Privacy Sandbox testers raise concerns about latency and signal loss

Article

The news: Early adopters of **Google**'s **Privacy Sandbox** have released highly critical comments about the post-cookie advertising solution, per Ad Age.

Reports on early Privacy Sandbox usage from ad tech firms including **Criteo**, **Index Exchange**, **MiQ**, and **NextRoll** raised significant concerns about signal loss, latency, and adverse impact on publishers.

The chief complaints: The consensus among ad tech partners was that Privacy Sandbox still has a long way to go in addressing industry concerns. But several also said that **poor outcomes were expected given Privacy Sandbox's nascence,** and it is likely to improve over time.

- **Latency:** All four partners cited slow ad loading times on websites, which limited impressions and detracted from the user experience. NextRoll wrote that it "**observed an average bid time response 5x above the upper bound of latency that we aim for in our [third-party cookie]-based bidder.**"

- **Signal loss:** Ad impressions were lower and more limited compared with third-party cookie solutions. NextRoll found that impressions on Privacy Sandbox campaigns accounted for 65% of the impressions that cookie-based solutions generated; Index Exchange similarly saw a 33% decline on CPMs in Sandbox-enabled impressions against those with third-party cookies.

- **Impact on publishers:** Criteo told Ad Age that Google's share of publisher revenues jumped from 23% to 83%, raising concerns about adverse impacts on the publishing industry, which is also being hurt by Google's AI search features. The issues with latency and signal loss have also slowed publisher adoption.

- **Google market share:** Ad partners were also concerned that Privacy Sandbox could expand Google's already massive market share in digital advertising. **However, it is important to note that Google's market share is likely to decrease as post-cookie competitors enter testing phases.**
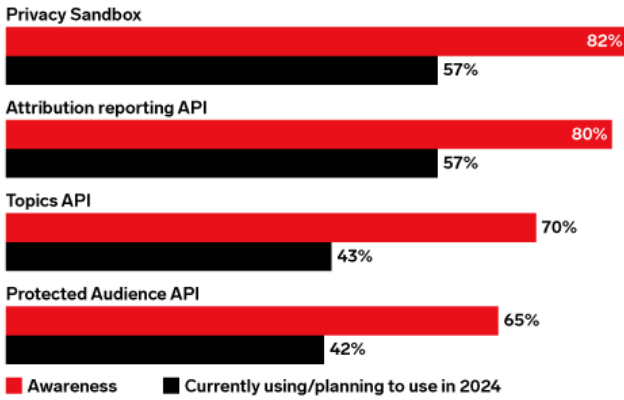
Still early days: All four Privacy Sandbox partners expressed optimism about the initiative in the long term and suggested improvements. As the mid-2025 deadline for the transition away from third-party cookies on Chrome approaches, more publishers are likely to adopt Privacy Sandbox, and Google is still tweaking it in response to advertiser and regulatory concerns.

- "It's not possible to predict publisher performance based on effectiveness of a single buying platform, as publishers typically work with dozens of demand sources," a **Google representative told EMARKETER** in an email. "In addition, we expect performance numbers to evolve, and they currently don't reflect how the overall ecosystem will perform in a true marketplace. We look forward to the ecosystem continuing to share valuable insights and feature requests for Chrome and the industry."

- Despite the negative feedback, Privacy Sandbox has had notable successes. **Yahoo** said in May that it was <u>able to run successful prospecting campaigns</u>—a form of targeting that identifies underserved user groups—using Privacy Sandbox. Previously, it was thought that post-cookie solutions would struggle with prospecting campaigns.

Awareness and Usage of Privacy Sandbox and Its APIs Among US Data and Ad Professionals, Feb 2024
% of respondents

Privacy Sandbox
- Awareness: 82%
- Currently using/planning to use in 2024: 57%

Attribution reporting API
- Awareness: 80%
- Currently using/planning to use in 2024: 57%

Topics API
- Awareness: 70%
- Currently using/planning to use in 2024: 43%

Protected Audience API
- Awareness: 65%
- Currently using/planning to use in 2024: 42%

■ Awareness ■ Currently using/planning to use in 2024

Note: n=242
Source: Interactive Advertising Bureau (IAB) and BWG Strategy, "State of Data 2024," March 14, 2024

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