



ExchangeWire
The business of media, marketing and commerce

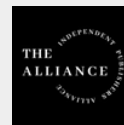


EXCHANGEWIRE INDUSTRY REVIEW

REFRAMING THE FUTURE.

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AUTHOR'S NOTE



Ciaran O'Kane
CEO, WireCorp

What happens when the biggest platforms in the marketing industry implement the strictest privacy controls ever seen? Chaos and carnage? End of days?

No, it's none of these. Instead of tilting furiously at the windmill, think about this transition to a privacy-first environment as an opportunity to recalibrate, and to prioritise the consumer, rather than the apocalyptic end of advertising and marketing as we know it.

Over the past few months, I have been writing a series of articles outlining how the industry can evolve beyond the narrow confines of third-party cookies and device IDs. I even sketched a new ecosystem map to illustrate the sheer size of our new addressable market.

I split my thesis into three key areas: the service layer; the madtech middleware; and the media and commerce ecosystem. All three will be heavily defined by increased fragmentation.

The service layer will become more important as brands try to navigate the measurement and targeting mess in a post-ID world. Tech integration and e-commerce management will also become a key area of growth. The holding groups are going nowhere, but they will compete with a host of new quasi-holding groups and specialists for a business that is going to see hyper growth in the 20s.

There is a massive reckoning coming to ad tech and martech, as the congested middle becomes

consolidated. The 'madtech middleware' will become more about tech enablement and utility. Take rates are going to collapse as value moves to the fringes, empowering buyers and sellers to do data-driven buying/selling in a privacy-first way. I expect to see a huge overhaul in measurement, targeting, infrastructure, creative, and AI-based marketing. I am excited by this evolution. And you should be too.

The media and commerce ecosystem is effectively a story about the walled garden renaissance. Like it or not, the 20s is all about the walled garden: the mega GAFA walled garden which, despite what you hear, won't own 100% of the market; and the meta walled gardens, that will operate on the likes of iOS and inside of CTV. Some will have their own buying interface; others will not.

The latter is important to you, as it represents your opportunity to offer value to buyers and sellers. Let's consider some of the interesting problems that the industry is looking to address. In Europe alone there are 100s of marketplaces and e-commerce platforms. How does a brand measure and optimise the marketing of their products on a pan-European basis? Or what about the transition of marketing spend to e-commerce sites, as failing big-box retailers lose their in-store marketing spend? And what about the measurement headache on the anonymous web? Value creation is going to follow when more companies build services and tech that take on these issues.

We believe there will be a wave of new innovation, rebooting the current digital marketing model.

WE BELIEVE THERE WILL BE A WAVE OF NEW INNOVATION, REBOOTING THE CURRENT DIGITAL MARKETING MODEL. THE INDUSTRY REVIEW OUTLINES SOME OF THE HOTTEST AREAS ACROSS THE SERVICE LAYER, MADTECH MIDDLEWARE, AND THE COMMERCE AND MEDIA ECOSYSTEM

The Industry Review outlines some of the hottest areas across the service layer, madtech middleware, and the commerce and media ecosystem — with industry leaders giving their expert opinion on the tech and market opportunities that will define this decade.

There is a prevailing narrative that we are in the mire — and GAFA have won. I disagree on so many levels with that thesis. Our best days are ahead of us. Once we move beyond these existing legacy models, I believe we will finally realise the potential of the innovation that runs deep in this industry ■

CONTENTS

SECTION 01 SERVICE LAYER

5

Canton Marketing Solutions	7
Clearcode	9
ControlVExposed	11
Hybrid Theory	13
Silverbullet	15

SECTION 02 MIDDLEWARE

17

Blis	19
Digiseg	21
ID5	23
Onetrust LLC	25
Scibids	27
Skyrise Intelligence	29
Unruly	31
Semasio	33
Verizon Media	35
Xandr	37
Zefr	39

SECTION 03 COMMERCE MEDIA & DIGITAL

41

1PlusX	43
Adcolony	45
Adimo	47
Adsquare	49
Lotame	51
Permutive	53

SECTION 04 MEDIA CLIENT CONTRIBUTIONS

55

IAB Australia	55
Independent Publishers Alliance	55
AOP	56
IAB SEA+India	56

SECTION 01

SERVICE LAYER

COMPONENTS

► Holding Groups

The holding group model seems to be under constant attack by industry observers, the markets, and one very angry former CEO. We have been told that the problems are too big to fix: their commercial model is challenged; they are being disintermediated by the mega walled gardens; and they are not capable of delivering for clients in the digital age. It feels like a self-fulfilling prophecy, doesn't it? It's an overreach. Holding groups are probably the most malleable companies in this business, evolving when they have to. They still have global scale. They offer brands an unrivalled view across the privacy-first ecosystem. Fragmentation will push brands back to the holding groups.

► Indie Agencies

In a fragmented digital commerce and media ecosystem, specialists should thrive. And it is messy out there. There will be a few large-scale indies able to compete with holding groups — but overall it will become very resource intensive to be an omni-channel offering in a post-cookie world. Better to double down on verticals like commerce; CTV; China; DOOH; or audio. There are plenty of options.

► Creative Agencies

Creative will be even more important now that one-to-one marketing is moving to one-to-many. This could be the decade when creative agencies merge creative brilliance with data-driven insights, using ad tech in the management and optimisation of clients' creative assets. There is going to be an almighty scrap for the high-margin creative production and management business. Creative agencies are in a good position to take advantage.

► FLoC Specialists

Google's FLoC (or an iteration of it) will become the currency of the Chrome anonymous web. Many brands and agencies will aggressively lean into it to help measure and target display campaigns. Safari, or any other browser, are unlikely to adopt Google's offering. Programmatic display ad tech will consolidate on the execution layer as buyers bypass redundant cookie-matching tech in favour of more effective and privacy-first delivery/optimisation. FLoC specialists will emerge to help buyers trade across the FLoC web.

What they would look like is still unknown, but this looks more like a service layer function than tech.

HOLDING GROUPS ARE PROBABLY THE MOST MALLEABLE COMPANIES IN THIS BUSINESS, EVOLVING WHEN THEY HAVE TO. THEY STILL HAVE GLOBAL SCALE.

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COMPONENTS

► Big Consultancies

Deloitte, Accenture, et al. will continue to skirt around the fringes, offering beautiful 'digital transformation' powerpoints and their RPA solutions (like the lucrative back office Excel automation scripts). None of them seem interested in the media buying business, which will become even more important going forward.

► Data, Tech & Integration Consultancies

A whole new breed of service-layer offering is emerging, that leverages the 'madtech middleware' and internal capabilities to help brands/holding groups build robust attribution, platform integrations, and data management/execution functions. Auditing firms are also muscling in on this market. It'll be competitive but it's going to be high growth.

► Ad Networks

Putting ad networks in the service layer might seem odd to some. But there has always been a grey area around their category. The service layer seems appropriate given the strong media-management element to their business. The model will continue to thrive as holding groups and brands outsource buying. Again, it will likely have an overdependence on the 'FLoC web' — but as

aforementioned, most buyers will look for the easy option optimising against the 'Google' metric. The VAN (Vertical Ad Net) model will be popular in a world where it will become more difficult to aggregate audiences. There will be new ad nets offering specialisms across the anonymous web outside of FLoC, optimising to more brand-friendly metrics.

► Ad Management Firms

Mid-to-long-tail publishers are likely to give up on trying to monetise their sites; instead they will outsource it. These companies will manage all monetisation and ad tech on the publisher properties, and will depend on FLoC to deliver campaign performance and revenue for publishers.

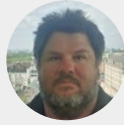
► Publishers

In a world where you can't use cookies to build unique audiences, bigger and scaled publishers will build media solutions for agencies and brands using their own first-party data and mix of unique inventory and cookieless targeting/measurement. Publishers are also set to partner with tech vendors to build SME-focused solutions, winning business off the walled-gardens.

IN A WORLD WHERE YOU CAN'T USE COOKIES TO BUILD UNIQUE AUDIENCES, BIGGER AND SCALED PUBLISHERS WILL BUILD MEDIA SOLUTIONS FOR AGENCIES AND BRANDS USING THEIR OWN FIRST-PARTY DATA AND MIX OF UNIQUE INVENTORY AND COOKIELESS TARGETING/MEASUREMENT

DATA, TECH & INTEGRATION CONSULTANCIES

CANTON MARKETING SOLUTIONS



Rob Webster

Founder, Canton Marketing Solutions



The industry as a whole (but marketing and marketing services in particular) is going through a once-in-a-generation period of change.

To thrive in the new era and grow out of the recession, advertisers need a new type of support company - one that is future-facing, more technically capable, faster, and much more transparent and open to a business' marketing needs. Crucially, advertisers need their support companies to act more like a coach and less like a player in helping advertisers transform their marketing efforts for the new, post-pandemic era. With the speed of modern marketing and the need for first-party data responsibility, it is vital that advertisers take control and so they need their partners to act as advisors and coaches. Only when marketers truly understand digital experience projects as a way to sustainably deepen their relationships with their customers can they prioritise their digital investments and get buy-in across the whole business.

Three powerful forces are driving this huge change in marketing. Firstly, the privacy and identity revolutions mean that digital marketing technology and techniques (as well as companies' data processes) need to be rebuilt from the ground up. Secondly, the percentage of media bought through media platforms has been growing for over a decade and has now gone past an inflection point, effectively ending the era of scale and negotiating power being the dominant trait in media buying. Thirdly, media measurement is sleepwalking into a period where the old ways die quickly (cookie-based attribution) and new solutions will come to fill the void (turbocharged media testing and media mix modelling aligned to platform numbers). All of these changes have been accelerated and enhanced by the ultimate catalyst: the pandemic.



CANTON HAVE BEEN BRILLIANT TO WORK WITH. THEIR INITIAL AUDIT OF OUR BUSINESS HIGHLIGHTED OPPORTUNITIES WE WERE MISSING AND GAVE US A ROADMAP TO DRIVE THE BUSINESS FORWARD. CRUCIALLY THEY ARE ABLE TO HELP US MAKE THE CHANGES THEY RECOMMENDED.

KIMBERLEY DALY

MD Marketing, Betfair International



What will separate the wheat from the chaff in this space is true omnichannel ability and technology skill. A focus on programmatic display (or any one channel), or a lack of real depth of technology skill, will not be sufficient to help advertisers manage the challenges of the time. Attribution specialists will exist separately from buying and customer technology but, this aside, integration is the name of the game. Deep technical understanding will be a must, as there will be a lot of setup and integration required with different partners to solve the many issues that change will throw up, at least for the early years of the new era before consolidation makes things easier.

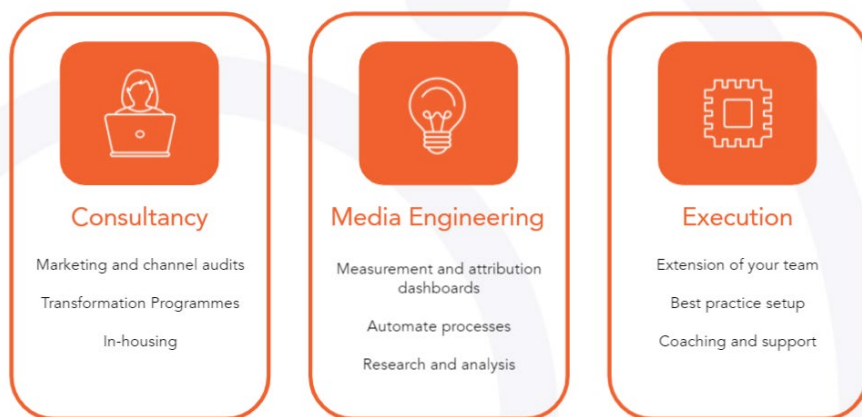
A crucial part of a new-breed service layer is having the technological chops to be able to support the change

required by privacy and identity. For the 25 years that digital marketing has existed, the most important marketing systems have been based on cookies. Ad servers and web analytics relied upon cookies as a proxy of identity and they were intrinsic to tracking targeting, personalisation, and data science. In the new world, the common identifiers are the signed-up customer and the first-party cookie. This is where martech and ad tech are converging. This is what has seen the movement from ad servers, and their cousins the DMPs, to CRM and CDP platforms. This is the revolution happening right now at the heart of advertisers' marketing technology efforts and it requires a highly skilled service layer to support this radical change.

At Canton, we have focussed on hiring

and training the best talent in the market to understand these dynamics and have huge experience of installing and utilising customer platforms and customer data strategies to deliver excellent marketing. We have multiple individuals who have run technology teams at the highest level supported by platform and buying expertise, who have done their 10,000 hours in delivering amazing campaigns. The last part is crucial, as many companies have either the marketing or the technology skills, but Canton is very rare in having both under the same roof (and in the same people). It is in this way that we often work as a go-between for marketing teams and technology and data teams at enterprise clients, acting as the translation layer to ensure the requirements of one are articulated and documented for the use of the other.

Marketing Transformation - Products Brands Want



SO MUCH OF DIGITAL MEASUREMENT HAS BEEN POWERED BY THE THIRD-PARTY COOKIE AND DESPITE WHAT ANYONE SAYS NONE OF THE NEW SOLUTIONS WILL FULLY REPLACE THIS FOR CROSS-SITE MEASUREMENT

Ciaran has FLoC specialists as a whole different category, but on the service side, I think they will be synonymous with the data and technology expertise offered by the service layer. Not only FLoC (and the other Avian acronyms), but Apple's SKAdNetwork, and the many other solutions that will emerge, will be as vital to buying from the tech giants as they will be to buying from the independent ad tech providers that adopt them. This is where the service layer comes in - advising advertisers, accurately and without bias, of the merits of the different solutions (when to go Indie, when to use the giants and how to get the most out of them, etc.) will be a crucial skill. Tech companies are full of smart people but they are very poor at explaining the gaps in their chosen setups, and fairly poor at helping advertisers use and integrate to their specific requirements for holistic marketing programs. The giants are amazing at explaining how to spend more money on their systems but, again, how best to make savings by looking elsewhere is not part of their lexicon.

Whilst customer setups and preparing for identity are currently the leading use cases for advertisers to bring in specialist help, I am confident that it will be attribution and marketing effectiveness by the end of next year.

So much of digital measurement has been powered by the third-party cookie and, despite what anyone says, none of the new solutions will fully replace this for [cross-site measurement](#). As the gaps in existing measurement techniques become apparent it will power a huge rise, led by an independent service layer, in next generation attribution. This will be powered by the collection of data (from CDPs), marketing experiments, media mix modelling, and AI techniques, to automate and bring it all together. Progressive advertisers are already making big moves here and a huge competitive media advantage will emerge to those advertisers, and the companies that can support them in new wave media measurement.

What of the giants of the previous era that surely hold the power? Holding companies have used their scale and buying power to dominate media since the 1980s with, arguably, Sir Martin Sorrell as the father of the modern buying business. It is striking how his new business, S4C, does not rely on buying power at all, instead focussing on relationships with the world's biggest marketing platforms. TV has powered brand marketing since the second world war, so its conversion to an online platform and decline behind digital in terms of

spend and advertiser priority acts as an existential threat to the very reason most buying agencies exist. The fact that these firms are involved in a record number of global pitches where price is now the main focus shows how far their value proposition has fallen. Holding companies are still a crucial part of the environment but are no longer the leaders driving the future on the issues of the day. At present, they simply aren't able to charge the fees or attract the talent required for world-class data, tech, and integration services. This decline and existential threat will only grow as the privacy era starts properly in 2022 with the end of third-party cookie targeting and measurement, with advertiser attention shifting to those companies who can solve the problems of the day.

Just as the fire clears the forest for the next generation of mighty trees, change drives innovation and makes way for tomorrow's marketing giants. At Canton, we believe we have the perfectly designed model for the future and look forward to leading the way, both supporting and coaching our clients over the coming decade and beyond ■

FLOC SPECIALISTS

CLEARCODE



Piotr Banaszczyk
CEO, Clearcode



FLoC: The old world vs. the new world of audience targeting

On January 14 2020, Google announced that it would be shutting off support for third-party cookies within the next two years. A few months prior to that announcement in August 2019, Google unveiled its Privacy Sandbox initiative. These two announcements would shape the following two years of programmatic advertising and set the foundations for a new era of online advertising in the world's most popular web browser, Google Chrome.

Google Chrome's Privacy Sandbox is a collection of APIs and standards designed to replace the programmatic-advertising processes currently carried out by third-party cookies while strengthening user privacy at the same time. Within Chrome's Privacy Sandbox there are APIs and standards for retargeting, measurement, and attribution. But it's the standard for audience targeting – Federated Learning of Cohorts (FLoC) – that is dominating the headlines and garnering the attention of every company in the industry.

Google Chrome's FLoC will change the way audience targeting works forever.

The soon-to-be old world of audience targeting in Chrome

For the past two decades, third-party cookies have been the backbone of programmatic advertising in web browsers. Ad tech companies have built businesses around helping advertisers and agencies to reach their target audience across multiple publishers. Publishers have also enjoyed higher CPMs as a result of third-party cookies thanks to their ability to identify an advertiser's audience on a website.



ALTHOUGH FLOC IS ESSENTIALLY JUST ANOTHER TARGETING METHOD, I BELIEVE THERE'LL BE A NUMBER OF OPPORTUNITIES FOR AD TECH COMPANIES TO BUILD NEW TOOLS AND FEATURES AROUND CAMPAIGN MANAGEMENT AND ANALYSIS.

PIOTR BANASZCZYK
CEO, Clearcode



But with all the good that third-party cookies have done for programmatic advertising, they have also received their fair share of criticism, particularly around user privacy. Firefox and Safari already block third-party cookies by default and Google Chrome, which holds a ~65% global share of the web browser market, will do the same in the near future.

The days of using third-party cookies to power audience targeting are limited in number, but the future of audience targeting in web browsers is fragmented. Some companies are setting their sights on contextual targeting, while others are looking at other ID solutions that will provide similar ad-targeting capabilities to those offered by third-party cookies, but without the same scale. For companies wanting to reach their

audience in Chrome, adjusting to new forms of audience targeting will be paramount.

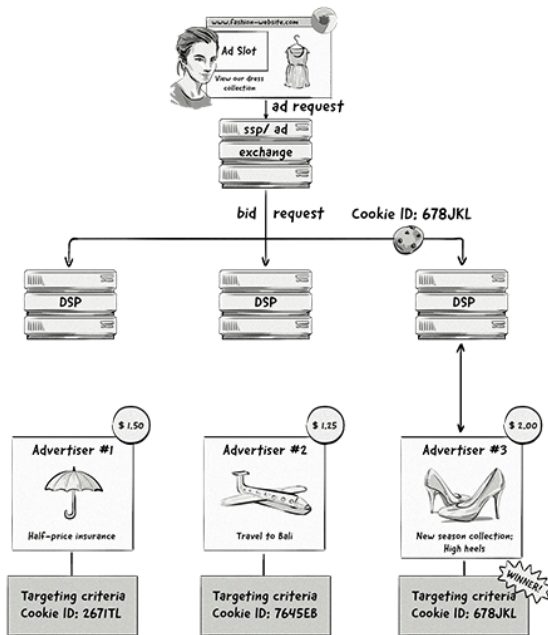
The new world of advertising in Chrome

To understand how Google Chrome's FLoC works, we first need to understand how audience targeting is currently done through third-party cookies. When an Internet user visits a web page, ad tech and data companies create cookies either via JavaScript embedded on the page or by sending a request to a server. Inside a cookie is an ID, which is just a string of random numbers and letters, but is unique to each user. Because these cookies are not created by the website itself but by other companies, they are called third-party cookies. From there, each time the same user visits another website containing

the ad tech and data companies' scripts or pixels, their cookies are recognised, and that's how they're able to identify the same person across different websites.

Once you've achieved that, you can then start creating audiences and showing ads to them by linking their web-browsing history, interests, and purchase history, with their cookie IDs. Over the years, ad tech and data companies have built up large pools of cookie IDs that can be used by advertisers to reach their target audience across the open Internet. But with the end of third-party cookies in Chrome and the introduction of FLoC, that's all about to change.

Audience targeting via RTB and third-party cookies



Note: The cookie IDs from the SSP/ad exchange and the DSP would be different. The two AdTech platforms would have to perform cookie syncing to match the two different IDs together. We've presented it this way for the sake of simplicity.

VS

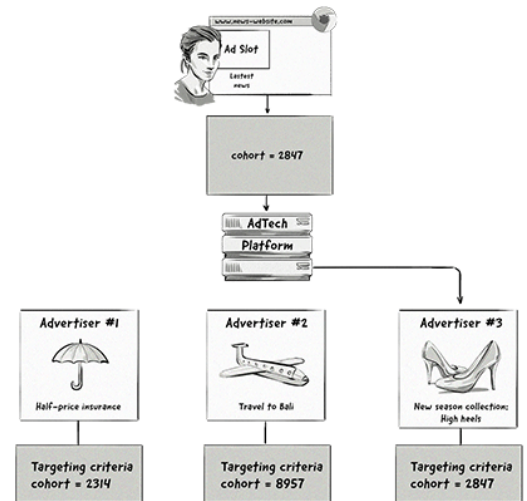
Interest-based ad targeting via FLoC

Phase #1: A user's web browser is added to a cohort based on their web-browsing history.



Phase #2: The user visits a different website. Chrome tells an AdTech platform (via the website) which cohort is associated with the browser.

Advertisers can show ads to users based on the cohort their web browser belongs to.



Instead of using an ID in a cookie to determine which audience a user belongs to, Chrome's FLoC will use a combination of machine learning and on-device processing to place a user's web browser into a cohort (AKA interest group) based on the user's web-browsing history. Other web browsers within that cohort will have displayed similar web-browsing habits.

