

data advertising **state of the nation report**

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methodology

methodology

executive summary

importance of data

confidence in preparation for changes in 2024

understanding of data privacy and confidence in preparation for change

impact of changes on digital advertising planning and buying

solutions, tools and capabilities

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 report outlines the findings from an industry survey designed by the IAB Australia Data Council. This aim of this survey is 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.**

The online survey was conducted in April 2024 amongst **130 advertising decision makers or influencers** across agencies, trading desks, media owners, technology vendors, and marketers. Responses were predominantly from advertising buy-side (80%).

On 23rd April Google [announced](#) updated timing for the planned third-party cookie deprecation on Chrome (now planned for 2025, previously full retirement was planned for Q4 2024). Most survey responses were received prior to this announcement.

At the time of the survey, the Australian Attorney -General's Department were in the process of developing legislative amendments to implement the proposals in their Privacy Act Review Report released in February 2023. A draft exposure bill is expected in August 2024.

A similar survey was conducted by IAB in October 2022 (amongst 100 advertising decision makers), [Data and Privacy State of the Nation 2022](#).

executive summary

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importance of data

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solutions, tools and capabilities

With the draft bill for Privacy Act amendments due in August 2024 and industry in the testing phase of understanding the impact of full third-party cookie retirement (timing shifted to 2025), survey respondents have indicated some common paths being undertaken towards digital advertising operating in a more privacy-centric environment.

The **usage of data remains very important for commercial success** in digital advertising and driving business growth, in particular signals such as geographic data, first-party data, ad viewer and website behavior and demographics are deemed very important to inform targeting and creative for digital advertising.

Majority of industry respondents indicated a level of confidence in being prepared to target audiences at scale and continue to measure and assess advertising without 3rd party cookies and identifiers by the end of 2024. Most of the industry respondents surveyed are at least somewhat confident in having the capabilities in areas such as contextual targeting, direct customer relationships, first-party data and identify solutions to tackle data related opportunities and challenges.

With a draft bill for changes to the Privacy Act due in August 2024, understanding of **the impending changes are not yet well understood** amongst our sample of digital advertising influencers.

There are indications that tech changes and impending privacy law **changes may impact agency client media planning and buying**, for example on decisions around audience data mix, personalisation tactics, media mix, KPI selection, buying methods and confidence in the accuracy of some data sources.

The industry is focused on building solutions to operate in a cookieless and more privacy-centric online environment, for example just over half of respondent companies are increasing the collection of first-party data. There is understanding of the importance of putting **the consumer at the heart of these changes and solutions** including ethics of data use, educating consumers on the value exchange in providing data, increasing transparency and ways for consumers to make choices about the collection of their data.

Market Mix Modelling, contextual targeting, new forms of attribution measurement, data clean rooms and AI/machine learning/modelling are the most common **tools currently being adopted, explored or tested** to managed these changes.

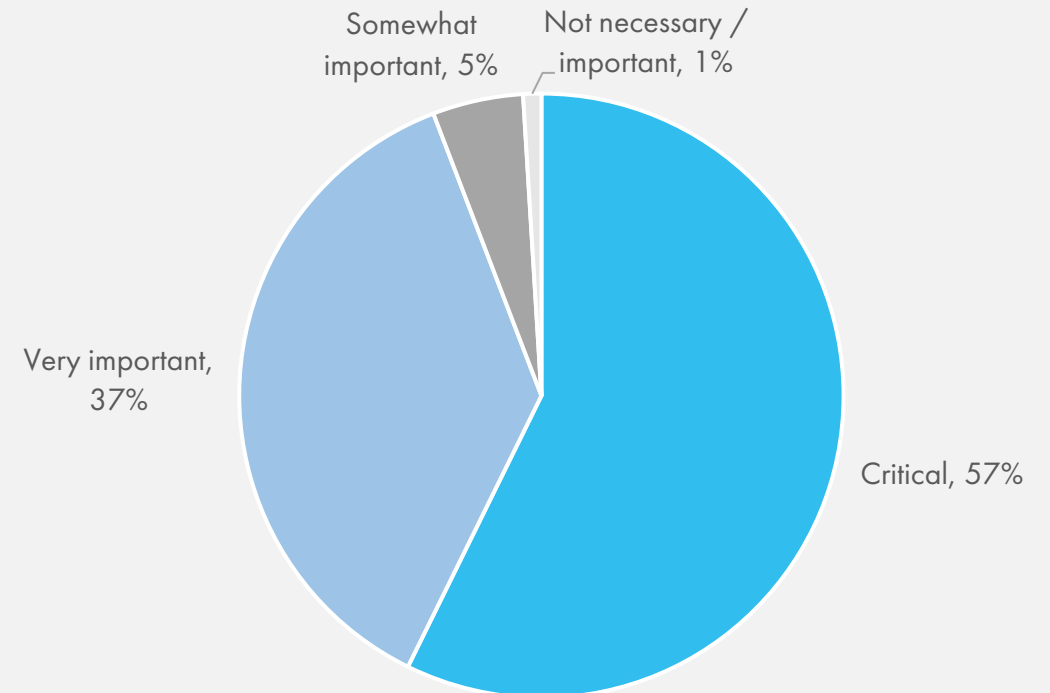
Many respondent companies are **investing in upskilling staff** and there is a call for more information sharing to help companies prepare for the imminent technical and legislative changes around the collection and usage of data.

importance of data for commercial success

94%

of advertising decisions makers/ influencers surveyed rated the usage of data as critical or very important for commercial success in digital advertising and driving business growth.

importance of the usage of data for commercial success in digital advertising and driving business growth



