IDENTITY

PART 2

CRISIS?
WHAT CRISIS?

What activation looks
like in a world without
cookies

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KEY TAKEAWAYS:

In this short ebook you'll find out:

- The three big changes that are already underway that will determine what post-cookieless activation actually looks like.

- Why you need to keep your options open and get the best out of authenticated data, anonymous data and clean room analytics.

- How we can reframe the identity question and get back to asking the question that really matters: how do you get the best insights, reach and performance from your campaigns?

INTRODUCTION

We're currently in the midst of the biggest shift in the way digital advertising works since its inception. And that's all because of what's changing in the world of identity.

Identity is at the core of digital marketing. It's the USP of programmatic. It's what makes it all possible. As advertisers, we didn't used to know anything about the people who saw our ads on billboards, on the sides of buses, in the pages of newspapers. But, now that everyone and everything is online, we do.

Identity is the whole shebang.

But identity is changing. High profile, negative stories about consumer data - from major data breaches through to the Facebook/Cambridge Analytica scandal - mean that people are, understandably, more concerned about the security and use of their personal data than ever. And so, the biggest tech companies and government regulators have responded, making changes and bringing in new rules that mean the way we understand consumer behavior and use that understanding to increase the effectiveness of

online advertising is going to be very different from how it has been up to now.

And that's what this ebook series is all about.

We know that keeping track of all the changes, the innovations, and the new solutions isn't easy. And working out exactly what's right for your brand or agency is tougher still. That's why, across the series, we're looking at what the new identity landscape means for marketers who still want to get all the good things that online targeting and measurement can deliver for their ad campaigns, as well as giving practical advice as to what you need to do to start making changes now and what you need to be aware of to be ready for what's coming next.

In the first ebook, we gave you an overview of how we got here and a framework for thinking about all the emerging identity solutions.

In the second book in the series, we'll get into the details and show you what media activation is likely to look like in this new world of identifiers.

Let's dive in.

MiQ UNLOCKED

01

THREE BIG CHANGES

With the whole identity landscape shifting under our feet, it can sometimes feel like there are too many moving parts to really grasp what's going on. But, basically, the future of identity is going to be shaped by three big things:

- More use of authenticated IDs

- More ways of using anonymous data

- More data living in 'clean rooms'

Let's tackle each one in turn.

ONE - AUTHENTICATED IDS - HIGHER POWER, SMALLER SCALE

Authenticated data - also called logged-in, identified, addressable, and people-based data - is one of the most important data sources that will replace third-party cookies.

It's generated when users log-in to a publisher site using their email address, phone number or some other highly personal identifier. And that means it's far more powerful than a cookie - if you can see a customer email address, you can tie it directly to your first-party data and know with a high degree of certainty whether they're likely to be someone it's worth showing an ad to. It's more persistent too - we change our email addresses pretty rarely, unlike cookies which are regularly erased from browsers.

Its potential is exciting. We've run some test campaigns with LiveRamp, a leader in the authenticated ID space, and the results have been very encouraging. In a campaign using authenticated IDs, we were able to deliver 67% higher reach, with a 9% reduction in CPM, compared to a cookies-only campaign.

But, before we get too excited, it's important

to put those numbers in context. These tests were run on relatively low budgets because authenticated data can lack scale. Because it relies on users handing over personal information and opting-in to being marketed to, the scale is much lower, something around 30-40% the scale of cookies.

So, unfortunately, it's not simply a case of swapping out cookies for authenticated IDs. (That would be far too easy.)

01

Anonymous data - which you may also see described as cohort data or aggregated data - is all the data at our disposal where no single user is ever identified. Instead, we make inferences on how they'll behave based on things like where they live, what sites they browse, what apps they use and so on, and then sort them into groups for targeting.

This type of data combines old-school pre-digital things like census data with some of the most technologically advanced solutions for data gathering out there - things like edge-computing where a user's behavior is analyzed so it can be placed into segments on the 'edge' of their personal device (rather than in the cloud). An unidentifiable segment signal is then sent so advertisers can build and target an addressable audience with similar activity without ever having access to any personal data.

