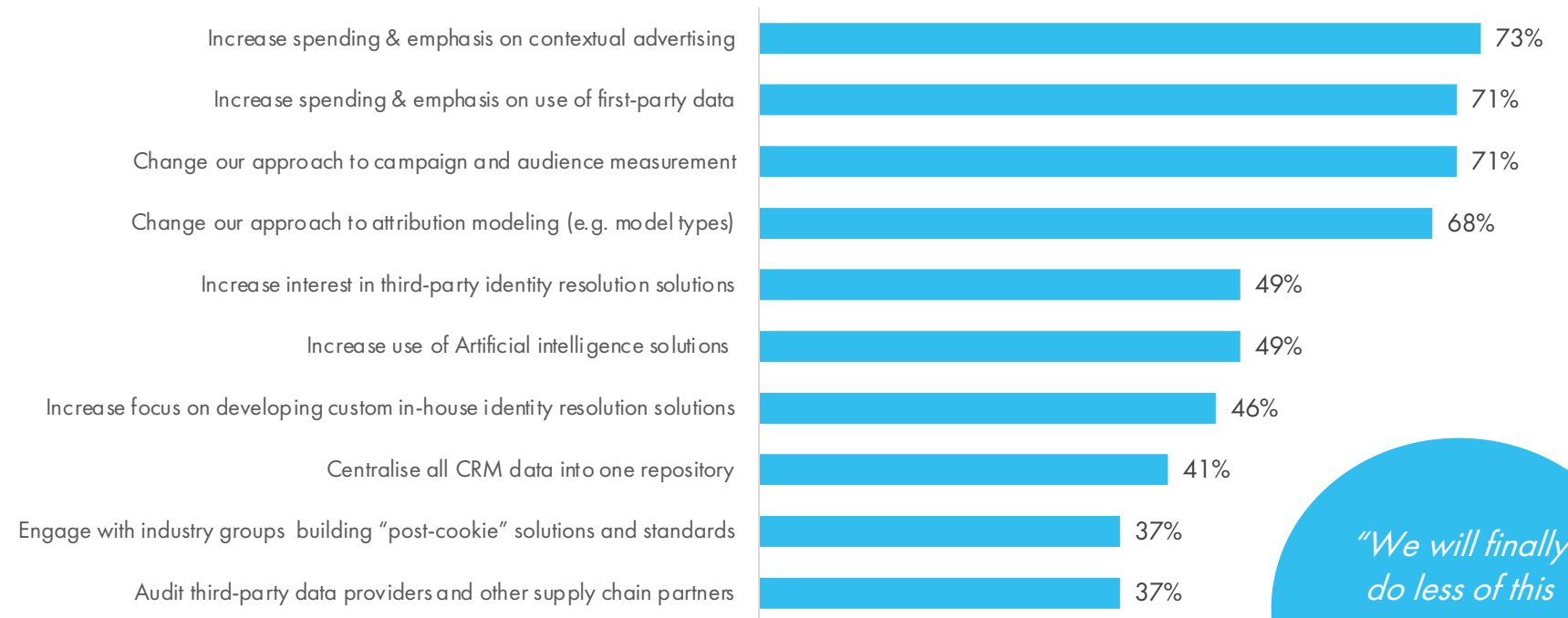
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The coming changes to third-party cookies and identifiers will increase investments in contextual advertising and first-party data, along with changed approaches to measurement.



"We will finally do less of this nonsense micro-targeting"