importance of data signals for digital advertising

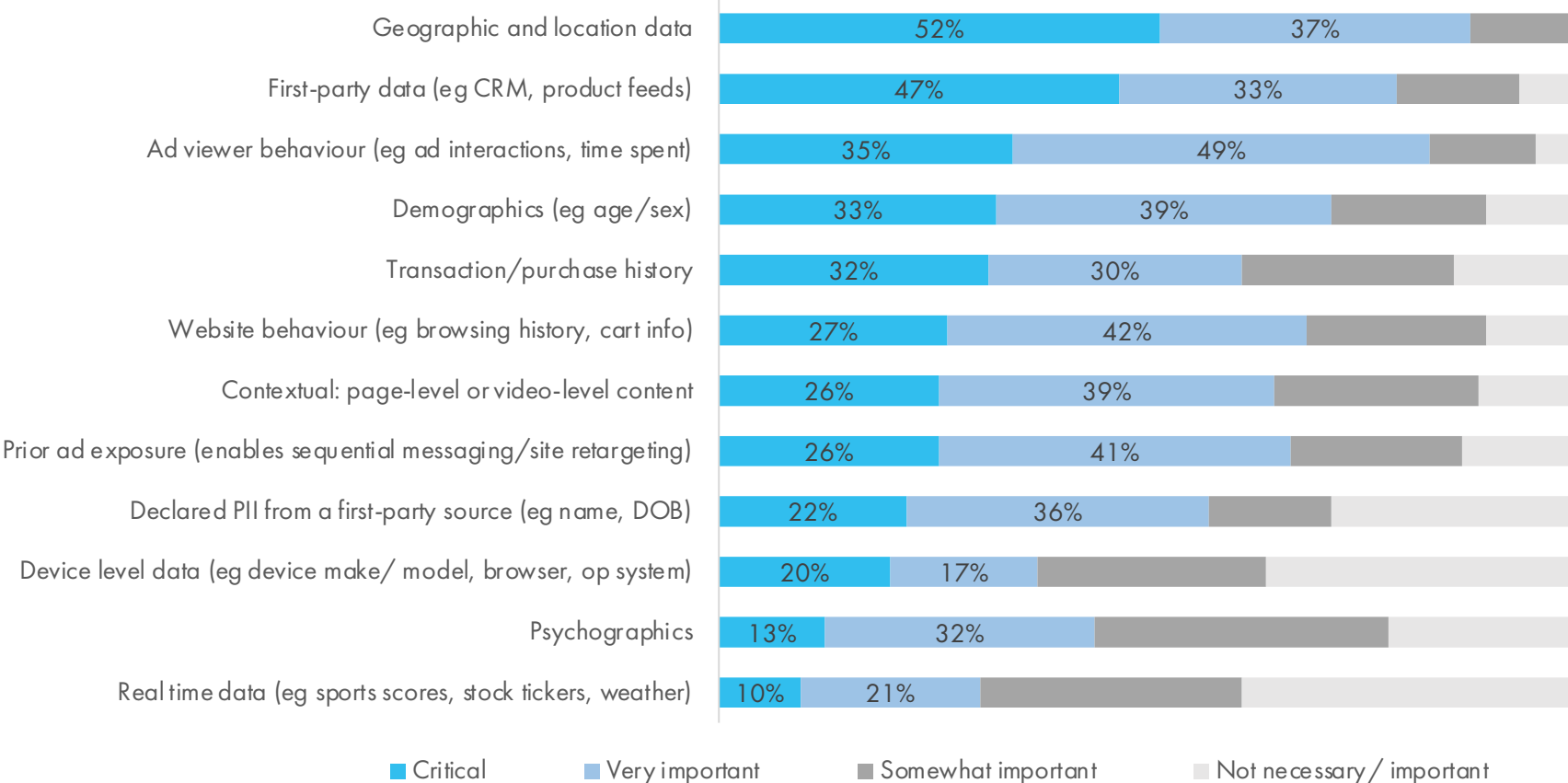
A range of data signals are considered important to inform targeting and creative for digital advertising.

Geographic and location data is rated as the most important by respondents (88% rate it as critical or very important).

First-party data is rated as critical or very important for 80% of respondents.

84% rated ad view behaviour signals as critical or very important.

importance of data signals to inform targeting and creative for digital advertising

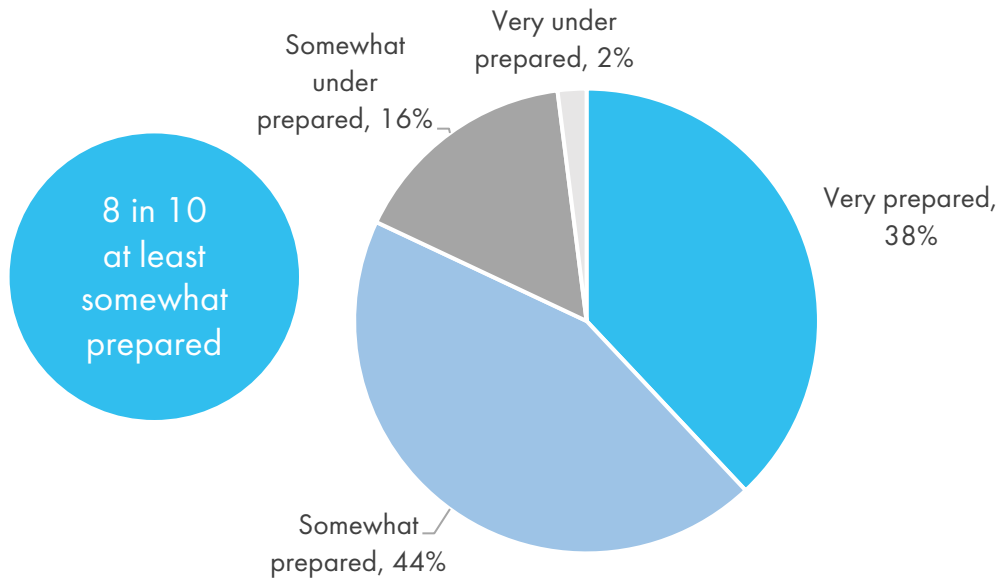


expectations and preparation for changes in 2024

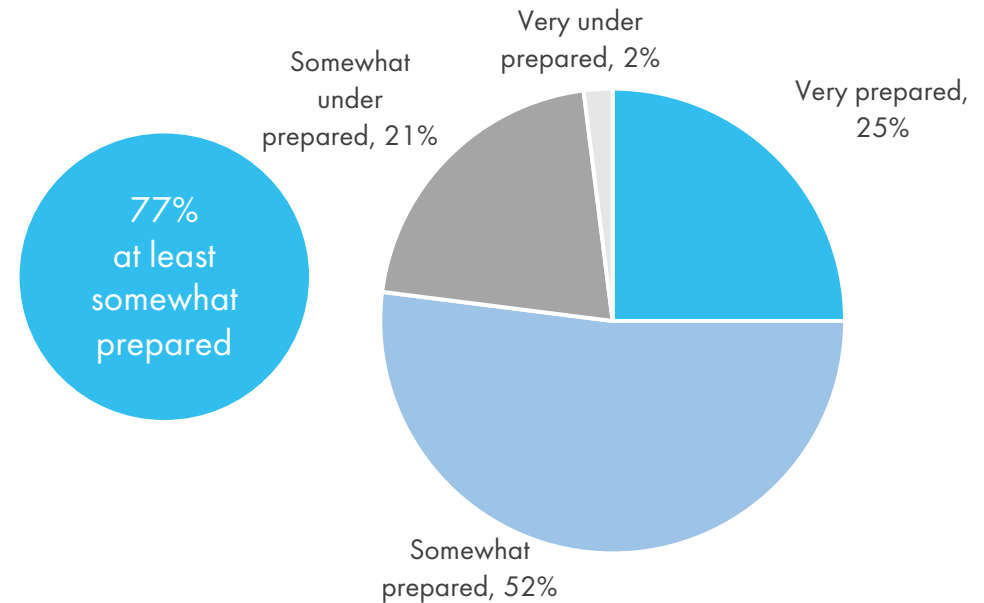
82% of respondents expect continued deprecation of third-party cookies, data signals, and identifiers in Apple iOS throughout 2024 and 46% of respondents expect full deprecation of all third-party cookies and identifiers in Google Chrome in 2024 (note: during survey fieldwork the Australia Government were developing legislative amendments to the Privacy Act however no timing had been announced).

