A Cookieless Future: The World Post Cookies and MAIDS

September 10, 2020
1:00-1:45pm ET
Discussion Agenda

• Introducing Adstra
• Cookie Disruption
• IDFA Disruption
• Wrap Up & Questions

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Vice President – New Business
Adstra

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Head of Product – Identity
Adstra
Introducing Adstra
Adstra is changing the approach to drive value in the complex data & identity market

Disrupting the market by breaking down the barriers and orchestrating the use of data and identity.

<table>
<thead>
<tr>
<th>ECONOMIC</th>
<th>TECHNICAL</th>
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<tbody>
<tr>
<td><strong>Problem:</strong> Price seldom matches value</td>
<td><strong>Problem:</strong> Data often doesn’t work properly without intervention</td>
</tr>
<tr>
<td><strong>Our Response:</strong> Price based on Value realized</td>
<td><strong>Our Response:</strong> Cloud-based with persistent people IDs platform. Portable to clients’ environments</td>
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<table>
<thead>
<tr>
<th>SOCIAL</th>
<th>SERVICE</th>
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<tr>
<td><strong>Problem:</strong> Business executives hindered by fears and risks with use of data</td>
<td><strong>Problem:</strong> Most digital providers are SaaS models and therefore “allergic” to service</td>
</tr>
<tr>
<td><strong>Our Response:</strong> Privacy and Control by Design</td>
<td><strong>Our Response:</strong> Solutions based service approach to real barriers</td>
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Adstra: The 1st Data Bureau

As a Data Bureau, Adstra ORCHESTRATES Data solutions across Media and Technologies

- Focused on addressing loss in value creation from complexity challenges
- Persistency and validation at a person level
- Transforms one form of identity into any other
  - Activate across any media channel
  - Bridge the digital and terrestrial divide
  - Work beyond the 3rd Party Cookie
- Portable, secure, and modular approach to enable data and identity activation in partner or clients’ own technology
- Expertise to support design and execution through People and Experience
3rd Party Cookies: What are they?
Cookies – How it all started?

- The term cookie was coined in 1994 by Netscape employees who were working on an ecommerce application.

- The term is derived from “magic cookie” which is used in Unix programming.
Cookies – What are they and how do they work?

<table>
<thead>
<tr>
<th>Setting and Reading the Cookie</th>
<th>First-Party Cookies</th>
<th>Third-Party Cookies</th>
</tr>
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<tbody>
<tr>
<td><strong>Can be set by the publisher’s web server or any JavaScript loaded on the website.</strong></td>
<td><strong>Can be set by a third-party server (e.g., an AdTech platform) via code loaded on the publisher’s website.</strong></td>
<td></td>
</tr>
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</table>

**Availability**

| A first-party cookie is only accessible via the domain that created it. | A third-party cookie is accessible on any website that loads the third-party server’s code. |

**Browser Support, Blocking and Deletion**

| Supported by all browsers and can be blocked and deleted by the user, but doing so may provide a bad user experience. | Supported by all browsers, but many are now blocking the creation of third-party cookies by default. Many users also delete third-party cookies on a regular basis. |
Cookie Sync – The lifeblood of the advertising ecosystem

Within browsers, AdTech companies use third-party cookies to:

I. Identify users across websites in the same browser
II. Run behavioral advertising and retargeting campaigns
III. Target audiences via DSPs
IV. Measure the performance of ad campaigns

To be effective the cookies need to be connected and shared between the different AdTech vendors… The Cookie Sync
3rd Party Cookies: What’s changing?
3rd Party Cookies – Dying a slow death over the last decade

- Safari, Firefox have disabled 3rd party cookies by default
- Ad blockers prevent 3rd party trackers to run
- Individuals have largely moved away from desktop browsers to mobile apps, diminishing the value of 3rd party cookies
- Regulatory changes like GDPR and CCPA have further diminished the use of 3rd party cookies
- Google announced plans to eliminate 3rd party cookies in Chrome for good by 2021/22
3rd Party Cookies: What’s Google looking to do going forward?
Google has identified three future approaches

**Persistent Device Identifier**
- Browsers would create an ID similar to the Mobile Device ID for desktop devices to access from a Device Operating System, and expose for legitimate business purposes
- This would give a cross-browser ID but require the OEMs to collaborate with browser manufacturers

**Persistent Browser Identifier**
- Individual browser manufacturers would create a persistent ID for the browser
- They would provide access to this ID for legitimate business purposes

**Privacy Sandbox**
- Browser manufacturers move from an individual browser-based identifier and instead enable a “privacy sandbox”
- Entities can request a cohort of “users”/”identifiers” that meet a certain criteria for different targeting and marketing purposes
3rd Party Cookies: What’s the impact?
The Impact:

• The exchange of free content for relevant advertising, has been enable by using cookies as a key technology

• Walled gardens like Google, Facebook, and Amazon will demand higher premiums from Advertisers for limited access or audiences

• Delivering relevant ads on open Advertising platforms will lose scale, accuracy, and effectiveness

• A new open and effective identity solution must be developed and embraced to re-enable the content for ads value exchange that drives the open media market
Advertising ecosystem is racing for an alternative

- The Trade Desk (Unified ID 2.0)
  - Both relying solely on authenticated traffic (email hash) to be used as the replacement identifier.

