



The Multiple Views of the Identity Ecosystem

A Marketer's Guide to Navigating A Crowded Field

adstra

the new **ideal** in data

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All the discussion around the deprecation of the third party cookie has given rise to a new ecosystem of identity solutions, each vying to provide a durable alternative to the cookie for the purposes of targeting and measurement. And while Google has delayed the demise of the 3P cookie, we should not take this as an end to the challenge, but rather a reprieve. Time to solve the problems in thoughtful and effective ways vs the reactionary, hope and see what happens approach many brands had been taking.

The new Identity ecosystem is complex, untested, and under constant change as privacy regulations and marketers needs evolve. At present, many marketers are struggling to understand where this growing list of solutions plug into their efforts, which work together seamlessly, and which, by contrast, require additional translation and intervention.

With marketing spend shifting into digital channels, and the growing shift to DTC marketing - both accelerated by the pandemic - customer identity has emerged as a critical enterprise asset that brands must own and control. And yet, new privacy and security concerns have created phobia and paralysis among brands when it comes to managing, orchestrating, and activating Identity for marketing purposes.

Solving for a cookieless future requires more than just integrating with UID or another major identifier; as marketers begin to tackle Identity Management, they find there are challenges that emerge at every step, and gaps that still need to be addressed.

This whitepaper helps marketers understand the critical capabilities that require a strong Identity strategy, and to provide different views of the market that will help them navigate the identity provider landscape and better map solutions against their needs.



TOPICS:

- Identity
- Marketing Process
- Identity Tech Capabilities
- Provider Incentives
- New Acronyms

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View #1: Thinking holistically: Where does identity apply?

Cookies have served as the primary linkage in the digital ecosystem for over a decade, and there are few elements of digital marketing today that do not in some way depend on them.

Brands need to rethink the full scope of their digital marketing operations from the ground up, and isolate the specific functions and processes that will require new identity-driven solutions to function in a cookieless environment. Data driven marketing does not work effectively without accurate and consent based identity throughout each of the primary marketing operations activities.

Marketing Operations Activities



TV / OTT DIGITAL MEDIA EMAIL WEBSITE

Marketer's 5 Identity Related Challenges:

Ingestion: Ability to ingest and link customer records across platforms and technologies to avoid data duplication and/or leakage

Targeting + Activation: Ability to recognize individuals and activate against them consistently across media (connect digital to terrestrial identity)

Personalization: Ability to target audiences and personalize ads and creative messaging effectively post cookies

Attribution + Measurement + Optimization: Ability to do media attribution/ analysis to optimize marketing spend

Privacy: Ability to adhere to privacy and regulatory concerns

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SIDEBAR

Don't Sit on The Sidelines

Perhaps this is because very few brands have embarked on a serious consideration of this question.

According to a recent IAB survey, only 8% of brands are working directly with ID solutions providers, compared to a sizable majority of agencies that are.

This data point is indicative of a broader trend: namely, that ID

resolution is largely something that marketers don't see as their problem. It's something they are hoping the supply side will figure out for itself. And as a result, there's a notable lack of urgency, literacy and awareness on the brand side when it comes to identity solutions.

That's a dangerously assumptive position for brands to take. While it's true that, over the next few years, the ecosystem will eventually coalesce around certain solutions over others, there is not going to be a single currency like the cookie that will emerge as a preeminent and universal standard. Marketers will always face a diversity of options for targeting, activation, and measurement, whether those be cohort-based, PII-based, hashed email-based, contextual, or what-have-you. The responsibility for securely and effectively leveraging that diverse toolset will ultimately fall on the brands themselves. And right now, very few brands have a firm grasp of how to take on that challenge.

The future of media is omni-channel, and by definition, these channels will operate on a divergent set of standards and linkages for identity. For brands, the question is how to maximize their interoperability with these different channels, ensuring that they have the infrastructure that allows their identity assets to be securely portable across these different environments. Looking out on the fractured and murky identity market, it's difficult for brands to assess what technologies can help them really do that vs. those that they can safely disregard as being a problem for the supply side.



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View 2: Data Gaps In Panel vs People-based Marketing Processes:

Even before introducing the issues of data deprecation, today's approaches to identity management are primarily not "people-based", resulting in several data gaps that lead to suboptimal marketing performance. Too often marketers plan and optimize their media spend based on extrapolated data from smaller subsets of audiences, resulting in lower degrees of accuracy and reliability. This lack of connection to an individual and focus instead on panel-based, measured media is also why the impending data deprecation is creating a greater threat to today's marketing processes.

In other words, the cookie-based marketing strategy was already suffering from its shortcomings, well before cookies began their accelerated march toward obsolescence. To solve these gaps, marketers have always had to consider a number of identity data processes, accessible via multiple providers - and now that list is expanding as deprecation widens the gaps even further.