Advertisers will reach their target audience by selecting the cohorts they want to target. There won't be any underlying ID connecting the user with the audience, and no data, apart from the name of cohort (e.g. cohort ID 76451) and algorithm version, will be sent to ad tech companies.

Will FLoC be a service layer or a technology layer?

In his article on the service layer, Ciaran said he believes that "FLoC specialists will emerge to help buyers trade across the FLoC web. What they would look like is still unknown,

but this looks more like a service layer function than tech." I agree with Ciaran that there'll be a need to deploy specialists knowledgeable about FLoC to create, run, and manage this new form of audience buying, but I believe many advertisers, ad agencies, ad tech companies, and publishers will upskill their existing teams.

I don't believe running FLoC campaigns will be any more complex than running any other kind of audience-buying campaign, but we'll have to see what it looks like in reality. There'll also be a need for advertisers, ad agencies, and publishers to implement FLoC into their campaigns and for ad tech companies to add it to their existing platforms.

Although FLoC is essentially just another targeting method, I believe there'll be a number of opportunities for ad tech companies to build new tools and features around campaign

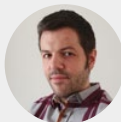
management and analysis to help advertisers, agencies, and publishers run both Privacy Sandbox campaigns (e.g. FLoC and TURTLEDOVE) and their current campaigns (e.g. direct deals and RTB), and to analyse the performance of these different campaigns.

More questions than answers

Although FLoC is being worked on in the W3C Improving Web Advertising Business Group and has recently begun testing, there are still a number of questions to answer and issues to be worked through. One piece of advice I would give advertisers, agencies, ad tech companies, and publishers is stay up-to-date on the latest FLoC updates and think about how your company can take advantage of FLoC as well as the other APIs and standards in Chrome's Privacy Sandbox. Watch this space ■

TECH & INTEGRATION CONSULTANCIES

CONTROLVEXPOSED



Aidan Mark

Global Director, Performance Strategy, ControlVExposed



Paul Frampton-Calero

International President, ControlVExposed

From reading our industry press, you might be mistaken in thinking that the death of the cookie is some awful event to be mourned.

Whilst its demise does force marketers to rethink how to track, target and match audience to message, the death of the cookie could also give us an opportunity for a much-needed reset.

The illustrious Binet & Field [published research in 2019](#) that highlighted a crisis in creative effectiveness. Global advertising effectiveness is in decline and has been for about 10 years. The authors point to a rise in marketing short termism as being the key driver of the crisis. Given that the declines in effectiveness have coincided with the rise of digital and cookie-based marketing, the cookie driven world was perhaps part of this problem.

It is our hope that the cookieless era may give rise to a new era. An era of effective and intelligent marketing. We hold hope for a world where people don't vote with their feet to avoid our ads...

Measurement

Ciaran is right in that measurement and attribution is of the utmost importance. Measurement is the villain of the effectiveness crisis, but it is also the enabler of a more win-win relationship with consumers. But only if brands execute measurement well.

**WHERE DATA AND
NEW PROCESSES ADD
COMPLEXITY, TRUST WILL
BE AN INCREASINGLY
IMPORTANT COMMODITY.
ASK YOURSELF WHETHER
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HAVE VESTED INTERESTS
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Digital media was sold on the promise of being a highly measurable medium. That thought stayed with us as we entered the era of algorithms and programmatically traded ads. Advertisers started to plug and play, and this is when we started getting haunted by ads that chased us around the web. All powered by cookies that make these ads look effective.

Unfortunately, those spammy ads often get unrealistically large levels of sales attribution, so brands persisted with them for a long time. Of course, spammy ads don't tend to be truly effective, but cookies enable an illusion of effectiveness. Cookies allowed annoying ads to cheat our measurement systems. They regularly give attribution credit to ads

that consumers don't see and can't remember. An end of the view through metrics that enables these intrusive tactics is much overdue.

The enabler comes when you recognise that people are unlikely to directly respond to many 'push' forms of advertising.

Instead, you need to do a job of persuasion. Persuasion is most effectively done with high quality content, genuine USPs, and a pleasant customer experience. These tend to be delivered by brands that treat the user with respect.

Unfortunately, good measurement is also hard. We use data to try and explain how ads influence human behaviour. The most effective

advertisers chase cultural relevance over cookie based direct response.

We need to balance the relative data richness of digital with the powerful but often data lagging offline world. We don't just mean TV ads, we mean our culture where all brands exist, often as only a small part of the consumer's mind.

The most successful brands of the 21st century blend cultural relevance and customer utility, with best-in-class digital experiences. Cookies were never particularly useful in either of those endeavours.



SERVING BRANDS IN THE
MODERN MARKETING WORLD

eCommerce

Amazon has built itself a great moat, whilst chaos ensues outside of its walls. Where Amazon fails as a partner for brands is when those brands also exist outside of Amazon. Which is, of course, most advertisers.

Amazon offers a beautifully crafted closed-loop attribution system which will be attractive to those seeking an alternative to cookies. Of course, the attribution loop only works with any accuracy for the overwhelming minority of businesses that exist only within Amazon's ecosystem.

If you do need to work with Amazon, you should seek to use Amazon's data within a wider data ecosystem. An ecosystem that joins up all your marketing and sales channels.

Media Buying & Strategy

Most media will head towards programmable, but that doesn't mean all media will be bought programmatically. Shared cultural experiences will remain a valuable tool for brand builders seeking mass cultural relevance, which favours the traditional broadcast media buy.

A small but knowledgeable in-house team may be the optimal set up. This

team works out where expertise is best outsourced, and when tasks are more effectively done internally.

Data

Many brands originally wanted automated data, and a version of that need has been perfected by Google & Facebook. The death of the cookie will push more advertisers their way. But relying on their automated data alone is dangerous, as Google and Facebook's attribution is often self-serving and can come with inflated metrics.

Data & tech consultancies have a lot to offer here, but should do as their name suggests and consult, not own the process.

The new paradigm is around privacy, first-party data and intelligent use of more limited data sets. Brands will need to get expertise in these areas, quickly.

Where data and new processes add complexity, trust will be an increasingly important commodity. Ask yourself whether your data-experts have vested interests associated with their outputs.

Service Layer

Brands need a service layer that can adapt and pivot to their needs both in real-time, and ahead of the industry. Marketers need to understand what

produces genuinely effective and incremental business outcomes first, and then work out which tactics and executions deliver those outcomes. The old cookie world often worked this process in reverse.

Service providers that can stitch all of this together in a way that adds commercial value and builds trust will be the real winners. When clients own their own data, it should be clear which providers are adding genuine utility.

Conclusion

The death of the cookie and the changes that come with do not need to cause despair. Taking an ownership role, using a transparent group of partners, and providing a clear path for accountability will be the key to success.

The cookie might be taken away from us before we were ready, but it has also been taken away from your competitors. This is a wonderful opportunity for you to reset, perhaps whilst also gaining a new competitive advantage ■

DATA, TECH & INTEGRATION CONSULTANCIES

HYBRID THEORY



Patrick Johnson
CEO, Hybrid Theory



Securing our place in the post-cookie digital advertising ecosystem

An intriguing glimpse into a potential future for the digital advertising ecosystem was recently outlined by ExchangeWire's Ciaran O'Kane. In his hypothetical structure, Ciaran placed Hybrid Theory in the upper service-layer — part of a new breed of high-growth data, tech and integration partners that leverage 'madtech middleware' and internal capabilities to help brands build robust attribution, platform integrations, and data management or execution functions.

While the layered structure proposed in Ciaran's position isn't far from our own expectations, I believe there will be more crossover between this service layer and the madtech middleware, as providers based on capabilities look to combine these two functions or become very siloed to survive. If they cannot become specialists in their niche, they will have to blend the two areas completely, which few will be able to do well.

Those that can successfully achieve this merging of communication and execution effectively will be better able to play across a broader digital landscape, working with both marketers and the groups listed within

Ciaran's third layer — the digital media and commerce ecosystem. As we hurtle towards a cookieless future, Hybrid Theory is well placed to support the industry with our ability to integrate talent and technology, as well as our focus on three key attributes providers will need to succeed:

Creating business drivers for marketers

The ad tech industry is often focused entirely on media execution rather than on meeting strategic marketing goals. Brands serve ads to achieve a purpose. They have specific business goals, such as selling more product, differentiating from their competitors, developing new products, and making branding relevant. Brand goals have continually evolved during the pandemic, and ad tech providers have required agility to support rapidly changing strategies.



I BELIEVE THERE WILL BE MORE CROSSOVER BETWEEN THIS SERVICE LAYER AND THE MADTECH MIDDLEWARE AS PROVIDERS BASED ON CAPABILITIES LOOK TO COMBINE THESE TWO FUNCTIONS OR BECOME VERY SILOED TO SURVIVE.

PATRICK JOHNSON
CEO, Hybrid Theory



The programmatic space is perceived as complex and multifaceted, while the walled gardens are viewed as simple and joined-up, meaning many brands turn to these bigger players believing they will have better visibility of how their goals are being achieved. In pivoting to a cookieless world, ad tech companies must focus on making marketers' and agencies' lives easier, reducing complexity by stitching together the programmatic space.

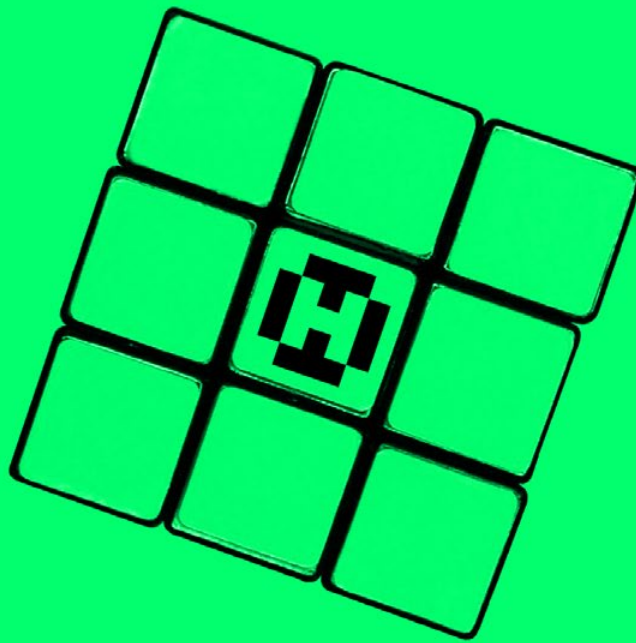
In order to make complex simple, they need to bridge the gap between what the technology is trying to do and what marketers want to achieve. While many providers currently specialise in one area, such as data, media trading, or creative, they don't

cover the entire spectrum. Marketers want an end-to-end solution with capabilities such as purchase journey mapping to bring the process to life. By connecting the dots, providers can surface valuable insights for marketers to action. A computer hardware brand, for instance, may discover a particular component is a prominent search and browsing feature for high-end device purchases. They can use this information to optimise multiple channels — including their ecommerce site and ad creative — to drive high value sales. They can also use digital media to engage with customers already known through CRM data, and then feed those interactions back into CRM strategy.

Operating with a data agnostic approach

Ad tech providers often execute against third-party data sets bought from large aggregators, without really understanding what they contain. As the industry transforms, providers must be data aggregators in their own right, and work from their own data sets, to perform a range of tasks such as audience profiling, persona validation, and ongoing trend analysis.

Alongside data aggregation capabilities, they will need knowledge and experience around data privacy, structure, and best practice. Ideally, they will combine data aggregation and downstream execution, and offer a variety of other value-add services.



Making the Complex Simple

For instance, by combining a brand's first-party data with second- and third-party data within a demand engine, providers can deliver outputs to profile current customers and build a fanbase; profile competitor customers to identify opportunities; prospect new markets for expansion opportunities; or deliver real-time feedback to inform new product lines.

Providers must be data agnostic, not beholden to any single data source or ID, but able to use a blend of everything and move seamlessly between sources depending on real-time feedback. Hybrid Theory's knowledge graph provides over 20 billion data points each month, comprising browse, search, and share. This delivers a view of 90% of most global markets and rich consumer insights to develop and act on. While this data set will adapt and grow in our new world, our core capabilities of integrating, aligning, and executing with data at scale will continue to power more beneficial results against our clients' goals.

As Ciaran's article outlines, there won't be a single answer to cookie deprecation, but many different solutions stitched together. There may eventually be a new ID source, or multiple IDs that address specific functionalities of the cookie, such as measuring website performance and enabling content personalisation, as well as driving targeting. These may integrate with one another rather than competing and offering an end-to-end approach. In the meantime, providers will need to be comfortable with social, CRM, programmatic, and first-party data, as well as hashed emails, IP addresses and mobile IDs.

Working with a collaborative mindset

Players in the ad tech space can be territorial, but it is vital to work together and make the most of specialisms as the landscape changes. If one provider can't do something well, there's always the opportunity to partner with someone that can. Effective collaboration across the industry and dedication to forging powerful partnerships will be essential.

Ad tech providers must also be flexible to accommodate what brands and agencies need to meet their goals. Marketers are getting both more involved and more educated, and are questioning the interplay between efficiency and relevance. They will look to repurpose spend into new channels and innovations, and providers must be agile enough to enable that.

By working to meet brand goals, taking a data-agnostic approach, and embracing a collaborative mindset, Hybrid Theory is well prepared for the shift to a cookieless future, whatever form it may ultimately take ■

PROVIDERS MUST BE DATA AGNOSTIC, NOT BEHOLDEN TO ANY SINGLE DATA SOURCE OR ID, BUT ABLE TO USE A BLEND OF EVERYTHING

DATA, TECH & INTEGRATION CONSULTANCIES

SILVERBULLET



Ian James

Co-founder and CEO,
Silverbullet



Marketers have spent years trying to perfect the holy grail of data-driven marketing by deploying data technology solutions in-market to reach their customers. Whilst many succeeded, others fell short due to limited understanding or resources.

The marketing landscape is drastically shifting with the enactment of GDPR in EMEA, and similar privacy legislations around the globe, such as the CCPA in the US.

This has ultimately culminated in the acceleration of the death of the third-party cookie, a fundamental component of the (m)ad tech industry. Much of the data-driven strategies that businesses relied upon before focused heavily on these cookies to deliver on audience retargeting and third-party data profiling. That's all about to change.

As the industry begins to search for ways to mitigate the death of the third-party cookie, a myriad of solutions have begun to surface: from various methodologies of unifying IDs, to the resurgence of contextual advertising.

Yet, we cannot turn our backs on the power of data. We just need to rethink and reframe our approach.



WITH DIGITAL PLATFORMS CONSTANTLY EVOLVING, WE TRULY FOUND THE EXPERTISE AND SUPPORT FROM SILVERBULLET WERE SECOND TO NONE. THEY HELPED US BETTER IDENTIFY AND CAPITALISE ON BUSINESS OPPORTUNITIES THROUGH THE POWER OF DATA.

DAVID AMODIO

Deputy Head of Digital and
Innovation at Channel 4



Learning from the past to build for a better future.

As an industry, we have spent the best part of our careers discussing the marketing formula: the right person, in the right moment, and in the right environment.

For advertisers, having the ability to target specific consumer audiences meant being able to control the narrative. The cookie was scalable, a deterministic data point that the ad tech world embraced as the connective tissue to link digital marketing platforms.

Yet, marketers become so blinkered by the concept of the 'right person', that, over time, it inadvertently reduced the value of the creative and contextual environment. The 'right message' focused on retargeting,

and the 'creepy ads' that followed, although somewhat effective, missed the mark when it came to the true value exchange. When it came to the 'right environment', we saw huge shifts of media investments into the social walled gardens, where those platforms typically own the attribution of data. It is no wonder only 25% of CMOs are confident they can measure the returns on investments.

So many businesses therefore found themselves grappling with the complexities surrounding data — how do I unlock its potential in one central place? How can I drive personalisation without running the risk of data privacy issues?

The answer? Well, it lies within a blend of clever people and innovative technology.

THE COOKIE WAS SCALABLE, A DETERMINISTIC DATA POINT THAT THE AD TECH WORLD EMBRACED AS THE CONNECTIVE TISSUE TO LINK DIGITAL MARKETING PLATFORMS.



The blend of mind and machine.

It may sound cliché, but I truly believe the future of digital transformation lies around the blend of mind and machine — expert services and tech enablement, combined with innovative products within digital media and commerce.

In fact, that's the business model we have here at Silverbullet. Our business was founded at a time when marketers were struggling to identify and implement the required technology to help them clear data blockages, enhance workflows, and reduce the friction across digital marketing.

With data management platforms (DMPs) and customer data platforms (CDPs) being touted as the centre point for any businesses wanting to unlock their data, our experts helped businesses to effectively 'plumb in the pipes' to ensure a well-architected infrastructure was in place to manage and activate data.

Now we find ourselves entering a new world whereby old ways of working are no longer applicable. And our

service layer has never become more important.

Ciaran O'Kane explains this as the 'madtech middleware' — services that deliver the expertise to build robust attribution, platform integrations, and data management/execution functions.

First party data is king, and context is queen.

It's the year of first-party data. Why? It is the most valuable type of data available to marketers in today's world. But as the third-party cookie fades away, there is absolutely no doubt that contextual solutions for the post-cookie era will be the go-to targeting layer for most digital campaigns.

Yet existing solutions in the contextual space are — quite frankly — stale, and were very much built for the marketers of yesterday. Future-proofed solutions will offer a fully cookieless solution to refine targeting by using the context of the content being consumed as a proxy for determining whether an ad placement should be delivered or not.

As contextual solutions step into the new marketing age, brand safety

— and suitability — is becoming increasingly important. Solutions that identify in-the-moment marketing opportunities by analysing content along with the broad spectrum of emotion, sentiment, location, audience identifiers, and other data signals available — all in real-time — will align consumer receptivity with the brand message.

For marketers, blending a first-party data strategy designed to engage with individuals, combined with contextual intelligence to bring scale, is the future.

Reframing the industry.

Some of the biggest transformations that we're seeing right now are:

The need for expert partners: more of our clients are seeking the 'madtech middleware' — the service layer that both consults around data management and activation, but also takes the heavy lifting off their hands when it comes to the implementation and integration of technology. This service layer is becoming ever more vital for businesses to help them utilise their data sources in a compliant and privacy safe manner.

The evolution to CDPs: in keeping with businesses leading with first-party data, traditional DMPs are evolving quickly into the CDP space to ensure that data management and activation is done correctly. Businesses are seeking technology partners who put the customer at the centre of everything they do, to ensure that the sought-after "value exchange" is delivered between the advertiser and the customer.

The rise in contextual: we agree with ExchangeWire that contextual will become the go-to targeting layer of the future. That's why we built our contextual outcomes engine, 4D, to help marketers step into the post-cookie, first-party data future with confidence. We believe that bringing together the most advanced machine learning and technologies to reach customers in the right place, at the right time, will truly help marketers thrive in the next phase of (m)ad tech ■

SECTION 02

MIDDLEWARE

COMPONENTS

► Measurement and attribution

Omni-channel attribution: Like it or not, the deprecation of cookies and IDs are going to make fragmentation even worse. Maybe you'll let Google help you model audiences across other third-party ecosystems to make life easier — but are you REALLY going to allow a huge media vendor like Google be your independent omni-channel measurement layer? Of course not. There's room for new solutions to emerge to help build independent measurement across the fractured landscape.

A move to panel-based and engagement models: Panels are typically criticised heavily by ID purists, who say they are an antiquated and unreliable form of measurement. However, with many platforms taking a strong privacy position, IDs will struggle to achieve scale. Panels are set to play some role in an evolved model. Engagement will become popular with buyers as redundant last-click attribution becomes harder. Video and brand buying will gravitate towards engagement as a measurement metric.

Walled garden analytics: We will see smart vendors building on walled garden APIs for measurement and targeting — particularly those ecosystems like CTV, DOOH, and commerce media, that have lots of 'meta' walled gardens (effectively, a walled garden within a walled garden).

► Privacy and data

Contextual: There is absolutely no doubt that this will be the go-to targeting layer for most digital campaigns. The sophistication of contextual targeting will evolve as vendors will feed AI models to improve targeting across web and app inventory.

The clean room revolution: Everyone seems to be building a 'clean room'. There won't be one winner here, but rather vertical and regional winners. You need scale to make these things work, getting enough buyers and sellers on the platform so you can successfully match data.

IDs and ID graphs: While it's becoming harder for IDs and ID graphs in this new privacy-first age, they will have an important role to play as targeting solutions. A lot of the top ad tech vendors are investing heavily in their own IDs. We'll likely see a mix of these being used by buyers as they try to improve match rates. It's hard to know how web-based programmatic display evolves from here. Will open-market buys die off and be replaced with some form of PG (programmatic guaranteed) for example? Even in that instance, you'd still need the ability to match IDs.

Algorithmic trading vendors: In this new privacy-first world, all the value goes to the fringes. Most platforms/walled gardens will operate under their own buying rules and processes.

A LOT OF THE TOP AD TECH VENDORS ARE INVESTING HEAVILY IN THEIR OWN IDS. WE'LL LIKELY SEE A MIX OF THESE BEING USED BY BUYERS AS THEY TRY TO IMPROVE MATCH RATES.

WILL OPEN-MARKET BUYS DIE OFF AND BE REPLACED WITH SOME FORM OF PG (PROGRAMMATIC GUARANTEED) FOR EXAMPLE?

COMPONENTS

There is a huge opportunity in algo-based trading, with specialist vendors building platform-agnostic algos for marketers and agencies. These solutions will be all the more in-demand given they are not reliant on cookies.

Privacy and governance: With the increased amount of privacy legislation in the EU, US, and other jurisdictions, the need for audit trails on all data used within businesses will increase. This has the potential to be a multibillion dollar business as digital media looks to take out 'privacy insurance' to mitigate privacy shocks.

