snowflake®

# THE ESSENTIAL GUIDE TO SECURE DATA COLLABORATION FOR ADVERTISERS

**How to accelerate revenue and increase ROI with privacy-first data clean rooms**

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# INTRODUCTION

**We have entered a new era of advertising where it seems everything is being transformed and powered by advancements in tech and privacy concerns.**

For advertisers, emerging technologies are helping to preserve and optimize existing revenue streams as well as generate new sources of revenue. There are also new opportunities to boost return on ad spend (ROAS) and build stronger relationships with customers based on trust. At the same time, the number of media channels has increased and the rise of new types of media add intricacy to an already complex ad ecosystem, while traditional currency for ad buying — such as third-party cookies, MAIDs and IP addresses — is getting harder to access, leading to signal loss.

Martech and adtech continue to converge around first-party data, shifting the way marketers and advertisers connect with consumers amid challenges such as an increase in privacy regulations, new identity frameworks and fluctuating customer expectations.

Within this ever-changing landscape, three key factors are reshaping advertising and forcing the evolution of the ad buying process: data gravity, advancements in AI and increased concerns around privacy. These three interrelated factors mark a shift in adtech vs. the status quo we saw only a few years ago.

## DATA GRAVITY

Data gravity is the observation that as data volumes increase in size, those volumes tend to continue to grow, attracting more and more data, applications and services to itself over time. As organizations increasingly eliminate silos to unify their data, it makes sense to move applications and processing to where the data lives. This shift is creating new opportunities for marketers and advertisers.

For advertisers, one of the biggest implications of data gravity is the confirmed power of walled gardens such as Facebook, Google and Amazon. These companies understood early the importance of data and have accumulated both first- and second-party data for years. Brands advertise on walled garden platforms because they possess an incredible amount of data and insight about users and their habits, which makes for successful, targeted campaigns. However, walled gardens also leverage the massive data sets they've gathered over the years, which can lead to a concentration of ad budgets and rising ad costs, giving brands less control over their budgets and data.

## AI

It's no secret that advances in AI have already fundamentally altered the landscape of advertising and marketing, and the upheaval has just begun. From ad buying to campaign measurement to creative development, everything is changing thanks to the power of AI.

Today's advertisers need to make decisions fast, often before hard data is even available for analysis. Predictive AI can fill in this time gap, helping brands improve ad campaign performance by using synthetic data to predict campaign outcomes.

AI is also helping to open up insights into new consumer behaviors that have never before been available, which is in turn helping to improve ad targeting, audience planning and segmentation. For example, Vimeo was able to ingest and analyze large amounts of video data and metadata, giving it data-driven insights into consumer behaviors the company previously lacked.

Generative AI is already making an impact as natural-language prompts redefine how brands produce creative, build campaigns and understand their audiences.

## PRIVACY

The transformative element most central to secure data collaboration is privacy. Privacy has long been a major concern for advertisers, but new laws and regulations governing the collection and use of consumer data keep coming, complicating the issue even further. Today, 71% of countries have some form of legislated data and/or privacy legislation. In the U.S., the sweeping American Privacy Rights Act is currently being considered, while many states have passed their own privacy laws.

Given the shifting environment, it's essential that marketers develop and adhere to strong privacy practices for impactful and ethical marketing. Advertisers must go beyond simply meeting the bare minimum required by regulations and find ways to successfully navigate consumer signals around choice, preference and expectations as they relate to privacy.

**71%**

**OF COUNTRIES HAVE DATA PROTECTION AND/OR PRIVACY LEGISLATION.**

— UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

# THE DATA COLLABORATION IMPERATIVE

**To succeed amid this sea change, brands must take back control of their data. That starts by developing a strong first-party data collaboration strategy.**

Building trust with consumers is the key first step. Brands must prove to consumers that providing their data to advertisers benefits them, not just the advertisers. This value exchange is critical. And advertisers need to integrate privacy in every layer of their customer data foundation.

For their part, consumers want personalized experiences, but they want that experience to be equitable and trustworthy. This isn't getting any easier. To manage privacy concerns, advertisers have long relied on tactics like browser pop-ups asking for consent to store a cookie on a user's device, but these won't be sufficient in the future. Consent must govern not only the collection of data (via things like cookies) but also its storage, processing and activation.

