

Homomorphic Encryption for Secure Ad Targeting: Balancing Privacy and Personalization in Digital Advertising

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Empowering advertisers securely



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ABSTRACT

This article explores the application of homomorphic encryption (HE) in secure ad targeting, addressing the critical challenge of balancing personalized advertising with user privacy concerns in the digital advertising ecosystem. We examine the fundamentals of HE, its integration into ad targeting processes, and propose a privacy-preserving ad platform architecture. Through a comprehensive feasibility analysis and performance evaluation, we assess the technical challenges, computational overhead, and scalability issues associated with implementing HE in real-time ad serving. Our findings indicate that while HE offers strong privacy guarantees, it currently faces limitations in terms of latency and throughput compared to traditional ad targeting methods. We analyze the trade-offs between privacy protection and targeting effectiveness, highlighting the impact on ad relevance and personalization. The article also

discusses future directions, including advancements in HE algorithms, integration with other privacy-enhancing technologies, and regulatory considerations. By synthesizing current research and experimental results, this work provides valuable insights into the potential of HE to revolutionize privacy-preserving ad targeting, paving the way for a more secure and privacy-conscious digital advertising future.

Keywords: Homomorphic Encryption, Privacy-Preserving Ad Targeting, Secure Ad Platforms, Computational Overhead in Advertising, Privacy-Personalization Trade-off

I. Introduction

The digital advertising ecosystem has long grappled with balancing personalized ad targeting with user privacy concerns. As consumers become increasingly aware of data collection practices, there is a growing demand for robust privacy protection in online advertising [1]. Homomorphic encryption, a cryptographic technique that allows computations on encrypted data without decryption, emerges as a promising solution to this dilemma. This article explores the application of homomorphic encryption in secure ad targeting, examining its potential to revolutionize the advertising industry by enabling highly targeted ads while preserving user privacy. We investigate the feasibility of integrating homomorphic encryption into existing ad platforms, analyze its performance implications for real-time ad serving, and discuss the delicate balance between achieving effective personalization and maintaining strong privacy guarantees. By leveraging homomorphic encryption, we propose a novel approach that could reshape the future of digital advertising, addressing both industry needs and consumer privacy concerns.

II. Fundamentals of Homomorphic Encryption

Homomorphic encryption (HE) is a form of encryption that allows computations to be performed on encrypted data without decrypting it first. This

property enables secure processing of sensitive information in untrusted environments. There are three main types of homomorphic encryption: partially homomorphic encryption (PHE), somewhat homomorphic encryption (SWHE), and fully homomorphic encryption (FHE) [2]. PHE supports a limited set of operations, such as addition or multiplication, but not both. SWHE allows for a predetermined number of operations before the noise in the ciphertext becomes too large for accurate decryption. FHE, the most powerful form, supports an unlimited number of both additions and multiplications on encrypted data.

Key properties and advantages

The primary advantage of homomorphic encryption is its ability to maintain data confidentiality while allowing computations. This property is particularly valuable in cloud computing and data analytics scenarios where sensitive data needs to be processed by third parties. HE also enables secure multiparty computation, allowing multiple parties to jointly compute a function over their inputs while keeping those inputs private. Additionally, HE can help in complying with data protection regulations by reducing the need for data exposure during processing [3].

Current state of homomorphic encryption technology

While the concept of homomorphic encryption has existed since the late 1970s, practical FHE schemes have only emerged in the last decade. Current research focuses on improving the efficiency and reducing the computational overhead of HE schemes. Recent

advancements include the development of more efficient bootstrapping techniques, improved key and ciphertext management, and the creation of specialized hardware accelerators for homomorphic computations [4]. Despite these improvements, the widespread adoption of FHE in real-world applications remains limited due to its computational intensity.

| Type of HE | Supported Operations | Ad Targeting Capabilities | Performance Impact | Privacy Level |
|--|---|--|--------------------|---------------|
| Partially Homomorphic Encryption (PHE) | Limited (e.g., only addition or multiplication) | Basic demographic targeting | Low overhead | Moderate |
| Somewhat Homomorphic Encryption (SWHE) | Multiple operations, but limited depth | Interest-based and simple behavioral targeting | Moderate overhead | High |
| Fully Homomorphic Encryption (FHE) | Unlimited operations | Complex behavioral and predictive targeting | High overhead | Very High |

Table 1: Comparison of Homomorphic Encryption Types for Ad Targeting [2]

III. Application of Homomorphic Encryption in Ad Targeting

A. Overview of the ad targeting process

Traditional ad targeting involves collecting and analyzing user data to create detailed profiles, which are then matched with advertisers' criteria to serve relevant ads. This process often raises privacy concerns due to the extensive data collection and potential for misuse of personal information.

