



# The Digital Advertiser's guide to privacy maturity

Evaluate your digital marketing privacy and data maturity today and see how to help your organization level up.



**Microsoft Advertising**  
Great relationships start here.

# Why it's important to understand and evolve your organization's level of data privacy maturity

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With the deprecation of third-party cookies, and new mobile ID protection protocols impacting all businesses, advertisers and consumers, how you collect and manage data is among the most important considerations for success going forward.

We've created this guide because every organization now needs help being better prepared to deliver business results in the digital ad landscape of tomorrow.

Why? Simply put, so you can create better marketing programs and build more valuable relationships with your customers - to survive, or even thrive in the coming years.





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- First-party data
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# How to use this guide

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The model in this guide will help you gauge your level of readiness in three key areas that will help you thrive in a privacy-first cookieless world.

Use this model by determining which stage you are at overall – and within each of the key areas. You can then select which tactics or steps you can apply to advance in your level.

You may be at the beginning stages in some areas and at advanced stages in others. That's ok, and you wouldn't be alone. With a focused approach, you can go from beginner to expert and be prepared for ongoing business success.

# Move from survive to thrive in a privacy-first cookieless world

Assessing your status is the first step on the path to the highest level of maturity. What level best describes your organization today?



## Level 1: Audit The "basic" cookie

You understand the implications of 3<sup>rd</sup> party cookie deprecation and mobile ID protocols and are taking steps to manage your data.

You've audited and identified who controls your data and have plans to ensure your ad measurement and targeting will continue to work. However, you're aware that there's probably more you could be doing.



## Level 2: Activate The (first) "party" cookie

You have a first-party data plan and you've started activating against it, mostly focused on large publishers.

Your team is aligned in testing audiences, tagging and optimizing first-party data collection resources.

Now, you're ready to dive deeper to improve performance and consider more advanced data capabilities with your in-house team.



## Level 3: Expand The "future-focused" cookie

You have a first-party solid data collection strategy. You're ready to expand with large publishers (walled gardens) and activate on the open web.

You're ready to advance your strategy by unifying data across collection points. You're also increasing sources to 2nd party partners in a privacy compliant, addressable way.

Perhaps you're experimenting with partners like LiveRamp, The Trade Desk, Nielsen, or others to grow and measure the impact of your data strategy.



## Level 4: Enhance The "advanced" cookie

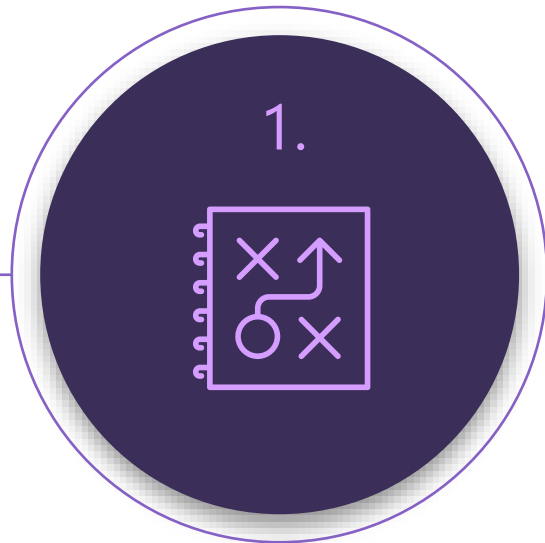
You're aware of the power of multiple data sources and are unifying these sources using a Customers Data Platform (CDP), to activate and target your segments on ad platforms, to better meet your advertising goals, in a privacy compliant way.

Partners are helping you activate and enrich your data at scale and you're using Artificial Intelligence (AI) to improve your performance, extend reach, and build stronger, more loyal customer relationships wherever they may be on the web or in apps.