Compliance and transparency must be considered every step of the way. Marketers and advertisers not only need to meet high privacy standards related to personally identifiable information (PII), they also need to embrace transparency in customer communications and data-sharing practices — to comply with regulations, build and maintain trust and protect the brand's reputation.

Campaign measurement is also an ongoing challenge for advertisers. Advertisers require cross-channel analysis, incrementality studies and intelligent attribution to run campaigns properly, but those all require overcoming the lack of transparency and consistency across ad platforms. Data collaboration can help advertisers understand the impact of each channel on conversion to optimize allocation and media spend. Privacy-first clean rooms offer organizations a secure way to collaborate on data for better measurement.

Here are six key recommendations for building and implementing a successful, secure data collaboration strategy:

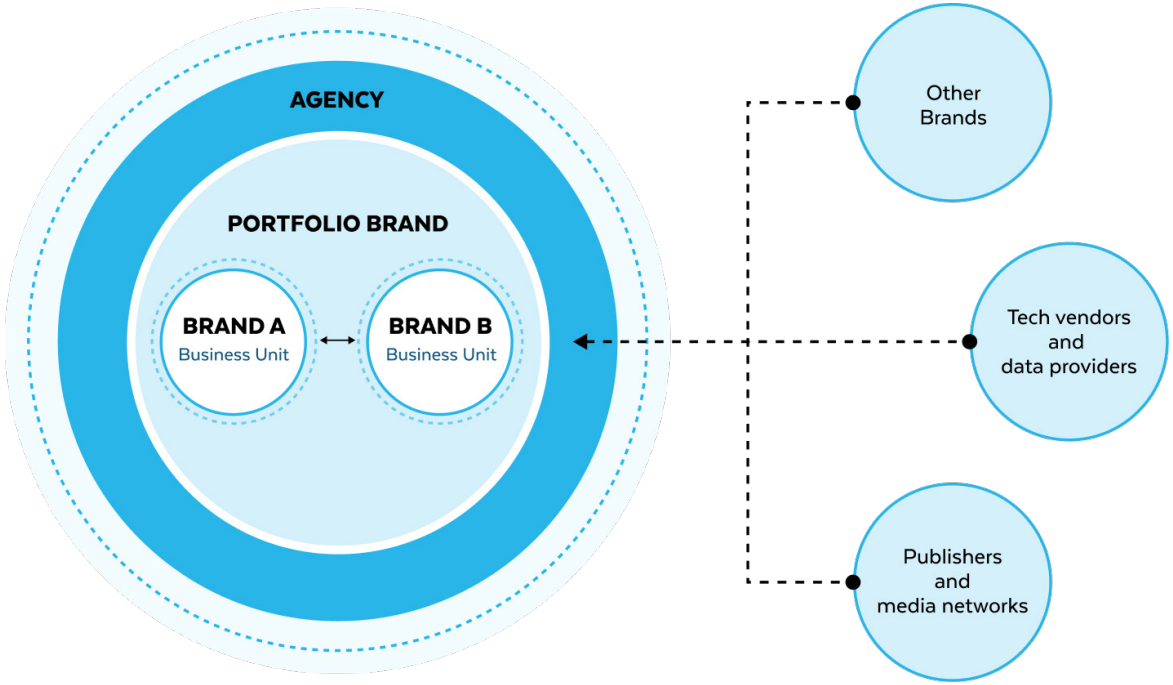
- **Take a privacy-first approach to first-party data:** Ensure all user data is obtained and managed with proper consent, properly governed in compliance with all applicable regulations, and secure. It only takes one misstep to lose customer trust and get hit with costly fines for violating regulations. Protect the brand's reputation at all costs.
- **Use clean and organized data:** Accelerate the value you receive from your data clean room and data collaboration use cases by using clean and organized first-party data. While having a complete view of your customers isn't required, a customer 360 will greatly accelerate any data collaboration.
- **Validate before committing:** Don't commit your ad budget without carefully planning ahead of time. Use the data clean room to test queries that are additive to existing planning workflows.
- **Streamline operations and reduce overhead:** One primary goal is to make it as easy as possible to buy ad placements. Try to bring publishers and programmatic platforms into your DCR environment to reduce your team's need to adopt and understand different technologies.
- **Maintain and increase control:** Adapt to changing markets by avoiding lock-in to a single channel. Your data clean room will allow you to define your approach and advertising goals and collaborate across multiple paid channels simultaneously.
- **Measure and optimize:** Deploy consistent measurement metrics to assess and optimize your ad buying strategies. Feel free to make changes quickly when the numbers don't add up.