Current preparation for change

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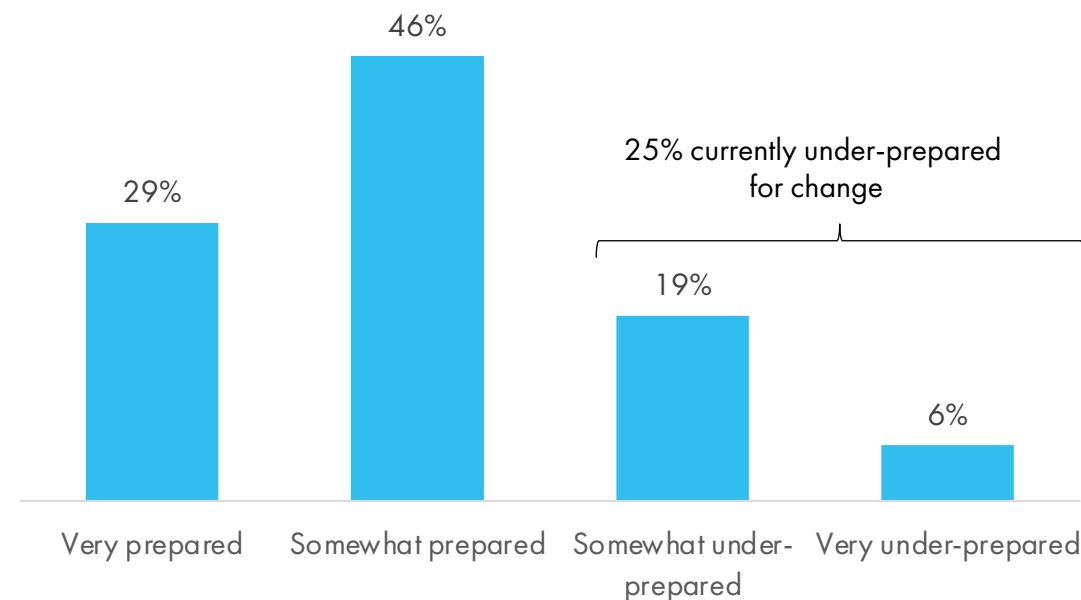
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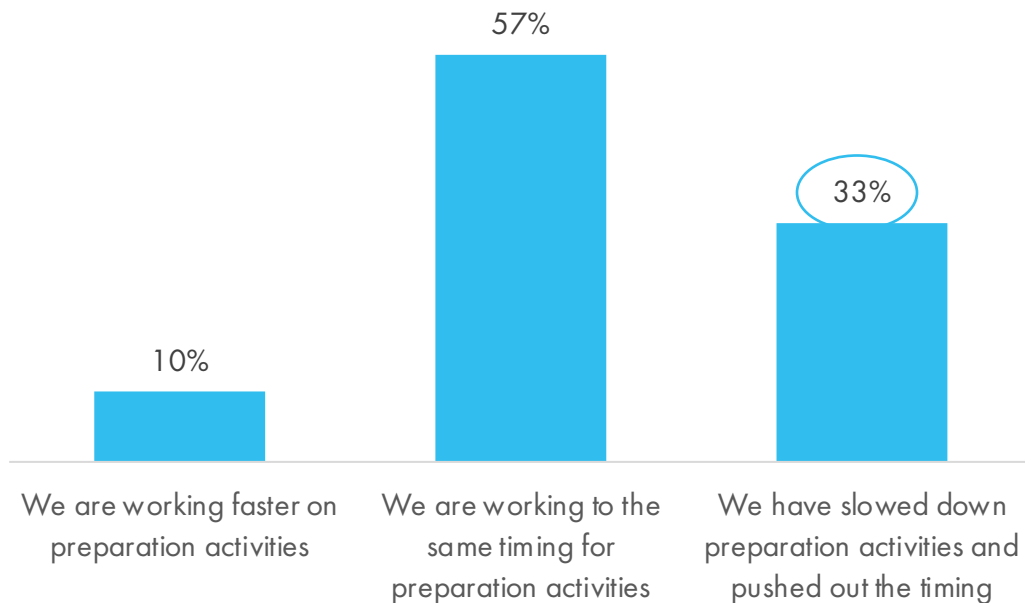
75% of respondents say they are at least somewhat prepared right now for current/impending changes to third-party cookies and identifiers and the impact of privacy legislation changes.



Preparation for current/impending changes to 3P cookies and identifiers and the impact of consumer privacy legislation on ad tracking