44% of respondents expect the Australian government will finalise new privacy legislation in 2024 (note: during survey fieldwork the Australia Government were developing legislative amendments to the Privacy Act however no timing had been announced).

preparation for changes to 3P cookies and identifiers

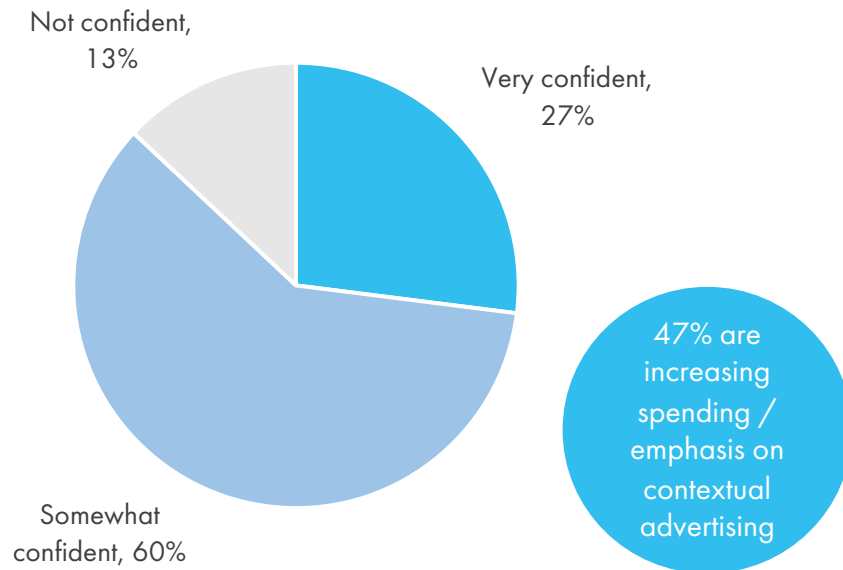


preparation for changes to consumer privacy legislation

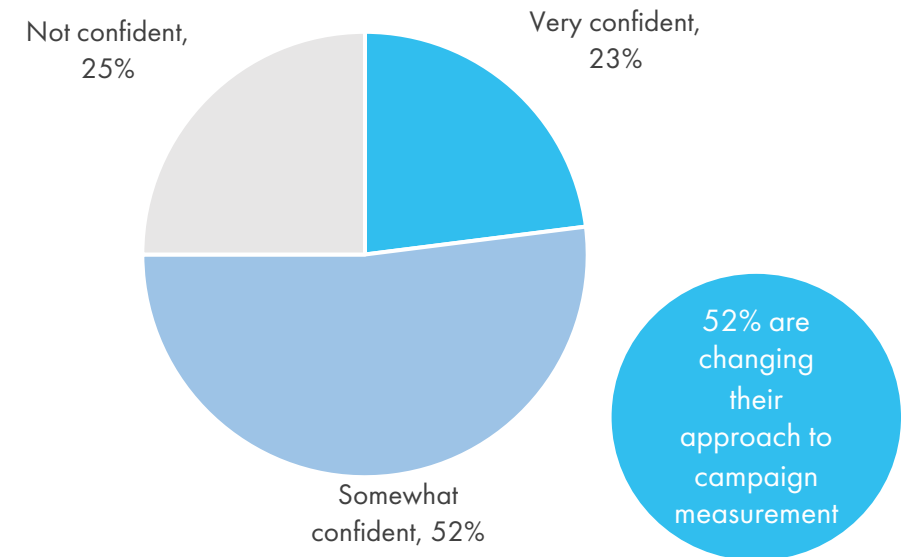


confidence in being prepared to operate without 3P cookies and identifiers by the end of 2024

Amongst the advertising decision makers/influencers surveyed, 87% are at least somewhat confident in being prepared to **target audiences at scale** without 3rd party cookies and identifiers by the end of 2024.



Amongst the advertising decision makers/influencers surveyed, 75% are at least somewhat confident in being prepared to **continue to measure and assess advertising** without 3rd party cookies and identifiers by the end of 2024.



confidence in data-related business capabilities

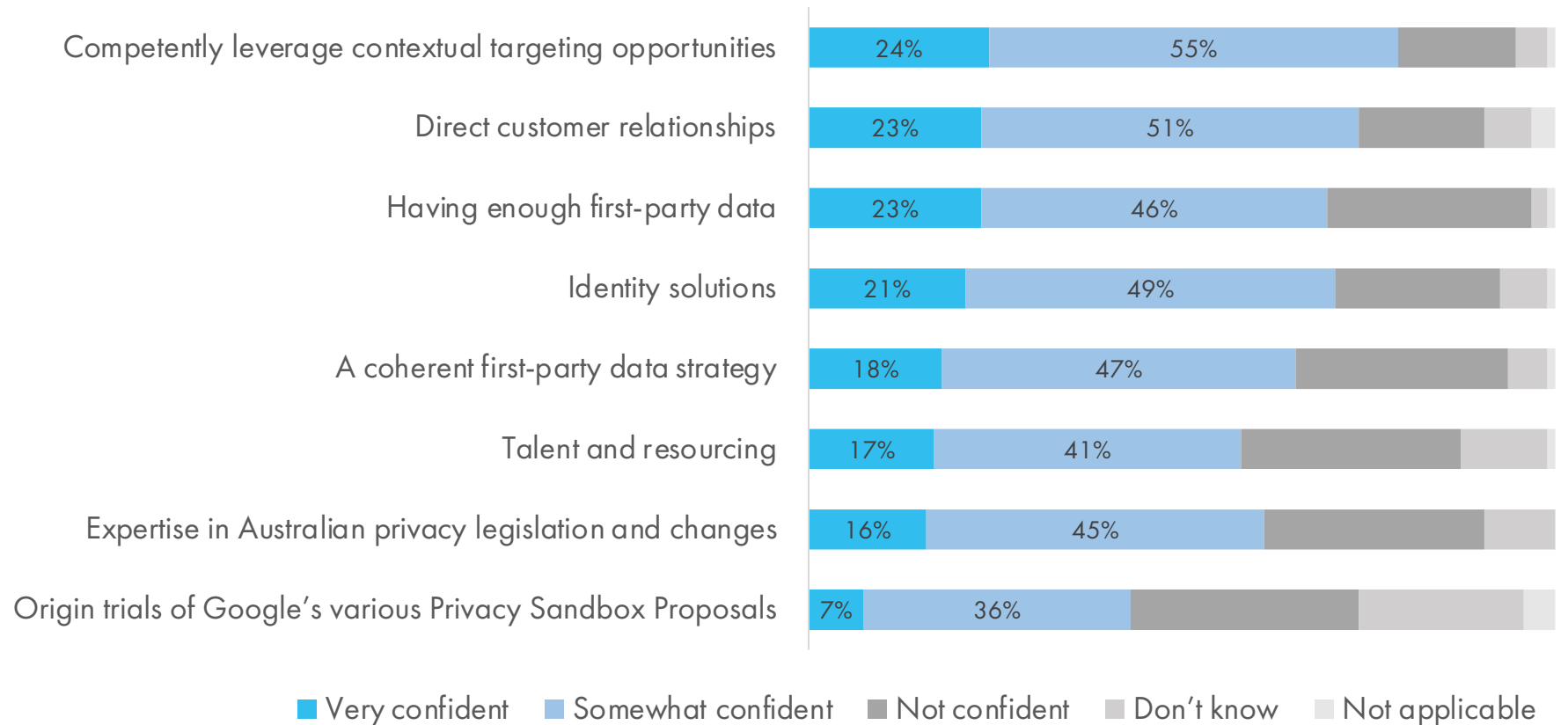
There are a range of business capabilities that could be suitable for businesses to pursue to tackle data related opportunities and challenges.