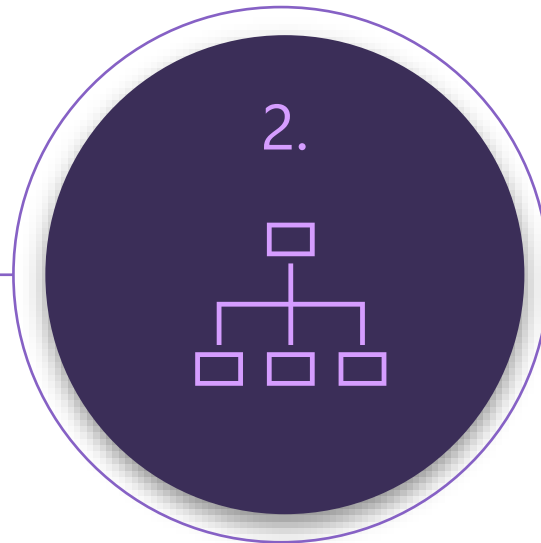
# Key topics to track across levels

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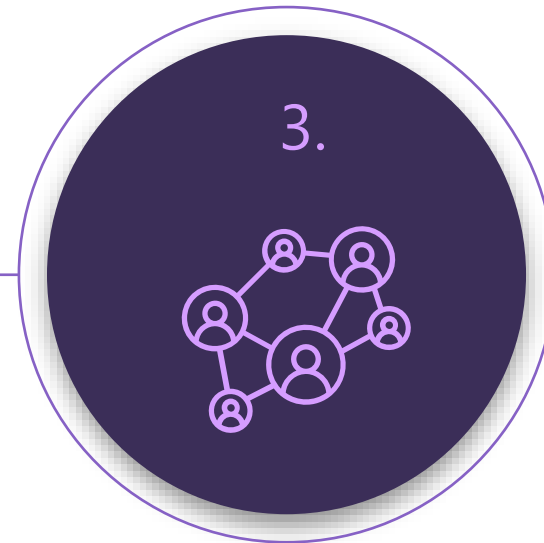
Now that you've identified your level, we'll cover three key topics within the privacy maturity model that will help you go from a beginner to advanced privacy-first advertising practitioner. Your organization may be at different levels in each in of these areas and that's ok. It gives you a baseline and highlights where you have opportunity to improve.