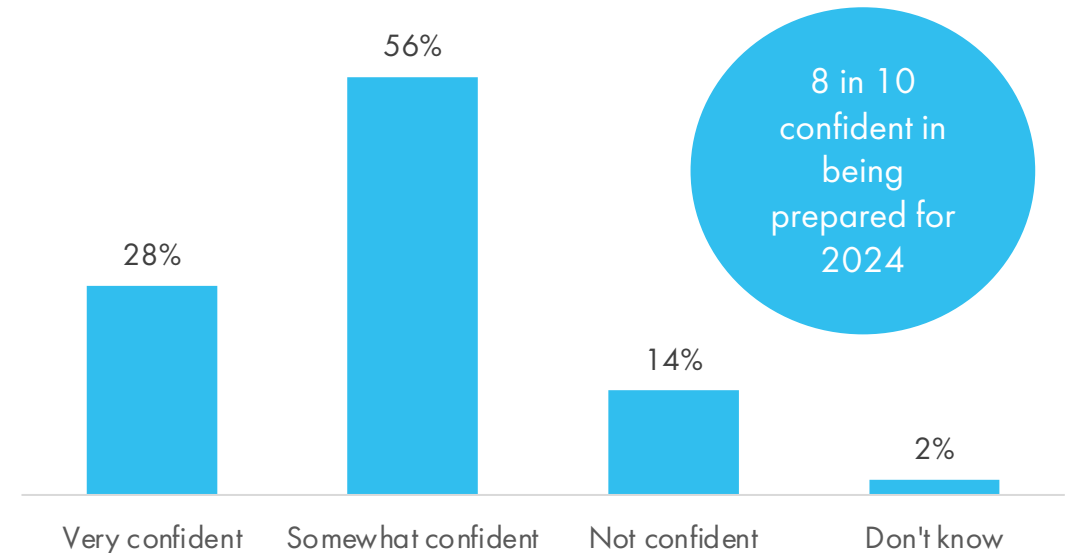
confidence in being prepared for 2024

Impact of Google's postponement of third-party cookie retirement



For a third of respondents, Google's postponement of third-party cookie retirement to 2024 means they have slowed down preparation activities.

Confidence in being prepared to target audiences at scale without 3rd party cookies in 2024



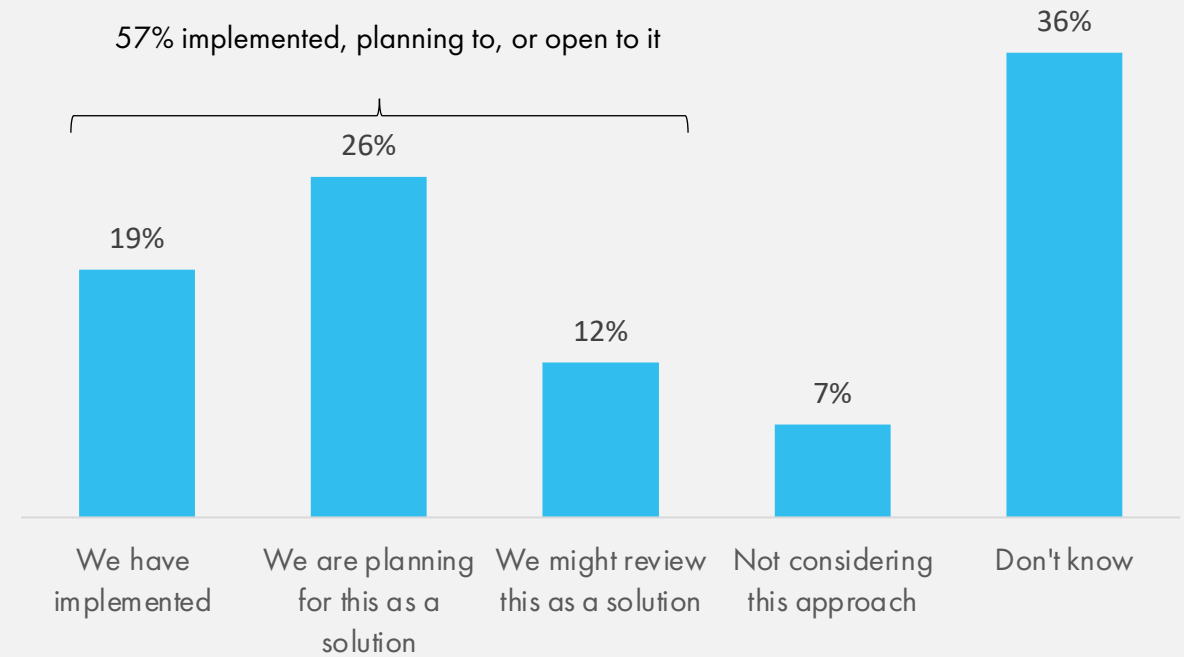
This has not undermined confidence in being prepared to target audiences at scale without 3rd party cookies in 2024, although 16% not confident or not sure they will be prepared.