8 in 10 (79%) are at least somewhat confident that they will have the **capabilities to competently leverage contextual targeting** opportunities over the next year.

74% are also at least somewhat confident in having **direct customer relationships** to tackle data related opportunities and challenges.

Confidence is comparatively lower in having **Privacy Sandbox trials** in place over the next year.

confidence in having business capabilities in place to tackle data-related opportunities and challenges over the next year



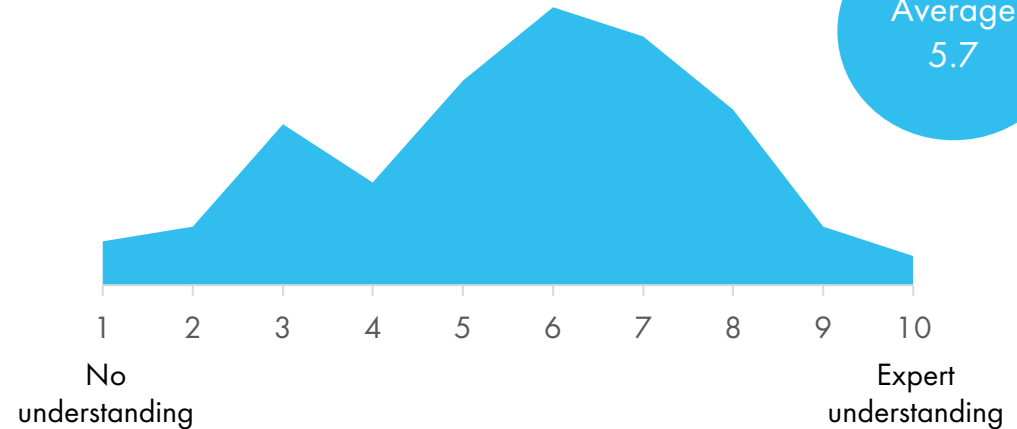
understanding of privacy laws

There is mid level understanding of the impending changes to the Privacy Act amongst our survey sample of digital advertising decision makers/influencers.

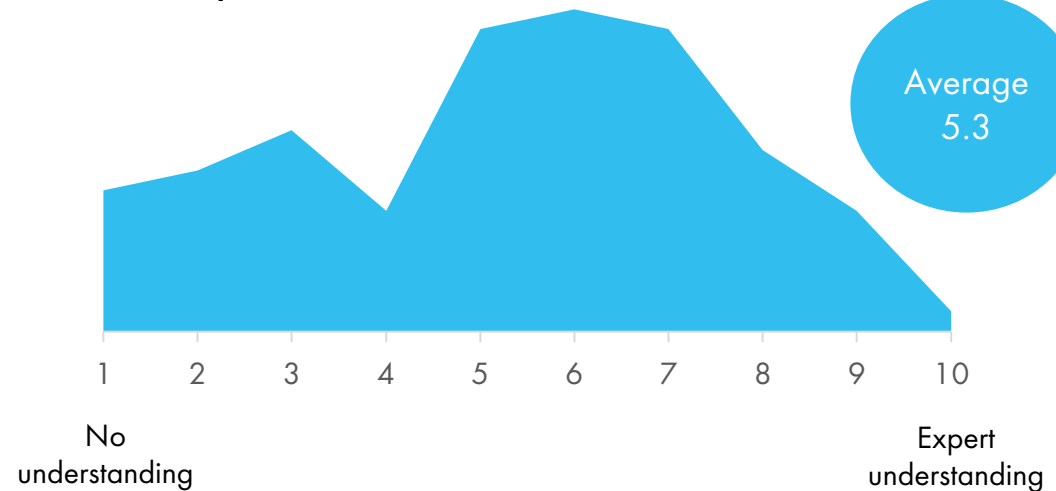
On the scale from 1 to 10 (where 1 means no understanding at all, and 10 means an expert level of understanding), 51% gave themselves a score of 6 or more for their understanding of the impending Online Privacy Code and Privacy Act Review in Australia (compared to 58% giving themselves a score of 6 or more for their understanding of current laws).

Note: At the time of the survey, the Australian Attorney - General's Department were in the process of developing legislative amendments to implement the proposals in their Privacy Act Review Report released in February 2023. A draft exposure bill is expected in August 2024.

Understanding of current Australian privacy laws



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



consumers at the heart of why the industry is making these changes

52%

of respondent companies are increasing collection / emphasis on use of first-party data

36% of respondent companies are actively communicating and educating consumers on the value exchange for their data

30% of respondent companies are increasing transparency with consumers on what their business does with consumer data

25% of respondent companies are implementing ways for consumers to make choices about the collection of their data

Respondents want to ensure that consumers, ethics of data use and communicating the value exchange is the focus of industry changes

"The industry should encourage engaging meaningfully with the ethics of data use. The purpose of the various privacy legislations was people via their representatives telling marketers to stop tracking them. The industry's response to this has been a series of legalistic workarounds that enable continuing the data practices people find creepy through different means."