## WHAT IS A DATA CLEAN ROOM?

A data clean room (DCR) provides a controlled environment that allows multiple companies and/or divisions of a company to securely collaborate on sensitive or regulated data while preserving that data's privacy.

However, while DCRs are a key technical enabler, they do not inherently guarantee compliance or privacy on their own. Effective use of a data clean room requires a broader ecosystem of practices, policies and responsible decision-making to meet the privacy standards. Without these, there's still a potential for missteps that could lead to privacy issues, regardless of the clean room's capabilities.

Data clean rooms enable advertisers to collaborate on their data in many ways. For instance, two brands operating separately within a portfolio company can use data collaboration to enhance each other's operations. A brand can also work with its technology partners and media owners to access new and unique insights into consumer behavior and campaign performance.




## HOW IS A DATA CLEAN ROOM DIFFERENT FROM OTHER TECHNOLOGIES?

Data clean rooms are sometimes confused with other technologies with similar terms and features. It's important to understand how data clean rooms are different.

In brief, **traditional data pipeline** methods expose data directly to another party, with the data owner controlling access to it. It involves a full, one-way transfer of data. Once that data is moved, it's impossible for the data provider to control or revoke access.

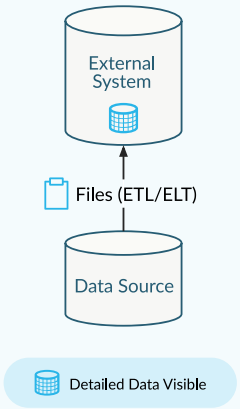
**Cloud data sharing technology** is a step up from traditional data sharing. While this form of collaboration doesn't require copying the data directly, it still requires providing another party with direct access to the underlying, raw data.

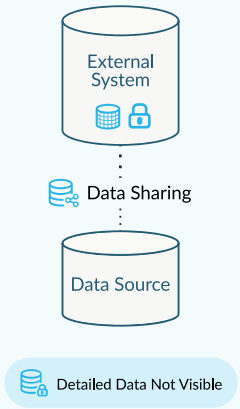
Like a data clean room, a **customer data platform** (CDP) has access to a brand's first-party customer data. CDPs, however, are built for internal use only, not for collaborating on data outside of the organization.

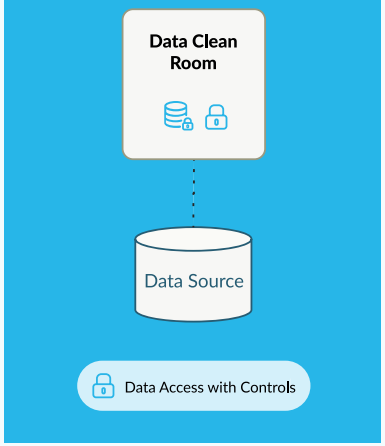
The following chart clarifies the various similarities and differences between these four technologies in more detail.

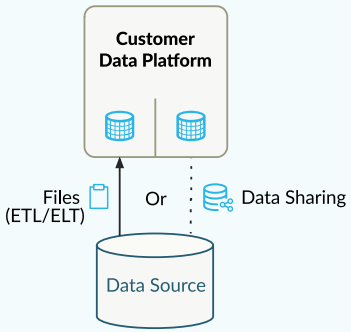
## DATA CLEAN ROOMS AND OTHER TECHNOLOGIES COMPARED

| | TRADITIONAL DATA PIPELINE | DATA SHARING | DATA CLEAN ROOM (DCR) | CUSTOMER DATA PLATFORM (DCP) |
|---|---|---|---|---|
| **What it is** | Data copy via flat files, using ETL/ELT | Technology developed by cloud data vendors | Adtech software category | Martech software category |
| **Purpose** | Enables data to be sent to another location, without control once the data is extracted from its source | Enables data to be exposed to another party, with data owner controlling the access | Enables data collaboration between two or more parties, using respective sensitive datasets (primarily first-party) | Enables campaign planning and activation using primarily brand-owned first-party data |
| **Users** | Technical | Technical | Technical, Business | Technical, Business |
| **Access requires data extraction** | Yes | No | No | Vendor-dependent |
| **Raw data accessible to data consumers** | Yes | Yes, unless configured to limit access | No, if configured appropriately | Yes |
| **Data owner can revoke data access** | No | Yes | Yes | Vendor-dependent |
| **Provides business interface** | No | No | Vendor-dependent | Yes |



# WHY SHOULD ADVERTISERS USE A DATA CLEAN ROOM?

**Data clean rooms' popularity has really picked up, thanks to their privacy-first approach to helping advertisers measure campaign effectiveness — without requiring media publishers and networks to expose personal data.**

Secure data collaboration capabilities mean publishers can connect their first-party impression data across channels and devices with purchase and intent data from advertisers, giving them true insight into conversions across all those channels.