► Programmatic media execution (a walled garden story)

Web-based display: We're going to see fewer vendors on the execution side as open-market buys disappear. In a FLoC-only world, the service layer (agencies, ad networks, and specialist buyers) will capture much more of the value as the industry transitions away from cookie-based buying. The ad server and programmatic layers will merge, but the exit of Google from ad tech will open up both the buy and sell side to new innovators.

App-based display: Apple has taken a sledgehammer to third-party app marketing, and if you haven't realised that already, then you're in serious trouble. As Eric Seufert pointed out many months ago, ad tech and content in the app world will merge to form their own 'meta' walled gardens. This is where my ecosystem layers merge, as the only way to buy will be through these 'meta' walled gardens. M&A will be relentless as ATT puts an end to third-party in-app buying.

CTV: CTV is a classic walled garden. It is not classic 'programmatic', as impression-based buying is still a tiny fraction of the spend (despite what the PR you're reading may say). It is a collection of walled gardens within a walled-garden channel, and as such will evolve differently. There will still be opportunities for ad tech as CTV content offerings grow. Not everyone will have their own buying platform, meaning independent platforms will be needed.

DOOH: Whilst it almost mirrors the CTV world in terms of its make-up, DOOH will likely experience more disruption as new pools of inventory are digitised and integrated with data-driven buyers. There's a lot of legacy in OOH, but also a huge opportunity as new brands look for performance-based models.

► Emerging channel tech:

Ad tech will evolve in new channels like gaming, VR/AR, and audio. These are still relatively nascent spaces, but there is going to be growth. The in-gaming space has a lot of investment, with a number of vendors offering marketers the opportunity to buy programmatically on console and PC games. These are the channels where ad tech will thrive as spend shifts in step with audience behaviour.

► Creative ad tech

With one-to-one markets constrained and marketing moving aggressively into digital commerce, creative ad tech is going to have a big decade. Think about the back-end puzzle of managing, creating, and then (in a data-driven way) delivering creative assets, and you start to understand the enormous opportunity in this category.

► Commerce media

Arguably the opportunity of the decade. The shifting of in-store media spend to digital cannot be understated. Amazon's hyper-growth advertising business tells you all you need to know. The global commerce media landscape is enormous, fragmented, and growing like a weed. Analytics, ad tech infrastructure, on-site marketing, and data solutions, are just some of the areas that are ripe for innovation.

APPLE HAS TAKEN A SLEDGEHAMMER TO THIRD-PARTY APP MARKETING, AND IF YOU HAVEN'T REALISED THAT ALREADY, THEN YOU'RE IN SERIOUS TROUBLE.

TARGETING

BLIS



Aaron McKee
CTO, Blis



Precision targeting — but not as we know it today...

For a decade, marketers have been relentlessly delivering one-to-one marketing solutions that are heavily reliant on cookies and personal identifiers to power everything we do, from frequency capping through to complex multi-touch attribution models, ad personalisation, and audience segmentation. Cookies underpin most of the gains we've made in performance advertising, as well as brand advertising, over the past decade.

This method of digital advertising has been borne out of the massive datasets of personal information flowing through the ecosystem, allowing marketers to track people across their entire online life. However, much of this data is in the crosshairs of regulators and choices by major tech platforms, such as Google and Apple. As an industry, our foundations are being shaken and will continue to reverberate, as opted-in data sources become ever more scarce.

Yet as daunting as this might sound, we should see this as an opportunity — a once in a generation opportunity to change the way that we, as an industry, define what an “audience” means, and how “personal advertising” can continue to deliver value. The key question is going to be, how?

As Ciaran puts it, there are a ‘patchwork of solutions’ out there that will play a part and continue to have their uses in a post-cookie world, but are they really enough? At Blis, we believe that marketers must find smarter ways to leverage both the opted-in and anonymous web to continue to run effective and high-performing media campaigns.



WE ALWAYS WANT TO WORK WITH PARTNERS LIKE BLIS WHO HELP US PROACTIVELY NAVIGATE KEY INDUSTRY TOPICS. BLIS' NEW PRIVACY-FIRST TARGETING METHODOLOGY PROVIDES A TRULY INNOVATIVE SOLUTION TO A PRESSING CHALLENGE.

SOPHIE STRONG
Head of Display and Social Wavemaker



Modern machine learning and massive datasets mean we're capable of consumer analysis in a way that was never possible a decade ago. It's now possible to use hyper-contextual and multi-dimensional data signals to find precise audiences. We don't have to retrench to simple page buys or get into an identity arms race, ultimately doomed to fail. There's a new path that's possible, rooted in a privacy-first philosophy that doesn't require personal data to deliver ads. The post-cookie world will still have rich pockets of opted-in, durable, and identifiable information in it. Rather than trying to create new identifiers, though, we can instead learn the anonymous characteristics that make customers unique and build dynamic

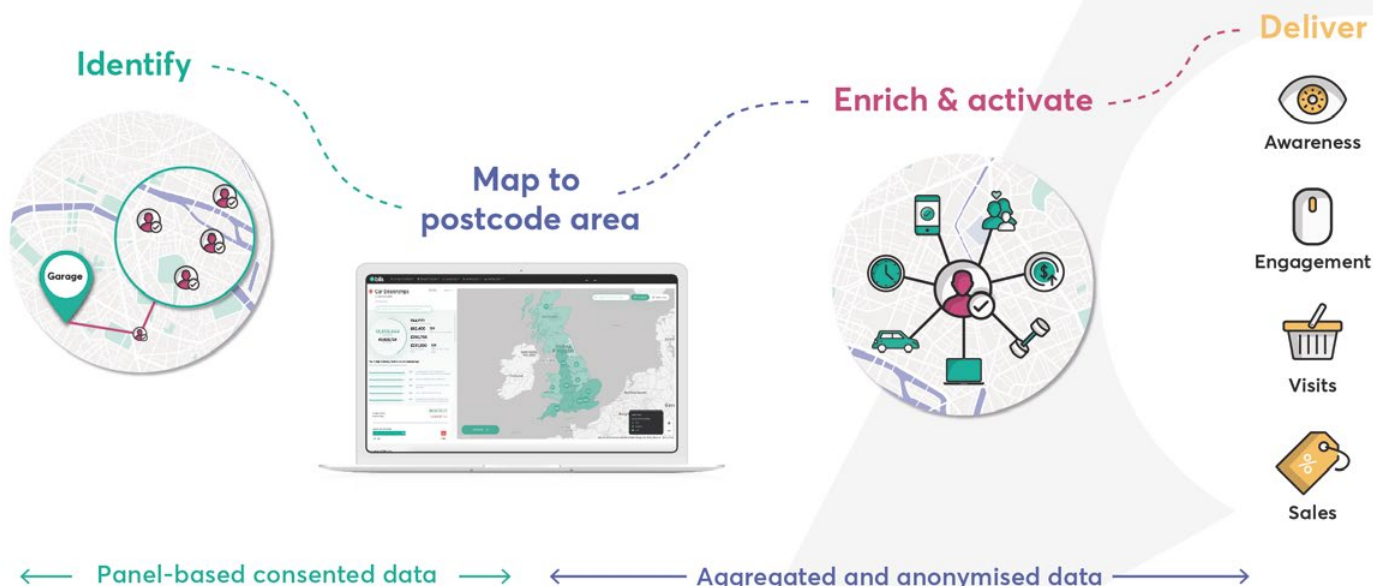
audiences to reach them. This results in media plans that can be activated without cookies and with full respect of user privacy. They don't require any personal data to target and execute campaigns, and can scale across almost every programmatic channel. Best of all, they perform like the highly-personal audiences marketers are familiar with. We've also built technologies that allow us to measure how well these audiences perform.

How, and why, do we think panel-based modelling will work?

Consider this: at Blis, we currently see GPS-based movement data from over 370 million consented mobile phones every month, across more than 160 countries. This is a huge pool, and

even facing the impending reductions to cookies and IDFA's (which we're already seeing), we will still be looking at one of the biggest ‘panels’ of opted-in, accurate, and useful data across the entire advertising spectrum. This location panel goes well beyond the small sample sizes seen with more traditional surveys and market research studies, and past the problems of inaccurate responses and bad assumptions based on browsing data, to paint an accurate and valuable picture of how consumers move about in the real world.

How panel-based modelling will work:



By starting with a seed audience derived from precise and directly-observed location behaviours, we can understand how consumers engage with shops, restaurants, and other public places. We then enrich this data with other first- and third-party datasets, from sociodemographic sources to shopping behaviour, housing data and other anonymised signals. By combining these signals, whether it's where people live, what they browse, or their average income, together with our real-world movement data, we get a holistic view of consumer behaviour and an understanding of the characteristics that make an audience unique. Our machine learning models use these signals to build an hour-by-hour snapshot of high indexing targeting criteria that uniquely differentiates this audience from the rest of the population. In essence, an ever-changing 'dynamic audience' that can be targeted without depending on personal data.

These dynamic audiences don't require cookies or devices as the

basis of a transaction, nor an email, phone number, name, or any other personal identifier. It's also future-proofed by design. Not only is a consumer's privacy respected, but this method of targeting also delivers better performance and scale than other alternatives. The net result? Brands can continue to reach those precise audiences they would have otherwise lost.

What brands should do next

2021 is going to be a year for reacting, and reacting fast. It is time to build a better advertising ecosystem rather than simply settling for second-best. That means rethinking how we find, build, and target audiences, and how we embed customer insight into the heart of every brief. It also means brands should be enquiring about just how future-proofed their suppliers are. Clients should be asking: will the partner be able to operate in a post-cookie world, and are they at risk of future regulatory or browser changes? Can they offer a credible privacy-compliant targeting solution at a scale that will perform well

enough to deliver the outcomes they need?

The upcoming cookie apocalypse is leading advertisers and their agencies to reconsider tactics and techniques from the past, however, the key to succeeding will be to dive headfirst into bold and ambitious next-generation technology and new ways of working. Advertising doesn't need to be one-to-one to be personal, nor to deliver solutions that are uncompromising on performance, scale, or privacy. It's time for marketing to look to the future, rather than continuing to dig in the past ■

2021 IS GOING TO BE A YEAR FOR REACTING, AND REACTING FAST. IT IS TIME TO BUILD A BETTER ADVERTISING ECOSYSTEM RATHER THAN SIMPLY SETTLING FOR SECOND-BEST.

MEASUREMENT & ATTRIBUTION

DIGISEG



Soren Dinesen
CEO, Digiseg



“...The industry hasn't quite grasped what's coming next.”

Understatement at its finest. An industry built on a one-to-one model and heavily reliant on using attribution as a proxy for effective targeting is about to get the mother-of-all resets. Reframing the future is not enough. Digital is about to become mass media. The future needs to be rethought.

It's not like we'll wake up in 2022 and suddenly find ourselves in a new world. The incumbents of madtech will relentlessly resist and seek to subvert these changes. Since the birth of the banner, digital has focused on one-to-one communication, and this paradigm — the status quo — will be defended, both for structural reasons and because of the limits of imagination.

The first, most obvious, example of this refusal to accept the new reality is the increased focus on ID graphs and black box “clean rooms,” — the madtech equivalents of clean coal. But tracking by any other name is still malodorous. These solutions are a bait-and-switch on consumers and regulators. But they will be the shape of the immediate future because there is too much money at stake and we, as an industry, lack the imagination to conceive of an ID-free model.

Getting a date for the death of the cookie has also revealed just how much targeting and attribution have been conflated. Attribution has been used as a surrogate for successful targeting. The truth is we have no idea what is being targeted. Cookies are about giving the algo some structure. Give the black box some boundaries and see if it can't find some patterns. It's not targeting. It is defining where the blind chicken should peck for food. Look no further than Facebook's targeting expansion or Google Ads targeting expansion for confirmation. Attribution will now be a significant challenge.



**DIGISEG'S DATA IMPROVES
PERFORMANCE CAMPAIGNS AND
PROVIDES UNRIVALED REACH FOR
BRANDING. IT IS ALSO THE MOST
VERSATILE SOLUTION I HAVE USED.
I CAN TARGET AND MEASURE
ANY MEDIA.**

ANDERS ELLEY
CEO, Densou



Everything old is new again

Privacy-first is not a small ripple; it is a tsunami, and it will eventually flush tracking, in all its forms, from our industry. And while this might be terrifying if your experience has only ever been digital, a world where you cannot tag and then stalk consumers is not new — we have been here before. If you are in a media agency, walk over to the TV department, find someone with grey hair; they can fill you in.

Targeting and measurement existed before the cookie. The holy trinity of print, radio, and TV have always been targeted and measured without the aid of tracking. FMCG/CPG companies started doing cookie-free attribution in the 1950s. And those models and methods are still relevant. With some minor tweaks and updates they can,

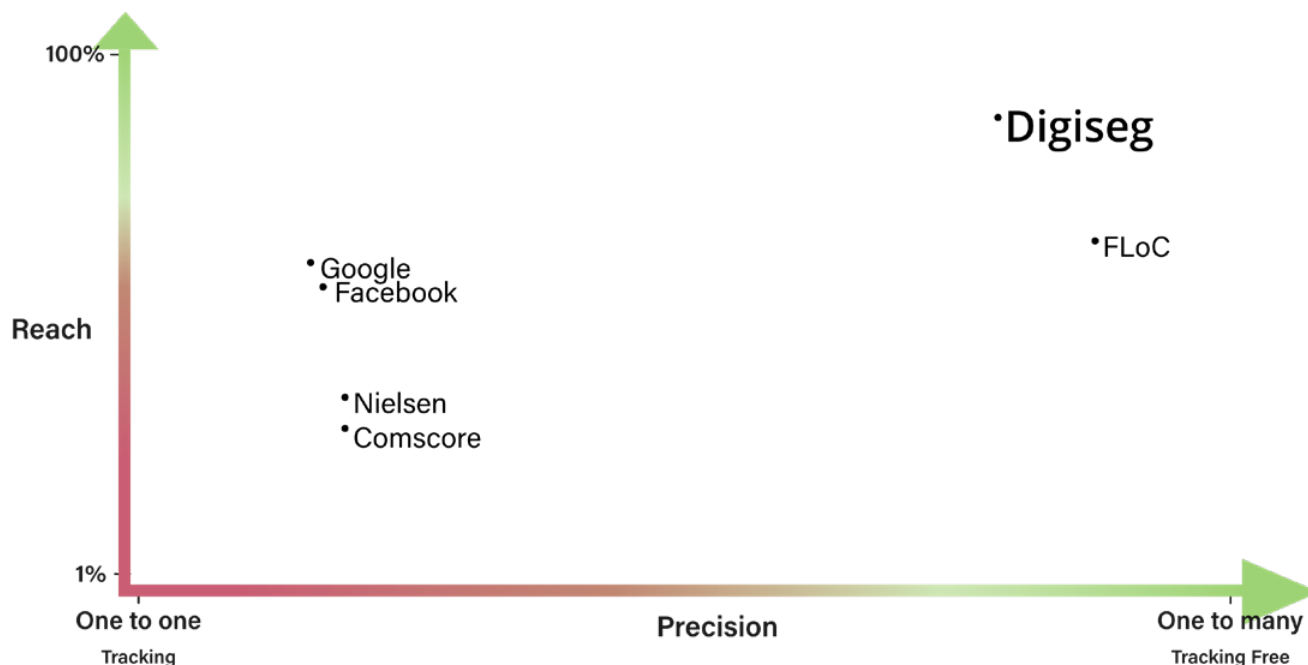
and will, become the standard... again. It is just up to us, as an industry, to be able to imagine targeting and measurement without the cookie. The key to the future will be the ability to identify robust proxies that can segment at scale. This will replace the current method, collecting limited but exact data on individuals.

Reach versus precision

Television remains the gold standard for targeted delivery because it combines a solid identity proxy, content, and reach. It concedes a bit of precision by using content as a proxy but it compensates by providing unmatched reach. This is the power of mass media and this is what the loss of the cookie means for digital. It is a question of precision versus reach. A solution that can identify 80% of impressions without personal

data will not only be preferable to, for example, a panel that can identify 1% of impressions, but necessary. The future belongs to solutions that make that exchange: one-to-one identity for reach at scale.

**TELEVISION REMAINS THE
GOLD STANDARD FOR TARGETED
DELIVERY BECAUSE IT
COMBINES A SOLID IDENTITY
PROXY, CONTENT, AND REACH**



Convergence

The best minds of our generation are thinking about how to drop them, collect them, and sync them. But we wouldn't say that sucks. After all, that little text file creates and drives a multi-billion dollar/euro/pound industry. We all toil in the service of the cookie, but we are about to be set free. And none too soon — the cookie stunted the way we thought about both targeting and measurement. Those text files became the lens through which we saw everything.

Without a doubt, contextual will be the breakout method of targeting post-cookie. It already exists. Its utility is obvious and the disappearance of the cookie will be the catalyst for it to evolve even faster. Contextual's weakness will remain reach.

Contextual's complementary business, panel-based modelling

(see: everything old is new again), will also be the breakout measurement tool for much of digital and be the preferred targeting method for meta walled gardens like audio and CTV. But the shortcomings of the panel model are only amplified by digital, and its utility outside specific media and platforms is limited.

Yet being liberated from the cookie creates the possibility of truly leveraging the promise of digital for targeting and measurement. If it is all ones and zeroes, measurement and targeting should be two sides of the same coin. To an extent, we have been trying to do it with look-alike modelling for years. But without the restriction of the cookie, the future will be convergence, the ability to measure what you target or target what you measure across global standardised segments ■

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PRIVACY AND DATA

ID5



Valbona Gjini
Marketing Director, ID5



The role of universal identifiers in the post-cookie era

The ability to identify users is what powers data-driven campaigns that have made digital the most effective advertising channel. The deprecation of third-party cookies in Safari, Firefox and (shortly) Chrome has led to the development of universal identifiers, an alternative identification method. Originally created to make cookie matching more efficient, today UIDs have evolved to become a better replacement for third-party cookies, as well as a key component of the MadTech Middleware.

Universal identifiers can replace all the capabilities of third-party cookies without any of the hassles (namely data leakage and privacy compliance issues).

Shared identifiers enable the open web to continue to deliver on the promise of powering addressable and measurable campaigns, which help publishers to better monetise their traffic and brands to engage with their target audience effectively.

At the same time, their privacy and encryption mechanisms ensure that users' privacy preferences are respected and that publishers' data is only accessible to authorised monetisation partners.

In an industry dominated by the walled gardens, shared IDs play a balancing role. They empower publishers and platforms operating in the open web to exchange data efficiently and safely and to offer advertisers an alternative investment opportunity that reduces their reliance on dominant players.

Let's take a deep dive to better understand the important roles that these key components of the MadTech Middleware play, and how they help to make digital advertising in the open web more sustainable for all stakeholders: consumers, publishers, advertisers, and tech platforms

**SHARED IDENTIFIERS
ENABLE THE OPEN WEB
TO CONTINUE TO DELIVER
ON THE PROMISE OF
POWERING ADDRESSABLE
AND MEASURABLE
CAMPAIGNS, WHICH HELP
PUBLISHERS TO BETTER
MONETISE THEIR TRAFFIC
AND BRANDS TO ENGAGE
WITH THEIR TARGET
AUDIENCE EFFECTIVELY.**

The currency of the Open Web

Universal identifiers allow the identification of users and the exchange of data, the fuel of effective digital advertising campaigns.

Shared ID solutions enable publishers and advertisers to create a unique ID for each user visiting their websites. Publishers and advertisers pass the ID to their technology partners, who can then use it to overlay data and deliver key campaign objectives such as targeting, retargeting, profiling, and frequency capping. The information can also be used to measure and attribute their performance.

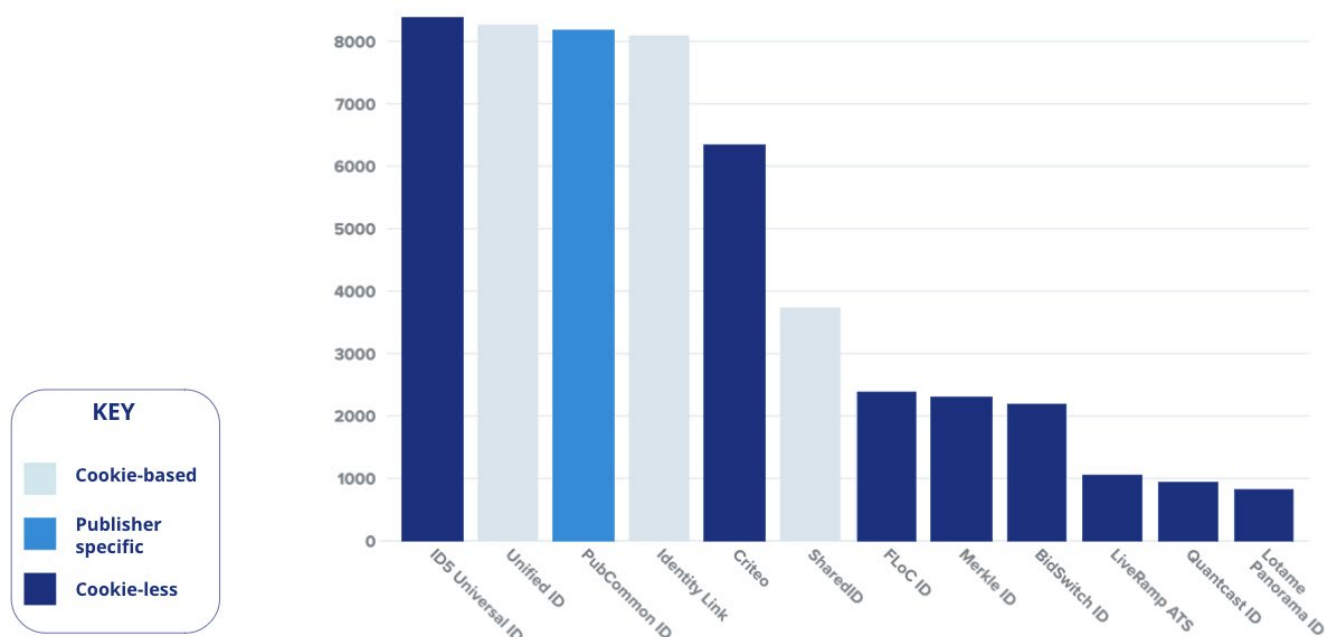
Universal identifiers offer another valuable capability that today, in

Chrome, is done with cookies: they enable media owners and brands to activate (outside of their domains) all the valuable first-party data that they have collected. They also allow them to enrich their campaigns with third-party data that is crucial for prospecting campaigns. There is a common misconception that publishers who own large amounts of first-party data will be able to thrive in the post-cookie world without integrating with a cookie-less identity solution. Creating mini-walled gardens won't benefit publishers whose biggest competitors are platforms like Youtube and Facebook. Even the largest premium publishers will never be able to compete with the amount of

user-level data that the walled gardens own. The best way to leverage first-party data in the post-cookie world is to enable monetisation platforms to activate them, and that can be done using shared IDs.

