SMN & Privacy Sandbox

Protected Audience shines in SMN's remarketing tests

At a glance

SMN, a demand-side platform (DSP) based in Japan and a subsidiary of Sony Group, ran Protected Audience API testing with multiple supply-side platforms (SSPs) to gauge its efficacy for privacy-centric remarketing and its potential to add value to the company's services.

After setting up a test environment, SMN found that ad delivery using the Protected Audience API functions similarly to current systems without exposing personal information.

SMN identified limitations with the default expiry window, and after reviewing feedback from multiple industry stakeholders, the Privacy Sandbox team released Flexible Event-Level Configurations, which SMN has incorporated in ongoing tests. Their analysis reaffirmed that close collaboration between SSPs, DSPs, advertisers, and publishers is crucial as the advertising industry builds new standards for online privacy.

Validating the Privacy Sandbox remarketing technologies

As a forward-thinking leader in digital advertising and an influential voice in Japan's domestic market, SMN recognized the importance of early engagement with the Privacy Sandbox initiative and has been actively involved since its early stages. The advertising industry's growing shift to more privacy-preserving solutions encouraged SMN to explore and validate the Privacy Sandbox technologies.

Knowing that the Privacy Sandbox technologies can fundamentally change how ads are delivered and targeted, SMN launched a series of Protected Audience API, Attribution Reporting API, and Topics API tests with participating supply-side platforms (SSP). SMN was particularly interested in the Protected Audience API's ability to create custom remarketing audiences without relying on third-party cookies. The Protected Audience API testing objective was clear—determine if it could deliver effective remarketing results without exposing personal information.

"*The Privacy Sandbox presents a paradigm shift in digital advertising, reimagining addressability and delivery. At SMN, we understand that agility and adaptability in the face of technological evolution are paramount to not only our continued success, but also to fostering a more robust and sustainable advertising ecosystem.*"
Takahiro Yasuda, Corporate Director and Executive Officer at SMN

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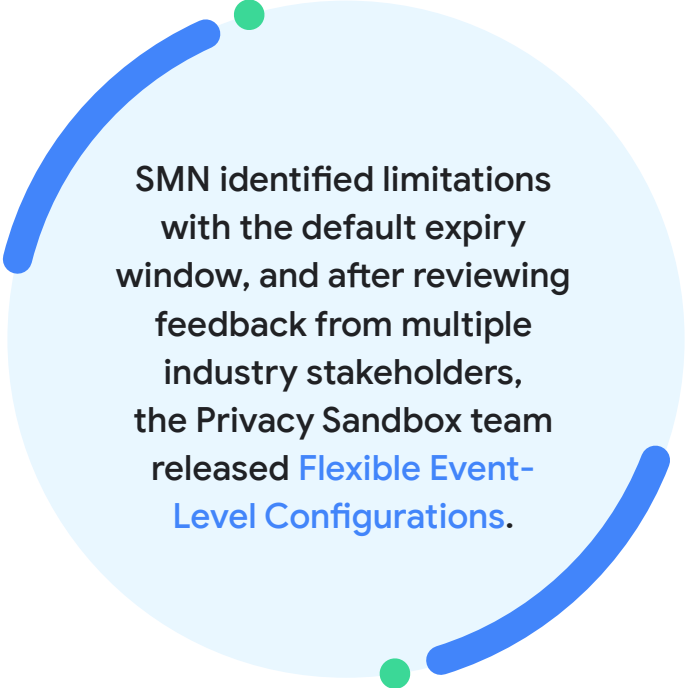**Corporate Director and Executive Officer, SMN**

Testing for real-world applications

Japan's robust ad tech ecosystem has played a key role in shaping the Privacy Sandbox APIs' development and adoption in regional and global markets. In the early stages of SMN's onboarding process, they learned that advertisers in Japan were hesitant to test new, evolving technologies that could impact their revenue. This confirmed that thorough testing, clear benefits, and transparent regulatory guidance are crucial for widespread adoption in the region.

Through collaborations with multiple SSPs and three leading companies in Japan, SMN expanded its tests' reach across the sports, mobile, and telecommunications industries. These partnerships allowed SMN to test the Protected Audience API in real-world scenarios with varied audiences and campaign objectives.

SMN began by setting up a testable environment and establishing treatment and control groups. Because the Protected Audience API's mechanisms differ from conventional advertising technology, SMN put significant effort into porting bid processing programs from the server side to the device side.

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As bid requests came through, they found that infrastructure and resource restraints limited their ability to process the volume of relevant traffic from cookieless users. The team brought the issue to a participating SSP to form an action plan. After working together to identify specific problem areas, the SSP developed a new feature that could filter requests from the experimental group and allow SMN to receive the traffic required for testing.

In addition to Protected Audience, the team explored several privacy-preserving technologies to enhance targeting and measurement. They analyzed the Topics API, comparing its accuracy to traditional interest-based targeting, and ultimately integrated it as a new signal in their product bidding logic. Additionally, experiments with the Attribution Reporting API provided valuable insights into the impact of noise on campaign measurement—a crucial consideration evolving the privacy landscape. SMN identified limitations with the default expiry window, and after reviewing feedback from multiple industry stakeholders, the Privacy Sandbox team released Flexible Event-Level Configurations, which SMN has incorporated in their tests.

Results and Learnings

SMN found the results encouraging. Ad delivery using Protected Audience performed similarly to current systems, generating a higher CTR in some use cases and proving that remarketing is possible without compromising user privacy. SMN also concluded that more testing is needed to address latency and to lower technical barriers to entry. To help industry testers optimize their implementations, the Privacy Sandbox team routinely updates the Latency Best Practices Guide as the technology evolves.

SMN's learnings solidified their belief that close collaboration between SSPs, DSPs, advertisers, and publishers is more important than ever as the industry enters a new era of online privacy. If the industry commits to testing now, Protected Audience can set a new standard in privacy-centric remarketing and deliver lasting value for businesses.

Looking ahead, SMN plans to test the key-value server in Trusted Execution Environments (TEE) and run experiments with the Bidding and Auction Service. They will continue testing the Privacy Sandbox web technologies to gain new perspectives and derive more accurate results, and they strongly encourage the advertising ecosystem to join them in sharing results and recommendations with the Privacy Sandbox team.
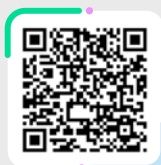
Visit privacysandbox.com to see more success stories from companies testing the Privacy Sandbox

> "Our tests have demonstrated the potential of Protected Audience to deliver accurate results..."
>
> **Takahiro Yasuda,**
> **Corporate Director and**
> **Executive Officer, SMN**

SMN is sharing learnings from their Privacy Sandbox testing with other ad tech companies in Japan and globally, through participation in webinars and ad tech industry forums. This collaborative approach aims to help refine and improve the technologies for the entire advertising ecosystem.

"*Our tests have demonstrated the potential of Protected Audience to deliver accurate results while respecting user privacy. While the technical hurdles are by no means low, we encourage the industry to tackle them with a view to long-term value. We will continue to conduct tests and work closely with the Privacy Sandbox and the wider advertising industry to make this a delivery method that improves both privacy and practicality.*"

Takahiro Yasuda, Corporate Director and Executive Officer at SMN