"We talk a lot about "Value Exchange" in the context of collection and usage of data but I haven't seen any comprehensive piece about how we create value exchange with the consumers, by category."

"As an industry we are laser focused on privacy and tech changes right now. We need to cater for these changes with practical information and knowledge sharing, but, never lose sight of the consumer as well. We need to showcase that data can drive amazing customer experiences and results."

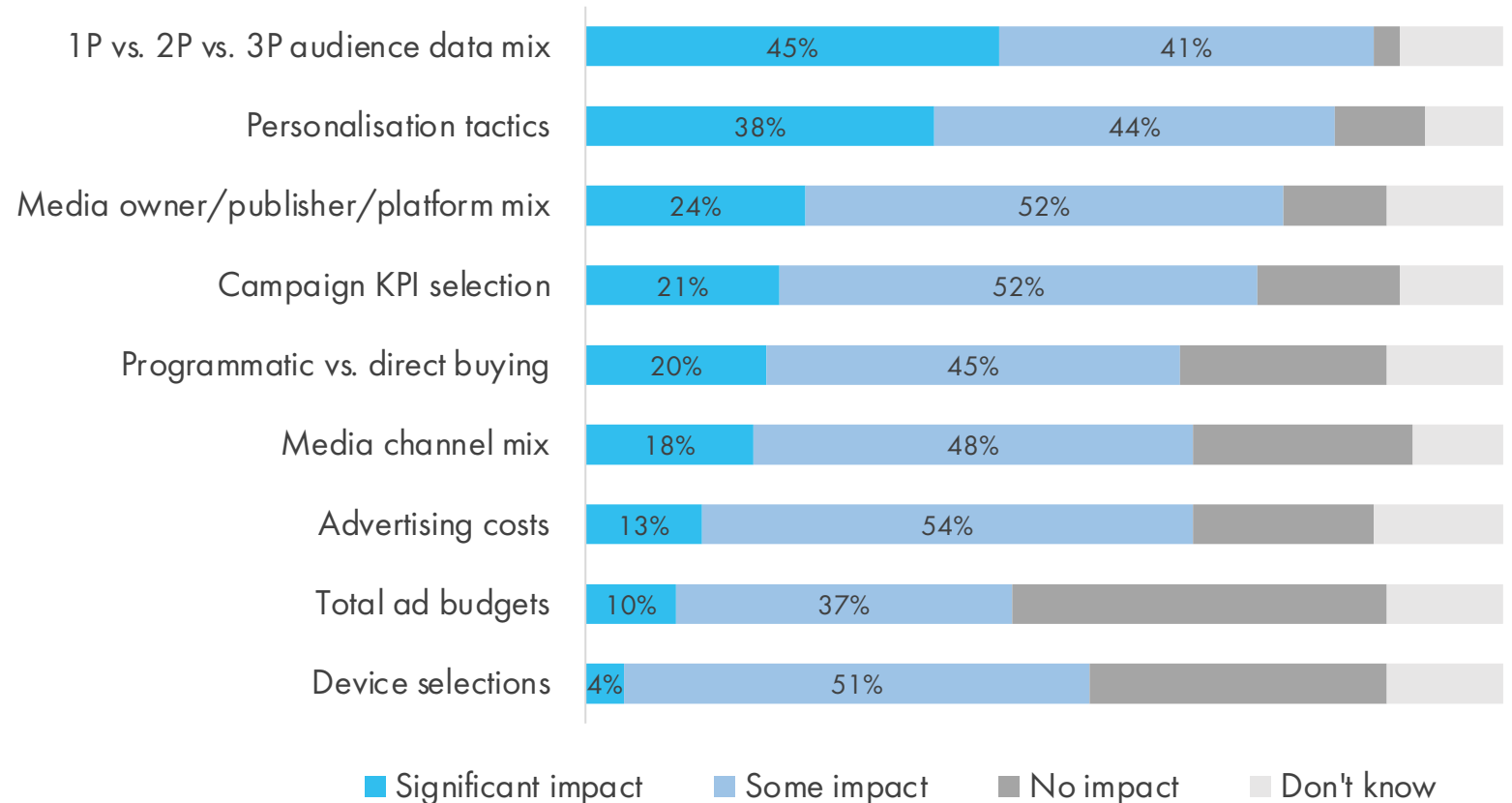
impact of tech changes and impending privacy law changes on agency client media plans

Indicatively, from the subset of survey sample of respondents from agencies, there are a range of potential impacts on media planning decisions due to impending new privacy legislation and/or signal loss.

Amongst agencies surveyed, 45% indicated significant impact to date on the [choice of audience data mix for client media plans](#) (86% indicating at least some impact).

Over 70% of agencies survey indicated that these changes were also having at least some impact on [personalisation tactics, media mix and campaign KPI selection](#).

impact of impending new privacy legislation and/or signal loss on aspects of media planning