The gatekeepers of publisher and user data

Universal identifiers were initially created to solve two of the main issues that came with third-party cookies: data leakage and the inability to ensure that users' privacy preferences were respected.



Today, some of the most advanced universal identity solutions receive signals from a website's CMPs to understand if a user has given permission to be identified and, when the permission is granted, what platforms have been authorised to process their data. Shared identifiers' encryption mechanisms encrypt the ID on each request and only allow decryption by authorised platforms.

These privacy and encryption mechanisms ensure that users' privacy choices are respected and enforced in the advertising value chain and that publishers' data is not accessible to unauthorised vendors.

The future of identifiers

The goal of universal identifiers is to become standard currencies. Today there are over 25 shared IDs in the market. The industry will likely consolidate around a few identifiers that have been widely adopted.

For an identifier to become standard, it needs to be adopted by a large number of publishers, brands, and ad tech platforms. The ID's footprint

has a strong impact on its value and effectiveness. An identifier that nobody uses is valueless.

The graph above gives an overview of the adoption rate of shared identifiers. It is based on data produced by Sincera.org, an engine that crawls 84,281 top websites, with 27,199 of these running Prebid as of June 2021.

Sincera's data shows that the ID5 Universal ID is the most installed ID module via Prebid. Just behind ID5, there is The Trade Desk's Unified ID 1.0, which is based on third-party cookies, followed by PubCommon ID, a publisher-specific ID that cannot link IDs across domains, and LiveRamp's IdentityLink, which is also cookie-based (LiveRamp's cookie-less identifier, ATS, is number 10 in terms of adoption).

The next six months will be crucial in understanding which universal identifiers will become industry standards. Industry players are expected to begin – or to continue to – integrate and test shared

identity solutions. By running campaigns with shared IDs in cookie-less browsers like Safari and Firefox, publishers, brands, and platforms will be able to assess which identifiers bring the most value and help them meet their campaign goals. Fast-movers will have an advantage over the rest of the industry: they will be able to address cookieless traffic in Safari and Firefox today, and will be ready to operate when Chrome turns off the switch on third-party cookies ■

FOR AN IDENTIFIER TO BECOME STANDARD, IT NEEDS TO BE ADOPTED BY A LARGE NUMBER OF PUBLISHERS, BRANDS AND AD TECH PLATFORMS.

PRIVACY AND DATA

ONETRUST LLC



Stephanie Hanson
OneTrust Offering Manager

OneTrust
PRIVACY, SECURITY & GOVERNANCE

The strongest customer relationships are built on first-party data, not third-party cookies

The end of 2021 will be here before we know it, and with it, the end of third-party cookies. Google has committed to removing these tracking technologies by 2022, while other major internet providers have already banned them. Although the rollout of this major change has been slow, advertisers, publishers, and marketers, should start carefully evaluating their data-gathering strategies.

Third-party cookies have been the go-to resource for these groups from almost the beginning of the internet. Completely removing their availability will have an obvious impact on advertising reach and revenue — but, it doesn't have to be a negative one.

In fact, [those who start \[shifting their strategies\] now](#) won't be hit as hard when third-party cookies become obsolete.

The shift to using first-party data

What will the new normal look like without the data provided by third-party cookies? This is a question many publishers and brands are asking themselves as they ponder the loss of the traditional means of gaining information about their ideal customers. With fewer reliable sources for personalising advertising, they have to seek other methods of reaching their potential customers.

The answer many are testing, and trusting, [is first-party data](#).

**THE ELIMINATION OF
THIRD-PARTY COOKIES
PRESENTS CHALLENGES
FOR CREATING HYPER-
TARGETED, MEASURABLE
CAMPAIGNS. ONETRUST
CAN HELP YOUR
ORGANISATION DELIVER
THE PERSONALIZATION
THAT DRIVES MEASURABLE
RESULTS AND A LOYAL
CUSTOMER BASE.**

[LEARN MORE](#)

Instead of tracking users across their browsing behaviours to discover their interests, gathering first-party data uses a more direct approach: you ask your prospects and customers to provide information, and you offer transparency around why you're asking for their information and how you'll use it.

First-party data also includes behaviours, actions, or interests users display on your website or app. Unlike third-party data, with first-party data you don't purchase information or receive it by means of tracking users.

The benefits of using first-party data far outweigh those of third-party cookies:

- You gain greater, more detailed information about your audience's interests, preferences, characteristics, and behaviours

(because it comes directly from them).

- You get a better understanding of customer behaviour, execute more effective targeting and personalisation, and improve your marketing and advertising campaigns.
- You build even more trust with customers by showing greater transparency around your data gathering, storing, and usage.
- You keep the revenue that you would have spent acquiring the data provided by third-party cookies.

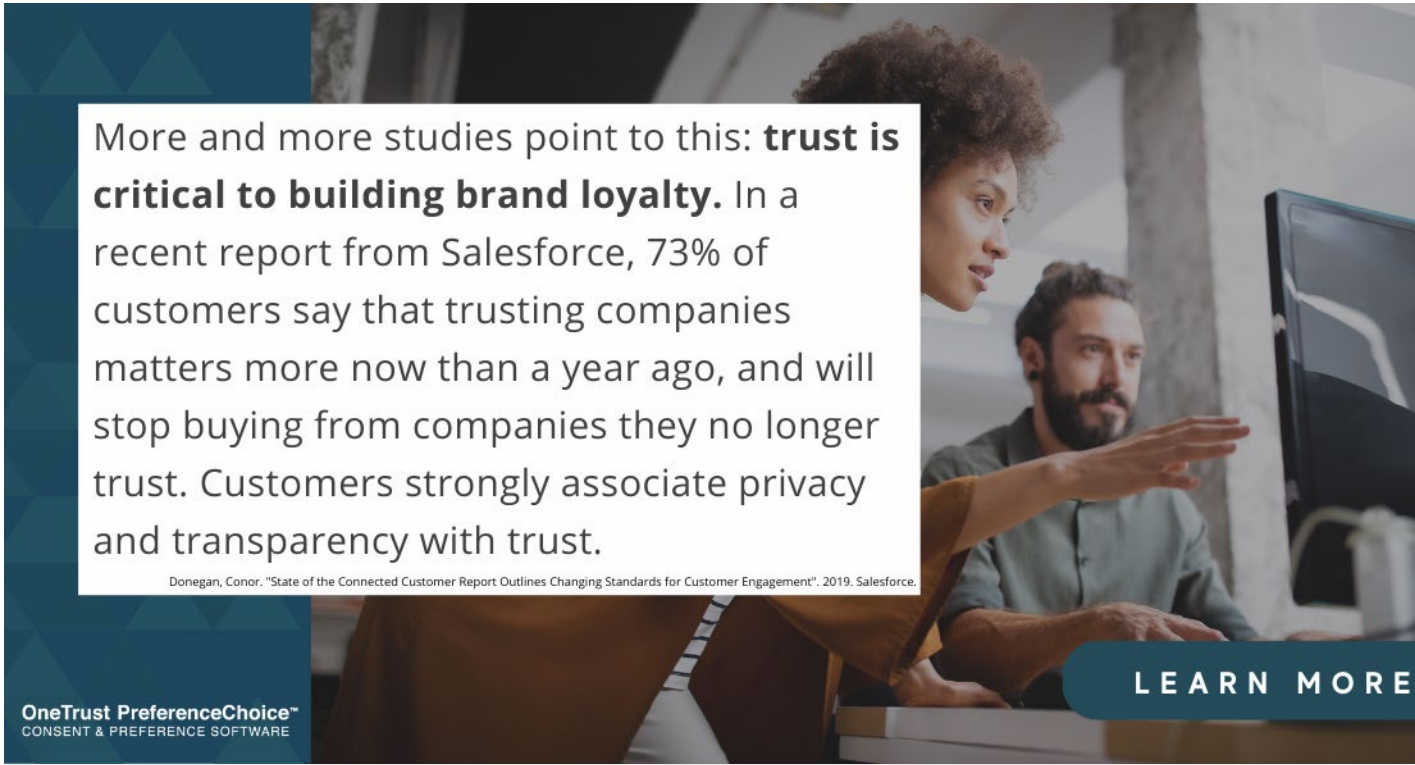
Like all change, shifting your approach to one that prioritises first-party data can be a completely different ball game. But the rewards are far greater

than anything third-party cookies could ever provide: accurate, updated, and consumer-confirmed information.

First-party data sources

Third-party cookies follow users around the internet, tracking their behaviour. These cookies give advertisers a way to serve personalised advertising. First-party data gathering can also provide advertisers an avenue to customise messaging.

You may consider using these strategies and tactics to understand what first-party data you're already collecting, to start seeking ways to gather more of it, and to transition away from third-party cookie use.



More and more studies point to this: **trust is critical to building brand loyalty.** In a recent report from Salesforce, 73% of customers say that trusting companies matters more now than a year ago, and will stop buying from companies they no longer trust. Customers strongly associate privacy and transparency with trust.

Donegan, Conor. "State of the Connected Customer Report Outlines Changing Standards for Customer Engagement". 2019. Salesforce.

OneTrust PreferenceChoice™
CONSENT & PREFERENCE SOFTWARE

LEARN MORE

Tracking the user journey

Any click, view, comment, or purchase action taken on your own website is a part of the customer journey. You can use this information to understand the interests of your customers and prospects. Customise your marketing to the inferred preferences you've gathered from this website data.

Home in on purchase data

Make sure to look at online and offline sales behaviour together. There are specific insights from this type of first-party data you won't find from other sources. Dig into what's making your most valuable customers take action.

Build your subscription list

If you have an email newsletter (brands) or a subscription service (publishers), you have a wealth of first-party data at your fingertips. Run the numbers about who's subscribing and use them to tailor your messaging.

Don't ignore social media

Overlooking your followers, comments, and the messages you receive via your social media sites is a mistake. Use this feedback to change your messaging and marketing approach. You can even synthesise the words your customers use on social media to influence your copywriting.

Send a survey

Ask your subscribers and customers to provide their information directly. Transparency is important with this step. State clearly for what purpose you're going to use the data, and help them understand you're not tracking them across the internet anymore.

You most likely already have access to some first-party data. As third-party cookies go away, prioritise the collection of this first-party data in your marketing strategy. Don't wait for 2022 to begin this process.

By switching to a first-party data-focused strategy now, you won't have to dread the transition away from third-party cookies. And you can start to focus even more on ways to build trust with your customers and prospects.

Trust: The new digital currency

First-party data gives you a competitive edge in the modern cookie-less world of marketing. The most daunting part for brands and publishers convinced of the effectiveness of first-party data is getting users to part ways with their data — willingly, and in as much detail as possible.

It might not be as hard as you think. Consumers have admitted that they're [open to sharing their personal data](#).

[with publishers](#) and brands. The trade-off is they must see tangible value in return.

Building trust is key to gaining first-party data as third-party cookies disappear. If you look at your highest value and longest-lasting customer relationships, you'll see they're built on trust — not data gathered from third-party cookies. Prove to customers you respect and protect their data.

Brands and publishers should take advantage of technology when moving away from third-party cookies. If you prefer a one-stop-shop, [OneTrust](#) offers the solution.

Tools stacked with mobile app compliance, universal consent management, CMP, preference management, and more can be critical in making your first-party data strategy come to life. These can help you meet the 2022 deadline, as well as build trust with your audience both now and in the future. ■

PRIVACY AND DATA

SCIBIDS



Rémi Lemonnier

Co-Founder, President, R&D
Lead, Scibids



Julien Hirth

Co-Founder, General
Manager, Scibids



AI for digital marketing is here. It doesn't need cookies or personal identifiers.

Privacy-first, now. The privacy-first ad tech era is upon us and with it the need to equip marketers with powerful technology that can drive paid media performance and scale without intruding on people's privacy. Global regulatory moves have been forceful, consumers are conscientiously objecting, and big tech has responded with dramatic technical and user-level changes that are reshaping the landscape. These changes impact the entire digital marketing ecosystem that has been engineered to rely on cookies and other digital identifiers for its lifeblood. Without major innovation, how can CMOs count on digital channels for brand equity and sales growth?

AI doesn't need personal data. AI is transforming industries across verticals. It's powering products and product development. It's automating our homes. It's in our pockets. According to PwC, AI will power 70% of global economic impact by the end of this decade. In digital marketing, advances in artificial intelligence are delivering systemic respect for consumer privacy while generating strong, scalable returns on investment for advertisers — without the use of antiquated cookie systems. Privacy-conscious AI can ingest abundant, non-user-specific semantic metadata to generate powerful media buying strategies and break the longstanding stranglehold that personal data has had on generating marketing ROI.

AI doesn't have to rely on the analysis of navigation history tracked through cookies or personal identifiers. Instead, privacy-respecting AI, such as that uniquely engineered by Scibids, can use plentiful, harmless, and non-user-specific, metadata from media interactions to generate evolving media buying strategies that better align brands and consumers, creating powerful performance and scale. To create these, this type of AI can process highly pseudonymised data that is never united with any user-level information. It is therefore exempt from data regulation.

“
AT PUBLICIS MEDIA, WE HAVE NO DOUBT THAT SCIBID'S AI-BASED ALGORITHMS ARE THE FUTURE OF PROGRAMMATIC ADVERTISING. IT'S GREAT THAT OUR CLIENTS ALSO NOTICE ALL THE BENEFITS. THE RESULTS SPEAK FOR THEMSELVES!

PER RAJENDRAN
Director of Data & Performance,
Publicis Denmark

”

This novel approach to targeting and optimisation is a major leap forward for the industry, eliminating the need to track or behaviourally target users in order to generate efficiencies. It's goodbye to the invasive AI engines of old. With these behind us, only a tiny subset of use cases that rely on user-level, pseudonymous information remain — for example, an ad delivery system's attribution rules, frequency capping, and retargeting. (We note that innovations for these use cases are emerging from Privacy Sandbox and independent ID initiatives).

Consider Google's FLoC, a way to cluster Chrome users into groups of

several thousand. FLoC groupings are created based on “similar” browsing characteristics across users, but deliver no insight into what made the browsing characteristics similar. This information is largely useless for legacy optimisation systems, but it's perfect candy for privacy-respecting AI. Instead of over-targeting a restricted group of individuals, powerful privacy-conscious AI learns from weak, unlabeled signals that are then used to drive actions (such as conversions and engagement) from a much larger set of individuals. Campaign scale and ROI skyrockets, while simultaneously preserving brands

from ad fatigue and protecting consumers from the wholesale harvesting of their PII.

The post-cookie world is full of unknowns, but there is no denying there will be fewer legacy behaviour-based data segments to target. This means performance will need to be generated on the basis of broad, unlabelled signals, such as those delivered by FLoC. A digital advertising ecosystem unable to use third-party cookies and digital identifiers requires technology that does not rely on them to create performance and scale for advertisers.

Award-Winning Collaborations with Global Brands and partners, x-vertical

Nestlé

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HOTELS & RESORTS



Embraced by Global Media Agencies

WPP

PUBLICIS
MEDIA

HAVAS

dentsu

Enabled within Global Ad Tech Leaders



exandr

theTradeDesk



Display &
Video 360

BEESWAX

COMCAST

KAY
ZEN

Enriched with Trusted Ad Tech partners

flashtalking

MOAT

nielsen

How AI can work in paid media

1. Customise

AI can be engineered to tailor its media buying approach to business-specific campaign use cases and requirements. In Scibid's case, the AI, accessed through the user's choice of buying platform, can aim to understand unique business and campaign goals – including real-world constraints – to deploy unique bidding algorithms based on those specific objectives and constraints.

2. Enhance

With AI comes the opportunity to optimise not only campaigns and their scale, but the business process that surrounds them. Campaigns featuring minimal setup constraints outside of those that are mandatory (budget, dates, other business rules) ease campaign management burdens while enabling the AI to learn optimisation strategies that grow efficiency and scale, taking all available data into account. This enables the best

possible performance and scale and minimises human guesswork.

3. Grow

Privacy-conscious AI can be used to systematically select the most fruitful data points with which to optimise and change as the campaign progresses – the AI uses different data points to fuel results as campaigns scale.

Media buying platforms access different volumes and quality of media – even fully optimised campaigns face scale constraints. With a privacy-focused AI provider, media buying and planning experts have an analytics partner in spend growth: site performance reporting provides an actionable roadmap to increase efficient spend volumes for top-performing media.

While all players in the industry expect a high level of innovation, driving ROI and building a competitive edge will become

increasingly dependent on AI solutions, like Scibids AI, that do not rely on personal data or cross-site behavioural analysis. The technology is poised not simply to remedy the limitations of the cookie and personal identifiers, but also set new standards for privacy and performance in marketing. And, the opportunity is profound: we can grow the significance of digital marketing while reducing friction between consumers, brands, and the economic engine of the web ■

WITH AI COMES THE OPPORTUNITY TO OPTIMISE NOT ONLY CAMPAIGNS AND THEIR SCALE, BUT THE BUSINESS PROCESS THAT SURROUNDS THEM

MEASUREMENT & ATTRIBUTION

SKYRISE INTELLIGENCE



Jonny Whitehead
Board Director, Skyrise Intelligence



It is no secret that digital media metrics are outdated and need to be revamped.

The industry has been hooked on measurement stats that seemed great a decade ago but increasingly are failing to stand up to scrutiny. The problem is that over the past 10 years, all elements of the ecosystem (vendors, agencies, and clients) have become almost completely dependent on them. Something seismic had to come along to shake things up — and now it has.

Counting cookies has created perverse behaviour that does not serve advertisers' interests. Marketers care about incremental growth, improving market share, unlocking new audiences, and understanding how their advertising channels are working together. To understand these things, data sources that take a broad view are required. Digital media metrics have tended to become narrower in scope as the years have gone by, and the level of sophistication and detail has increased.

Patterns and trends, not individuals

At Skyrise Intelligence we believe that the deprecation of cookies does not have to mean becoming less data-led or having to rely wholeheartedly on the authenticated web and walled-gardens. Privacy-first approaches can be used to analyse anonymised mobile network data that covers vast samples of adults. Contextual signals can be output that are combinations of factors, combining digital behaviours, location intelligence, and time. Skyrise Intelligence is primarily focused on providing value for advertisers in three areas:

- Identifying opportunities for growth
- Understanding what has changed, or how they are changing
- Analysing how campaigns are affecting metrics that matter



INTEGRATING SKYRISE DATA INTO OUR OWN GRAVITY PLANNING PLATFORM GIVES US AN ADDED PERSPECTIVE WITH WHICH TO UNDERSTAND AND SOLVE OUR CLIENT'S CHALLENGES

RHYS WILLIAMS
Tech & Activation Lead
the7Stars



Identifying opportunities for growth

Opportunities for advertisers can be identified in a few different ways. Firstly, target audiences can be described in a highly nuanced way using data signals that are joined together to provide a comprehensive understanding of where and when media should be optimised. Market views can also be assessed, allowing clients to benchmark their own traffic and engagement against their category. This means they can understand how their category is trending and avoid missing out by spotting areas they could capitalise on.