A people-based approach requires a rethink on most of your existing marketing solutions. Going back to our identified data gaps in the traditional marketing processes, a true people-based approach should drive significant added value to your marketing ROI.

Gaps in today's measured media approach to marketing



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	DATA	IDENTITY
DIGITAL	Providers of anonymous signals such as: intent, interest, location	Providers of digital identifiers only: Cookie, IP, MAID, CTV
PII	Providers of people-based data such as: demographics, behaviors, purchases	Providers of terrestrial identifiers such as: name, address, email, phone

View #3: Identity Tech Capabilities: What do I need to know?

The purpose of View #3 is to help you to understand how the different providers fit within the identity landscape. Do they operate in the terrestrial (pii) or digital ecosystem, and are they about connecting data or identity? Today's providers likely only offer only a portion of the patchwork of solutions needed to achieve a people-based foundation for the cookieless future.

Today, on average, brands are sending their data to 4+ point solutions to help build the full connection needed to support their broader omni-channel marketing needs. This multi provider approach reduces transparency into the validity of the audience and increases overall business risks and inefficiency.

You will often hear discussions around the differences between deterministic and probabilistic matching. Some industry provider maps have gone so far to use this criteria to distinctly classify the different ID providers. And while they are different, it is not correct to say that one is better than the other. It is more about multisourcing any connection and establishing a confidence level on the match. Multi people can be tied to a single household, desktop, email, IP address; it is the cumulative combination of cross-referenced identity data points that builds confidence in accuracy. Each Brand needs to assess for themselves the appropriate level of confidence required to effectively market and manage customer interactions. For example, financial services marketers, who care about individual risk, will likely need a far higher level of identity confidence than an apparel retailer who cares simply about fashion interest.

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View #4: Understand Vendor Incentives + Motives:

This view is to understand how identity providers are (or are not) set up to support your business model, and whether their incentives align with yours. Is there interoperability between technologies and do they enable the outcomes sought? The cost model behind some of the providers in the key marketing processes will present significant limitations to their applicability and scalability. Misalignment may hinder your

long-term success as change in the ecosystem can easily change a provider's profitability and in turn limit their investment to keep up. The end result is loss of scale, speed and/or accuracy over time.

Alignment can accelerate a Brand's ability to adapt and potentially create opportunities at the expense of those who cannot adapt. Each provider, by definition, picks a primary business model that drives their profitability. As a Brand, the question you must ask is how flexible the provider is in their model to ensure it aligns with your model. As a Brand your model is what matters first.

Business Alignment Questions

What is the primary driver of your provider's incremental profit? Is the driver incremental people resources, margin on media sales, added seat licenses, or tied to business outcome? Do they match yours?

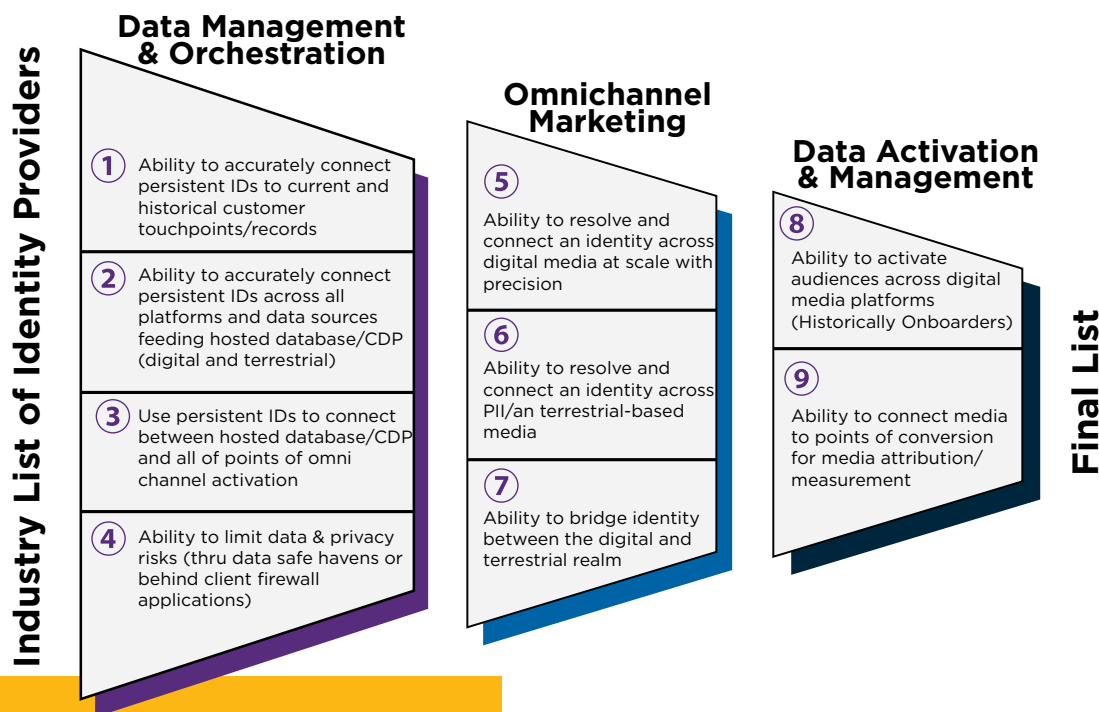
Is there an incentive of data quality and accuracy embedded in your provider's technology or services?