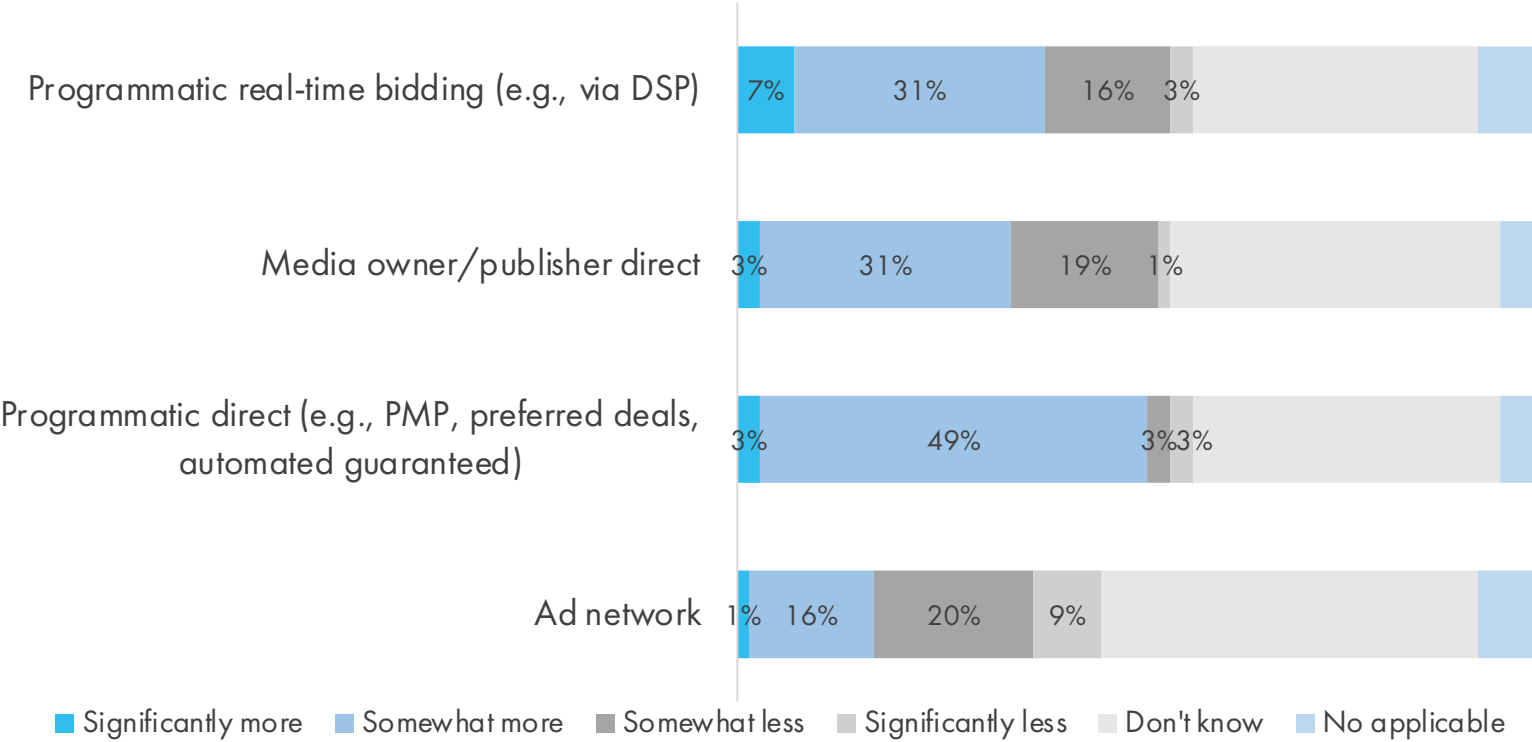


expected impact of tech changes and impending privacy law changes on client buying methods

Indicatively, from the subset of survey sample of respondents from agencies, there is potential impact on digital advertising buying methods, however amongst agencies surveyed, around 4 in 10 don't yet know how privacy legislation and/or signal loss will impact ad spending using various digital advertising buying methods.

52% of agencies indicated they would spend at least some more on **programmatic direct (e.g., PMP, preferred deals, automated guaranteed)** as a result of these changes.

impact of impending new privacy legislation and/or signal loss on spending using various digital advertising buying methods in 2024



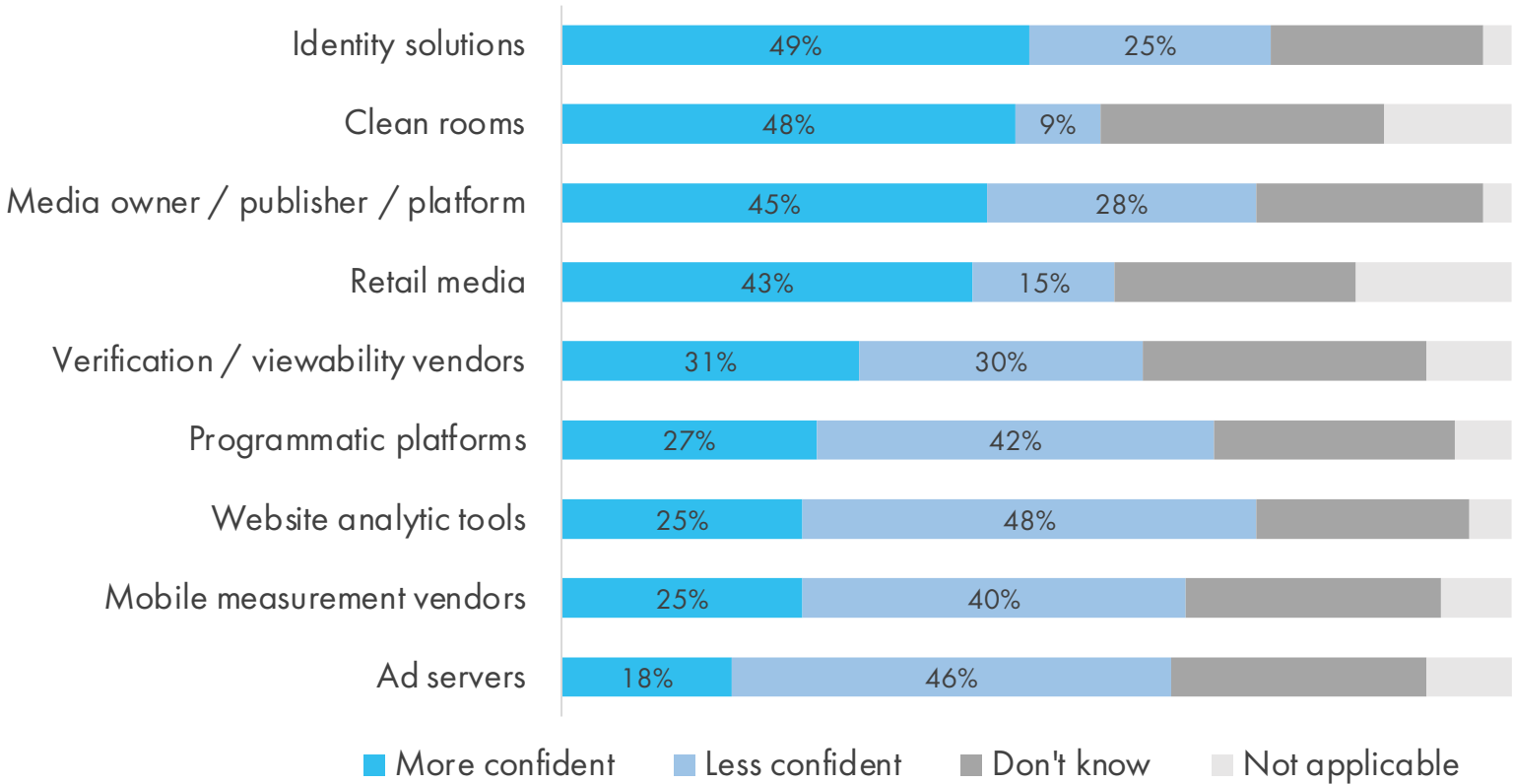
impact of tech changes and impending privacy law changes on confidence in data received from ad partners

Indicatively, from the subset of survey sample of respondents from agencies, around half say they are more confident in data accuracy from **identity solutions** (49%) and **clean rooms** (48%)

Around half of agencies (48%) indicated they are less confident in the data coming from **website analytic tools**.