The image below shows a 'market share map', which plots an advertiser's audience against their category. Using

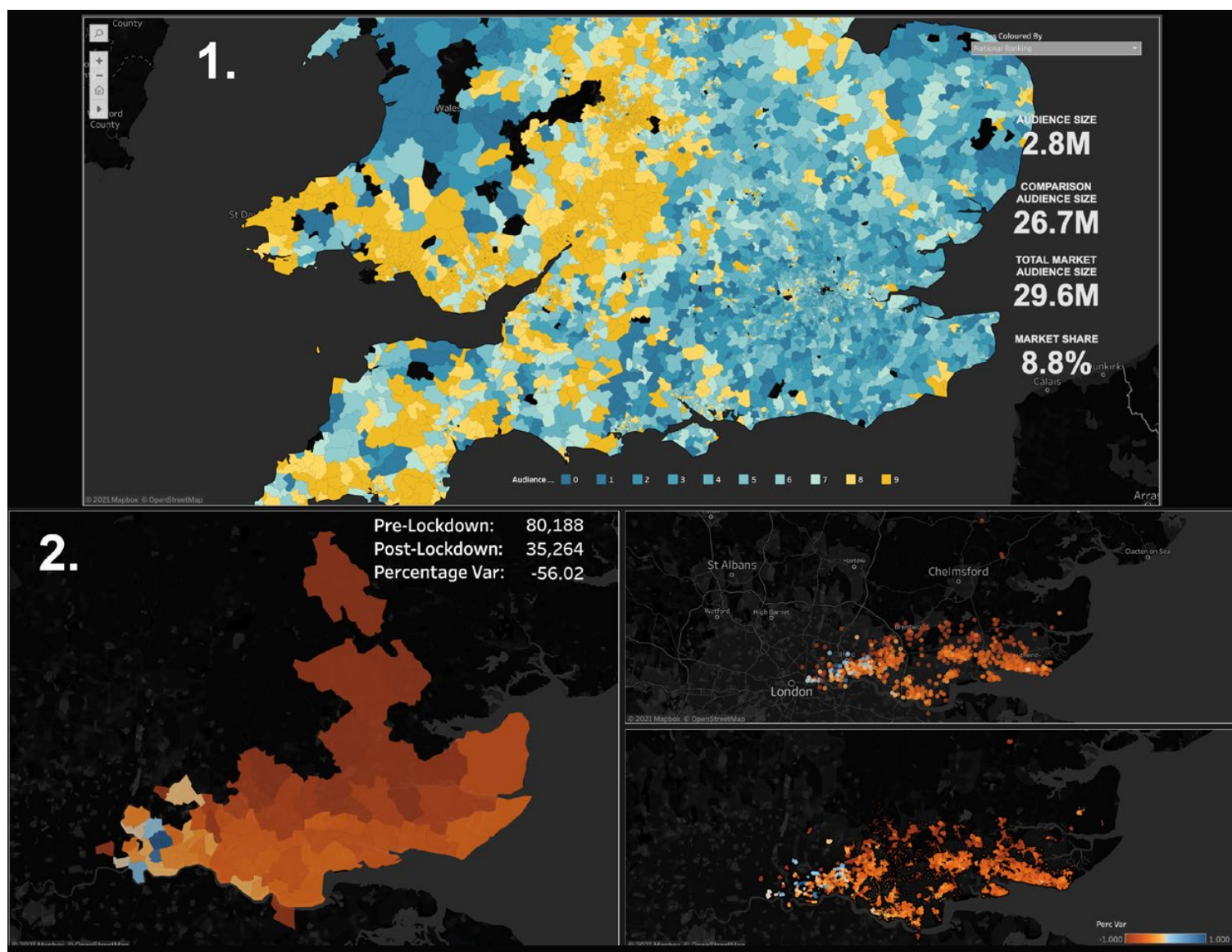
this, they can understand where they are comparatively strong or weak versus their market benchmark. This allows them to focus on locations and audiences that offer the best opportunity for growth.

Understanding what has changed

The data asset we analyse is updated daily and goes back two years. This means we can take a keen view of what has changed since the start of the pandemic and quickly understand how it continues to change as the country opens up again.

This type of analysis is invaluable for any organisation that has been impacted by a shift in audience or behaviour during COVID and needs to know how to respond. It has been particularly welcomed by businesses

that rely on physical customers, such as gyms and rail operators. Image 2 shows the difference in train operators' audiences between Q1 2020 and Q1 2021. Overall, we see a drop of over 50% in audience volume, however this drop is not consistent across demographic groups or geographic locations. The darker locations signify places with the most dramatic reduction in usage, while the lighter locations are those that have shown the greatest resilience. Using this information, train operators are able to understand to whom and where they should target their communication in order to get passengers back on their network.



Analysing campaign effectiveness

It is highly important to understand change at an audience (or geographic) level and against a market benchmark. Measurement options should be provided to clients to track such things as:

- Share of engagement versus their market over time by location and audience
- Where they are getting new traffic and engagement from
- Competitor churn

By setting control / exposed marketing experiments at a geographic level, marketers can use this information to understand the performance of all media channels, not just those that have a clickable

response mechanic. Increasing the sophistication of these experiments can allow marketers to understand the aggregate impact of different channels in combination, against key metrics and by audience type.

The benefits of embracing new metrics

Contextual and impersonal signals are delivering value to a wide range of clients, agencies, and media businesses. Sophisticated programmatic businesses, such as MiQ, are adding their own engineering and analysis layer, allowing them to increase their audience targeting intelligence without the use of third-party cookies.

Agencies and clients who get the best out of programmatic are leveraging data outputs strategically across media channels. They follow proven planning principles and are measuring the impact on business goals, not outdated and isolated metrics. This is a key moment for our industry: it is an opportunity to reduce our reliance on the things that are easiest to count and to focus on making strategic decisions based on a holistic analysis and measurement framework — and Skyrise is here to help

TARGETING

UNRULY



Alex Khan

Group MD, International, Unruly

UNRULY

Over 100 years ago, marketing pioneer John Wanamaker famously said “Half the money I spend on advertising is wasted; the trouble is I don’t know which half”.

Today, this seems like an alien statement to digital marketers armed with data that enables them to target precise audiences, pinpoint any wasted ad spend, and change tactics accordingly. To Wanamaker, this would probably sound like a marketer’s paradise but, in reality, there are multiple risk-factors when it comes to minimising wasted ad spend in the wake of privacy regulations and fragmentation, both of which have a knock on effect on audience targeting.

A study by Binet and Field identified that a 60:40 budget split between brand and sales activation delivers maximal marketing effectiveness — so let’s now look at the optimal targeting for each tactic.

Broad, long-term targeting

Gone are the days when marketers would roughly segment their target audience based on age, gender, hobbies, and interests, then buy a host of online ads hoping some people would buy something. Today, audience targeting often aims to ensure that ads are shown only to the people who are most likely to want what they’re promoting. However, savvy marketers know that broad targeting strategies reap rewards that are well worth the higher ad spend required to reach a wider audience [Figure 1].

When creating a broad targeting strategy it is vital to ensure that ads are still appearing in relevant, premium, brand safe environments on all screens, and that media is planned holistically, not in siloes.

**CONTEXT IS LIKELY TO
BECOME THE DE FACTO
METHOD OF TARGETING
IN THE NEXT 12 MONTHS
AND THERE ARE MANY
INNOVATIVE SOLUTIONS
FOR MARKETERS
TO EMBRACE AND
REFINE THEIR CONTEXT
TARGETING STRATEGY FOR
MAXIMUM RESULTS.**

Specific audience targeting

This is the area which is most at risk of suffering in the cookieless world, as marketers have spent the last decade using third-party cookies to target specific audiences. Many people would have you believe that Google’s FLoC will be the only way to buy and sell ads on the anonymous web — but marketers cannot ignore the sizable and addressable audience that exists outside of Google’s logged-in users. The key is finding effective ways to target these audiences that delivers the same (if not more) value to brands, publishers, and consumers.

Using context and content testing to create custom audiences

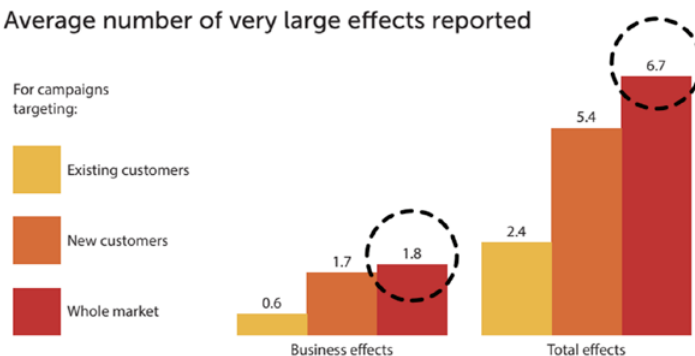
Context is likely to become the de facto method of targeting in the next 12 months, and there are many innovative solutions marketers can use to embrace and refine their context targeting strategy for maximum results.

When video ads are tested with real consumers in the context that they appear in, brands benefit from real-word data about the unique cultural and emotional drivers of a specific campaign’s success.

**THE KEY IS FINDING
EFFECTIVE WAYS TO
TARGET THESE AUDIENCES
THAT DELIVERS THE
SAME (IF NOT MORE) VALUE
TO BRANDS, PUBLISHERS
AND CONSUMERS**

The broader the reach, the broader the effects

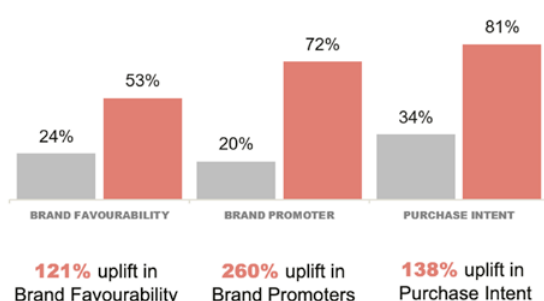
Average number of very large effects reported



Source: Les Binet and Peter Field, *The Long and the Short of It*, IPA, (Figure 18)

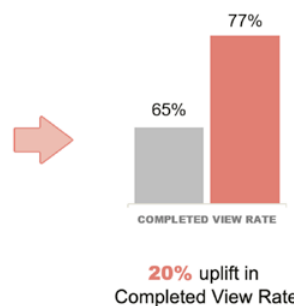
Figure 1

Unruly EQ Study Results*



Emotional Audience vs. Target Audience

Campaign Results



*Example output taken from a 2018 campaign

Figure 2 – Source: Unruly proprietary data

This data can then be used to build custom audiences that ensure that the audiences that see a brand's ads are the most engaged, most relevant, and most emotionally receptive to creative and messaging.

Targeting emotional audiences delivers superior performance in brand favourability, brand promoters, and purchase intent – as well as completed view rate [Figure 2].

Why custom emotional audiences work

Emotions drive action: when consumers are more emotionally involved, they are more likely to take action and remember ads.

Identifying the emotional drivers behind campaign success enables brands to scale campaigns through targeting affinity audiences – those

who share in your campaign's values, messages, or passions.

Performance data collected through emotionally targeted campaigns enables brands to identify intended audiences, both to drive sales and then to target audiences with similar characteristics.

Emotional custom audience targeting also works across all channels, enabling brands to optimise total ad spend and deliver even more efficiencies and insights.

A word on creative

There's no point spending time and money on finding specific audiences to target and then showing them all the same ad. Audiences plus creative versioning tells a relevant, engaging story. Provide value to your audiences – if audience targeting over the past

decade has taught us nothing else, it's that personalising creative is one of the biggest drivers of performance.

For the future of targeting, we foresee:

- Not settling for generic audience targeting
- Targeting that is customised to individual brand's media and business goals
- Independent targeting solutions (away from walled gardens)
- Combined custom audience targeting and creative strategy
- Combining contextual and emotional targeting ■

TARGETING

SEMASIO

**Kasper Skou**
CEO, Semasio

While the industry is getting ready for the cookie-less future, many are still relying on third-party cookies and hoping someone will magically solve this industry-wide challenge. Others are choosing to go fully contextual, giving up on two decades of user-level targeting expertise. Audi Denmark shows that going privacy-first does not have to be an either-or approach.

Deprecation of third-party cookies is not a death sentence for user-level targeting nor independent adtech. First-party cookies are here to stay, and post-cookie identity solutions will enhance our ability to track and segment internet users, but no one can tell us which rate of user-level identifiability that will get us to a year from now.

This uncertainty is putting pressure on advertisers to make decisions on something that will be in flux for more than a year. We are trying to make sure they don't have to. For the last two years we have been working on a Unified Targeting capability, ensuring that our clients can seamlessly extend their audiences to contextual targeting at the push of a button. This creates a very resilient targeting approach adapting automatically to any changes in user-level identifiability.

Our Unified Targeting approach has been embraced by Audi in Denmark, which is the perfect preview of a post-cookie future: Only around 35% of Danish consumers are targetable on the user-level owing to high Safari market share coupled with one of the strictest interpretations of GDPR's consent collection rules. You could call it the Danish Digital Dystopia.

“

AUDI DENMARK IS CONVINCED THAT USING THE NOVEL APPROACHES AND TAKING ACTION TO TEST AND OPTIMISE AHEAD OF TIME IS KEY FOR A SUCCESSFUL SHIFT TO THE PRIVACY-FIRST ERA.

”

Instead of bidding for fewer cookies at higher CPMs, Audi sought to identify effective, privacy-friendly targeting strategies to respond to market changes.

With support from PHD Media Denmark, Audi Denmark ran two Unified Targeting campaigns with Semasio.

In Campaign 1 Audi defined personae of the least and the most likely buyers of a specific Audi model based on their typical media consumption patterns and socio-demographic characteristics. To compare audience (user-level) with contextual (page-level) targeting, equal spend was dedicated to each strategy, which were further split into identifiable and non-identifiable devices for mutual exclusion.

In Campaign 2 Audi used its 1st-party data to learn from the user profiles and behavior of actual converters. To compare Semasio's traditional

audience extension with contextual audience extension, targeting strategies were again split into identifiable and non-identifiable devices.

A prerequisite for Audi Denmark was to have full control and transparency over the test campaigns, generating actionable insights and optimising the bidding strategy at run time. For that reason, Campaign 2 was split into two phases enabling real-time optimisation.

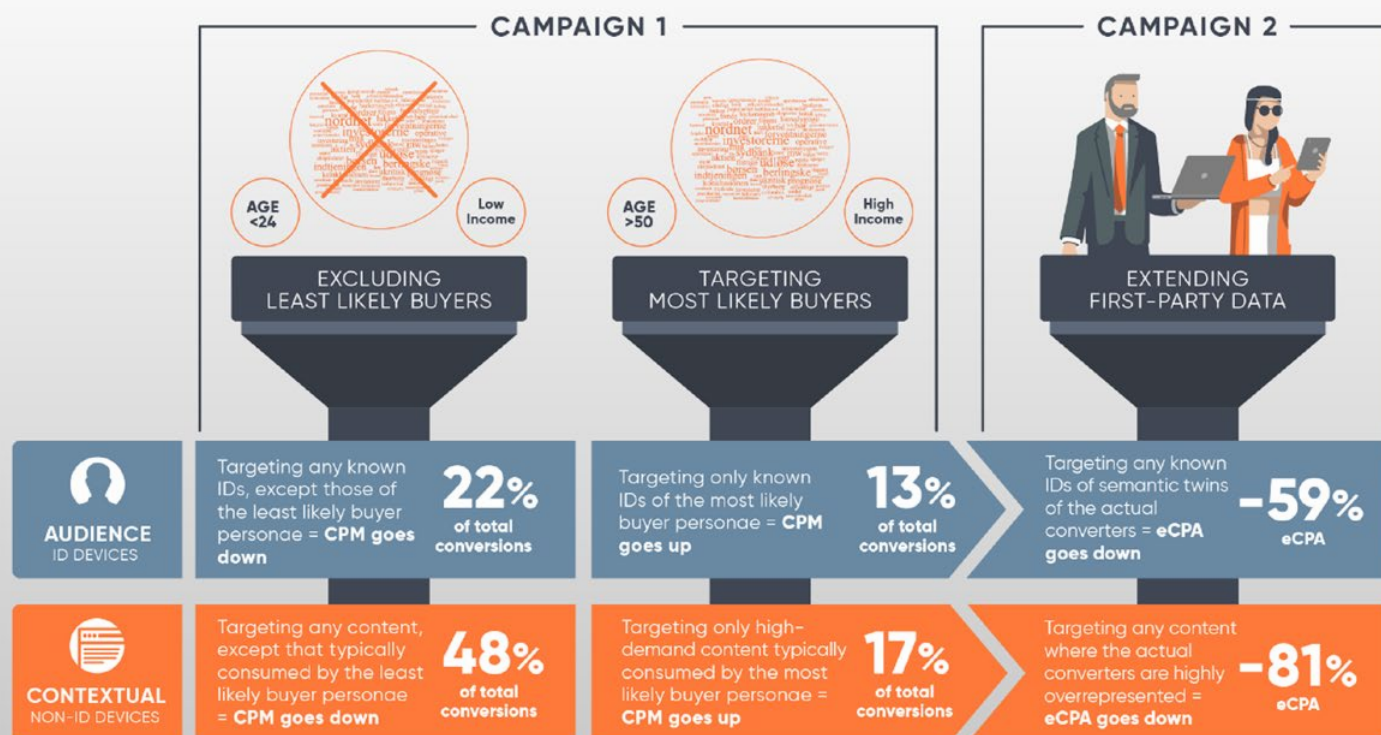
The key findings from both campaigns showed promising results with all contextual strategies outperforming audience targeting.

In Campaign 1, almost half of total conversions came from contextual exclusion of the least likely buyer personae by specifying to the DSP which contexts had a significant overrepresentation of the internet users Audi know to be non-buyers.

This allowed the DSP to find new high-affinity users and contexts not captured by more traditional targeting approaches.

Even though targeting personae of the most likely buyers generated the least significant outcome due to more expensive bidding for highly demanded users and content, Audi Denmark was able to reach the most likely buyers with good performance through 1st-party audience extension in Campaign 2.

Already in the initial phase of Campaign 2 eCPA improved compared to Campaign 1, and after optimising the campaign to mutually exclude identifiable and non-identifiable devices as well as bidding less for more expensive users, the eCPA of both audience and contextual extension went down to the levels of exclusion strategies in Campaign 1.



With competition intensifying over fewer known users, Audi Denmark has demonstrated that excluding the least likely car buyer profiles instead of focusing on the most likely buyer personae is a potent strategy to identify novel pockets of value not captured by traditional, positive targeting.

Audi also found a way to reach their most likely buyers at more competitive prices by learning from their 1st-party data and extending that audience on both the user- and page-level. Through real-time insights and in-campaign optimisation, audience and contextual extension have proven to be as effective as inferred exclusion strategies, meeting the performance requirements of Audi Denmark.

A reassuring finding from both campaigns was that the audience extension model of the converters confirmed the initial assumptions used for building inferred audiences with high overrepresentation of socio-demographic and behavioral

characteristics of the most likely car buyers as derived from CRM data.

While running successful campaigns in a largely cookie-less environment, Audi made sure their brand and marketing messages did not appear in dissonant contexts by activating Semasio's Brand Fit anti-targeting on all strategies through a combination of sample URLs and custom topics to avoid.

Niklas Theakston, Digital Manager at Audi Denmark, is very pleased with the outcome: "The two test campaigns we ran with Semasio and PHD Media Denmark have improved our understanding of what it takes to be successful in the privacy-first era. We have gained valuable insights into how we can continue to reach our target audience through future-proof intelligent media buying in the changing media landscape that will soon become a reality for advertisers worldwide."

Audi Denmark is convinced that using novel approaches and taking action to

test and optimise ahead of time is key for a successful shift to the privacy-first era.

The two Unified Targeting campaigns form the foundation for Audi going cookie-less. Audi Denmark is already preparing for the third test campaign with PHD Media Denmark and Semasio to further optimise their targeting strategy and supercharge DSP-based CPA algorithms with audience and contextual extensions from Campaign 2.

In the meantime, Semasio is working on a Multi-ID Management capability that will allow its clients to extend user-level targeting capability beyond third-party cookies and eliminate dependency on a specific identity solution. This way, post-cookie audience targeting and its contextual extension will continue to be integrated parts of data-driven digital marketing. In fact, these strategies will be even more sustainable, since user privacy will be at the heart of it ■

TARGETING

VERIZON MEDIA



Ivan Markman

Chief Business Officer,
Verizon Media



Reframing the industry: What does the end of third-party cookies mean for brands and publishers?

For years, third-party cookies were the bedrock of traditional digital advertising, but changes in legislation alongside consumer privacy preferences has resulted in leading web browsers starting to phase them out completely. This shift has come during a period when people have been spending more time online, so it has become more challenging, but more important, for advertisers and publishers to understand online audiences and effectively engage with them in meaningful ways.

Brands and marketers risk being left behind unless they adapt and take action — and fast. A recent Adobe survey found that only 37% of companies are “very prepared” for a world without third-party data. Further research carried out by the IAB found that 76% of data leaders do not expect their revenue to be impacted by the loss of third-party cookies and identifiers. Yet, while the cookie has long been hailed as the solution to targeted advertising, it was never truly an optimal way of targeting or measuring. At Verizon Media, we understand relationships with consumers from a tech, consumer, and advertiser perspective and, as a publisher ourselves, we understand the challenges facing the industry and the need to find new solutions to take the place of third-party cookies.

The need for a privacy-centric approach

Now more than ever, we are seeing consumers expect brands and marketers to put privacy at the forefront of interactions. We need to respect privacy signals and decisions made by consumers, while demonstrating the value exchange within providing information and logins. For marketers and publishers, therefore, we need a solution that bridges the identity gap and delivers growth, while at the same time honouring privacy preferences and maintaining a good consumer experience.

**THE FUTURE OF IDENTITY
LIES IN STRIKING THE
BALANCE OF PROVIDING A
MEANINGFUL CONSUMER
EXPERIENCE AND
DELIVERING GROWTH
FOR ADVERTISERS AND
PUBLISHERS, WHILE AT THE
SAME TIME PROTECTING
USER PRIVACY AND
PRESERVING THEIR TRUST.**

As data and identity-building move away from stealth and towards active, transparent information sharing, it's even more crucial for brands and businesses to build direct relationships and leverage first-party data to meaningfully engage audiences online.

We're looking at a world where open source and proprietary data will live side by side, with identity differentiated by direct consumer consent and association with many deterministic signals that can be shared in a privacy-centric way. Winning identity solutions will need to be able to help advertisers effectively buy, measure, and optimise ads while also enabling publishers to manage,

monetise, and navigate audiences. There needs to be a win-win for all sides, with consumers ultimately being able to enjoy free and ad-supported products, alongside relevant ads.

So, what's next? — A critical period of 'test and learn'

At Verizon Media we recognise that there will be no single solution to replace the cookie. Instead, now is the time to test and learn in order to develop a range of targeting approaches. We're currently seeing two main approaches within the industry when it comes to addressing the challenge of identity — persistent IDs, which replace cookies; and contextual, which is based on content consumption.

The future of identity lies in striking the balance between providing a meaningful consumer experience and delivering growth for advertisers and publishers, and protecting users' privacy and preserving their trust. That's why we expect to see a renaissance in the type of solutions that use contextual targeting. In a world where users expect the ads served to them to be relevant yet respectful of their privacy, context will be key.