**First-party  
data strategy**



**Data  
management**



**Partners and  
publishers**

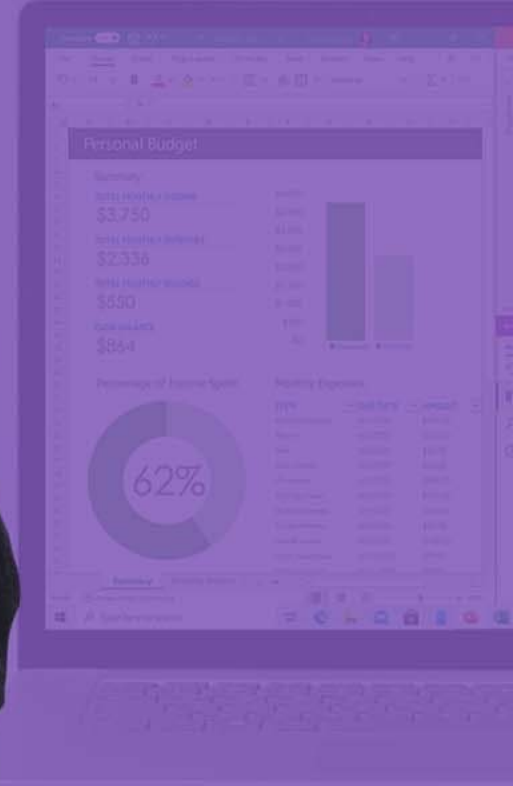
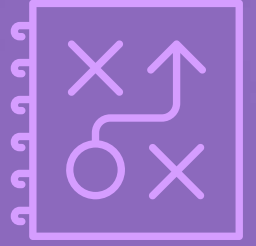
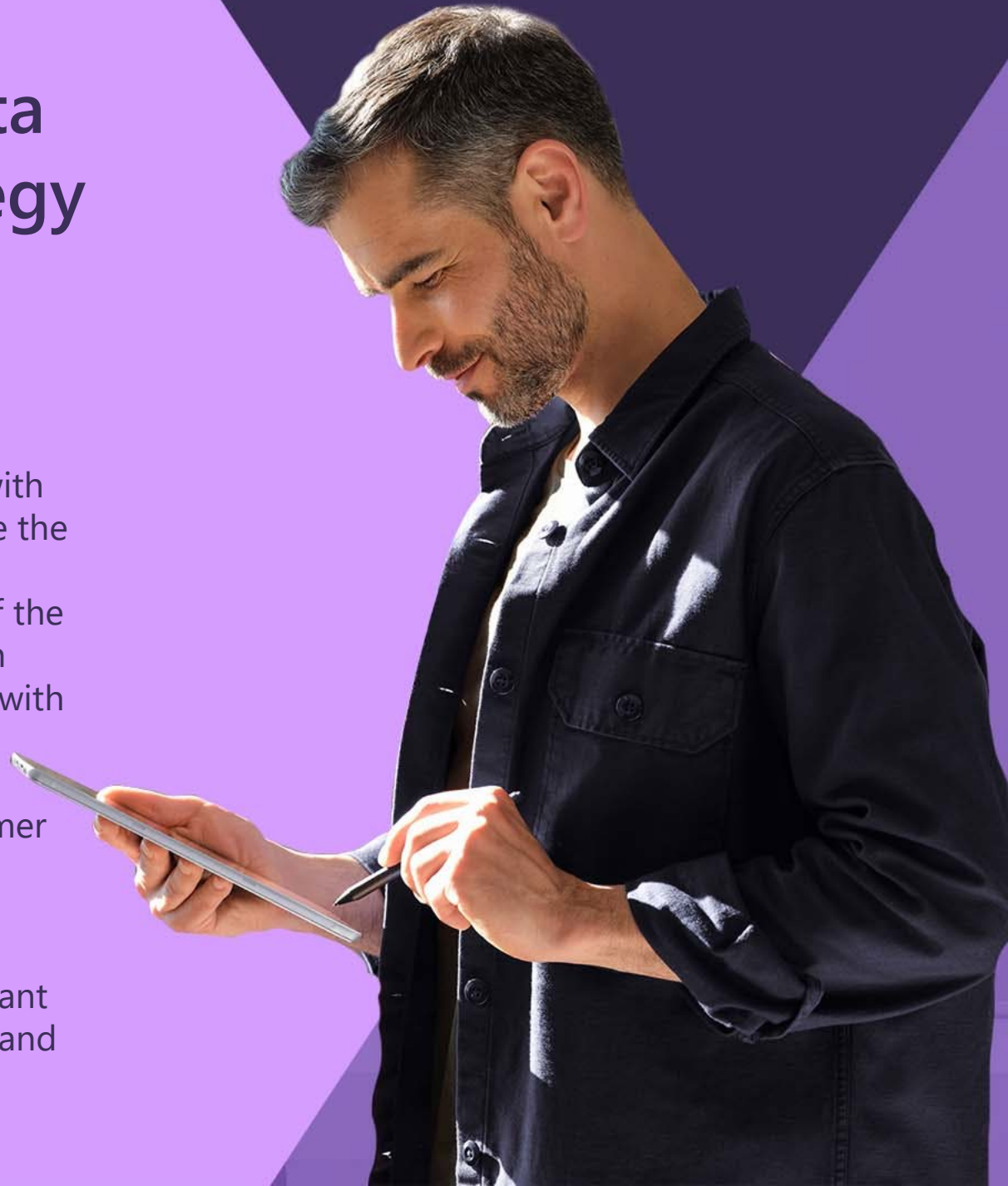
# 1. First-party (1P) data activation and strategy

How to prepare for data collection in an addressable, compliant way.