Amongst agencies surveyed, around 3 in 10 don't know if privacy legislation and/or signal loss has impacted their confidence in the accuracy of data from ad partners.

impact of impending new privacy legislation and/or signal loss on confidence in the accuracy of data from various ad partners



awareness and usage of Privacy Sandbox APIs

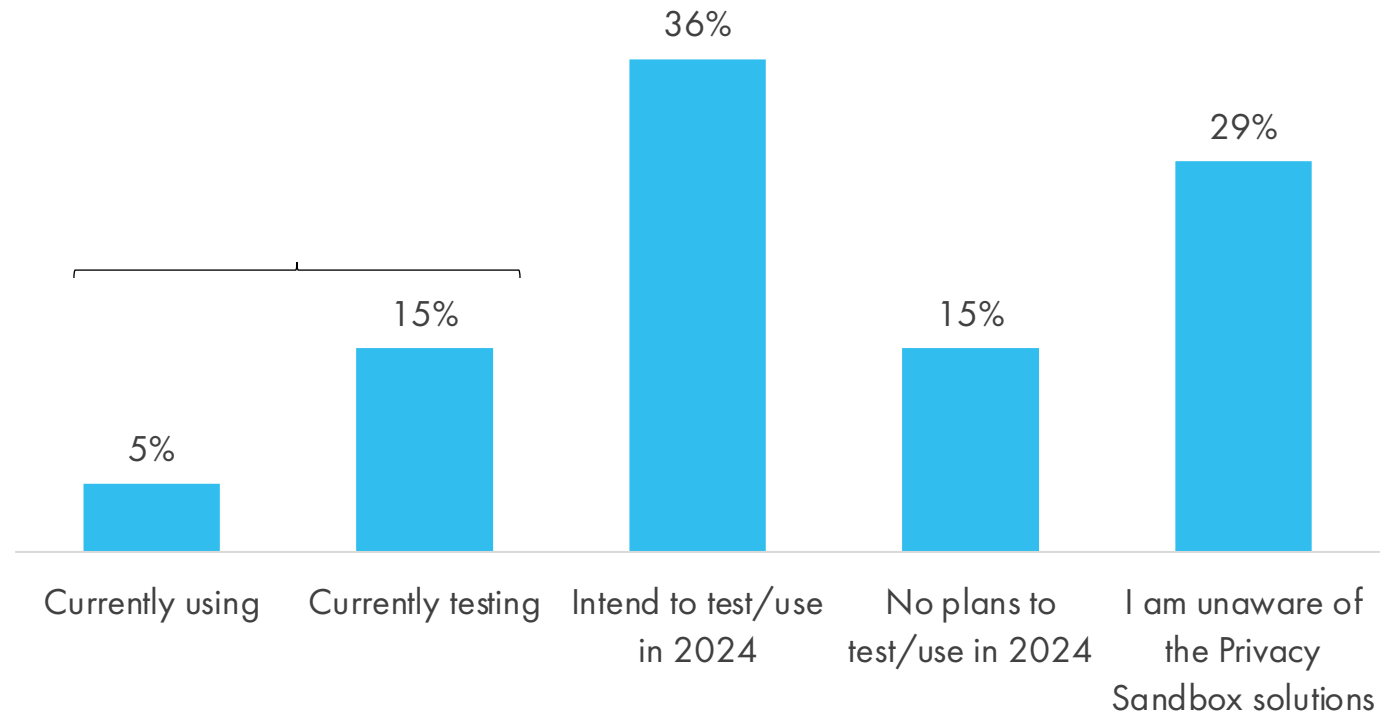
Amongst survey respondents from various types of businesses, 20% indicated they are currently using or testing the portfolio of Privacy Sandbox APIs proposed as alternatives to enabling digital advertising without third-party cookies in Chrome, a further 36% intend to test or use them this year.

Amongst those currently using or testing, the most used APIs are the Protected Audience API (56%), Topics API (38%) and Attribution Reporting API (31%).

57% of respondents would like more information and knowledge on Privacy Sandbox.

Note, on 23rd April Google [announced](#) updated timing for the planned third-party cookie deprecation on Chrome (now planned for 2025, previously full retirement was planned for Q4 2024). Most survey responses were received prior to this announcement.

awareness and usage of the portfolio of Privacy Sandbox APIs proposed as alternatives to enabling digital advertising without third party cookies in Chrome, whilst enhancing user privacy

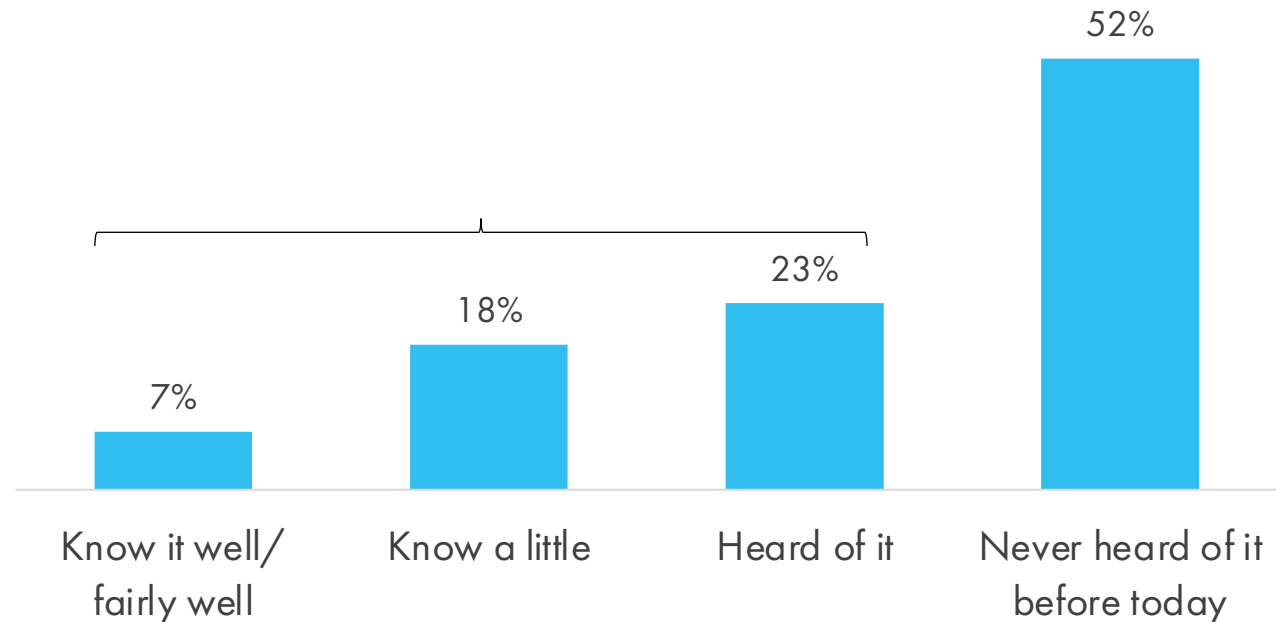


familiarity with the IAB's Seller Defined Audiences standard as a future-solution for addressability