first-party cookie tracking

45% of respondents have implemented or are planning to implement server-side 1st party cookie tracking via TMS

Please note that:

- Server Side Tag Management does not mean 1st party cookies.
- 1st party workarounds (e.g. CNAME) may have limited efficacy.
- 1st party cookies does not ensure privacy compliance for tracking.
- Always ensure you also consider data ownership and residency of vendor systems with any first party implementations.



Implementation of server-side 1st party cookie tracking via a tag management solution (TMS)

involvement with solutions and tools

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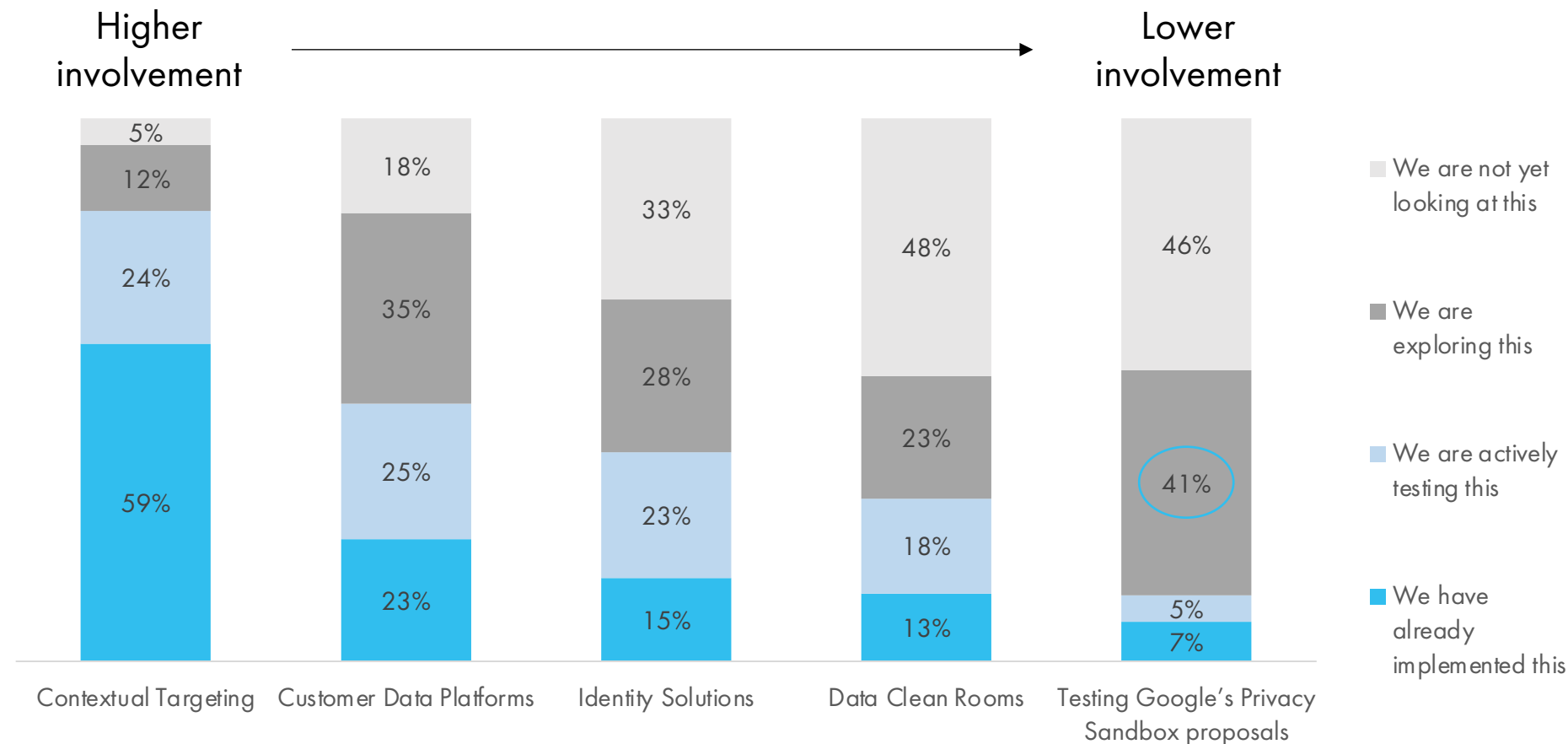
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Respondents have highest involvement with contextual targeting solutions and tools (95% with some level of involvement).