- LiveRamp (ATS)
  - Both relying solely on authenticated traffic (email hash) to be used as the replacement identifier.

- Adstra is taking a more holistic approach of multiple identifiers
  - Relies on partners to drive activation
IDFA Disruption

What is IDFA?
IDFA and AAID enable the mobile advertising ecosystem

Apple IDFA (ID for Advertisers) and Google AAID (Android Ad ID) – also known as MAIDs (Mobile Ad IDs), are the main identifiers for the ad ecosystem in mobile app targeting

- MAIDs capture precise location data and helped create a whole group of location-based targeting and measurement companies

- MAIDs capture user authentication and email hash data which became a key ingredient in device graph products

- MAIDs are one of the key persistent identifiers to attach consumer profile data and propagate across different ID oriented activation services
IDFA Disruption

What is changing?
Evolution of the IDFA

iOS 6 - Introduction of IDFA

iOS 10 – Introduction of NULL IDFA w/ Limited Ad Tracking

Limit Ad Tracking

Advertising
Scope of Changes with iOS 14

• Detailed privacy disclosure on App Store
• Opt-In Notification at time of app initiation

• A new toggle to enable precise location data capture within settings for each app
• This significantly reduces the flow of location data
IDFA Disruption

What is the impact?
Impact of IDFA disruption

1. Opt-In requirements for IDFA will significantly reduce the supply of these identifiers in the ecosystem.

2. Companies that solely rely on 3rd party data sales tied to MAIDs might struggle to stay afloat further reducing our supply.

3. If Precise location data is disabled by a large portion of iOS users, this would impact companies who use location based audience generation and foot traffic attribution.

4. There are predictions that 80-90% of the app initiation events will block IDFA availability, which would be a significant loss to the open advertising ecosystem in the short term, until viable alternatives are established.
Going Forward: How to identify the best answer?
The 5 Ps

Any new Identity solution for people-based marketing needs to abide by the following core principles:

1. Precision
2. Persistence
3. Prevalence
4. Portability
5. Privacy compliance
# Identifier ratings – Post 3rd Party deprecation

<table>
<thead>
<tr>
<th>Identifier</th>
<th>Precision</th>
<th>Persistence</th>
<th>Prevalence</th>
<th>Portable</th>
<th>Channel</th>
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<tbody>
<tr>
<td>3rd Party Cookie</td>
<td><img src="strong.png" alt="Strong" /></td>
<td><img src="weak.png" alt="Weak" /></td>
<td><img src="weak.png" alt="Weak" /></td>
<td><img src="weak.png" alt="Weak" /></td>
<td>Digital</td>
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<tr>
<td>1st Party Cookie</td>
<td><img src="strong.png" alt="Strong" /></td>
<td><img src="weak.png" alt="Weak" /></td>
<td><img src="strong.png" alt="Strong" /></td>
<td><img src="weak.png" alt="Weak" /></td>
<td>Digital</td>
</tr>
<tr>
<td>Name/ Address</td>
<td><img src="strong.png" alt="Strong" /></td>
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<td><img src="weak.png" alt="Weak" /></td>
<td><img src="weak.png" alt="Weak" /></td>
<td>Postal</td>
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<td>Email Hash</td>
<td><img src="strong.png" alt="Strong" /></td>
<td><img src="weak.png" alt="Weak" /></td>
<td><img src="strong.png" alt="Strong" /></td>
<td><img src="weak.png" alt="Weak" /></td>
<td>Email, Digital</td>
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<tr>
<td>Digital ID (MAID, IP, CTV)</td>
<td><img src="strong.png" alt="Strong" /></td>
<td><img src="weak.png" alt="Weak" /></td>
<td><img src="strong.png" alt="Strong" /></td>
<td><img src="weak.png" alt="Weak" /></td>
<td>Digital</td>
</tr>
<tr>
<td>Combined Adstra approach</td>
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<td><img src="weak.png" alt="Weak" /></td>
<td>Omni Channel</td>
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*Yellow = current*
Thanks for your Time

Questions

You can always reach us later @ Connect@Adstradata.com