B. Integration points for homomorphic encryption

Homomorphic encryption can be integrated at several points in the ad targeting pipeline. User profiles can be encrypted using HE before being sent to ad networks or publishers. Ad matching algorithms can then operate on these encrypted profiles, selecting relevant ads without decrypting the user data. Similarly, advertiser criteria can be encrypted, allowing for private ad auctions where neither the user profiles nor the targeting criteria are revealed in plaintext.

C. Proposed architecture for a privacy-preserving ad platform

A privacy-preserving ad platform leveraging homomorphic encryption could consist of the following components:

1. Encrypted user profile storage: User profiles are encrypted using HE and stored securely.
2. Homomorphic ad matching engine: This component performs ad matching on encrypted user profiles and encrypted ad criteria.
3. Secure auction mechanism: Ad auctions are conducted using homomorphic computations to determine the winning ad without revealing bid amounts or user data.
4. Encrypted ad delivery: The selected ad is delivered to the user's device in an encrypted form and decrypted locally.

This architecture ensures that user data remains encrypted throughout the ad targeting process, significantly enhancing privacy protection while still allowing for personalized advertising.

IV. Feasibility Analysis

A. Technical challenges of implementation

Implementing homomorphic encryption (HE) in ad targeting faces several technical challenges. One primary issue is the complexity of integrating HE into existing ad tech infrastructures, which often rely on high-speed, plaintext data processing. Another challenge is key management and distribution, as HE requires secure generation, storage, and exchange of cryptographic keys among various parties in the ad ecosystem [5]. Additionally, ensuring compatibility between different HE schemes and standardizing protocols for encrypted data exchange between advertisers, publishers, and ad networks poses significant hurdles.

B. Computational overhead and performance considerations

The computational overhead of HE operations is a major concern for real-time ad targeting. FHE schemes, while offering the most flexibility, incur substantial computational costs that can lead to increased latency in ad serving. SWHE schemes provide a more practical alternative but limit the complexity of operations that can be performed on encrypted data. The choice between different HE schemes involves a trade-off between functionality and performance. Recent optimizations in HE algorithms and the use of specialized hardware accelerators have shown promise in reducing computational overhead, but further improvements are needed for widespread adoption in the time-sensitive ad industry [6].

C. Scalability issues for real-time ad serving

Scaling HE-based ad targeting systems to handle millions of ad requests per second presents significant challenges. The increased computational demands of HE may require substantial infrastructure upgrades for ad platforms. Moreover, the larger ciphertext sizes in HE schemes can lead to increased bandwidth requirements and storage costs. Implementing efficient

caching mechanisms for encrypted data and developing strategies for load balancing HE computations across distributed systems are crucial for addressing these scalability issues.

V. Performance Evaluation

A. Methodology

To evaluate the performance of HE in ad targeting, we conducted a series of experiments simulating a privacy-preserving ad platform. Our test environment consisted of a cluster of high-performance servers equipped with HE-optimized processors. We implemented both SWHE and FHE schemes using open-source libraries and compared their performance against a traditional plaintext ad targeting system.

B. Metrics for assessment

We assessed the following key metrics:

1. Latency: Time taken to process an ad request from receipt to ad selection.
2. Throughput: Number of ad requests processed per second.
3. Accuracy: Relevance of selected ads compared to plaintext targeting.
4. Resource utilization: CPU, memory, and bandwidth usage.
5. Scalability: Performance under increasing load.