Though brands may have access to use publishers' data clean rooms, they can benefit from using their own. With their own DCR, advertisers can complement their first-party data with outside impression data from multiple sources. They can then leverage this data to build trust and improve relationships with publishers and media networks. This can drive business value with new revenue streams, lower customer acquisition costs and increased return on ad spend.

## USE CASES FOR DATA CLEAN ROOMS

Here's a closer look at some sample use cases on how to leverage data clean rooms for better campaign planning, execution, measurement and optimization.

| | USE CASE | HOW A DATA CLEAN ROOM HELPS |
|---|---|---|
| **Enrich** | **Data enrichment:** Expand first-party data sets with second- and third-party data. | Securely connect first-party data with additional data sets available through the clean room. |
| | **Identity and addressability:** Reach customers through additional channels and personalize their experiences. | Convert or map first-party brand data to identifiers addressable in paid media channels via the clean room. |
| **Plan** | **Media planning:** Build a strategy for collaboration and partnerships to decide where to spend ad budget. | Use the clean room to analyze data through overlaps and other techniques prior to making spend decisions. |
| | **Audience discovery:** Identify the most relevant audiences and collaborate directly with media owners or platforms. | Analyze collaboration party's data through a clean room to find your desired audience characteristics. |
| | **Audience expansion:** Identify and reach potential customers sharing similar characteristics to a defined target audience. | Use the clean room to run lookalike modeling against media owner data to find the desired audience. |
| **Activate** | **Targeting and retargeting:** Plan and execute audience-based campaigns across paid media channels. | Define an audience and activate it directly from the clean room. |
| | **Suppression:** Remove audiences from paid media ads to reduce wasted spend and lower customer acquisition costs. | Use the clean room to define and share audiences to suppress prospecting and retargeting campaigns. |
| **Measure and Optimize** | **Attribution analysis:** Quantify the incremental revenue driven by each campaign. | Analyze the revenue impact of each campaign, comparing exposed and unexposed audiences using clean room data. |
| | **Reach and frequency:** Optimize ad exposure levels to help prevent audience fatigue. | Measure the reach and frequency of campaigns across multiple platforms via the clean room. |

# TOP 6 CONSIDERATIONS FOR DATA COLLABORATION

## 1. COMPLIANCE

One of the most significant considerations for advertisers around data collaboration is compliance with the growing tangle of complex regulations and data privacy laws. Addressing this issue means involving your legal team to identify potential risks and address them before they become an issue. Setting up data collaboration with another party means investing additional effort up front to identify the resources you need and to create the necessary agreements with procurement teams. Once this framework is set up, you'll have a repeatable process that you can use down the road for future collaborations.

From the moment data is collected, you must have a robust compliance strategy in place. That means ensuring all information is obtained and stored properly, with required consent from your users.

## 2. GOVERNANCE

Compliance is impossible without strong data governance. At its core, governance is about enforcing data access and usage policies. In today's complex data ecosystems, where information is often spread across multiple systems and platforms, every time a piece of data is copied, it introduces a new risk.

Fortunately, solutions are now available that help provide unified governance across multiple systems. These platforms allow data to be used directly within an application without having to copy it. Organizations should ensure that they and their collaboration partners are only using data in mutually intended ways, adhering to governmental, regulatory and ethical considerations.

## 3. PRIVACY-PRESERVING TECHNOLOGY

Setting up a sophisticated data collaboration system requires a modern technology stack to make it all work reliably and securely. This is challenging because the requirements for secure data collaboration are complex and advanced privacy-enhancing technologies (PETs) are hard to come by. Data collaboration also requires integrating that technology within the organization's broader ecosystem. That could involve enriching first-party data sets with third-party data, working with multiple identity vendors to match data sets without exposing personally identifiable information or enabling specific use cases like activating data within a paid media ecosystem. For most organizations, building this infrastructure from scratch is not a viable option. Instead, most organizations are taking advantage of the security, governance and privacy-enhancing capabilities provided by data cloud technologies.