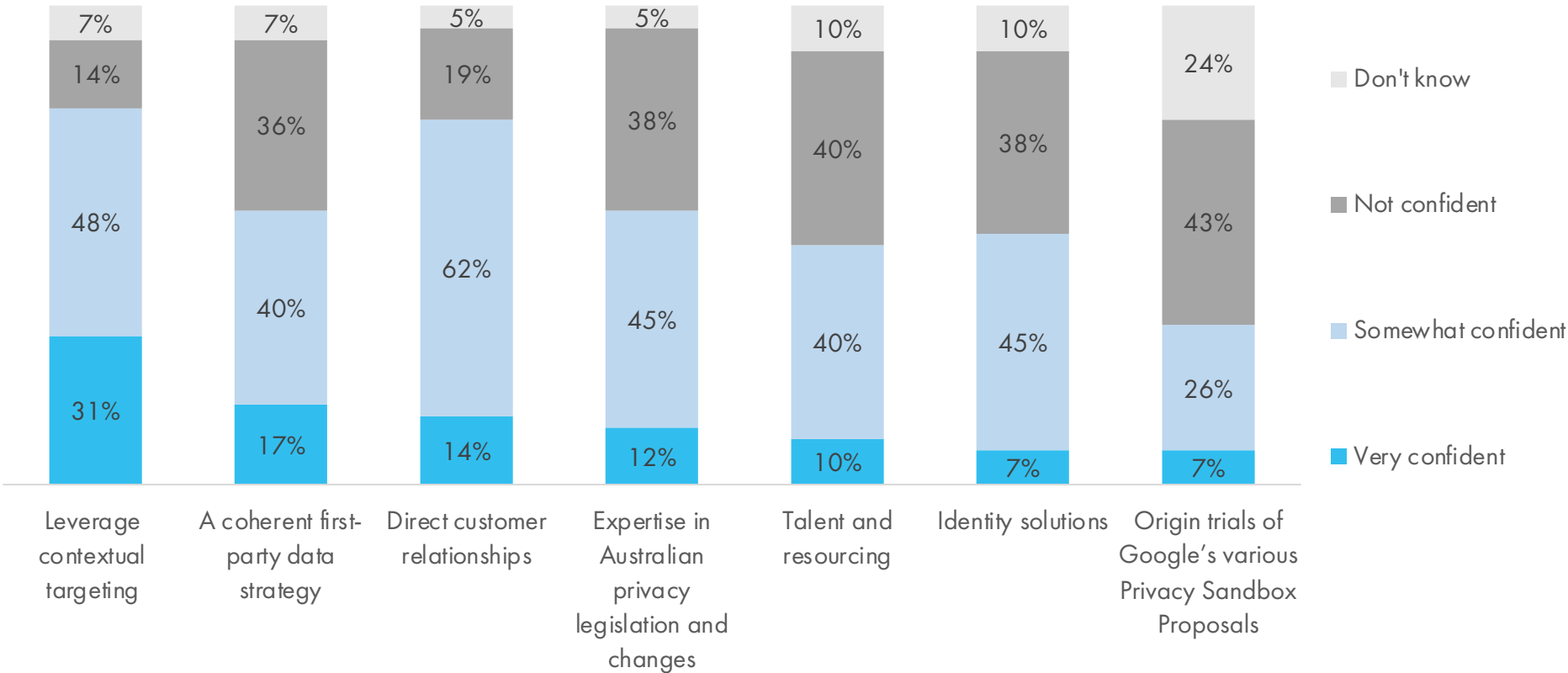
83% of respondents are also involved with customer data platforms.

A high proportion are exploring Google's Privacy Sandbox proposals.

confidence in capabilities to tackle data-related opportunities and challenges

Respondents have high confidence in having business capabilities in place to leverage contextual targeting (79%) and for direct customer relationship opportunities (76%).