The power of first-party data, layered with real-time signals and machine learning algorithms, makes for an incredibly powerful and future-proofed solution for when identity is not attached to an ad impression. With the latest ID solutions, you can layer on more nuanced contextual factors such as location; weather; what platform users are logging in from; and the kind of content they're interested in. All of this enables advertisers to garner meaningful audience insights in real-time and infer which audiences are more likely to be relevant to their business and objectives.

Emerging solutions

Here at Verizon Media, we recently launched two alternatives to third-party cookies globally. ConnectID is a unique solution to Verizon Media as it leverages our strong and loyal global user-base of roughly 900 million people through our owned

and operated consumer brands, such as Yahoo. This differentiated and diverse data informs our Verizon Media Identity Graph, which is built on deterministic data from direct consumer relationships — and, importantly, comes from across a range of omnichannel and cross-screen touchpoints, including (but not limited to) mobile app, search, and email.

We also launched our Next-Gen Solutions in April. Built for the identity-less era, this suite of solutions delivers relevant ad experiences while strengthening consumer trust. Next-Gen Solutions uses content and other real-time data signals like weather, location, and device types to power machine-learning algorithms. These algorithms allow advertisers to connect with their most relevant audiences without the need for cookies, mobile app IDs, browser storage, or user-level profiles.

The advertising ecosystem is ever-changing, and we're taking robust action to ensure that we offer solutions that strike that all important balance between building trust with audiences around their data and providing meaningful and quality consumer experiences. All while ensuring advertisers and publishers are able to see returns on the investments they're making.

While the loss of third-party cookies may seem daunting to many, we see this as a huge opportunity to transform and optimise the way we target and engage with audiences online. As an industry, whenever we have faced challenges before, we've come out of the other side with renewed creativity and innovation — and I strongly believe that the cookie-less era will be another example of this adaptability in action ■

MEASUREMENT & ATTRIBUTION

XANDR



Daniel Clayman

General Manager of Northern Europe, Xandr



In the face of adversity, agency groups are measuring up again.

In recent years, sceptics have raised the question around the longer-term viability of the holding company model, and its ability to compete strategically alongside the global consultancies.

That is why commentators said “the big six ad agencies are heading for extinction” and are “at risk of becoming obsolete”. Cue the calls to “reimagine” the advertising ecosystem so that smaller independents can move faster than giant holding groups.

For those groups, this was hardly a solid platform to take into the most profound disruption to the ad industry in decades – the evolution of targeting and measurement that is being wrought by regulation and the end of traditional third-party identifiers.

Phoenix from the flames

But extinction is not here. Rather, agency groups have soared.

One proof point is the share prices of the “Big Five”, which have not only returned to pre-pandemic levels but, in some cases, are also increasing far beyond that, to the levels seen before the onset of agency defeatism. As reported, Interpublic’s stock is back to its heyday, WPP’s simplification strategy is bearing fruit – the holding companies are back.

What’s going on here? Even at a time of reduced brand spend, the holding groups have been proving their value by providing counsel during the most testing business period in years.

I agree. Here is how the holdcos are adapting, and can thrive, in the new world.

HOLDCOS ALSO HAVE A NEW ROLE AS CHAMPIONS OF DIGITAL DIVERSITY. WE SHOULDN'T UNDERESTIMATE THE COMPLEXITY ASSOCIATED WITH MULTI-CHANNEL MEDIA PLANNING AND THE RESULTING OUTPUTS OF TECHNOLOGY CHOICE. HOLDCOS HAVE A WEALTH OF KNOWLEDGE, BREADTH OF PARTNERSHIPS AND A LONG HISTORY OF ENGAGING WITH INNOVATIVE COMPANIES, BOTH LARGE AND SMALL, TO THE BENEFIT OF THEIR END CLIENTS.

1. Helping navigate uncharted waters

Changes to cookies, mobile identifiers, and more are challenging brands to rethink currency and measurement. With the ecosystem as complex as ever, it is difficult to understand which players will drive strategic business value and what is just vapour.

For some, the answer may be new-wave, old-style, upper-funnel metrics like attention and brand uplift. For others, it may be that leaning into first-party customer data lights up paths to new business barometers like customer lifetime value (LTV).

All of this requires clear thinking. Brands should not be sold a one-size-fits-all approach to new metrics

— rather, they need help to better understand business outcomes and how new indicators can create success. With their extensive experience and understanding, holdcos have been helping brands navigate their way in this new landscape.

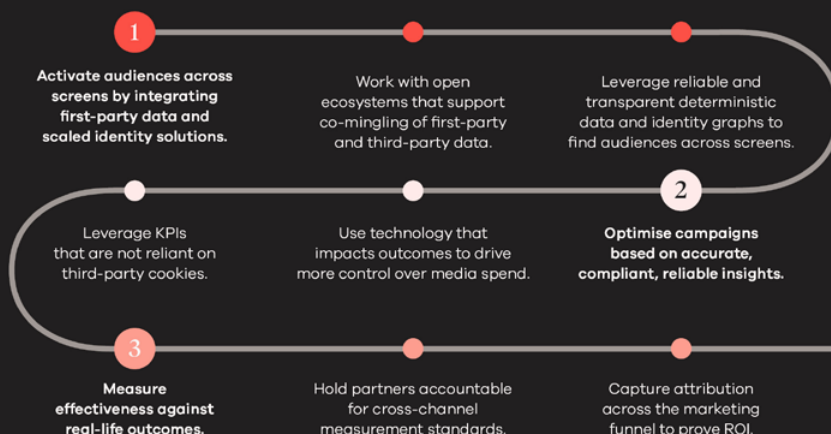
2. Defenders against digital dominance

Although holding groups have been branded inflexible, they are adapting — not only for a world beyond cookies, but also for a world dominated by a few big digital players. For example, despite a supposed “threat” from tech platforms themselves, MediaCom’s decision to form its own ads division is a smart way to

insert itself between brands and tech vendors.

Holdcos also have a new role as champions of digital diversity. We shouldn’t underestimate the complexity associated with multi-channel media planning and the resulting outputs of technology choice. Holdcos have a wealth of knowledge, breadth of partnerships, and long history of engaging with innovative companies, both large and small, to the benefit of their end clients. Global consultancies are still playing ‘catch-up’ on this front in order to realistically compete.

Roadmap for Driving Relevance in 2021 and Beyond



The smaller, more nimble consultancies, on the other hand, are able to be more agile and have a stronger understanding of local market dynamics. Many have often been both operators and/or builders of technology. This type of experience proves invaluable to brands seeking to understand what can often be perceived as an overly complex landscape.

What's clear is that, in a world where differentiation is key, providing non-template plans that create success for brands should be the primary focus for both agency groups and consultancies, so that the default option of the 'safe bets' offered by walled gardens becomes less frequent, and we move collectively to support the diversity that can be achieved via the open internet.

3. Trusted tech procurement advice

More brands than ever want to get their own hands on the controls of their software, but that doesn't mean the holdcos' role has evaporated - it has just changed.

Holdcos are adopting a critical consultative role supporting brands' technology RFPs, helping clients understand capabilities, rates, contracts, and terms, and bringing potential tech partners to the table.

With the breadth of knowledge across all the best tech vendors, they add real value, knowing what can work for

each kind of brief. By not standing in the way of direct brand-vendor relationships, the holding groups are staying in the game by again demonstrating a vital intermediary function.

As brands increasingly look to enlist demand-side platforms (DSPs), for example, they discover that each, in turn, has multiple partners. Add on specialist viewability and brand safety providers, and it becomes a lot to handle. No wonder some brands are now defaulting back to agencies to help them make sense of it all.

4. Soothing supply-side complexity

Historically, agency groups have played solely on the buy side. But through the growing importance of supply-side platforms (SSPs) and the continued increase in demand for media spend transparency, agencies have to step up, broaden their value base, and help answer that question

SSP affiliations have become a key buyer concern and supply path optimisation (SPO) is now a critical efficiency driver, as more brands realise the complexity that lies underneath the hood.

Curation has been a buzzword of the industry for some time. Agency groups, such as Omnicom, are already reporting improved control, less waste, and better access to supply since the launch of their Marketplace, working with tech

providers to curate only the most relevant audience segments from the most relevant supply sources that are best suited to the needs of their client.

5. Creating scale from fragmentation

If, in ad tech's identity revolution, precision is lost, scale is going to matter more than ever.

Connected TV ad buyers know this challenge well. Service proliferation has led to a plethora of buying channels, and considerable efforts in labour.

But agencies, through their partnerships with tech vendors, have a greater understanding of solutions that can solve these challenges. There has been significant up-take in curated marketplaces, which has removed this buying friction.

And big brands still want big reach — but without big overheads. Using networks of individual local operators may seem nice in principle, but it can lead to inefficiencies. When you combine a global brand and a global agency, however, you centralise decision-making — meaning that facilitating global initiatives in local markets becomes more straightforward.

The future is bright

Holding groups have come a long way, and marketplace disruption has given them an opportunity to prove their worth again.

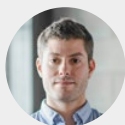
But it isn't perfect yet. We need to see the groups continue to press the innovation pedal — copy-paste media plans don't fly anymore, and more agency owners are coming to recognise this.

If we continue to see changes, the agency-brand relationship will be stronger than ever, built on trust and a better understanding of each other's needs and capabilities.

As a result, holding companies will once again be the source of innovation for brands ■

MEASUREMENT & ATTRIBUTION

ZEFR



Andrew Serby
EVP Marketing, ZEFR



If you work in the ad industry, you've probably heard John Wanamaker's infamous quote, "I know 50% of my advertising budget works — I just don't know which half."

If he were around today, he'd be thrilled to see some of the advances in digital measurement and attribution. But with the amount of restrictions currently in the marketplace — combined with walled gardens, in which data can be ported in but not out — it's never been more challenging to properly measure digital media at scale. It's time to ask the question: are the tech stacks that power verification good enough for the next era of digital media?

The measurement and verification industry is far-ranging, covering everything from attribution, to fraud, to brand safety, and brand suitability. A multitude of verification and measurement solutions have been created for each core challenge that has emerged in these areas. Want to make sure your ad is seen? Add a viewability vendor. Want to make sure you're not paying for bot traffic? Add a fraud vendor. Want to make sure your ad shows up in an environment that won't get screenshotted for bad alignment? Add a brand safety vendor.

But what happens when the media channels that are drawing media dollars have outpaced and out-innovated the legacy internet in which these measurement solutions were born? The next era of ad tech is here, and it's time for marketers to take a hard look at how their results are being measured. It's time to start watching the watchmen.

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THE GARM FRAMEWORK HAS BEEN ESSENTIAL IN ESTABLISHING ACCOUNTABILITY AND CONSISTENCY IN THE ADVERTISING INDUSTRY. ZEFR'S SUITABILITY SUITE HELPS BRING THE FRAMEWORK TO VIDEO PLATFORMS TO IMPROVE OUR ADVERTISERS' CONTROLS FOR BRAND SUITABILITY

JULIE KANDEL
Senior Partner
Director of Brand Safety North America at GroupM

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The COVID-19 keyword blocklist disaster of 2020 was a preview of the need for this new era of measurement. Marketers and agencies, scrambling to come up with a solution for the unprecedented speed and scale of content about a global pandemic, found themselves unwittingly starving high-quality news publications by using “semantic” block-lists. This led to a deeper analysis into how these text-centric technologies work — they crawl webpages for specific keywords, find matches, and ensure ads are not served on the page. This led to a backlash against some specific vendors, but it really signalled something larger: the whole approach needs an overhaul.

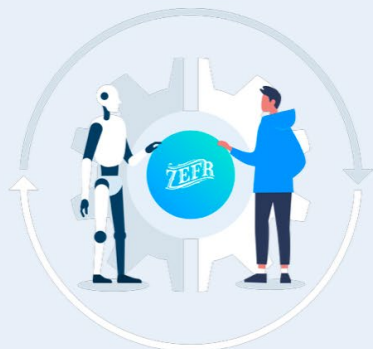
This blunt approach for the open web is under fire from publishers, and companies are investing in developing smarter ontological and semantic approaches to account for more nuance. Additionally, brands can get around some of the over-blocking by creating inclusion lists, or allow lists, of certain domains that will override the blocking. While steps are being made, there's still a long way to go — this is even more obvious in mediums with limited text to analyse, such as video.

Simply put, keyword-based approaches just don't work for video suitability — especially in high velocity environments like platforms.

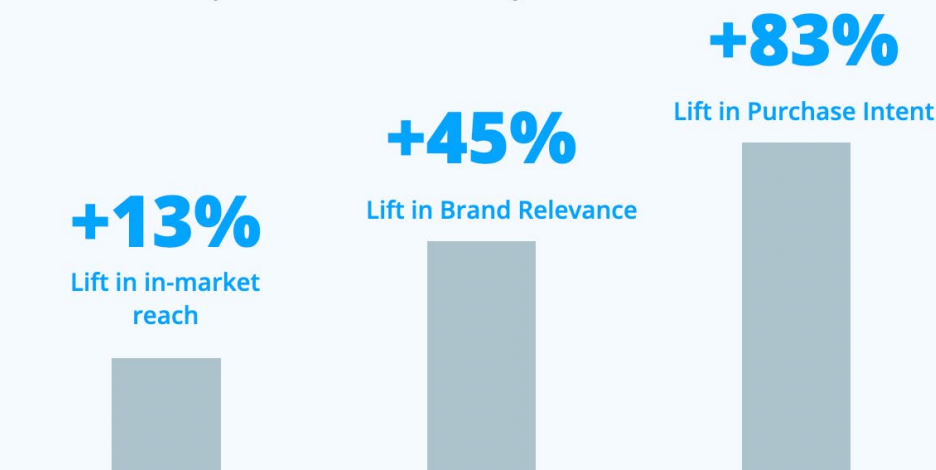
We've learned through testing that keyword block-lists are a double-edged sword: they don't help eliminate unsafe content, and they blunt reach against good content. We put it to the test by analysing a sample of videos with a variety of textual information surrounding the video — videos with minimal text vs. videos with a high density of text in the title and description. We found there was almost zero correlation between the brand safety or suitability and the amount of text associated with the video — yet due to block-lists, the videos with prevalent text had a much higher likelihood of being blocked.

Proven Effectiveness:

Data that Drives Brand Equity While Lowering Risk



Zefr data vs. keyword and semantic strategies



Source: 2019 Study MAGNA +IPG Study "Solving Brand Suitability"

Ironically, we also discovered that the content with the most amount of keywords in its title and description also drove the greatest reach. The reason? Professional creators and publications tried to optimise their content with descriptions that helped it in search. The keyword blocklists punished both the creators who lost revenue, and the brands who lost reach.

Clearly, it's time for a new era of content verification, in which accuracy and precision are accounted for and demanded by marketers. The last year saw the Global Alliance of Responsible Marketing (GARM) introduce the first set of common definitions around brand safety and brand suitability, which can act as a common rubric for all content assessment. Brand safety and suitability is moving from subjective to objective — and it's time the industry embraces it as the future of measurement.

The demand-side is joining the charge to build a more responsible

future for media. GroupM launched a responsible investment practice, Publicis is driving the future of brand integrity, and IPG launched a Responsibility Index to better rate the progress of platform transparency. The onus is now on the measurement industry to ensure that the demand-side have the tools they need to accurately understand the impact of their responsible marketing initiatives.

The measurement and verification industry is the business of trust in digital advertising: as new platforms and media emerge, they help marketers hold the industry accountable, and ensure they are spending their dollars more wisely than Mr. Wanamaker was able to. But it's time for a wake-up call — providing opaque content taxonomies, with no repercussions for false positives, doesn't do much to improve trust in the industry. In fact, it does the opposite.

For the whole industry to improve, the measurement industry needs

to move from opaque results and embrace the transparency they are pushing media owners to provide. The demand-side should be able to see how every piece of content is scored against the GARM industry standards to make investment decisions. By embracing a common rubric, we can finally stop talking about all of the problems created by antiquated approaches and start moving on from them ■

CLEARLY, IT'S TIME FOR A NEW ERA OF CONTENT VERIFICATION, IN WHICH ACCURACY AND PRECISION ARE ACCOUNTED FOR AND DEMANDED BY MARKETERS.

SECTION 03 COMMERCE MEDIA AND DIGITAL

COMPONENTS

► First-party publishers, platforms, and the meta-walled garden

Any platform that has first-party data at scale is going to be a strong proposition for marketers. From the likes of Ozone, to Asian super apps, to as-yet-unknown-utility-publishers, this segment is going to attract that 20% of spend.

Meta walled gardens

There is a growing realisation that buyers are looking at a walled-garden-first ecosystem. The industry is going to have to get used to more closed systems, as third-party identifiers and cookies get blocked by browsers and platforms. There is set to be an emergence of walled gardens within walled gardens that either leverage a first-party device ID or lean heavily on logged-in data.

► The FLoC web

For most, this will become the only way to buy and sell ads on the anonymous web. People will find it impossible to wean themselves off Google's measurement and targeting offering. Most won't bother, and who could blame them? But there are always inherent dangers of just focusing on a Google-owned metric, especially when the same company is your competitor. It must also be

remembered that this is Google's view of the anonymous web. Can you really ignore a sizeable portion of the web not logged into Google products?

► Commerce media

Amazon is the 800lb gorilla that has a vice-like grip on the online commerce space. But, outside of the US, there are a huge amount of ecommerce platforms and marketplaces. It's an untapped ecosystem for service layer and madtech middleware companies alike. Measurement, targeting, custom creatives, and first-party media aggregation will be big opportunities for all.

► Gaming

Gaming cannot be bucketed into a channel, given that it is just as affected by cookie- and ID-deprecation as everyone else. ATT is going to affect gaming marketers, taking its toll on third-party buying. There are three key areas for gaming growth:

In-game advertising

This is arguably the hottest area of ad tech, with a lot of VC cash being invested in companies looking to scale the in-game opportunity. It has unique challenges with regard to brand safety, targeting, and measurement. But these are good growing pains to have as this burgeoning channel looks to attract brand spend. If vendors can

make measurement and performance work for marketers, it will achieve massive scale.

The CTV gaming opp

As platforms like Roku look to build out content, gaming could easily become the killer app for AVOD. Sub-prime TV content will not attract the type of scale necessary to realise the lofty ambitions of CTV. Casual gaming apps could become a mainstay — all monetised by ad tech.

Beyond IDFA and the Google ID

Third-party buying across iOS — and very soon, Android — will become all but impossible this coming decade. Instead we will see exciting first-party solutions emerge. These new offerings will be significantly scaled, bringing together first-party data assets, gaming titles and ad tech.

PEOPLE WILL FIND IT IMPOSSIBLE TO WEAN THEMSELVES OFF GOOGLE'S MEASUREMENT AND TARGETING OFFERING. MOST WON'T BOTHER, AND WHO COULD BLAME THEM?

COMPONENTS

► Google

It is the ultimate walled garden, leveraging its tech assets to crush all. Its USD\$100bn (£71bn) ad business keeps growing. But it has headwinds — it is under intense scrutiny, and is the subject of a number of antitrust cases. It will be hard going, especially in the current privacy push. Thankfully, it is weak in a number of new channels, but it's still hugely important to everyone — particularly for YouTube, search, and anything third party in display advertising.

► Facebook

The walled garden everyone loves to hate will remain strong, and will use ATT as an opportunity to leverage its owned-and-operated properties to build more media hooks for users. You will probably see more gaming companies hosting their games inside Instagram and Facebook to get better yields on targeted ads. Like Google, the company is in the spotlight, but its biggest existential threat comes from new solutions, like TikTok, that are stealing the next generation of Facebook users.

► Amazon

As more brands look to sell online, Amazon becomes the perfect mouse trap, offering a scaled online marketplace with a marketing platform to push sales. The perfect attribution system.

► Apple

You cannot ignore the Apple ecosystem. It remains the home of the most affluent consumers on the planet. You need to figure out how to navigate iOS ATT rules. And FLoC will not be the silver bullet.

► TikTok

The company has been mired in controversy for the last three years. But it hasn't stopped growing. The go-to Gen Z platform is now reaching beyond this demographic. It's the biggest challenger to Facebook's global dominance — as its user base ages and matures beyond UGC.

► CTV

The shift in spend from legacy TV to CTV has begun. A multi-billion dollar/pound/euro move is underway as consumption habits change. Google is shunned by most broadcasters because of its CTV competitor, YouTube.

► DOOH

The OOH future is very much a data-driven one. Most inventory will go digital. Again it is an ecosystem that will undergo huge transformation. Another Google-free zone.

► Audio

Like TV and OOH, audio is a legacy space that is experiencing transformation. Spotify is trying to own the digital audio segment but legacy players will also have a compelling offering for users. Again for the most part, a Google-free zone.

► Emerging Channels

There is always an emerging media channel somewhere. In-game ads seem to be in vogue right now. But keep an eye on the VR and AR space. It might well develop into something bigger in the coming decade.

► China

China's ad ecosystem is unique. It is dominated by a number of major China-only platforms with different local metrics. There is no way to buy via a traditional Western DSP. Instead

you need to partner with either a local ad tech solution like iPinYou, or with an array of Chinese walled gardens. This isn't a simple plug-and-play option. There is a huge managed-service element to it. China is the biggest market opportunity of the decade. Every agency will likely have a China media plan for big clients. If you feel a pivot coming on, China would not be a terrible option.

► Telcos

Telco data has a role to play in powering some part of the privacy-first ecosystem. There are a bunch of companies working with telcos to bring this to next-gen measurement and targeting solutions. There are likely to be very few ad tech acquisitions by telcos — given the poor track record for these types of deals. Partnerships will be the mantra for this decade; not big ad tech rollups.