## 4. INTEROPERABILITY

Every organization wants the flexibility to make its own choices without being constrained about what other organizations it can work with. Since every organization will have different data formats, technologies, storage locations and even languages, ensuring interoperability in data collaboration is critical. With Amazon AWS, Google Cloud and Microsoft Azure the dominant cloud platforms, collaboration strategies often start here. But when both organizations have their own data clean room technology in place, the question becomes: how can the two organizations collaborate securely and effectively? A single, dominant data collaboration solution will probably never emerge, so interoperability tools that allow multiple solutions to coexist are going to be critical. It's therefore key for organizations to select a DCR vendor that prioritizes flexibility and interoperability, maximizing the organization's future potential for collaboration opportunities.

## 5. SKILLS AND PERSONNEL

When data clean rooms first emerged, they were designed with a specific audience in mind: data analysts and data scientists equipped with deep technical expertise. That worked in the moment, but today most organizations find themselves short on the necessary talent to manage their DCR.

This is particularly problematic when two organizations want to collaborate, as either side is likely to have a different level of technical proficiency. There is a real opportunity in making data clean rooms more inclusive by addressing this skills challenge and making DCR technology simpler and more flexible, able to accommodate a broader range of users. Newer platforms are doing this, built to require less advanced technical knowhow and allowing users to choose the interface that best suits their needs — whether that's a code-based environment for advanced data analytics users or a no-code interface for business users.

## 6. STRATEGY

Technology alone is never enough to make a project successful, and data clean rooms are no exception. A well-thought-out strategy is critical to any DCR project to ensure the end result aligns with the needs of the organization. An incremental approach works best, with a focus on creating small, achievable wins that build confidence and create the momentum needed to tackle larger opportunities. Start by building a use case and collaborating with a single partner. Most advertisers select a measurement task as their first use case, as this is a straightforward first step that serves a well-understood purpose: helping the organization understand the effectiveness of ad campaigns to optimize ad spend and paid media strategies.

## 3 QUESTIONS FOR MYLES YOUNGER, CHIEF GROWTH OFFICER AT U OF DIGITAL

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### Data clean rooms in 2025: nice to have or required?

"They are an absolute requirement for 'marketing maturity'. If you're still focused on the basics, or haven't built up first-party data assets, you don't need data clean rooms yet. But for brands that are ready to innovate with their first-party data, data clean rooms are now a table-stakes competency."

### Data collaboration or data clean rooms?

"Data collaboration. Data clean rooms are a means to an end — an advanced toolset. Collaboration is where the real value is. Innovating across multiple data sets is where you get that 1 + 1 = 3 magic."

### Activation from data clean rooms: yes or no?

"No. Clean rooms are essentially a database technology with specialized business rules and permissions that allow for 'blinded' queries, joins and compute operations (e.g., custom machine learning). Adtech and martech already have a multitude of specialized, road-tested activation solutions for pushing messages and advertisements via every conceivable consumer media channel. Trust me: you don't want to give your database 'write access' to your activation channels."

