

THE CLEAN ROOM COMPENDIUM – VOL 1

The 7 Keys to a Privacy-Dominant Advertising Future

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Introduction

Data privacy is at the top of every marketing agenda these days. The tension created by unchecked hacks and abuses has finally come to a head, regulators are catching up fast, and consumers are more aware of their rights than even a few years ago. Back in 2019, 59% of Americans had [little to no understanding](#) of what companies were doing with their personal data, and 81% felt they had no control over it. Now, 76% know enough to [demand greater transparency](#) from the companies they interact with.

According to [Gartner](#), 75% of the world's population will be covered under modern privacy regulations by the end of 2024. In the US, there's still no comprehensive data privacy law at the federal level, but states are filling the gap. With the addition of Connecticut in May 2022, [five states](#) have now enacted their own data privacy regulations.

While the regulatory landscape is getting confusing, uncertainty is no excuse for inaction. For many brands and publishers, third-party cookies and mobile IDs are already in the rearview mirror, first-party data is taking center stage, and there's no way to build a business around [first-party data](#) without addressing privacy—even if it's a moving target.

The future of marketing in general, and advertising in particular, will be dominated by privacy. It's here that data clean rooms have a crucial role to play. We put together this reference guide to help you understand what clean rooms are, what you can use them for, and whether now is the right time for you to start investing in your future.



What identity, targeting, and measurement use cases will most meaningfully create business value? Answer these fundamental questions before buying the next shiny new martech product.

Brett House

Vice President, Global Marketing & Analytics Solutions
Neustar, a TransUnion company

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What Is a Data Clean Room?

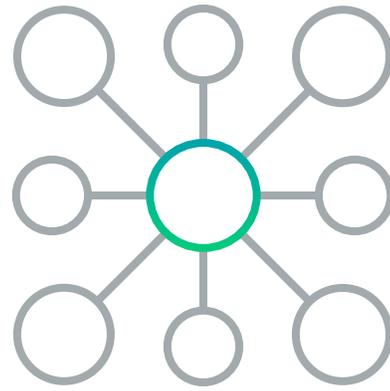
You've probably heard about data clean rooms already at the virtual water cooler, on a webinar, or in the trade press. You might be a bit overwhelmed by all the tech talk, and confused too because it means different things to different people. So we thought it would be useful to start with a straightforward definition.

This is how we define it:

A data clean room is an integrated solution that allows data partners to share and analyze sensitive customer data to generate insights and improve the performance of their marketing programs, without jeopardizing the privacy of their respective customers.

The operative word is 'integrated.' Most of the time, data clean rooms are making headlines because they're using this or that privacy-enhancing technology (PET): pseudonymization, for instance, or differential privacy. While PETs are crucial to the success of a data clean room, they are no substitute for a well thought-out and fully integrated end-to-end solution.

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Wait, Don't I Have a Data Clean Room Already?

In a recent report, [Forrester](#) examined today's competitive landscape, and found variations on the data clean room theme from vendors in fields as diverse as adtech and martech, data management, data governance, identity resolution, cybersecurity, and privacy specialists—on top of all the closed ecosystems associated with major walled-gardens, like Google's Ads Data Hub or Amazon's Marketing Cloud.

If you take a look at your existing data and technology partners and recognize some of the names from the Forrester list (or from some other industry listing), you might assume that you already have a data clean

room in your tech stack, or that data clean room functionalities were automatically added to your legacy solutions during the last software update.

Without industry standards, there's always room for interpretation. Let's be clear: At a minimum, a data clean room must offer strict protocols to secure your data, protect consumer privacy, and control who (inside and outside your company) has access to the data and for what purpose. On the privacy front, not all data clean rooms will use the same techniques to obfuscate personal identifiers, for instance, or prevent re-identification. But those capabilities absolutely have to be there.

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To find out whether the solution you're looking at is a data clean room or not, ask yourself the following questions:

Privacy Compliance - Is privacy the driving force of the platform, or a mere afterthought?

Partner Trust - Does it encourage or inhibit data collaboration between partners?

Governance - Does it allow you to tightly control who has access to the data, and what specific queries are authorized?

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Why Do I Need a Data Clean Room?

'Because everyone else has one' isn't a compelling reason for most CFOs to greenlight your investment in a clean room. Here are some serious business challenges that a clean room can help answer, and can lead to your business case:

Fragmented Customer Data - Customer data too often lives in silos: separate systems for existing customers and prospects; separate media logs for each channel; online and offline conversions; loyalty transactions; customer service calls. Marketers have long struggled to centralize data sources in a single environment, and it's getting worse as the number of data feeds proliferates across first-party and other data sources.

Restricted Access to Partner Data - Walled gardens, large media companies (including CTV), and distributors (like retailers) have their own privacy priorities too, and they don't openly share person-level data with their partners anymore. This seriously hampers your ability to run cross-channel analytics, understand the customer journey, and optimize your media spend.

Unresolved Identity - Now that third-party identifiers are gone, or soon will be, you don't have a way to create and maintain identity linkages between your data (whether offline or digital) and your partners' data without using PII. You need a data clean room to resolve identities, create persistent keys, and remove all PII from your ecosystem.

Data Preparation - Data scientists currently spend half of their time cleaning up and normalizing datasets for analysis, and a lot of that work is done in a technical environment where privacy is often an afterthought. This opens the door to costly mistakes and liabilities. A clean room not only safeguards that working environment, but it can also streamline much of the analytical work (with machine learning tools, for instance) so that your experts may focus on higher-value queries and data explorations.

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Top Use Cases

Part of the appeal of data clean rooms is that they can be put to use to enable and strengthen many important marketing use cases. They represent a secure forum for media buyers and sellers to pull their resources together, but each party comes with its own agenda.