Confidence is lower tackling Origin trials of Google’s various Privacy Sandbox Proposals (only 33% confident).



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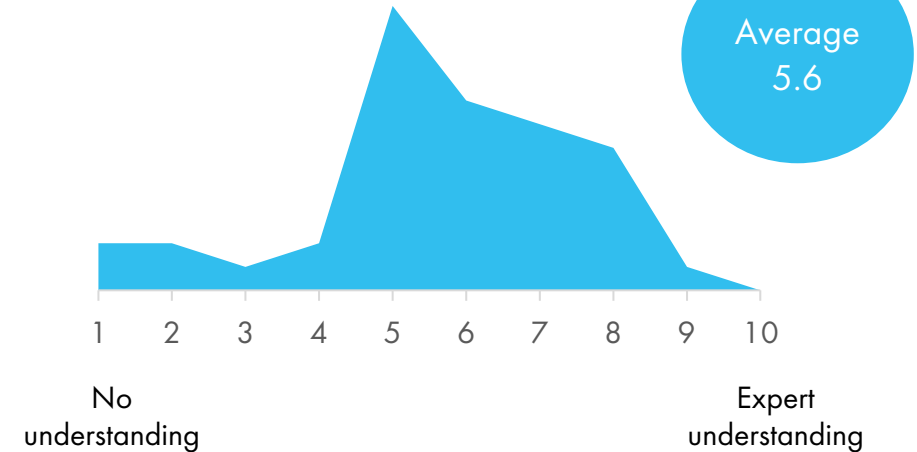
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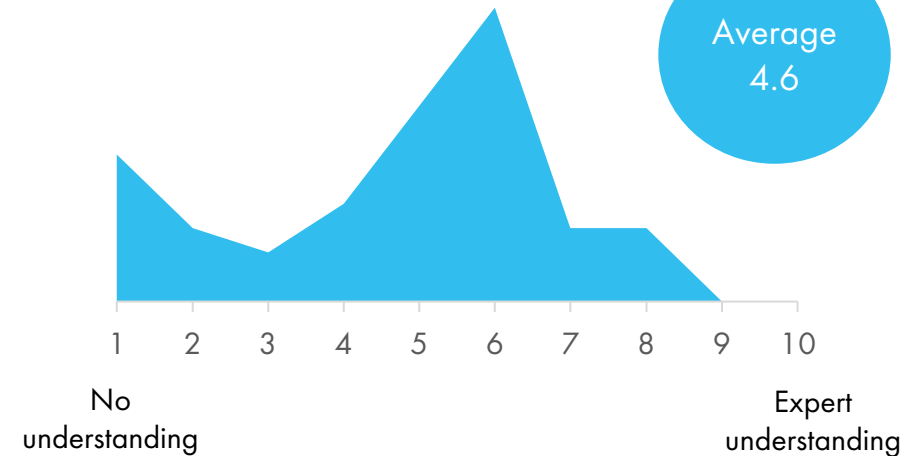
Current Australia privacy laws and the impending changes are not well understood amongst our sample of digital advertising influencers.

56% gave themselves a score of 5 or less for their understanding of the impending Online Privacy Code and Privacy Act Review in Australia.