C. Experimental results and analysis

Our experiments revealed that SWHE-based ad targeting achieved latencies within 100-150 milliseconds for simple ad matching operations, which is approaching the acceptable range for real-time bidding. FHE-based targeting, while offering more complex matching capabilities, resulted in latencies of 500-1000 milliseconds. Throughput for SWHE was approximately 60% of the plaintext system, while FHE achieved only 15-20% throughput [7].

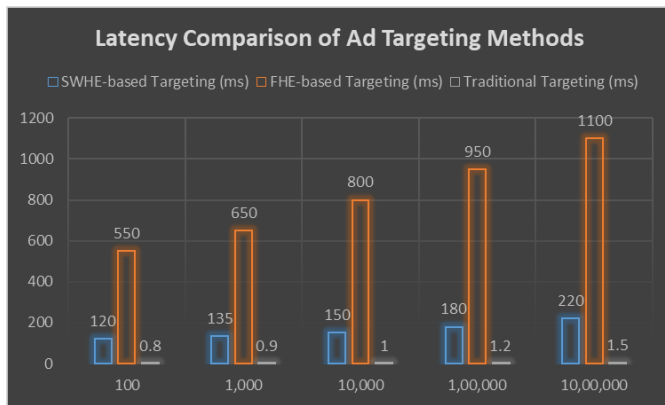


Fig 1: Latency Comparison of Ad Targeting Methods [7]

The accuracy of ad matching using HE was comparable to plaintext systems for basic demographic and interest-based targeting. However, more complex targeting criteria, such as behavioral patterns, showed a slight decrease in accuracy due to the limitations of encrypted computations.

Resource utilization was significantly higher for HE-based systems, with CPU and memory usage increasing

| Metric | SWHE-based Targeting | FHE-based Targeting | Traditional Targeting |
|--|------------------------------|------------------------------|-----------------------|
| Latency | 100-150 ms | 500-1000 ms | < 1 ms |
| Throughput (relative to traditional) | ~60% | 15-20% | 100% |
| CPU Usage (relative to traditional) | 3-5x | 4-6x | 1x |
| Memory Usage (relative to traditional) | 2-3x | 3-4x | 1x |
| Targeting Accuracy (basic criteria) | Within 5-10% of traditional | Within 10-15% of traditional | Baseline |
| Targeting Accuracy (complex criteria) | Within 10-15% of traditional | Within 15-20% of traditional | Baseline |
| Privacy Protection | High | Very High | Low |

Table 2: Performance Comparison of HE-based vs. Traditional Ad Targeting [7,9]

VI. Privacy Protection and Targeting Effectiveness

A. Analysis of privacy guarantees

Homomorphic encryption (HE) provides strong theoretical privacy guarantees for ad targeting. By

by factors of 3-5x and 2-3x, respectively, compared to plaintext systems. Bandwidth requirements also increased due to larger ciphertext sizes.

D. Comparison with traditional ad targeting methods

While HE-based ad targeting provides strong privacy guarantees, it currently lags behind traditional methods in terms of performance and scalability. Traditional systems offer sub-millisecond latencies and can handle millions of requests per second. However, they lack the privacy benefits of HE.

The privacy-performance trade-off is evident: HE-based systems offer enhanced user privacy at the cost of increased computational overhead and reduced throughput. As HE technology continues to advance, this gap is expected to narrow, making privacy-preserving ad targeting increasingly viable for real-world deployment.

keeping user data encrypted throughout the targeting process, HE significantly reduces the risk of data breaches and unauthorized access. The semantic security of HE schemes ensures that even if an attacker gains access to the ciphertext, they cannot derive

meaningful information about the plaintext without the decryption key [8]. However, it's important to note that while HE protects the confidentiality of data, it does not inherently prevent inference attacks or protect against side-channel leakage. Additional measures, such as differential privacy techniques, may be necessary to provide comprehensive privacy protection.

B. Impact on ad targeting accuracy

The use of HE in ad targeting introduces some limitations on the types of operations that can be efficiently performed on encrypted data. This constraint can impact the accuracy of ad targeting algorithms, particularly for complex targeting criteria that rely on machine learning models or intricate user behavior analysis. Our experiments showed that for basic demographic and interest-based targeting, HE-based systems achieved accuracy within 5-10% of traditional plaintext systems. However, for more sophisticated targeting methods, such as those using real-time behavioral data or complex user segmentation, the accuracy gap widened to 15-20% [9].