Below are some of the top use cases for data clean rooms:

Top Use Cases for Advertisers and Agencies

Data Collaboration - Collaborate with partners on customer and media data in a privacy-protected environment to uncover new insights about current and prospective customers. When advertising partners understand where and how their customers and audiences overlap, they can translate those findings into much-improved media planning capabilities.

Audience Building and Activation - Create high-performing audiences based on first-, second-, or third-party customer attributes, transactions, and media logs. The audience-building process can be driven by customer attributes, media performance data, and even extend to lookalike audiences through the use of advanced machine learning tools. Then, many data clean rooms can activate those audiences across key channels.

Measurement and Optimization - Conduct closed-loop measurement, reach and frequency analysis, and develop attribution models to size up every channel's contribution and optimize media spend.

Top Use Cases for Publishers and Platforms

Audience Monetization - Collaborate with advertisers to build audiences that are a good fit for their brand and marketing objectives, and monetize those audiences with higher CPMs or through direct partnership deals. This greatly reduces a publisher's dependency on third-party intermediaries. It also makes it possible to identify unique cohorts that can be syndicated to reputable data marketplaces.

ROI Analysis - Develop custom impact metrics and share them with advertising partners and their agencies so that they may measure the return on their advertising spend (ROAS) on their own terms. Some brands are looking for unduplicated reach, for example, while others are more directly aiming for conversions or sales with their campaigns.

Customer Experience Improvement - Improve all parties' understanding of the customer journey and ad exposure frequency on their platforms. This translates to better planning, targeting, personalization, and better-informed frequency capping strategies. A good customer experience rubs off on the platform's advertising partners and adds value to the partnership.

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What's Keeping Marketers from Embracing Data Clean Rooms?

On paper, data clean rooms are a no-brainer. Who doesn't want to compare notes with new partners to create high-performing audiences for their brand, enrich their first-party data safely, and improve how they measure the success of their campaigns?

But a number of challenges have kept marketers from making the jump:

Protection of PII - Responsible marketers know the value of their customers' PII and don't want to abuse their trust by sharing it with an outside partner.

Re-Identification - Even without PII, it's theoretically possible for an outside partner to reverse-engineer who some of your customers are based on other attributes or connection to their data.

Data Hijacking - No one wants their valuable first-party data hijacked by a careless or unscrupulous partner, and used in a way that hurts their business.

Legal Liability - Under GDPR, data controllers have very strict compliance obligations. Does partnering with an outside party mean that you're bound to share its data controller obligations?

Tracking Consent - Under Apple's ATT framework, joining or linking data with a partner invokes additional restrictions. Can you tell whether your collaboration meets the guidelines for your app?

Actually Sharing Data - Many data partners don't want their data to leave their respective controlled environments, and they don't want to share it with their clean room vendor either.

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What's the Right Data Clean Room for You?

Think about the following considerations as you research your options:

Usability - Don't lower your expectations. You should be able to produce new insights quickly, and have your team building insights, not managing data.

Governance - Pay special attention to the levers provided for you to control access and authorize queries, as well as the mechanisms in place for you to verify compliance.

Interoperability - You should look for a solution that integrates easily with other solutions in your marketing stack, especially identity resolution.

Transparency - Make sure you understand all the privacy measures that are available in the clean room you're considering, and how exactly the vendor implemented those measures.

Activation - You want to use your new insights without delay. Pick a data clean room with activation capabilities built-in so that PII doesn't get compromised.

Availability - The right data clean room partner can open new doors for you. To get a head start, select a solution that comes with an extended marketplace of vetted data partners.

Identity - If you don't use some form of identity graph to facilitate cross-party data matching, you won't find very much in common with your data partners. The option of adding an identity graph should be one of the key criteria when choosing a clean room vendor.

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A data clean room isn't just another martech app. It's a whole new working environment that enhances privacy across your entire data partner ecosystem and technology stack.

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Conclusion

In today's complex and constantly evolving regulatory environment, privacy considerations need to be at the heart of all your marketing initiatives. You need to invest in the right tools to not just maintain the status quo, but also expand your capabilities and continue to outpace the competition.

We hope you and your team will find this resource guide helpful as you learn more about data clean rooms and review what supplier is the best fit for your organization.

The [Neustar Marketing and Analytics Clean Room](#) was designed to execute a wide variety of marketing, measurement, and attribution use cases, while providing the privacy-enhancing technologies required to protect against data deprecation and data privacy concerns.

This ground-breaking solution bridges the gaps left by other clean room solutions by combining native identity data and ML-powered graph capabilities with extensive integrations across the media and marketing world, including linear and connected TV providers and the walled-gardens.

It allows for multiple organizations and internal teams to bring data together securely for joint analytics, media activation, and marketing attribution.

Please [visit our site](#) to learn more about it, and [get in touch with us](#) so that we can help you make the decision that's right for your organization.



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About Us



TransUnion (NYSE: TRU)

TransUnion is a global information and insights company that makes trust possible in the modern economy. We do this by providing an actionable picture of each person so they can be reliably represented in the marketplace. As a result, businesses and consumers can transact with confidence and achieve great things. We call this Information for Good.®

A leading presence in more than 30 countries across five continents, TransUnion provides solutions that help create economic opportunity, great experiences, and personal empowerment for hundreds of millions of people.

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Neustar

Neustar, a TransUnion company, is a leader in identity resolution providing the data and technology that enable trusted connections between companies and people at the moments that matter most. Neustar offers industry-leading solutions in marketing, risk, and communications that responsibly connect data on people, devices and locations, continuously corroborated through billions of transactions. Learn how your company can benefit from the power of trusted connections.

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