Anonymous data has far greater scale than authenticated data, but its mirror-image drawback is that it (traditionally, at least) lacks the precision of really sticky identifiers, relying instead on broad assumptions about user behavior.

But the good news is that the solutions for extracting valuable insights from anonymous data are getting ever more sophisticated. If you have just one anonymous data set, you're unlikely to be able to do much with it. But when you combine hundreds, or even thousands, of such data sets together and let a big enough team of data scientists loose on them, you can derive insights that are predictive and granular.

And the good news is, this isn't new - it's already happening. To give you a sense of it, 72% of the conversions from our top 10 direct response advertisers are based on advanced contextual (ie anonymous) strategies, rather than cookies.

The first two sections deal with the 'what'. But the 'where' is an equally big part of running campaigns in the post-cookies world.

Increasingly, data is going to sit in clean rooms, super-secure platforms where you can analyze data and discover insights without any personal data leaving the safety of the closed system.

Google's Ads Data Hub is probably the most advanced clean room at the moment, but it's not just Google - Amazon, LiveRamp, Unilever and a host of other massive companies are developing their own, as well as a new breed of companies looking to develop specialist technology and expertise to get the most out of clean rooms.
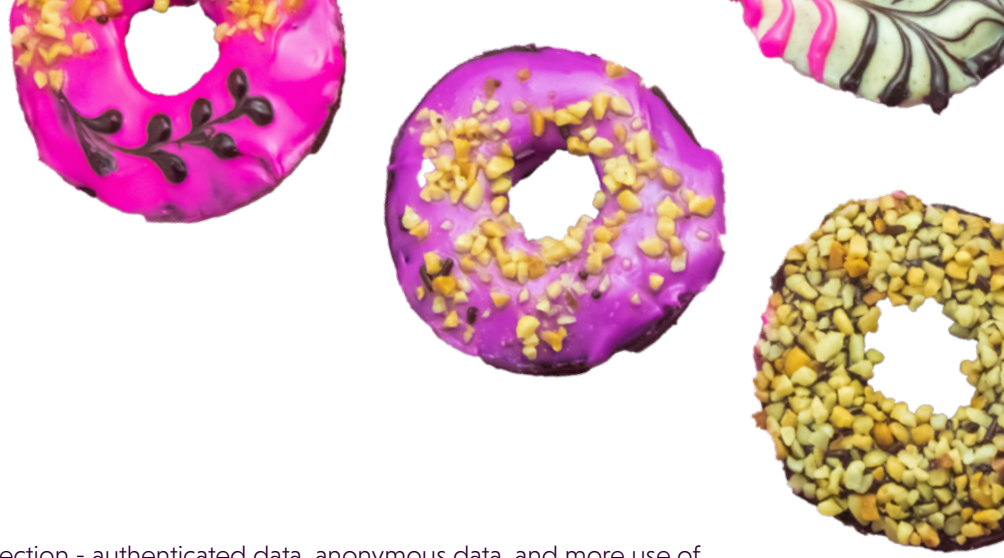
There are a number of ways you can use clean rooms, but the basic principle is that it acts as a space to combine your first party data with data from publishers, from third party providers or even other brands, so you can analyze rich datasets together without ever having access to user-level information.

The exciting thing about clean rooms is they open up opportunities for data collaboration that simply haven't been available before.

Things like:

1. Getting behind the walled gardens - In the old world, the walled gardens guarded their data fiercely. There were very few opportunities for you to compare first-party against the data held by Facebook or Twitter or Amazon. But in clean rooms, it becomes possible - you can connect your data with data held by a walled garden and discover much deeper audience insights without it ever leaving their control.

2. Getting closer to publishers - You can connect your first-party data with audience data from publishers to cross-reference your audience with the consumers actually visiting that publisher's site.