# USING SNOWFLAKE FOR DATA COLLABORATION

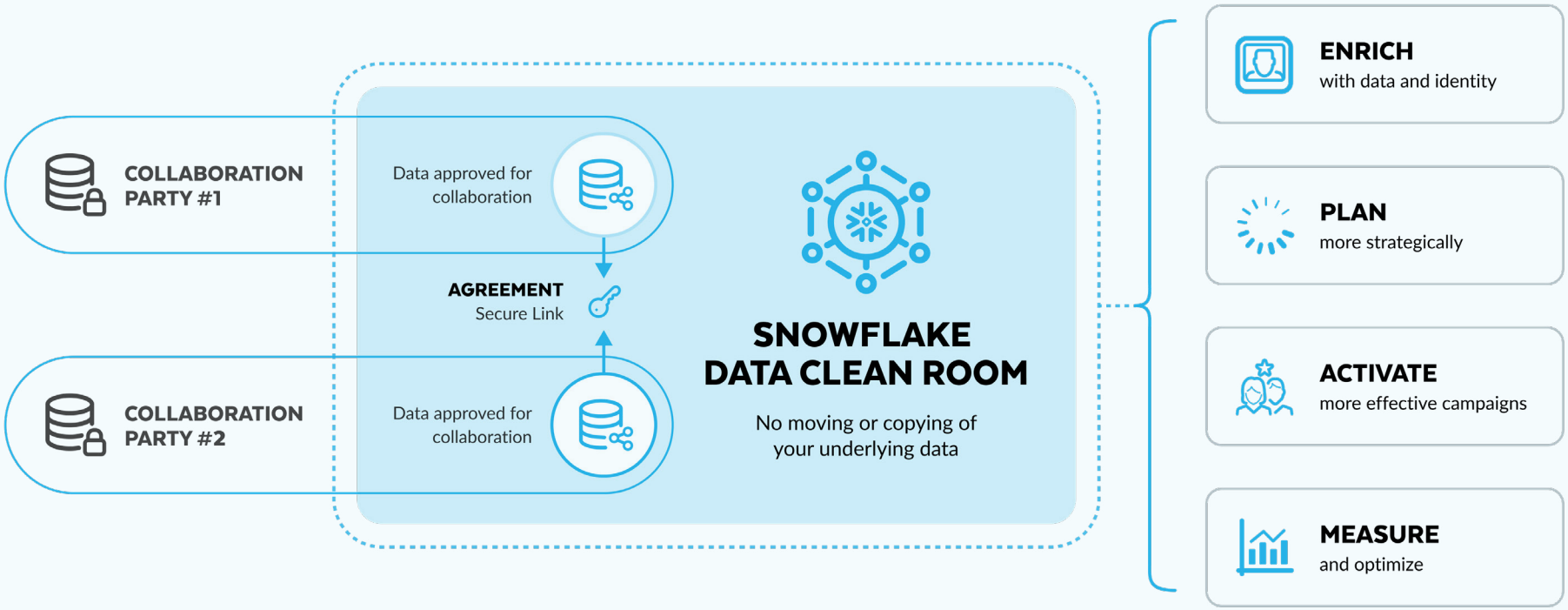
**Snowflake offers privacy-first data collaboration opportunities with its secure platform, integrated ecosystem, accessibility and use of use.**

Snowflake is a trusted, secure and privacy-first infrastructure platform. Snowflake relies on a single governance model, which provides brands with control over the data layer and helps marketers maintain complete ownership and governance over their data, allowing for granular permissions, usage policies and compliance controls. Sensitive data is protected with privacy-enhancing technology (PET).

Snowflake provides an integrated ecosystem, through the Marketplace, with a scalable platform that allows users to bring their own data (first-party, second-party and third-party), identity and AI with ease. This enables richer insights, such as cross-channel attribution or advanced audience segmentation, while preserving privacy and enabling compliance.

Snowflake is also accessible and easy to use. With a self-service interface for every user, both technical and business users can use the solution from their respective and preferred interface. Even more powerful, a technical user can collaborate with a business partner, removing the skillset barriers to collaborate with other organizations. And the collaboration isn't limited to Snowflake customers. Even partners not deployed on Snowflake can join customers' data clean rooms.

## COLLABORATE WITHOUT MOVING YOUR DATA



# CUSTOMER SUCCESS STORY


## THE CHALLENGE

Indeed is a leading online search engine that connects millions of job seekers with employers around the globe. Indeed's customers use multiple channels and devices, complicating the marketing analytics team's ability to measure advertising effectiveness. The team relies on user-level incrementality tests to understand the connection between marketing efforts and KPIs. However, Indeed's partners use a variety of ad platforms with their own proprietary measurement tools. This created a lack of visibility into data as well as inconsistent metrics and attribution models, making it difficult to compare and evaluate marketing performance across publishers, channels and audiences. Compliance considerations further complicated data sharing. Collectively, these challenges led to less effective campaigns and complex operations.

## SOLUTION

Indeed chose Snowflake Data Clean Rooms to tackle its marketing analytics challenges and enhance collaboration with partners. Snowflake's Data Clean Rooms enable the marketing team to join and analyze ad impression tracking data across platforms, and then conduct apples-to-apples comparisons of ad effectiveness. Snowflake's transparent, trustworthy platform enables granular measurement, using personally identifiable information without exposing underlying data sets, enhancing compliance. With consistent, reliable metrics and attribution models across platforms, clouds and regions, the team can now more easily understand the results of marketing campaigns and strategize more effectively for the future.

