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Putting data clean rooms to work—to deliver real-world outcomes

Secure data collaboration will be critical to the success of marketing organizations in the future. As brands increasingly rely on customer data to drive marketing and advertising, the ability to operationalize their data assets and collaborate securely and efficiently with other brands will become paramount.
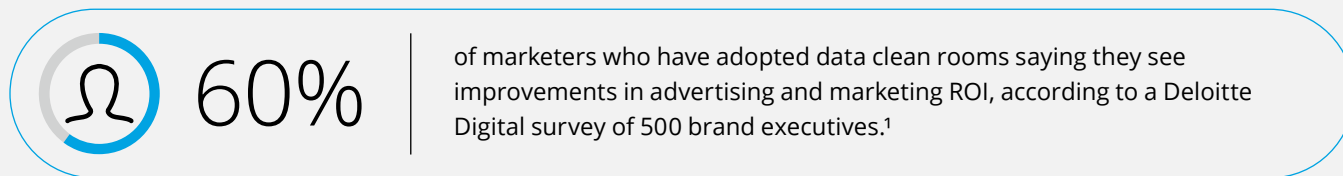
Adopting data clean rooms to support secure data collaboration solves several key problems brought on by regulatory and technology shifts, including more effectively using data to optimize advertising performance and improve campaign reporting and measurement. The approach also facilitates customer insights through data enrichment, letting organizations merge disparate data sources to create a more comprehensive and accurate view of customers, markets, and trends.

Breaking through with data clean rooms

From marketers to technologists to the C-suite, data clean rooms can help break down silos and unlock new capabilities for audience insights, campaign activation, AI/ML, and measurement. They offer several innovations, including enabling privacy-compliant customer data-matching and collaboration within an organization and between different organizations—for analyzing different data sets from unique data providers (such as digital publishers or a retail brand) in a secure, pseudo-anonymized environment.

Data clean rooms are becoming essential business solutions to transform how cross-functional teams use data to improve advertising and marketing ROI, derive audience insights, enable measurement, and activate data. And their value is growing more evident, with about:

60% of marketers who have adopted data clean rooms saying they see improvements in advertising and marketing ROI, according to a Deloitte Digital survey of 500 brand executives.[1]

Your brand's future marketing-driven goals will likely rely on data clean rooms for data sharing and collaboration—meaning you should know how these solutions can work in real-world business and marketing applications. Building on our first installment in this series, in this piece, we provide a closer look at some of the ways organizations can practically use data clean rooms to achieve their marketing and advertising objectives.

Transforming data into value for the business

The two primary types of data clean rooms—**platform data clean rooms** and **enterprise data clean rooms**—provide an opportunity for marketers to use their first-party data in collaboration with a partner's data for data enrichment, attribution, and activation while observing privacy and security needs. But another way to think about data clean rooms and their utility is by considering four distinct categories that cover a full spectrum of uses:

1
First-party data sharing within an enterprise

2
Data sharing with external partners and vendors

3
Media activation and optimization

4
Measurement and attribution

Each of these categories offers rich territory for transforming data into insights and action— and ultimately value for the business.

1 First-party data sharing within an enterprise

IT'S WHAT'S ON THE INSIDE THAT COUNTS.

A critical need for secure sharing of first-party data sets has ushered in the data clean room era. Many leaders, however, may overlook the value of starting *within the enterprise.*

Inside any organization, unfettered data access is rare. Internal departments and business groups may have different requirements, procedures, and concerns when it comes to sharing and enabling first-party, sensitive customer data. But this data is the most valuable asset an organization has—the fuel that powers customer intelligence, marketing impact and advertising outcomes. Data clean rooms let you extract the value of this data to develop new strategies and tactics, identify trends, or glean other insights that can support decision-making across the enterprise.

With a "data collaboration" mindset that includes use of data clean rooms, businesses can put the focus on data fundamentals and organizing first-party data more cohesively across a single organization, without exposing personally identifiable information (PII). Addressing siloed data is a crucial step—one that can enable seamless data sharing across an enterprise's different functions, geographies, and lines of business. For example:

DATA SHARING ACROSS BUSINESS UNITS AND GEOGRAPHIES WITHIN AN ENTERPRISE
An entertainment brand's streaming division may want to share secure customer data—without PII attached—with its gaming division to build audiences and target consumers with ads. Or the division may want to share the data between two different countries, to compare audience trends for the same streaming series. A data clean room provides a layer of protection with limited data movement, both of which enable the brand to be privacy-compliant across geographies and to share intra-company.

DATA SHARING ACROSS BRANDS WITHIN THE SAME HOLDING COMPANY
Two retail brands under the same holding company may want to share customer data without exposing raw records to each other, to find opportunities for cross-promotion and upsell, or to mine for insights. For example, shoppers of athletic wear from one brand may demonstrate affinity for business attire from the other, and marketers can build audiences to target in digital ads with a cross-promotion message.