3. Connecting with other brands. This is perhaps the most innovative use of clean rooms, where they allow for one brand to connect their first-party data with the data of another brand (ie second-party data). This provides an opportunity for companies in adjacent spaces (think, airlines and car hire brands, or restaurants and food-delivery apps) to safely pool their data to discover mutually beneficial insights.

So, these are the big changes (already well underway) that will shape the future of digital advertising. But it's not enough to know about them in the abstract. The real question is, how is it actually going to work?

02

FROM COOKIES TO DONUTS

The three areas we discussed in the first section - authenticated data, anonymous data, and more use of clean rooms - aren't separate. Quite the opposite, in fact.
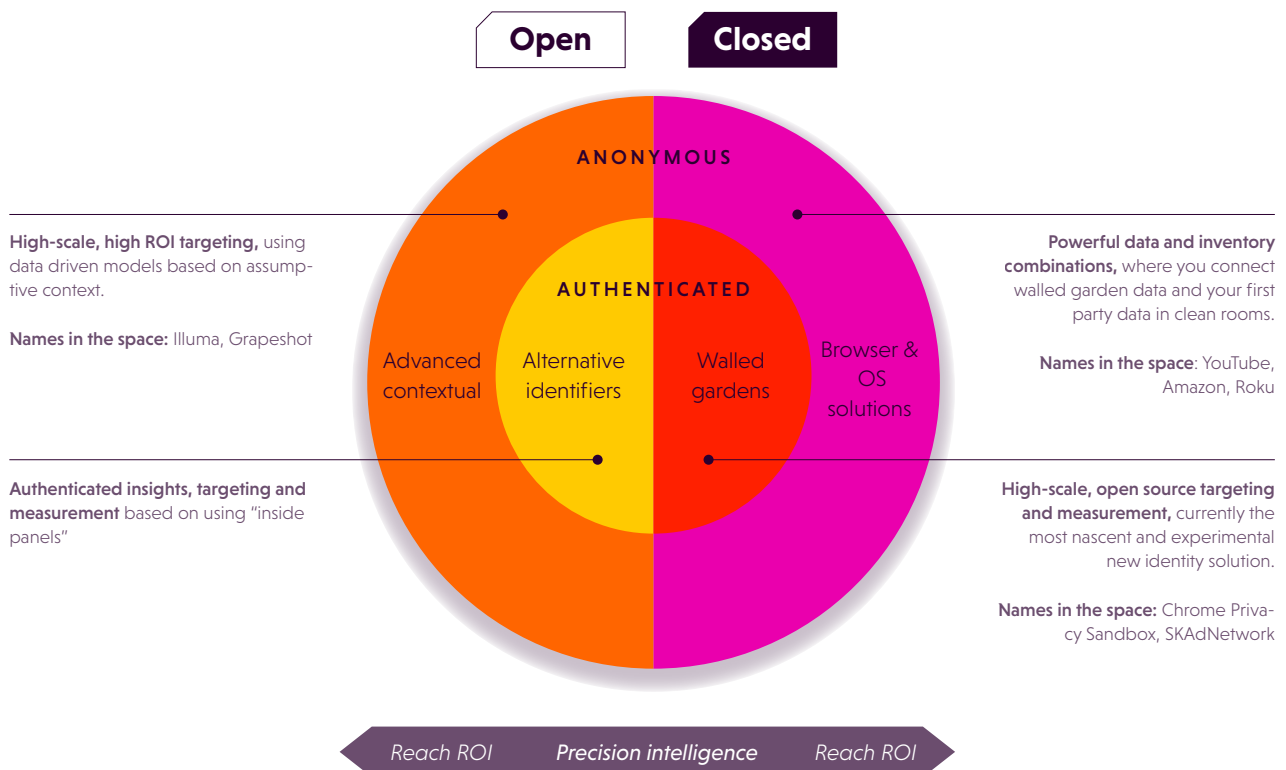
We think one of the big problems with the identity conversation right now is that it's missed a stage and jumped straight to solutions: which authenticated solutions are you going to choose? Which anonymous data are you testing? Which clean rooms will you need to work with?

