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How are marketing leaders preparing for a future defined by data clean rooms?

For years, browser cookies and other digital identifiers have allowed brands to get detailed insights into customers' digital activities and behaviors—and to target those individuals effectively. But brands across industries are now facing the reality of a cookie-less future and widespread signal loss, as increasingly complex regulations and privacy considerations limit how companies can collect and use customer data.

What does the depreciation of third-party cookies mean for brands?

$91M - $203M[1]

The average **potential revenue at risk** each year resulting from signal loss

Amid this evolving landscape, leading marketers are finding new solutions to target, optimize, and measure effectiveness of their advertising and marketing campaigns. For many brands, a key piece of their strategies will involve data clean rooms—an emerging and already tested solution-set that is proving essential for audience activation and measurement.

So how are leading organizations **preparing for and adopting** data clean rooms?

To answer that question, Deloitte Digital conducted a new study in 2023, surveying 500 global executives across 11 industries to better understand how top brands are using data clean rooms. Here's what we found.

Data clean rooms are here today—and they will be an integral part of the future.

Data clean rooms are rapidly becoming essential to major brands' marketing and advertising strategies, providing a new platform for data collaboration—both internally and with other parties—and creating opportunities for new business models, including data monetization.

Understanding data clean rooms

Data clean rooms are **cloud-based** solutions that enable **secure, privacy-compliant data-matching and collaboration** within an organization and across different organizations. They enable permissioned data consumers—for example, your brand's media team—to **analyze data sets from data providers** (such as digital publishers or another brand) in a secure, pseudo-anonymous environment where **individual customers cannot be identified.**

Learn more about the growing profile of data clean rooms

1 in 3 companies are using data clean rooms extensively

To help better understand the future of data clean rooms—and how they will shape the future of marketing, advertising, and data collaboration—we took a deeper dive into survey results.

Four clear themes quickly emerged from our research, providing a look into the how leaders are thinking about and preparing for data clean rooms in a cookie-less future.

HYPE

Theme 1: The hype cycle is just beginning, and no brand will want to be left playing catch-up.

Though data clean rooms have gained significant traction in the past few years, the hype cycle for them is just beginning.

Brands that choose to wait out the hype cycle could find themselves at a competitive disadvantage. Amid growing privacy expectations and the loss of third-party identifiers, the data that brands need for personalizing customer experiences will become difficult to capture and act on.

Savvy marketers recognize the new reality that is emerging and the importance of shoring up first-party data, but many marketers are struggling to use their data effectively.

As companies begin envisioning a future defined by data clean rooms and more effective use of their first-party data, many leaders understand that a lot of work lies ahead—and that they cannot do it all on their own.

Learn more about potential use cases

Roughly **9 in 10** companies expect their use of data clean rooms to increase in the next 12 months.

Overall,

25% of companies report that they **use first-party data** in their advertising/marketing campaigns **less than half of the time**

Companies using data clean rooms are **much more likely** to leverage first-party data

85% use first party data **more than half the time**

70% of companies planning to use data clean rooms say they are **likely to outsource** some of the implementation and operations

BENEFITS

Theme 2: Business benefits are driving the value of data clean rooms.

From Marketing to IT to the C-suite, clean rooms are becoming essential to business operations—allowing organizations to transform how cross-functional teams use data to:

- Improve advertising and marketing ROI
- Derive audience insights
- Enable measurement
- Activate audiences

And the value of data clean rooms is growing more evident across industries.

60% of marketers who have adopted data clean rooms say they **see improvements** in advertising and marketing ROI.

Among them:

59% are seeing improvements in **ease of data sharing** that meets compliance and privacy requirements

53% are getting **more accurate** segmentation and targeting

Companies that are **widely adopting** data clean rooms saw nearly a **2x improvement in advertising/marketing ROI** compared to companies adopting clean rooms on a limited basis.

ADOPTION

Theme 3: Marketing and advertising stakeholders are leading clean room adoption.

Marketing and advertising stakeholders know that they must lead the charge when it comes to clean rooms. And as they step forward to drive clean room adoption, they are mobilizing cross-functional teams across IT, analytics, privacy, and other key business areas. In doing so, they are also creating a community of understanding, aware of the value of clean room applications and the potential for broader business value.

As marketing and advertising decision-makers step up to lead, they still face challenges when it comes to communicating the value of data clean rooms.

71% of B2C companies report marketing and/or advertising management is **championing adoption** of data clean rooms.

Within companies that already use data clean rooms extensively, **more departments** are responsible for approving data privacy projects.

Among those adopting clean rooms widely:

55% include **data** and **analytics** teams

46% include **privacy** and **legal** as critical stakeholders

INVESTMENTS

Theme 4: Companies are making strategic investments in clean room technology.

There is a growing imperative to make clean room investments that are strategic—thoughtfully crafted to address changing macro forces and business realities. The marketplace is evolving quickly, with many major brands piloting these cloud-based solutions, identifying leading practices, and then expanding their use. And more disruption is coming—in the form of privacy regulations and technological change, including signal loss and deprecating technologies such as data management platforms (DMPs). The investment in clean rooms likely will only increase as brands move beyond the hype cycle and into full-fledged adoption.

$879K
Average **company spend** on data clean room technology in 2022

87%
Expect their use of data clean rooms to **increase in the next 12 months**

69%
of companies are still using **DMPs**

+50%
of companies that extensively use clean rooms involve **data science teams** in implementation and operations

Making room for clean rooms

The clean room hype cycle, the potential benefits, the levers for adoption, and the imperative for strategic investment—all together they underscore the importance for meaningful, coordinated action on the part of marketing leaders today.

Contact Deloitte Digital to explore more findings from our survey, to schedule a clean room consultation, or to find out how we can help you define your vision for clean rooms.

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About the research/methodology

Deloitte surveyed 500 global executives across 11 industries to better understand how top brands are using data clean rooms. In partnership with Laveiss Research, we designed and analyzed a 10-minute online survey comprising 42 questions fielded March 21 to April 2, 2023.

Respondents were manager level or above, at full-time employee of a US B2C company with 1,000 or more employees and $500 million or more in annual revenue. (One-third of organizations surveyed had 5,000+ employees.)

1. "Revenue at risk" by Deloitte Digital (October 2022)

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