Data sharing with external partners and vendors

NO BUSINESS IS AN ISLAND.

Data clean rooms can make a significant, positive impact, supporting data-collaboration partnerships between two or more businesses—allowing them to share, match, and make meaningful connections across their shared data, without exchanging PII. The approach can address persistent pain points such as limited customer insights because of restricted data sets, as well as inability to share and match data due to privacy restrictions. A few key examples include:

CUSTOMER IDENTITY: BRIDGING AND DE-DUPLICATION

While capabilities are still emerging in this area, 41% of brand leaders are adopting data clean rooms across their organization, often to offset third-party data and ID/signal loss.[2] Data clean rooms are helping to fill the gap for publishers and brands who were previously matching data for insights, activation, and measurement using third-party cookies. Instead, they can use data clean rooms to securely match or bridge their data on a hashed identifier to onboard and de-dupe customer records to better target the consumer with ads.

DATA MONETIZATION

Data clean rooms let retailers, publishers, and data providers share data effectively with ad buyers, and 46% of brand leaders using clean rooms are already doing so.[3] A grocer can share data on consumer buying habits with a CPG brand looking to upsell and target those same consumers, for example. Data clean rooms also can support a bigger vision, allowing participants to establish a more robust "data marketplace" that offers greater opportunity to monetize data for enrichment, identity resolution, and insights.

USING DATA SEGMENTATION TO REACH CONSUMERS IN A CHANNEL THAT THEY SPEND TIME IN

Creating segments of consumers allows marketers to deliver more relevant messages via the most effective channels. And 53% of marketers say that they see more accurate segmentation and targeting through the use of data clean rooms.[4] One potential use case: a sports product manufacturer could use retail and other brand data to understand which of its audiences are most likely to buy in a downturn, what drives their customer buying decisions, and in which channels they are most likely to be influenced.

SHARED CUSTOMER BASE ANALYSIS, WITH AUDIENCE OVERLAPS, USING MULTIPLE DATA SETS FROM DIFFERENT ORGANIZATIONS

Two or more organizations on a combined marketing mission can often reach the customer more effectively—such as through cross-promotion or driving value from brand sponsorships. Data clean rooms let multiple organizations use their disparate data to identify common audiences and take action.

③ Media activation and optimization

HOW, WHERE, AND WHEN DO YOU SHOW UP?

How will your business address the effects of ongoing data fragmentation and the expansion of data privacy regulations? Specifically, how will you continue to optimize campaigns in flight, augment your bidding strategies in real time, or create actionable insights from audience analysis? Data clean rooms can help reduce the time and complexity involved in sharing and analyzing first-party data before activating it within a connected advertising or marketing platform. Consider these use cases:

ACTIVATE PRIVACY-COMPLIANT AUDIENCES
Plan and activate targeted audience segments without relying on third-party cookies.

BIDDING STRATEGY AND CUSTOM BIDDING
Develop dynamic bidding and calls to action across product categories, based on consumer digital browsing history.

CONVERSION ANALYSIS
Understand what behaviors do (or don't) influence a customer's ultimate interaction (i.e., whatever is defined as a conversion), to inform additional tactics and strategies for driving future conversions.

AUDIENCE SEGMENT OPTIMIZATION
Understand the best target segments to reach or exclude by audience, tactic, or media type, and build and activate lookalike models based on high-value first-party seed audiences.

4 Measurement and attribution

KNOW HOW FAR YOU MOVED THE NEEDLE.

When measuring performance, marketers should shift from relying on third-party data to relying more on resilient signals and first-party data. Data clean rooms can support this measurement transformation and allow organizations to measure advertising impact over the long term. The sooner an organization begins experimenting with data clean rooms to bolster its measurement approach, the more time it has to refine that approach and build a competitive edge.

Data clean rooms can support the following measurement analyses across your marketing channels while maintaining privacy compliance and data accuracy:

REACH AND FREQUENCY ANALYSIS

Measure the number of unique individuals exposed to your media and how many times the ad exposures took place. By closely monitoring these campaign metrics, you can optimize your channels and improve media performance by minimizing ad fatigue and potential ad dollar waste.

CROSS CHANNEL CAMPAIGN MEASUREMENT

Gain full-funnel campaign performance insights and advanced audience analysis based on first-party customer and connected media data. You can also conduct analyses to determine the optimal channel to reach customers for a specific outcome and measure the performance of your marketing channels in driving toward your conversion metrics (e.g., membership sign-ups, sales).

What's on the other side of the door?