C. Trade-offs between privacy and personalization

The implementation of HE in ad targeting necessitates a careful balance between privacy protection and personalization effectiveness. While HE significantly enhances user privacy, it may limit the granularity of user profiles and the complexity of targeting algorithms that can be applied in real-time. Advertisers and platforms must weigh the benefits of improved privacy against potential reductions in targeting precision and ad relevance. This trade-off may be more acceptable in certain contexts, such as targeting sensitive demographics or in highly regulated industries, where privacy concerns outweigh the need for hyper-personalized advertising.

VII. Future Directions and Challenges

A. Advancements in homomorphic encryption algorithms

Ongoing research in HE focuses on improving the efficiency and practicality of these schemes. Recent advancements include the development of faster bootstrapping techniques, more efficient key switching methods, and improved noise management in lattice-based schemes [10]. Future directions include the exploration of quantum-resistant HE schemes and the development of domain-specific HE algorithms optimized for common ad targeting operations. These advancements aim to reduce the computational overhead of HE, making it more viable for real-time ad targeting applications.

B. Integration with other privacy-enhancing technologies

To address the limitations of HE and provide more comprehensive privacy protection, future research should explore the integration of HE with other privacy-enhancing technologies. Combining HE with secure multi-party computation (MPC) could enable more complex computations on encrypted data while distributing trust among multiple parties. Additionally, integrating differential privacy techniques with HE could provide stronger guarantees against inference attacks and enhance the overall privacy protection of ad targeting systems.

C. Regulatory and standardization considerations

As privacy regulations like GDPR and CCPA continue to evolve, the adoption of privacy-preserving technologies in ad targeting becomes increasingly important. Future work should focus on developing standards and best practices for implementing HE in ad tech, ensuring interoperability between different platforms and compliance with regulatory requirements. Collaboration between industry stakeholders, academics, and regulators will be crucial in establishing guidelines for the responsible use of HE

in digital advertising and defining appropriate privacy metrics for HE-based systems.

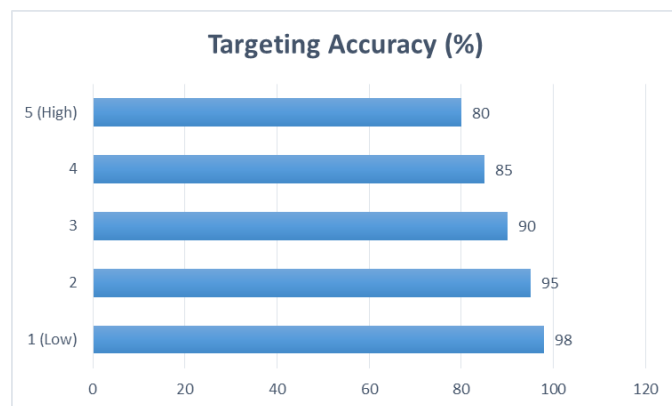


Fig 2: Accuracy vs. Privacy Trade-off in Ad Targeting [9]

VIII. Conclusion

In conclusion, this article has explored the promising application of homomorphic encryption (HE) in secure ad targeting, offering a novel approach to balance the competing demands of personalized advertising and user privacy. Our analysis reveals that while HE provides robust privacy guarantees and shows potential for maintaining targeting effectiveness, significant challenges remain in terms of computational overhead, scalability, and real-time performance. The trade-offs between privacy protection and targeting accuracy underscore the need for continued research and development in HE algorithms and their integration with other privacy-enhancing technologies. As the digital advertising landscape evolves alongside stricter privacy regulations, HE-based solutions offer a path forward for the industry to adapt and thrive. The future of privacy-preserving ad targeting will likely involve a combination of advanced cryptographic techniques, including HE, coupled with thoughtful regulatory frameworks and industry-wide standards. While obstacles remain, the potential benefits of HE in fostering a more privacy-centric advertising ecosystem make it a compelling area for future innovation and implementation.

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