


Privacy legislation is advertising's latest and greatest threat

Article



Privacy, please: While advertisers have been scrambling to figure out what they'll do when Google phases out **third-party cookies**, a larger threat has come into play: privacy regulations.

- In its latest report, the **IAB warns** that the ad industry isn't prepared to deal with the impact of privacy laws, which are currently "inconsistent and poorly crafted" at the state level.

- Our analyst Evelyn Mitchell agrees that “legislation and regulation should be at the forefront of the conversation,” because these laws affect access to third-party data.

Government assistance: Many advertisers are advocating for a federal law, which would supersede state legislation and make compliance easier.

- But legislators don’t have a complete understanding of the nuances of the ad industry, said Mitchell, leaving industry lobbyists and privacy advocates to duke it out on the political battlefield.

Fall in line: While a comprehensive federal law is still a moving target, advertisers need to comply with the state laws already in place or taking effect soon.

- In 2023, new privacy laws will take effect in California, Virginia, Colorado, Connecticut, and Utah. Meanwhile, bills in Pennsylvania, Ohio, and Michigan are currently in committee, which may come into play in the coming years.

Where to start?

- The first step is to look internally. “Take stock of your goals and internal resources,” said Mitchell. “You need to know who your audience is, what data you have on them, and how it's organized.”
- Then, it’s all about education. “There are plenty of resources that lay out the kinds of solutions that are in-market right now. There are different ways of getting around the roadblocks.”
- But it’s important to note that this is not a one-size-fits-all situation. “It will be solutions, plural. It requires a patchwork approach.”

A heads up: As privacy legislation beefs up, keep an eye out for antitrust issues. “When I think about privacy, I think about antitrust,” said Mitchell.

- If (when) a federal privacy law comes to pass, antitrust laws will likely follow; and all the biggest players will be affected.
- “It will be a huge undertaking for players that have access to massive amounts of consumer data but don’t have the infrastructure to make sure it's handled adequately,” said Mitchell.

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