Most marketers realize what lies ahead—a future in which new regulations, industry forces, and customer expectations will continuously reshape privacy considerations and needs. Getting ahead of the challenges that such a future brings is more achievable—especially if you have the tools that allow you to navigate the constant disruption taking place at the intersection of data, privacy, and marketing.

Data clean rooms will remain a powerful tool for the foreseeable future. Understanding the specific ways you can use them—and the specific ways they can deliver measurable value—offers marketers a major opportunity to set their brands apart and drive growth in the cookie-less days ahead. So how will you create them, activate them, and understand their impact? Explore potential answers in upcoming installments of this series as we take a closer look at requirements, ROI, and other topics that can help you collaborate more effectively with data clean rooms.

WANT ANSWERS SOONER?

Contact us to explore additional use cases and scenarios, schedule a data clean room demo, or discuss a specific issue your organization is facing.

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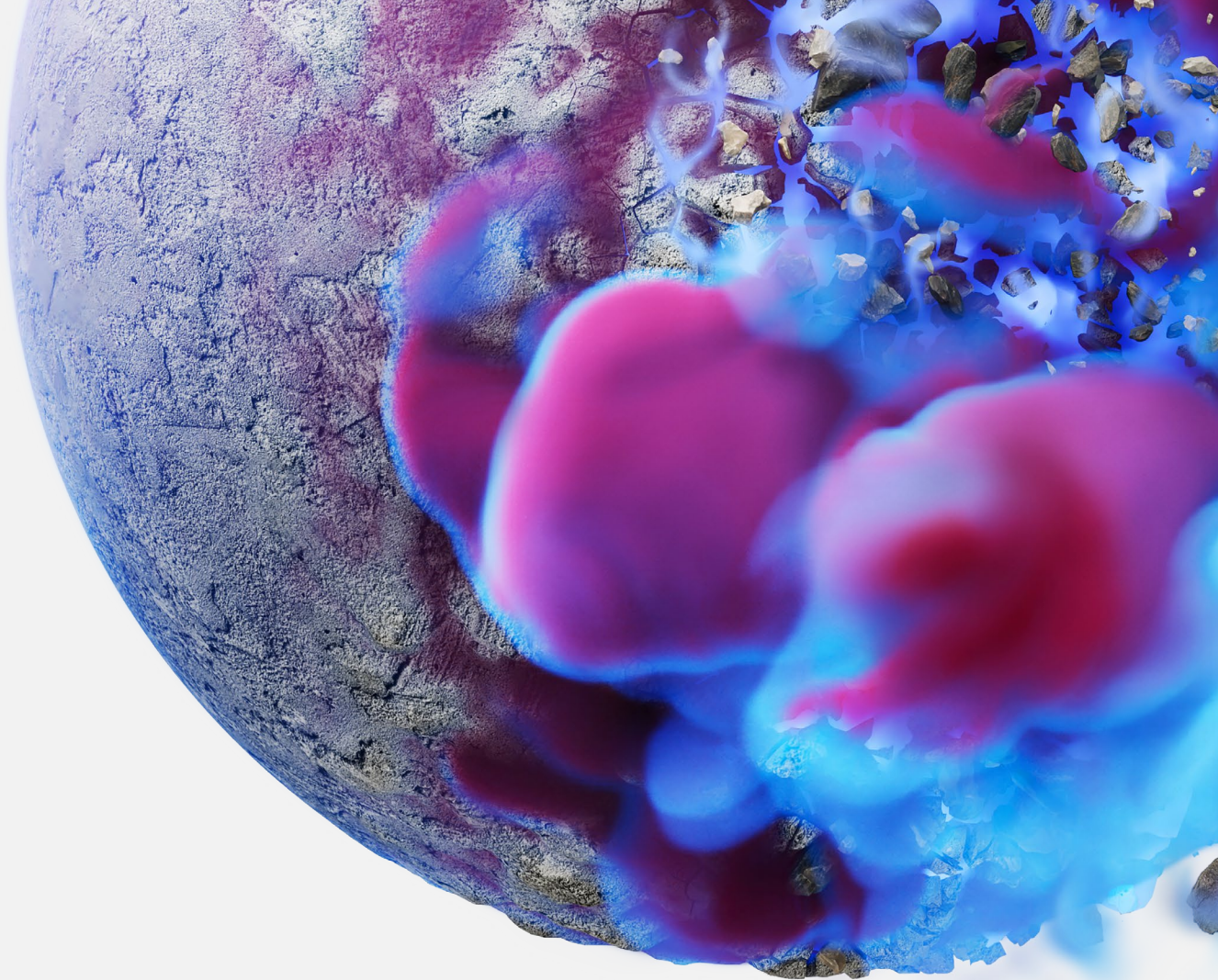Studio Lead
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Sources

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