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Data, how it's collected and what we do with it has been the topic of conversation since the advent of digital marketing. But now, it's mission critical that we get it right. One of the most meaningful ways marketers can gain trust and create meaningful engagement with customers is with first-party data.

**First-party data** comes from direct customer interactions and is the foundation for a relationship built on trust and a value exchange. For consumers, it holds the promise of a personalized and more relevant experience with brands. In return, brands and businesses receive better insight and a longer-term relationship.



# 1. First-party (1P) data activation and strategy

Determine your level and take the necessary steps to advance.

## Level 1: Take Inventory

- ❑ Find out where data comes from, who manages it and how it's stored.
- ❑ Compile a list of first-party data sources you currently use or used previously and review how you're using them – or could.
- ❑ Streamline the collection and data storage process across teams.
- ❑ Find other sources of potential data intake relevant to your strategy and goals.

## Level 2: Develop Strategy

- ❑ Create a first-party data collection plan for where and how you will collect and increase your 1P data going forward.
- ❑ Create a data "roadmap" to chart the path from collection to success. Identify any gaps.
- ❑ Consolidate first-party data into a single platform, if needed.
- ❑ Expand your strategy to include actionable zero-party data.

## Level 3: Test

- ❑ Activate your first-party data in media campaigns, testing the effectiveness of your first-party data.
- ❑ Identify more opportunities to use your existing first-party data.
- ❑ Expand and test cookie alternatives like Universal Event Tags, and target across the open web.
- ❑ Continue identifying new ways to collect permissioned data.
- ❑ Develop and test cohort-based ad targeting.

## Level 4: Optimize

- ❑ Grow and optimize your first-party data sets. Use registration or paywalls.
- ❑ Align your data sources in one central location to make it easy to use first-party data cross-company.
- ❑ Develop a platform to partner with third parties to enrich your first-party data and measure effectiveness.
- ❑ Integrate with new browser measurement solutions.
- ❑ Develop Artificial Intelligence models that are not completely dependent on personal data.



## 2. Data management

Establishing transparency and control.

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Your data management processes, roles, policies, standards, and metrics outline who can take what action, upon what data, in what situations, using which methods.

Having good data management means allowing your entire team the empowerment to take action to put your data to use in an integrated and legally compliant way.



# 2. Data management

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Determine your level and take the necessary steps to advance.

## Level 1: Audit and update

- ❑ Identify the data managers for your organization.
- ❑ Establish or evaluate the data guidelines currently in place.

## Level 2: Activate and test

- ❑ Develop a strong data governance process to ensure compliance and safety.
- ❑ Refine data processes, roles, policies and standards.
- ❑ Put a consent management solution in place such as consent/cookie banners and forms.
- ❑ Determine how you'll measure data collection and success for desktop and mobile.

## Level 3: Expand

- ❑ Establish a consolidated, cross-company, multi-team data strategy.
- ❑ Refine and advance data principles with more complex scenarios.
- ❑ Create "trusted by design" experiences to protect user PII like fingerprint\* or facial recognition (don't use backdoor solutions or fingerprinting), ensure PII isn't sold or shared.

## Level 4: Enhance

- ❑ Leverage a data management platform (DMP) to help you consolidate, authenticate, analyze and activate data.
- ❑ Ensure bias is eliminated from Artificial Intelligence when using AI to enhance your data segments, with a review process in place so it's inclusive.
- ❑ Use clean rooms or a secure, protected environment to match data for overlap. Ensure Personally Identifiable Information is anonymized, processed and stored in a privacy-compliant way.

### 3. Partners and publishers

Expert help allows you to scale your data.

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Collecting, managing and using data compliantly and in the best way for the business and the customer can be a complex proposition, but it's imperative. There are no organizations that can do it all alone. That's where partners and publisher come in. They'll help you manage data collection to application and measurement using advanced principals to create cutting-edge, compliant data applications.



# 3. Partners and publishers

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Determine your level and take the necessary steps to advance.