**THE WALLED GARDEN
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FOR USERS.**

FIRST-PARTY PLATFORMS AND PUBLISHERS

1PLUSX



Jürgen Galler

CEO and Co-founder, 1plusX



There is no real replacement for the third-party cookie and, from here on, media monetisation will involve using a patchwork of advertising solutions.

But, for those that hold the key to cookie-free insight, there is also room to thrive. Or, as Ciaran puts it, any company able to offer large-scale first-party data will be an attractive prospect for marketers.

That will mean greater scope for the big three to get even bigger, and it's possible we may see "meta" gardens emerging within walled gardens. What this view overlooks, however, is the huge capacity for publishers to cultivate and utilise rich stores of audience data, create IDs for well protected yet highly profiled users, and tap the other 80% of ad spend.

If publishers can capitalise on their first-party data using the right infrastructure, they will be the undisputed winners of this development. To achieve that, they'll need a strategy that covers three vital aspects of data organisation — collection, processing, and activation.

1. Holistic data collection

Many media owners assume they don't have a great deal of data to offer. But, in reality, this is often because they haven't yet audited their assets. Dynamic and flexible data collection is an essential initial step in any strategy, and part of this is getting their hands dirty.

Publishers must lift every lid and dig through data sources to see what they have, including behavioural data; user-provided log-in information; user interactions such as clicks, searches and content selections; as well as data about content and tags. What's most important is to gather up all raw data first and then assess it from a practical use and compliance perspective.

2. Efficient data processing

This is where typical data management procedures truly begin to break with the past, focusing on replacing external with first-party data, instead of matching it against cookies. The main goal revolves less around syncing and is more about maximising data value across several key phases:

Cleansing: the raw data publishers have amassed is unified, filtered, and checked for value on two levels. Either it can act as a deterministic data signal or become the input for artificial intelligence (AI) tools to make high-quality predictions. Data that makes the cut is placed in a processable structure, normalised, canonicalised, or other, ready for the next stage.

Identity assignment: While privacy is paramount, I don't agree with O'Kane that we are shifting entirely from identity to a privacy-first age. In some form, IDs will remain integral to drive user experience and ad revenue, which makes them essential to data processing. Publishers will need to connect each data point to new or current IDs, while ensuring fresh IDs link with existing identifiers. The outcome will be data sets with assigned IDs that can hold details like age and gender, but also non-personally identifiable behavioural insights.

Data enrichment: augmentation will equip publishers to plug user knowledge gaps with their own

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TO THRIVE IN THE NEW LANDSCAPE OUR APPROACH TO DATA HAD TO EVOLVE. WE LOOKED FOR A DATA-MANAGEMENT PLATFORM WITH MORE CAPABILITIES SUCH AS DATA ENRICHMENT, DATA ONBOARDING AND PREDICTIVE ANALYTICS. WITH 1PLUSX WE'VE BEEN ABLE TO BOOST AUDIENCE CAMPAIGN SALES 18% YOY, AND ALMOST DOUBLE CPMS.

CHRISTOPHER REHER
Media Impact

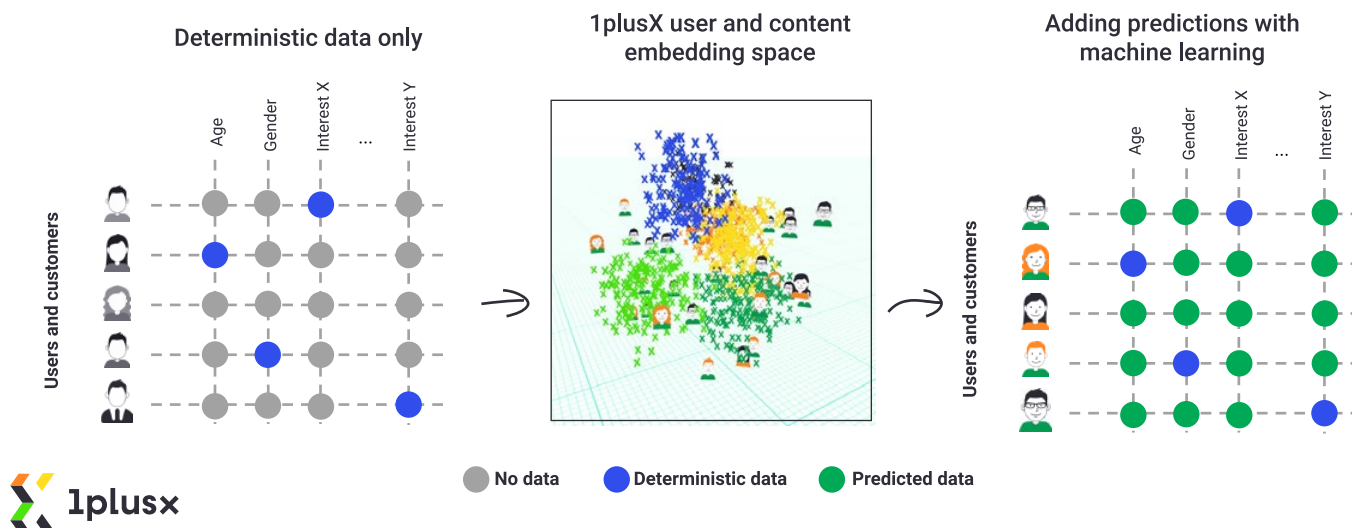
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first-party data, rather than imported or 'rented' third-party information. Using cleaned and ID-assigned data, sophisticated AI algorithms analyse the on-site activity, habits, and interests, of known consenting individuals and leverage this insight to make accurate probabilistic predictions about the attributes and habits of similar users. This predictive modelling facilitates reliable enrichment for every identity via machine-generated data and eliminates low match rates.



AI-driven first-party data enrichment

Predictive modelling equips publishers with reliable enrichment for every identity via machine-generated data eliminating low match rates.



3. Smarter data activation

The valuable mix of deterministic and probabilistic data publishers end up with will be equal to, if not greater than, the insight traditionally produced using third-party cookies. Media owners will have high data coverage across audiences, improved data quality, and the additional benefit of more freedom to experiment with their owned insights — all of which paves the way for highly refined profiling, audience segmentation, experience tailoring, and ad targeting.

Consequently, most points of activation won't be all that different; just more precise, effective, and independent. As explained by Christopher Reher of Media Impact, the marketing and sales organisation of Axel Springer, "To thrive in the new landscape, our approach to data had to evolve. We looked for a data-management platform with more capabilities such as data enrichment, data onboarding and predictive analytics. With 1plusX we've been able to boost audience campaign sales 18% YOY, and almost double CPMs."

But there are some final points to consider as they put their newly improved data into action:

Platform matching: while support for publisher provided IDs (PPIDs) is growing, the inclination towards universally applicable identifiers such as email-based IDs means they frequently have higher value in the open market, making PPID use better suited to direct sales in private marketplaces.

Advertiser matching: advertisers accustomed to middling match rates with their own strong IDs will be keen to work with leading publishers on expanding their reach beyond core customers, most likely using lookalike AI algorithms to identify suitable audiences. This is good news, but publishers will have to offer self-serve onboarding functionality, safety, and privacy guarantees.

Reinforced data quality: efficient data activation can create its own perpetual optimisation cycle; with re-ingested signals from successfully harnessed data used to constantly reinforce the

quality of predictions and enhance measurement accuracy, typically via automated AI-assisted tech.

We are witnessing a massive change in how digital advertising is executed, and the industry will be transformed for good. Publishers are uniquely placed to make the most of their first-party data and adapt to the change, and AI-driven predictive analytics will emerge as one of the enabling technologies to allow them to succeed in the new age of digital ■

MEDIA OWNERS WILL HAVE HIGH DATA COVERAGE ACROSS AUDIENCES, IMPROVED DATA QUALITY, AND THE ADDITIONAL BENEFIT OF MORE FREEDOM TO EXPERIMENT WITH THEIR OWNED INSIGHTS

GAMING / MOBILE GAMING

ADCOLONY



Jonathan Harrop

Senior Director, Global Marketing
& Communications, AdColony



While many points in Ciaran's post on reframing the digital media industry are spot on, as one of the last independent ad networks that specialise in mobile apps (especially mobile games), we had to weigh in on some of the particulars. Because from where we stand, we see something a little bit different...

Gaming is not "just as affected" by ID deprecation as everyone else.

It's true that mobile game developers, many of whom are our close partners, had to be prepared for Apple's App Transparency Tracking (ATT) protocol, which has impacted their revenue. But the gaming category is faring far better than any other, including utility (to which you'd think users would opt-in) and social media (no surprise there).

The opt-in numbers we are seeing in gaming are quite high. In the two weeks following the release of ATT, 36.5% of impressions from our iOS 14.5-compliant SDKs included a device ID delivered via opt-in. That's a big chunk of impressions that continue to have IDFA attached to them. It's worth noting, too, that adoption rates of iOS 14.5 and newer are extremely low, ranging from 11.5% to about 15% depending on the method used.

Ad spend in mobile games on iOS is not plummeting — far from it.

Yes, some ad spend (ranging between 8% to 29%) shifted over to Android. But interestingly, ad spend on Apple has not decreased too much either; on our network, it was down just 2.5%, and others report similar numbers. As marketers feel more confident with ad performance, and as mobile app developers (who are quite good at knowing and serving their core audience) learn how to encourage opt-ins, the value of inventory will only increase over time.

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[APPLE'S PRIVACY INITIATIVES] ARE CERTAINLY NOT THE APOCALYPSE SCENARIO THAT MANY PREDICTED, AND IN FACT, I'M SEEING MANY OF THOSE DOOM PREACHERS MOVING THE GOALPOSTS AS THE DATA ROLLS IN.

JONATHAN HARROP

Senior Director, Global Marketing & Communications, AdColony

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So it's certainly not the apocalypse scenario that many predicted, and in fact, I'm seeing many of those doom preachers moving the goalposts as the data rolls in.

And sure, Google may follow suit on IDFA, but not before they absolutely have to.

Remember: unlike Apple, Google is entrenched in the device ID targetable user dynamic. They are being more transparent about what is being used: the privacy dashboard in Android 12 (I miss the dessert names!) actually shows you in real-time the data being accessed by apps and allows you to revoke it in one place, which is better for consumers and easier to understand than Apple's "nutrition labels".

If there were going to be major shifts around the deprecation of the Google ad ID we would have seen it at the recent Google I/O. We did not. Maybe by the end of this decade, perhaps, but I think it will be pressure from legislative sources and not from the platform itself.

In-game advertising is in for a long ride (sorry, VCs).

No, I'm not talking about rewarded video, or even interstitials within mobile games, which continue to actually be quite popular with users when done correctly. I'm talking about the "part of gameplay" ads that have been making noise of late.

Why the uphill battle? First, it's very easy to do badly, and gamers won't stand for it. Take what happened when

Electronic Arts turned on in-game ads within UFC4. Users are engaged in their game and do not want to be interrupted. Soccer games integrating live ads into where viewers are used to seeing ads on the pitch is natural, but are users really engaging with, or even noticing, the ads at that point?

Additionally, from what I've heard from developers, unless you're building it into your game from the very beginning, it can be a pain to add it in afterwards. And we all know that unless there are clear, provable benefits, that extra work doesn't get done.



IF YOU'RE A THIRD-PARTY DEVELOPER WHO CAN'T AFFORD YOUR OWN AD NETWORK AND ATTRIBUTION LAYER, DO YOU REALLY TRUST A PROVIDER WHO HAS ALL THOSE PIECES TO TREAT YOUR INVENTORY/ DEMAND FAIRLY?

So do I think there is room for growth? Yes! But at some point, it'll move past the nascent (and exciting!) stage of being a new way to reach gamers, and advertisers will demand harder metrics and more direct KPIs, similar to rewarded video campaigns in mobile games. It will take time to contextualise those results properly. So in-game advertising might be a nice side quest, but it's not going to supplant the established in-app ad ecosystem any time soon.

Gaming is not the next killer app for AVOD.

Let's talk about something else that most developers I talk to are not doing: CTV integration. Unless you're part of Apple Arcade, there's little incentive to make an Apple TV (or Roku, etc.) version of your game. Look at Call of Duty Mobile and Genshin Impact — both hugely successful cross-gaming vertical franchises, and yet neither have a CTV version.

Mobile will continue to be more exciting an opportunity because a) there's money in it now, and b) even in the future, the CTV experience doesn't seem promising. Why? Because if you have a large screen, there will always

be competition between CTV games, passive watching of shows, sports, etc., and playing games made for that screen on traditional consoles.

Unlike mobile, there's always a "turn off" point for any large-screen game. There is a niche for party games like Jackbox, but those don't have the scale needed for ads.

For CTV growth, the content will always be the primary driver, and value relative to given subscription fees.

Speaking of entertainment providers — yes, the Telcos might rise again in the privacy era.

It was a great point that telco data has a role to play in powering the privacy-first ecosystem. If you power the entire journey, you can deliver customisation and ad experiences without compromising privacy.

This goes beyond carriers and includes device manufacturers as well. I would expect a lot of exciting developments in this area.

But don't put all your eggs in the first-party, walled-garden basket...

Some companies in our industry have been tempted to consolidate in order

to own the entire experience and make everything first-party data. But there is still room and need by all for the independent ad tech companies (yes, like us).

If you're a third-party developer who can't afford your own ad network and attribution layer, do you really trust a provider who has all those pieces to treat your inventory/demand fairly? Network and mediation can go together because the whole point of mediation is to bring in other demand sources. But the attribution side is tricky. If it's all part of one group, will they give you enough information? Will it be accurate? (Here's looking at you, Facebook).

Lastly, it's not like the higher the walls get on these gardens, the easier it will be. Apple is only going to get more aggressive about enforcing how everyone is using data. It doesn't matter if it's a so-called first-party set of data: if you're using it for advertising, it will be examined eventually ■

COMMERCE MEDIA

ADIMO



Gavin Stirrat

Chief Operating Officer, Adimo



Before addressing commerce media as a solution to the challenges the industry is facing, we should first look at what functionality it enables.

In the context of Adimo, commerce media has a dual purpose — 1) providing a seamless path to purchase, from a branded product ad, to a customer's preferred online retailer and 2) collecting a wealth of first-party data as users move through that path to purchase, the most useful of which being sales revenue.

Increasingly, CPG/FMCG companies are harnessing the power of commerce media in their brand campaigns, and there are a few reasons why:

1) The impact of COVID on the addressable audience

It's no secret that 'stay at home' orders have caused growth in e-commerce to accelerate globally. We saw ten years' worth of e-commerce growth in the first three months of the pandemic alone. Here in the UK, major supermarkets saw their volume share of app downloads more than double, whilst grocery delivery partners like Instacart in the US saw a 218% rise in daily app downloads. With more people turning to the internet to shop safely, it's no surprise that brands are shifting spend to put more of their marketing where their audience is.

2) It's not just old habits that die hard

Alongside significant growth in online consumer bases, we've also seen an increased volume of transactions by existing online customers. Research by IAB UK found that over 57% of consumers have upped the frequency of their online shops during the pandemic, with the average personal online spend increasing 5x. Numerous studies into consumer practices go on to suggest that these behaviours have become habitual, indicating that the shift to online shopping is likely to remain 'sticky' as vaccines roll out and restrictions continue to relax.



ADIMO ALLOWS US TO OFFER COMMERCE MEDIA TO CLIENTS THAT WERE RELIANT ON TRADITIONAL AWARENESS CAMPAIGNS. WITH UPCOMING PRIVACY CHANGES, ADIMO'S TECHNOLOGY WILL ENABLE US TO PROVIDE DATA-DRIVEN MODELING AND RETARGETING, SHINING A LIGHT ON AUDIENCE BEHAVIOUR IN AN INDUSTRY WHERE THE LIGHTS ARE GOING OUT.

BOYE BALOGUN
FutureTech CEO



Even in demographic groups where in-store shopping had been previously favoured, we've seen a shift in preference towards online shopping that will likely remain as new habits are formed. It's this element of convenience, and the ability to safely shop around for the best deals, that is not only drawing in new online shoppers but keeping them — making the need for commerce media more important than ever for brands.

3) Online purchase data: the CPG blind spot

The adoption of commerce media is also partially a response to an age-old problem within the CPG space. Traditionally, grocery brands are

sold through retailers (both off- and online) rather than through direct-to-consumer channels. Without e-commerce channels of their own, these brands have relied heavily on awareness metrics to gauge marketing effectiveness. In a world where CPGs are not only competing with each other for online ad space, but with other industries, from insurance to phone brands, as well, a lack of purchase data leaves them at a major disadvantage.

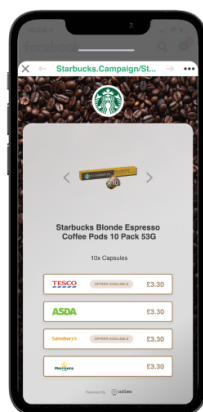
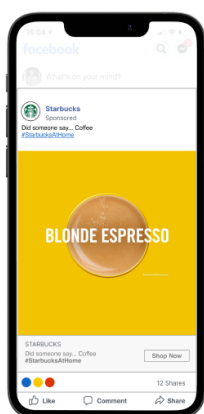
Although digital can be a powerful tool in building loyalty and shifting brand sentiment, having a greater understanding of both the cause and effect of media campaigns can help

drive greater ROI from media plans. Leveraging commerce media provides additional insight into consumer actions beyond the initial ad click — unlocking a full suite of e-commerce metrics that were otherwise unavailable in digital. In turn, this data can be used to inform future media buys and targeting, helping brands maximise ROAS from their large media budgets.



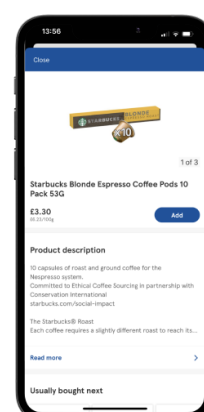
Commerce Media Journey

Step 1: Social ad with purchase led call to action appears in users feed



Step 2: Ad click launches a shoppable layer, to browse products and prices

Step 3: Retailer selection launches users chosen supermarket app (or website)



Step 4: Selected product page is automatically opened for purchase

Looking to the future...

There are several upcoming challenges (particularly around privacy) that have the potential to totally disrupt the industry. The consensus is that changes being made by companies including Apple and Google will drive ad spend into walled gardens and a small group of other companies. Not only will this have knock-on effects and implications for the wider ecosystem, but it will also mean brands have less choice on how and where they spend budget, and less insight into the metrics that determine campaign effectiveness.

When you take past challenges and the issues the industry is currently facing into account, I have to agree with ExchangeWire's assessment of how the new digital world will look. As part of the "madtech middleWare" layer, Adimo is already working closely with companies across the service

and digital ecosystem layers, as well as some of the world's largest CPG brands. A core factor that will secure the position of technology like ours in this new industry landscape is that the Adimo platform does not rely on third-party cookies to collect performance data - lending itself to use both within walled gardens and on the open web.

Over the years, many in digital advertising have called for change to ensure the industry's survival. By providing greater utility for consumers in a privacy-driven world, and granular performance data for brands, we believe that commerce media is the missing piece of the post-cookie puzzle ■

ALTHOUGH DIGITAL CAN BE A POWERFUL TOOL IN BUILDING LOYALTY AND SHIFTING BRAND SENTIMENT, HAVING A GREATER UNDERSTANDING OF BOTH THE CAUSE AND EFFECT OF MEDIA CAMPAIGNS CAN HELP DRIVE GREATER ROI FROM MEDIA PLANS.

DOOH

ADSQUARE



Tom, Laband
CEO & Co-Founder, Adsquare

adsquare

How to significantly improve the targeting of your DOOH campaigns in a privacy-first world

The marketing landscape is changing with identity-based targeting being on the decline. New privacy regulations like GDPR or CCPA; restrictions on advertising identifiers imposed by Google or Apple; and a new consumer awareness have accelerated this change over the past months. The authenticated traffic will be limited in scale and restricted to those users actively logging into websites and apps. Adsquare agrees with the ExchangeWire's POV that leveraging the anonymous web will become more important. In consequence, contextual targeting is experiencing a renaissance. One particular concept of contextual intelligence, which has long been underrated, currently stands out: Proximity Targeting.

Digital advertisers have long targeted people based on the context of publisher content. It's the very basics of advertising. The same principle extends to Proximity Targeting, also known as Geo-Contextual or Location Targeting, but instead of targeting based on the context of publisher content, advertisers target based on the context of location. In its simplest form, that could be a burger chain, running a drive-to-store campaign by advertising on billboards in the vicinity of a branch restaurant.

Proximity Targeting in the programmatic advertising world is a little more complex. A range of apps collect data on the longitude and latitude of users as part of their function. Websites you visit can also determine your physical geographical location, for example via the IP address. Out-of-Home inventory owners quite logically also have knowledge about the exact locations of their digital screens. The geocoordinate is passed on by Supply Side Platforms (SSP) to advertisers' Demand Side Platforms (DSP) as part of a bid request. Third-party intelligence providers like Adsquare can enrich this location data in real-time with data about the context of the surrounding space.

From an advertiser's perspective this type of Proximity Targeting couldn't be simpler to activate. Pre-bid, the advertiser can select places of interest from a catalogue of spatial data, which are then uploaded via API integrations into the DSP prior to building and activating the campaign.

Using spatial data, a burger chain could select to target all customers in proximity of its branch restaurants or those on site of the competition. Similarly, a luxury watch company could target polygons with a concentration of wealthy households. A car brand could target areas with a higher than average rate of spending on new or pre-owned vehicles. At this point of time people are in no way

being targeted, only locations. No personal data is used and the privacy of individuals is in no way in question.

The location-based Targeting described above is a tried and tested advertising approach that already adds value to advertising campaigns. However, exciting developments in Proximity Targeting mean that the approach is becoming even more powerful at targeting specific audiences. That's great news for advertisers as it will help them offset the deprecation of MAIDs in the mobile space, but it will also open new opportunities to significantly improve the targeting of DOOH campaigns.