Understanding of current Australian privacy laws

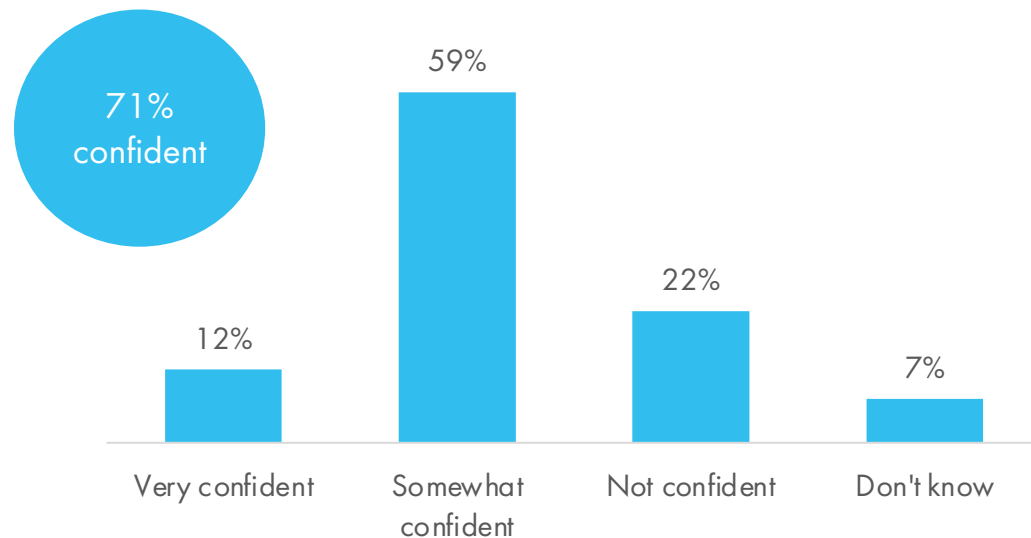


Understanding of impending Online Privacy Code and Privacy Act Review in Australia

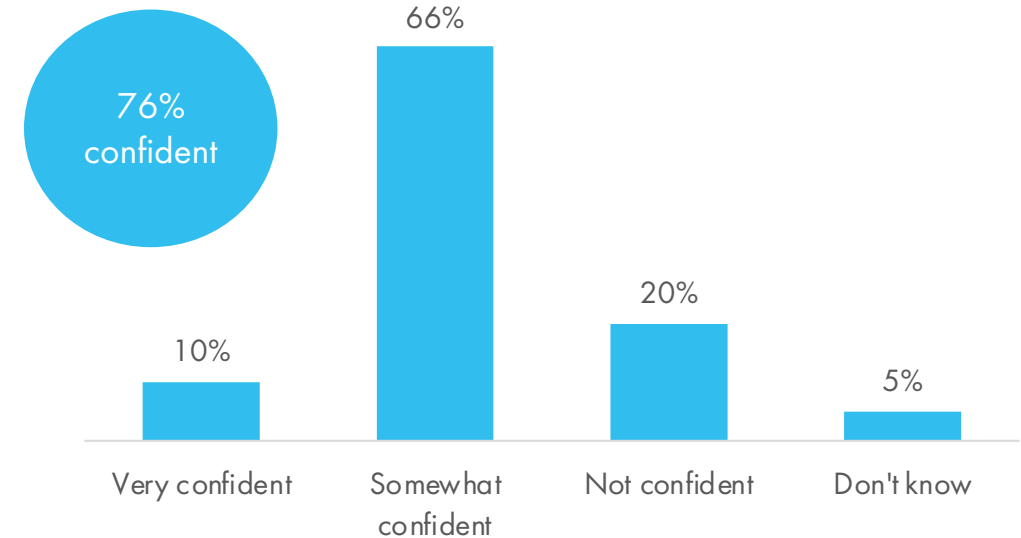


confidence in managing consumer privacy and consent requirements of new legislation

Level of confidence **my business/client's business** will be able to manage consumer privacy and consent requirements under new Australian privacy legislation



Level of confidence the **digital advertising industry** will be able to manage consumer privacy and consent requirements under new Australian privacy legislation



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In summary we feel that there is a genuine understanding of the value of data, better preparedness for the deprecation of third-party-cookies and testing identity solutions.

However, some issues remain in certain areas as we also found that:

- Overall, there is still low confidence in truly understanding the impacts or outcomes from the current Online Privacy Code and Privacy Act Review in Australia.
- The majority of industry are not currently engaging with the origin trials of Google's various Privacy Sandbox proposals.
- The majority of industry are not yet actively testing solutions such as Data Clean Rooms.

The council will leverage these insights to plan ahead for the outputs and projects in planning for 2023

iab resources

identifiers explainer guide.

this document provides a very simple explainer of the various identifiers in the Australia market, including an ID Matrix of the 20 most popular solutions



<https://iabaustralia.com.au/resource/identifiers-explainer-guide-and-matrix/>

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australia member briefing.

ad tech matters.

seller defined audiences:
an explainer



hosted by
Jonas Jaanimagi
TECHNOLOGY LEAD IAB AUSTRALIA



<https://iabaustralia.com.au/seller-defined-audiences-an-explainer/>

1st party data handbook.

2022



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