Are your provider's operating costs fixed or variable? Are they so substantial that they limit flexibility in pricing and investment?

Is your provider focused on a sole issue, such as data protection or decision speed vs the entire executional process? Does this focus limit your ability to truly execute your programs at scale? Does your provider allow for the flow of data both ways between brand and media platforms, or do they just enable

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Identity Management: 9 Screening Questions



View #5: Mapping Vendors Against Needs By Asking Tough Questions:

View #5 provides a list of valuable criteria designed to help marketers assess the scale and reach of an identity provider in supporting their marketing activities. There are numerous ways to look at how identity is resolved and managed in one's marketing processes. And while it is important to start with one's marketing processes to identify areas of needs, it is equally important to understand the tactical components of what providers do.

Here are nine screening questions, covering each part of the marketing process, designed to help marketers get more informed about the available solutions.

These questions are all driven by the need to assess the scale and reach of an identity provider in supporting your marketing activities. Scale and reach include both audience access and marketing processes covered. With the ecosystem under constant change, it is also critical to understand the flexibility of each provider as well to ensure long term operability and effectiveness.

Ultimately, brands will need to establish their own fluency with the identity ecosystem and how it operates. The forthcoming deprecation of cookies is a forcing function for this transition - but it is not the only incentive. The promise of people-based marketing, once reserved for early adopters and sophisticated advertisers, is now table stakes.

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View #6: Is the demise of the third party cookie still a reality:

The recent announcement by Google that they are delaying taking action on third party cookies until 2023 came as a relief to many in the marketing world as no real answer to the question “what’s next” had emerged over the last two years. From our perspective, the driver behind the announcement was the growing government litigation around the world against Google as the realization was setting in that the end of the cookie did more to hurt the consumer, by giving Google greater control of the ad ecosystem, than help the consumer through a perceived improvement in individual privacy. We do expect

there to be some lengthy anti-trust legal battles over the coming months with Google, but in the end there will be some resolution that in turn will brings us back to addressing consumer privacy rights and the use of a third party cookie. The long-term cookie outcome, however, may be different than expected today. We don’t really know what of cookie technology will stay or go. As the market and regulators revisit the role of the cookie and its impact on privacy rights, the best answer for brands will always be to build an identity solution that allows them to operate in the new ecosystem in a safe and compliant way. Control of identity management and the ability to evolve with any identity identifiers is still going to be required in any scenario to secure one’s long-term success.



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SIDEBAR

A FLoC of New Acronyms

TURTLE-DOV

Two Uncorrelated Requests, Then Locally-Executed Decision On Victory) - Google - (Auction performed in browser)

SPARROW

Secure Private Advertising Remotely Run On Webserver
- Criteo - (Auction performed at a 3rd party “gatekeeper”)

DOVEKEY

- Google - (Auction performed in browser, but audience membership is key value pair based)

PARRROT

The Publisher Auction Responsibility Retention Revision Of TurtleDove
- Magnite - (Auction performed at Publishers (or SSP/Ad Server))

End Vision: Finding the answer that works for your Brand

In the end, given the complexity of views that we have shared and the needs of each Brand, there does not exist a complete singular end vision around identity. What does come forth, however, is the need for every Brand to have clear control of the Identity Spine that drives their end solution. This “spine” ensures that Brands maintain consistency and quality in how individual data is brought together, be it from a known or anonymous individual, adhere to the data sharing permissions that and individual or governing body may require, and reduces the risks of data leakage or theft by limiting the exposure of Pii outside a Brand’s technological firewalls.

At Adstra, our vision has been to reimagine how Marketers work with Data and Identity and build solutions and partnerships across the ecosystem that increase the overall effectiveness and value of Data. Helping Brands understand their data challenges like those presented here, and finding answers that work for each Brand, is our metric of success. This is why we became the industry’s first Data Bureau, helping Brands better Orchestrate the use of Data and Identity to drive value and limit risk.