The first innovation in Proximity Targeting is the addition of time as a

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ADSQUARE'S TECHNOLOGY HAS ALLOWED US TO TAKE A STEP FURTHER BY SCORING DOOH SCREENS AGAINST OUR CHOSEN AUDIENCE AND IT HAS GIVEN US THE OPPORTUNITY TO ATTRIBUTE VISITS TO OUR CLIENT'S POIS AND OPTIMISE BEYOND THE USUAL DIGITAL KPIS MEASUREMENT.

SAGRARIO CARRASCO
Brand Lead at OMD

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data element. Data can be gathered in a dynamic way to provide intelligence on the context of a location over time. For instance, weather data can provide an hour by hour snapshot of what weather conditions will be like over the course of a day, allowing advertisers to choose frames and latitudes/longitudes on a granular basis based on temperature, precipitation, or pollen conditions. We are able to build weather-infused purchase intent segments such as gardening weather, health weather or barbecue weather. Think of a barbecue sauce manufacturer that wants to target users in locations, of which we know that the next day will be high in temperature and are therefore setting the scene for outdoor barbecues.



Where the latest iteration of Proximity Advertising really gets exciting is when geo-located audience data is added to the mix. Audiences in Motion are Adsquare's consumer mobility data-sets. Adsquare combines mobile audience data with SDK-derived background movement data and connects the corresponding audience segments to country specific geometries and OOH locations.

For each segment, Adsquare calculates indexes based on the ratio between all users seen within a geographic area and the desired audiences. These calculations allow Adsquare to score each audience segment for each geometry or D/OOH inventory and for each hour of the day. For full control about quality and reach, marketers are able to change the index value in Adsquare's self-service platform. Adsquare understands what parts of cities are more visited when and by whom, enabling marketers to run targeted ads in real-time with a lot more precision.

Imagine, for example, a sports apparel brand, being able to activate a marketing message on a digital billboard the moment a gym lover walks by, and then retargeting that same person on their mobile device moments later.

On the surface, it may sound like creating Audiences in Motion is only achievable with access to tracking IDs. In fact, the approach relies on statistical modelling, so it can be achieved with only a small volume of identifiers. In addition, Adsquare is increasingly unlocking the power of mobile network data through partnerships with telcos. Mobile network data, also known as spatial telco data, is cross-referenced movement and CRM data in an aggregated and anonymized form connected to a geographic level such as postal code. Spatial telco data helps programmatic advertisers to target the right local context without relying on cookies, Mobile Advertising IDs or other identifiers classified as personal identifiable information

(PII). As a result, the approach is fully GDPR-compliant and respects the privacy of consumers completely.

Combined, audience data and movement data allow for the indexing of where certain groups will be over-represented during certain moments of the day. Put another way, the approach means advertisers can see exactly where their target audiences will be at any given time. That means more relevant Out Of Home Advertising and the regained ability to provide personalised content to mobile users ■

ADSQUARE IS INCREASINGLY UNLOCKING THE POWER OF MOBILE NETWORK DATA THROUGH PARTNERSHIPS WITH TELCOS

ANONYMOUS WEB

LOTAME



Chris Hogg

Managing Director – EMEA, Lotame



**The Connected Future:
Preserving Addressability
Across the Global
Open Web**

With third-party cookies set to expire, marketers and media owners stand to lose a great deal. When Google flips the switch on third-party cookies, the remaining 60% of connections (based on the browser's market share) will effectively go dark. While the motivations behind these walled garden measures remain unclear, the result is further division in the ecosystem and an unequal playing field.

Audience addressability on what we prefer to call "the open web" is under enormous threat. Although no one will mourn the death of the third-party cookie, the challenges it creates for addressability have spurred an identity crisis in digital advertising. Without privacy-friendly and people-based tools, brands and media owners can't communicate and transact effectively in a post-cookie world. For its many faults, the third-party cookie did provide a bridge for connectivity and enabled brand marketer tools such as frequency capping, targeting, optimisation, and more, while also helping media owners maximise their yield and obtain higher CPMs. If our industry can't get identity right, marketers won't be able to understand or engage audiences at scale, which impacts customer loyalty, sales, revenue, and even the viability of their very business. And, media owners will lose important monetisation opportunities.

Finding a solution to identity is critical to the survival of the entire digital ecosystem outside the walls of Google, Facebook, and Apple. The IAB's Socioeconomic Impact of Internet Tracking February 2020 report found that if digital tracking ended without a

replacement, "there would be a shift of between USD\$32bn and USD\$39bn (£22.6bn–£27.5bn) of advertising from the open web to the walled gardens by 2025."

Identity is the Key to Unlocking Addressability

Identity tops marketer must-have investments, according to [research Lotame conducted in 2021](#). Marketers and media owners agree that identity graph solutions are important, with three-quarters of these planning to use one in the next six-to-twelve months. Further, three-in-five marketers agree that multiple identity solutions will be needed and they must be interoperable. Surprised? Marketers and media owners need options to grow their businesses, which is why we advocate for a portfolio approach to identity. Like any smart investment strategy, diversification hedges your bets.

It's Not "Either/Or" With Identity Solutions, But Rather "Yes, And..."

With the plethora of identity solutions available in the market today, it can be overwhelming to differentiate between them and to know which to test. No one can predict the future, but it's safe to say that no single identity solution will win, nor should it. Test across the portfolio to find the right mix of solutions to meet needs up and down

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WE WELCOME LOTAME PANORAMA ID INTO OUR IDENTITY MARKETPLACE, TO PROVIDE OUR CLIENTS INCREASED SCALE, AS WELL AS INTEROPERABLE REACH ACROSS CHANNELS, PLATFORMS, AND DEVICES.

SAID ANUDIT VIKRAM
Chief Product Officer,
MediaMath

”

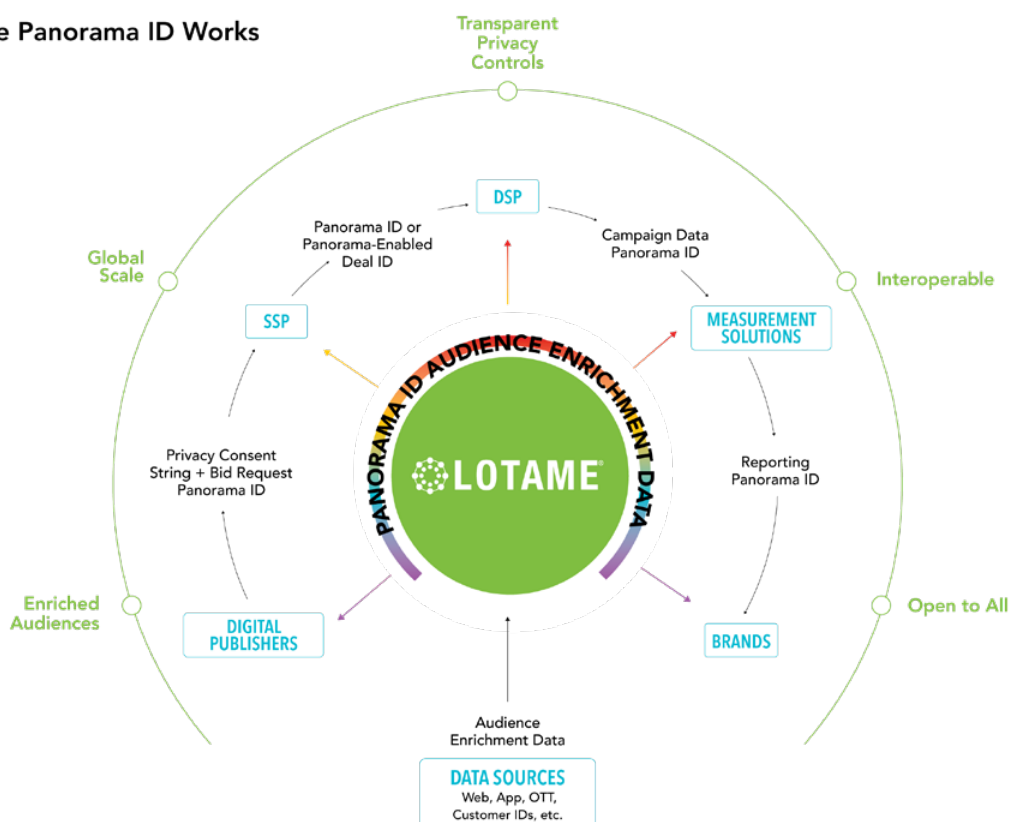
the funnel and drive the most yield for your valuable content.

So what are those solutions you should test? Identity solutions fall into two camps: authenticated (deterministic) and non-authenticated (probabilistic). Used together, they will give you the most reach and scale for your campaigns.

What's the difference? Authenticated, or deterministic, identity requires the user to provide a known piece of personally identifiable information, like an email address. To obtain that email, consumers are asked to log-in or register to a site/app in exchange for access to free content, deals, or other services. Because it can be tied to a person, it's a highly accurate solution and great for targeting and measurement. Additionally, user consent is easy to track.

However, early estimates expect the authenticated web to capture 10-20% of users. Scale is a real issue. Some large media owners have a clear advantage here, but the vast majority of media owners will struggle to drive authentication, while others have built their value around free and open content. Furthermore, some brands lack a direct-to-consumer relationship, making first-party data unavailable to them.

How Lotame Panorama ID Works



To capture the rest of the 80% of the open web, consider non-authenticated identity or probabilistic ID. This tech assigns a cluster of devices and browser signals to an ID that can be moved via established pipes into activation channels.

Probabilistic identity is the perfect complement to deterministic identity; it is data minimised with no email, home address, or phone number required, which also scores points for privacy.

Lotame Panorama ID: People-Based, Privacy-First, Open-to-All

At Lotame, we've been preparing for the cookieless world for years. It's a major reason why we built [Lotame Panorama ID](#), a global people-based, privacy-compliant, interoperable identity solution for the open web. Lotame Panorama ID is fully functional, operating across all browsers, including Chrome, collecting first-party data and enriching it with second- and third-party data across all screens. Our

probabilistic ID remains addressable within Google ad products via graphed first-party cookies, deal IDs and PMPs.

Consumer privacy, transparency and control are table stakes. Powered by our patented graphing technology, Panorama ID delivers robust, accurate and reliable connections in real time. Using IAB-approved methodology TCF Feature 3, Panorama ID will protect consumer privacy through active consent and reactive universal opt-out. Furthermore, Panorama ID is freely accessible and interoperable across platforms, browsers, and other IDs.

The open web offers a huge opportunity. However, it's crucial that our industry works together to navigate the future instead of building more walls. Without privacy-friendly and legally compliant identity management, marketers can't accurately understand, find, target, and message their customers. They'll simply spend where they can do those things

with confidence — such as Google. With Panorama ID, we're giving the marketplace an equal opportunity to compete, improve consumer relationships, and deliver outstanding, diverse, ad-supported content across the open web and connected devices ■

PROBABILISTIC IDENTITY IS THE PERFECT COMPLEMENT TO DETERMINISTIC IDENTITY; IT IS DATA MINIMISED WITH NO EMAIL, HOME ADDRESS, OR PHONE NUMBER REQUIRED, WHICH ALSO SCORES POINTS FOR PRIVACY.

FIRST-PARTY PLATFORMS AND PUBLISHERS

PERMUTIVE



Aly Nurmohamed
General Manager, Permutive



Publishers' first-party data is the new media currency

Publishers are a critical partner for advertisers; their partnership is set to become essential as the industry reframes itself around access to first-party data and ensuring all activity stays within privacy regulation.

Access and privacy are why walled gardens, meta-walled gardens, and first-party publishers will be a crucial part of the future advertising ecosystem. The walled garden concept, rather than what buyers currently associate them with (i.e. Facebook and Google), will see a change in sentiment as both the buy- and sell-side begin to benefit from their privacy features.

Publishers are a safe place to buy and sell media. They provide an environment where valuable first-party data can go in, but cannot leak out into the ecosystem, allowing advertisers to keep control of their data because the value exchange is between the buyer and the seller.

As Ciaran said in his article: "The industry is going to have to get used to more closed systems, as third-party identifiers and cookies get blocked by browsers and platforms."

20% is vital for publishers

The ExchangeWire article also states that "any platform that has first-party data at scale is going to be a strong proposition for marketers... this segment is going to attract that 20% of spend." Right now, publishers have the data, tools, and technology to build stronger relationships with advertisers, regardless of whether they're also looking to big tech to solve their challenges.



PERMUTIVE HAS ALLOWED LIVINGLY MEDIA TO UNLOCK NICHE FIRST-PARTY AUDIENCES AND UNCOVER TRENDS ON USER BEHAVIOUR, ENABLING LONG-STANDING RELATIONSHIPS WITH LEADING MARKETERS. BRANDS THAT WORK WITH LIVINGLY MEDIA REACH THEIR PRECISE, TARGET AUDIENCES, IN PREMIUM, BRAND-SAFE ENVIRONMENTS ACROSS BROWSERS, WHILE IMPROVING CAMPAIGN PERFORMANCE AND SCALE.

JONATHAN PENN
SVP Revenue



Publishers benefit from the walled garden concept; they've been building and seeing success from first-party data platforms over the past year. Business Insider's Saga is one example: the publisher uses its rich first-party data to make better recommendations for advertisers and partners in real-time – ultimately helping advertisers achieve their goals pre- and post-the oncoming 2022 data crash.

Another example of the power of publisher data is Livingly Media. After realising the accuracy and scale of their first-party audiences, one leading multinational advertiser increased their spend in the publisher by 5x. As a result, they were able to save

the advertiser money on third-party data costs and improve the scale, performance, and viewability of advertising campaigns.

Advertisers will continue to buy from publishers, and that 20% of spend will be an important part of their media plan.

Publisher first-party data is the new media currency

Those that have started testing with publishers' first-party data are seeing success. First-party data delivered 65% higher brand uplift for the Guardian, for example. And for luxury furniture brand Rimadesio, the Guardian was tasked with driving consideration for a new range of bedroom furniture. They created

a bespoke first-party segment for readers interested in art, architecture, interiors, and luxury, and the campaign saw consideration increase by 102% and an intent uplift of 79%.

This proves that the context and data capabilities that publishers have right now are powerful. However, a recent Forrester study of more than 100 advertisers and 100 publishers in the UK and US, commissioned by Permutive, shows that 41% of advertisers still rely mostly or exclusively on third-party data, and 36% are still building first-party data strategies.

BRANDS

“Which of the following best describes your organization’s current state as it applies to leveraging publishers’ first-party data?”

41% rely mostly or exclusively on third-party data to target their audiences.

ADVERTISERS SHOULD CHANNEL THEIR CONCERNS ABOUT THE FUTURE INTO BUILDING DIRECT RELATIONSHIPS WITH PUBLISHERS AND TESTING THEIR FIRST-PARTY AUDIENCES

Advertisers are worried about what’s to come; in fact, 73% are concerned about increasing privacy regulations. In addition, over two-thirds (70%) are concerned that consumers will decline consent to use their data for marketing. Publishers, however, are ready – 95% have started building their first-party data monetisation strategies.

Advertisers should channel their concerns about the future into building direct relationships with publishers and testing their first-party audiences. As marketers collect more first-party data of their own and explore second-party data deals, they will want a privacy-safe way to connect this data to publishers, both to understand their audiences better, but also to buy media for retargeting and prospecting.

Some are actively looking for ways to do this at scale through trusted publishers.

Publishers are already capitalising on this opportunity by building onboarding capabilities that do not compromise privacy and give full control to the data owner. They also ensure that the audiences they build with first-party data are converted into cohorts before being sent back into the ecosystem. Publishers today

are working towards this sustainable business model.

A priority for all data owners is to keep control of their data and not let it fall into the hands of third parties.

Publisher data will keep programmatic alive

Third-party data became a commodity, harvested by companies with no relationship to the end-user – neither the consumer nor the publisher’s audience. The complexity of the ecosystem became evident in ISBA’s Programmatic Supply Chain Transparency study, which showed that 15 advertisers had nearly 300 distinct supply chains to reach 12 publishers.

This is what makes first-party data, and the systems that allow the safe transaction of media based on this data, a gold standard for publishers of all sizes. Programmatic is not dead. The currency that fuels programmatic – publisher data – is changing. Publisher data is transparent, accurate, and from a direct source; it doesn’t come from an opaque aggregated dataset with no transparency.

Publishers can tell advertisers exactly how these audiences are created too. Plus, with walled gardens, that

data will be transacted in a safe environment, with greater controls for both.

Here are three areas publishers should focus on to set up for the future:

- As data owners with a one-to-one relationship with their audience, publishers are responsible for keeping control of that valuable first-party data.
- Any data that leaves the publisher domain should be anonymised and never aggregated.
- Publishers should build direct relationships with advertisers looking for safe ways to match and model their own first-party data.

This is an opportunity to create a digital advertising ecosystem where publishers are fairly paid for the value they bring, and advertisers can continue to reach audiences and succeed with data-driven campaigns – all while protecting the consent and data given by the user ■

SECTION 04 MEDIA CLIENT CONTRIBUTIONS

DOOH

IAB AUSTRALIA



Gai Le Roy
CEO, IAB Australia



The digital out-of-home market is an obvious winner for both media investment growth and innovation development going forward.

It is one of few channels that can transform with improved targeting, creative management and buying efficiency without having to account for huge structural audience changes.

It is also a market that isn't tied to cookies, IDFAs, or other market-wide common identifiers. The late entry to automated buying which was seen as an issue for the OOH market a year or so back could actually place it in a very interesting position. This is a true opportunity to develop new measurement techniques.

However, as an industry we need to develop to ensure that we develop standards and display responsibility

when using location data and particularly any camera embedded technology. It will also be interesting to see if the extraordinary growth of retail media, which includes strong DOOH offerings for many retailers, opens up extra revenue for other OOH vendors. It would be delightful to see some of the huge trade retail budgets flowing through to a range of digital marketing options ■

FIRST-PARTY PLATFORMS AND PUBLISHERS

INDEPENDENT PUBLISHERS ALLIANCE



Daniel Hodgson
Co-Founder, Independent Publishers Alliance



This post cookie-less world will have its growing pains but is there not an opportunity for publishers to take back more control?

Providing their users a safer environment to utilise content, but also move out the of race to the bottom and start being able to show their value to brands and agencies.

There are opportunities to come together as we are doing with our members at the Independent

Publishers Alliance, helping independent publishers to work together to find shared solutions to all their shared problems starting with post cookie strategy's. Working together to develop a post cookie opportunity for us to showcase our members deeply valued market data and offer a scalable solution that benefit both advertisers and publishes a like.

There will be a positive future from this, it may even bring a stronger and more cohesive relationships to a very

sybiotic market. Publishers who hold the audiences, who hold the rich first party data need to develop a deeper understanding of what they have. Agencies need to look further than the walled gardens, but alternatives need to be provided to them and finally brands need to accept that metrics will move and change but that success needs to be clearly defined and valued correctly ■

FIRST-PARTY PLATFORMS & PUBLISHERS

AOP



Richard Reeves
Managing Director, AOP



For some time now, in the programmatic era, advertisers' inclination was to focus on behavioural targeting — relying on cookies to track users then targeting or re-targeting them at the lowest denominator — with publishers an involuntary facilitator of this practice.

Ad agencies, advertisers and their tech partners would implement tracking pixels in their ads on premium publisher sites to track user data and build an ID of the tracking

cookies, subsequently targeting audiences in other environments, which did not benefit the publisher. Move forward to 2021 and publishers understand the value of their data, especially with a growing appetite for audience insights — partly fuelled by the realisation that behavioural targeting won't be possible with the demise of third-party cookies, and recognition of the importance of context and quality brand-safe environments.

If publishers want to be in control of their own destiny, they need to look at data beyond advertising. While advertising remains incredibly significant to publishers' revenue,

they've recognised the need to explore other ways to diversify their data streams. We have seen an uptake of publishers implementing membership models, subscriptions and paywalls to enrich their own first-party data, and even though there are transient users that can't be monetised in the same way, publishers are focusing on their core audiences to nurture data relationships. From this, publishers are working with third parties to build robust audience segments that are data compliant, which advertisers and agencies can buy to match against their own data, and target high-intent, engaged audiences programmatically ■

COMMERCE MEDIA

IAB SEA+INDIA



Miranda Dimopoulos
Regional CEO, IAB SEA+India



In a complex region of different cultures, language, GDPs, digital maturity, and technical infrastructure, we see time and time again homegrown e-commerce platforms blitz the Western alternatives.

In a soon-to-be-released regional research study into the buying behaviours of Millennials, in partnership with Carousell Group (one of the region's largest retail/recommerce players), we found that in every market we investigated — Singapore, Thailand, Philippines, Hong Kong,

Malaysia, and Indonesia — not only did the local alternatives lead, but by a margin that was far greater than that of all the Western alternatives combined; including Amazon, Sephora, eBay, and ASOS.

With the vibrant M&A environment in Asia, it won't be long before we start to see the convergence of broader retail e-commerce within the super apps creating unrivalled first-party data opportunities, and consumer profiles, than comparable Western platforms. This understanding of citizens allows for ripe advertising opportunities that cater to market nuances such as appetite for targeted lifestyle promotions, likelihood of

impulse buying with credit cards, effects of local religious events, and more. This, alongside the easy access to manufacturing via platforms such as Alibaba, is why the East has achieved accelerated growth and success in a far shorter runway than the decades long Western evolution. As local fintech is also exploding and facilitating localised micro payments, buy-now-pay-later and alternatives to traditional lending challenges, e-commerce in Asia is an area that will only continue to excel ■

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DEADLINE

28 May



FINAL
DEADLINE

30 July



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30 Sept



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4 Nov

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