## IMPACT

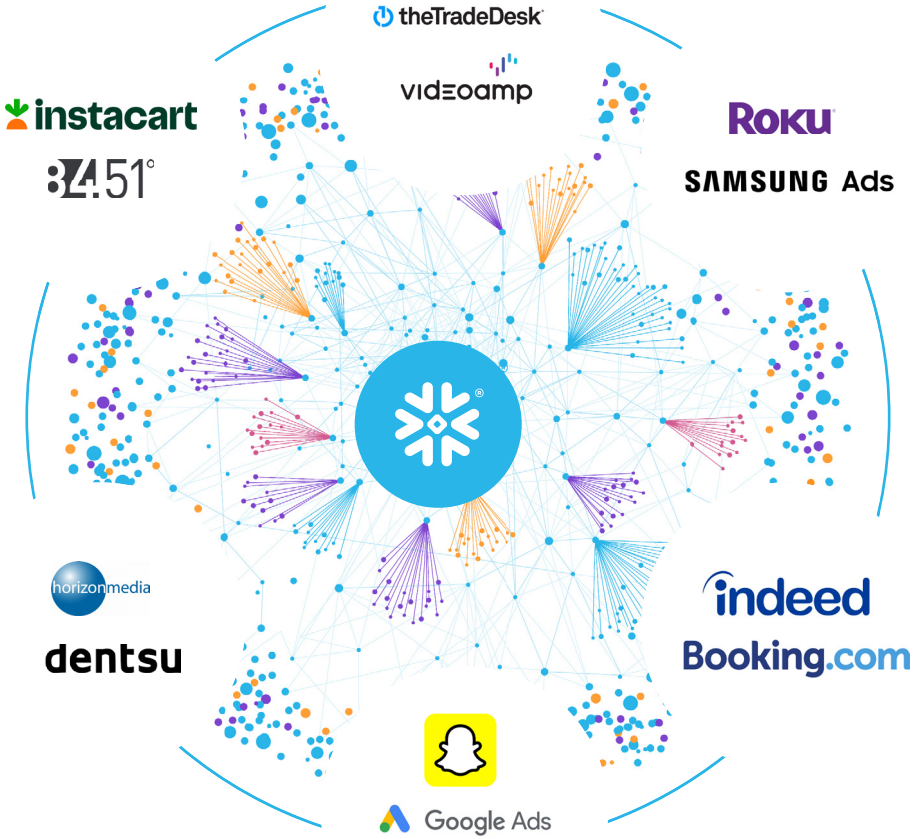
- Indeed can better track the impact of marketing spend across platforms and identify the publishers that drive higher results, enabling more effective budget allocation and increased ROI.
- Better visibility enables the marketing team to optimize audience targeting within publishers, leading to higher conversion rates and cost efficiency.
- By more easily testing different audiences and performing granular analyses, Indeed can perform agile decision making and optimize funding.

# WHY ADVERTISERS ARE CHOOSING SNOWFLAKE DATA CLEAN ROOMS

For advertisers, using Snowflake offers particular advantages in interoperability, neutrality, cost savings and more:

- **Interoperability to collaborate across regions, across clouds:** Snowflake allows organizations to use the cloud infrastructure of their choice (Amazon AWS, Microsoft Azure, Google Cloud) to collaborate with other parties.
- **Agnostic and neutral:** Unlike other solutions, Snowflake doesn't sell identity (e.g. Liveramp) or media (e.g. AWS, Google), so there is no conflict of interest.
- **Start for minimal cost:** There is no license cost to deploy Snowflake Data Clean Rooms; existing Snowflake customers can get started today.
- **Top publishers and media networks are choosing Snowflake:** Organizations are accelerating collaboration by choosing the same technology that top publishers and experts have selected as their technology and clean room partner.
- **Added bonus:** Since many large advertisers are already storing their data in Snowflake, using Snowflake Data Clean Rooms avoids the need for a point solution. Snowflake Data Clean Rooms are accessible to all Snowflake customers and are deployed through a Native App available on the Snowflake Marketplace.

Learn more about Snowflake Data Clean Rooms or contact a sales representative.



# ABOUT SNOWFLAKE

Snowflake makes enterprise AI easy, efficient and trusted. Thousands of companies around the globe, including hundreds of the world's largest, use Snowflake's AI Data Cloud to share data, build applications, and power their business with AI. The era of enterprise AI is here.

Learn more at **snowflake.com** (NYSE: SNOW)