Don't get us wrong, they're good and important questions. But to get to good answers, you need to take a step back and think how they are going to work together.

Particularly right now when the future still contains a fair amount of uncertainty, the best approach is to be as agnostic as possible:

1.   For the best insights... train campaigns that use both authenticated data and anonymous data.

2.   For the maximum reach... test lots of ID frameworks that work across both 'open' and 'closed' buying platforms.

3.   And for the best performance... target campaigns with both authenticated and anonymous solutions.

To help you visualize it, we've created what we call the 'identity donut':

Open   **Closed**

ANONYMOUS

High-scale, high ROI targeting, using data driven models based on assumptive context.

Names in the space: Illuma, Grapeshot

AUTHENTICATED

Advanced contextual   Alternative identifiers   Walled gardens   Browser & OS solutions

Powerful data and inventory combinations, where you connect walled garden data and your first party data in clean rooms.

Names in the space: YouTube, Amazon, Roku

Authenticated insights, targeting and measurement based on using "inside panels"

High-scale, open source targeting and measurement, currently the most nascent and experimental new identity solution.

Names in the space: Chrome Privacy Sandbox, SKAdNetwork

Reach ROI   *Precision intelligence*   *Reach ROI*

03

MAKING IT WORK IN PRACTICE

Once you start to think about the issue holistically, you can reframe the identity question. Not asking 'what new identity solutions do we need to be looking at', but instead focusing on more familiar questions like how do we prospect customers, how do we retarget them, and how do we measure success?

And, since you're asking…

1

How will prospecting work?

Prospecting will be a process of starting with what you know (your first party data), supplementing it with the highest quality data (authenticated data), and then using those insights to 'train' strategies that use anonymous data to get high scale.

2

How will retargeting work?

Again, retargeting will be based on a mix of authenticated and anonymous solutions:

- Targeting with alternative authenticated IDs is available in SSPs and some DSPs already, and will be available in most DSPs by the end of 2021.

- Solutions for retargeting anonymous cohorts (like Google's FLEDGE) are in the late stages of development and will soon be ready for testing.

And, to get ready, you need to be starting now by getting your first-party data in order and sharing it with activation partners to make sure they're ready to seize new opportunities across authenticated and anonymous retargeting solutions.

3

How will measurement work?

Authenticated IDs will become the measurement panel of the future. Using rich, persistent authenticated data you'll be able to extrapolate out performance measurement across a whole campaign.

This panel-based modeling is already being used by Google with their 'Modeled Conversions' in Campaign Manager to provide performance measurement in cookieless environments when no ID signal is available.

And fully anonymous attribution solutions will have a part to play too. Though they're not quite as developed, things like the Chrome Conversion Measurement API is currently being tested in the Privacy Sandbox which will allow for cohort based measurement.

04

TEST, LEARN, AND KEEP YOUR OPTIONS OPEN

We hope this ebook gives you a clearer sense of what the post-cookie world of programmatic is going to look like in practice. We're sorry we can't be totally definitive (at least not yet) because the truth is that we're still very much in the midst of changing from the old system to the new one. There's still a lot of experimenting to be done, a lot to learn, and a lot of things that may still change.

On the other hand, that has *always* been true of digital advertising. And that's why we're confident that an agnostic approach - keeping all options on the table and never over-relying on one form of data or one targeting solution - is going to be the best way to maximise reach and performance whatever challenges our industry faces.

We firmly believe that the end of cookies is a good thing for our industry and an exciting thing for our clients. Not just a chance to do things differently, but to actually do them better.

If you're interested in finding out how we can help your business get ready for the post-cookies world, we'd love to have a chat.

GET IN TOUCH

The future is coming faster than ever...

Thanks so much for making it to the end of the ebook. Who says long-form content is dead...?

If you enjoyed reading this, maybe you'd like to check out the Future, Faster podcast, a laid back look that the trends, topics and technologies shaping the future of advertising, with some of the smartest minds in our industry.

LISTEN NOW

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