48%

of respondents from across various types of media businesses have some level of familiarity with the IAB's Seller-Defined Audiences standards as a future-solution for addressability.

familiarity with the IAB's Seller-Defined Audiences standards as a future-solution for addressability moving forwards



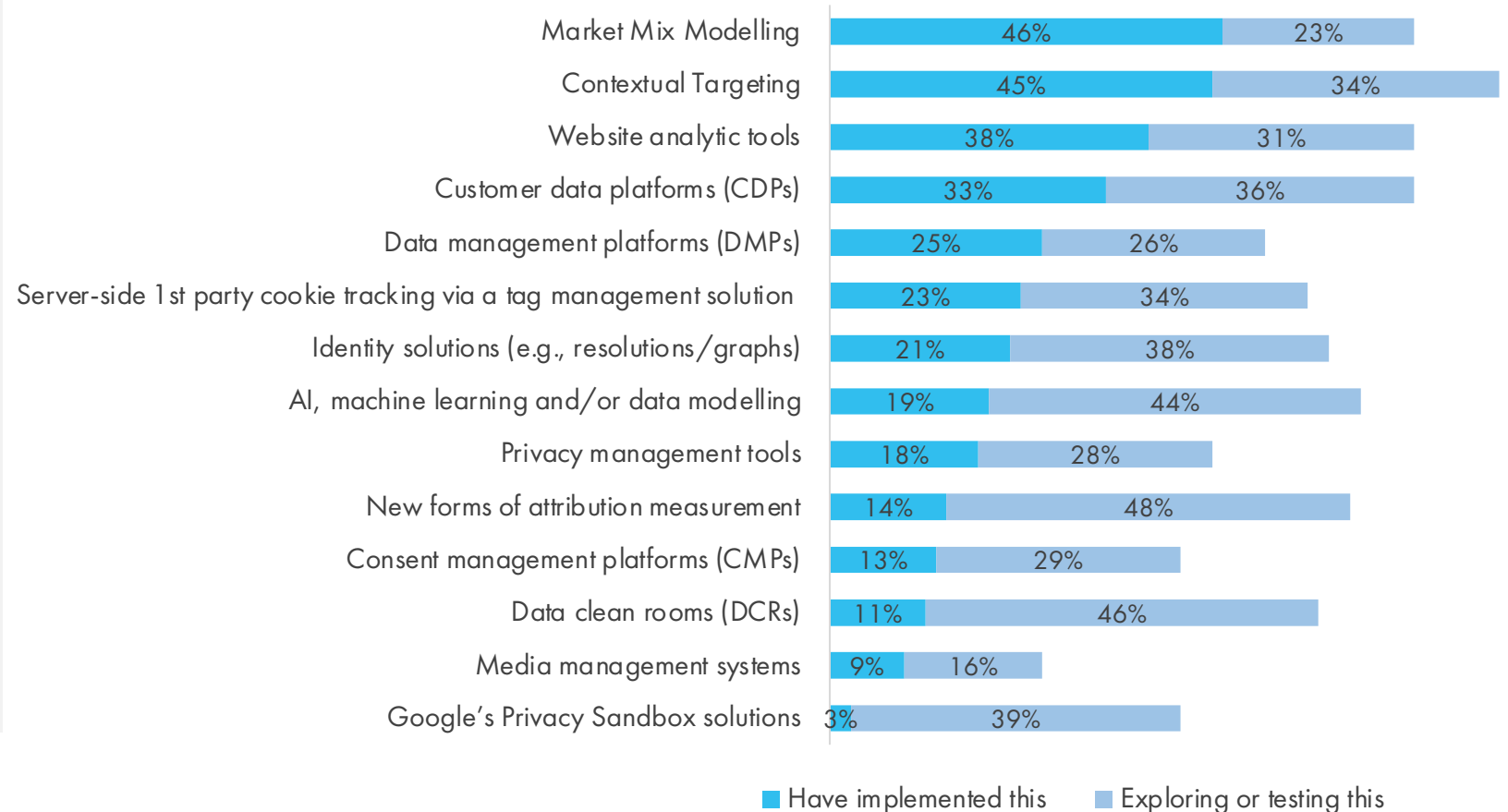
adoption of tools, tech and partnerships to manage signal loss and impending new privacy legislation

There are a range of business tools, software and partnerships that could be suitable for businesses to pursue to tackle data related opportunities and challenges. Not all of these maybe be suitable for every business, each business should carefully consider suitability for their needs.

Market Mix Modelling and Contextual Targeting are the two most adopted tools already implemented to manage the changes from signal loss and impending new privacy legislation.

New forms of attribution measurement, data clean rooms and AI/machine learning/modelling are the most common tools currently being explored or tested to managed these changes.

adoption of tools, software and partnerships as a result of impending new privacy legislation and/or signals loss



investing in skills, knowledge and capability

60%

of respondent companies are actively training and upskilling staff because of impending new privacy legislation and/or signal loss

35% of respondent companies are hiring specialists such as data analysts/scientists/engineers/legal/compliance

29% of respondent companies are working with external data agencies, consultancies, legal support

The industry is upskilling to prepare for changes, however more information to help companies prepare would be valuable

"The best thing we can do to prepare is invest in capability: that is, to ensure we are equipping our entire industry with the education, tools and confidence to ask the 'dumb digi questions'. An education series, tool and template development, structured debates and panels to encourage critical thinking. "

"The industry could best support us by creating a centralized, continuously updated resource hub that includes legal updates, compliance guidelines, and best practices for ethical data use, supplemented by hands-on workshops and expert consultations to ensure practical application and compliance adaptability."

"Easy-to-understand information, reference material and "watch out" tips that could help when various situations do come up to at least provide a starting point and where to go for more information would be invaluable"

"It would be great to have a 'privacy and data for dummies' course, to help those of us without a technical background to better understand the changes without jargon muddying the waters and preventing us from understanding the content."


"More transparency and knowledge sharing from other countries such as case studies and industry learnings about the impact and results of implementing some of these data compliant solutions"

"Keep it simple. We need to take the whole industry on this journey. We can't rely on jargon, acronyms, and assumptions. Make it simple, make it accessible, make it actionable."

IAB resources

2023

data collaboration platforms explainer



1st party data handbook.

2022



iab submission privacy act review report 2022



DIGITAL DATA EXCHANGE : THE CONSUMER VIEW

Consumer perceptions of data privacy, data monitoring and value exchange.

October 2021



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2023

marketing measurement innovation series



topic q&a with chair

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