## Level 1: Audit and update

- ❑ Identify all partners and publishers you are working with now or have in the past.
- ❑ Pick and choose which data partners you'll work with and limit the number who have access to your data.

## Level 2: Activate and test

- ❑ Identify potential partners to work with, such as ad technology or analytics companies.
- ❑ Select media partners to work with such as Microsoft Advertising.
- ❑ Run ID match test with partners to understand audience overlap.

## Level 3: Expand

- ❑ Identify a partnership mode, considering data regulations, that meets your business goals and protects user data.

## Level 4: Enhance

- ❑ Activate partner data in advertising.
- ❑ Leverage partner data to extend reach to new audiences.
- ❑ Get independent measurement insights to understand performance.

Steps you can take to  
enhance your digital  
marketing privacy and data  
maturity today





# Looking toward the future

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There isn't a market-ready solution available today that can manage your data end-to-end. Until there is, businesses who succeed will be the ones who take the necessary steps to prepare a first-party data strategy, conduct robust data management, and work with the best partners and publishers that can help them prepare for the privacy-first future.

**What's clear is that first-party data will lead the way.** The time is now to ensure your teams have the best resources and information available to develop or enhance their operational data collection and management models. It's your ability to communicate with customers transparently and in a personalized and meaningful way that will enable better relationships and business success in the future.

## Next steps

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**Identify the right people** in your organization to kick-off a data and privacy discussion.



Use this guide to **determine your organization's current level of maturity** and what steps should be next.



Discuss a plan with your Microsoft Advertising account team for what you can **do today on the Microsoft Advertising platform**.

### Helpful resources

- ✓ Read Microsoft Advertising blog post: [Zero-party data: Trust & relevance in ads](#) - Microsoft Advertising.
- ✓ For an overview of AI and its responsible use, check out [AI Business School Artificial Intelligence Courses](#) - Microsoft AI.

# Glossary

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**First-party data:** data that comes from direct customer interactions.

**Second-party data:** data obtained from a partner.

**Third-party data:** data that is collected, bought, and sold by data aggregators.

**Zero-party data:** a type of consented data beyond standard information, such as someone's email address or phone number, that you may gather to deliver a service or experience. It could include product interests, personal context, and preferences, and it is exchanged for value and helps brands better understand an individual. People voluntarily share it in exchange for some explicit value, such as tailored communications or a more personalized experience for the customer.

**Customer Data Platform:** a centralized solution to collect, manage, and activate data from multiple sources to create a unified customer profile, personalize the digital customer experience, and stay compliant with emerging data privacy regulations (like the General Data Protection (GDPR) and the California Consumer Privacy Act (CCPA)).

**Clean room:** locations where large companies store aggregated data. Data clean rooms are used by businesses to better understand their advertising data and create custom audiences to use for advertising purposes, with privacy measures in place.

**Data governance:** the approach to managing data throughout its life cycle – from acquiring it to using it, to disposing of it. It includes the people, processes, and technology in place to make sure data is secure, private, and able to be used throughout the lifecycle of the data, ultimately to help organizations make better decisions, optimize costs, and ensure regulatory compliance.

**Cookies:** are used to track user behavior online. Both first-party and third-party cookies contain the same pieces of information and can do the same things – the difference is how they're created and used by websites. First-party cookies allow customization and improve user experience, whereas third-party cookies are used for tracking and online advertising.





Microsoft Advertising connects you with more than a billion people at the right moments across work and life. The Microsoft ecosystem provides access to an audience that has higher buying power, spends more online and is more likely to engage with ads to try new offers. Regardless of whether you are creating a branding or performance campaign, we offer advertising solutions that run the entire marketing funnel, including search, native, display and video advertising. Reach people across Microsoft properties including Bing, MSN, Microsoft News, Microsoft Edge and Outlook.com or partner sites like AOL, Yahoo, CBS Interactive, Wall Street Journal, and Forbes. Microsoft Advertising. Great relationships start here.

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