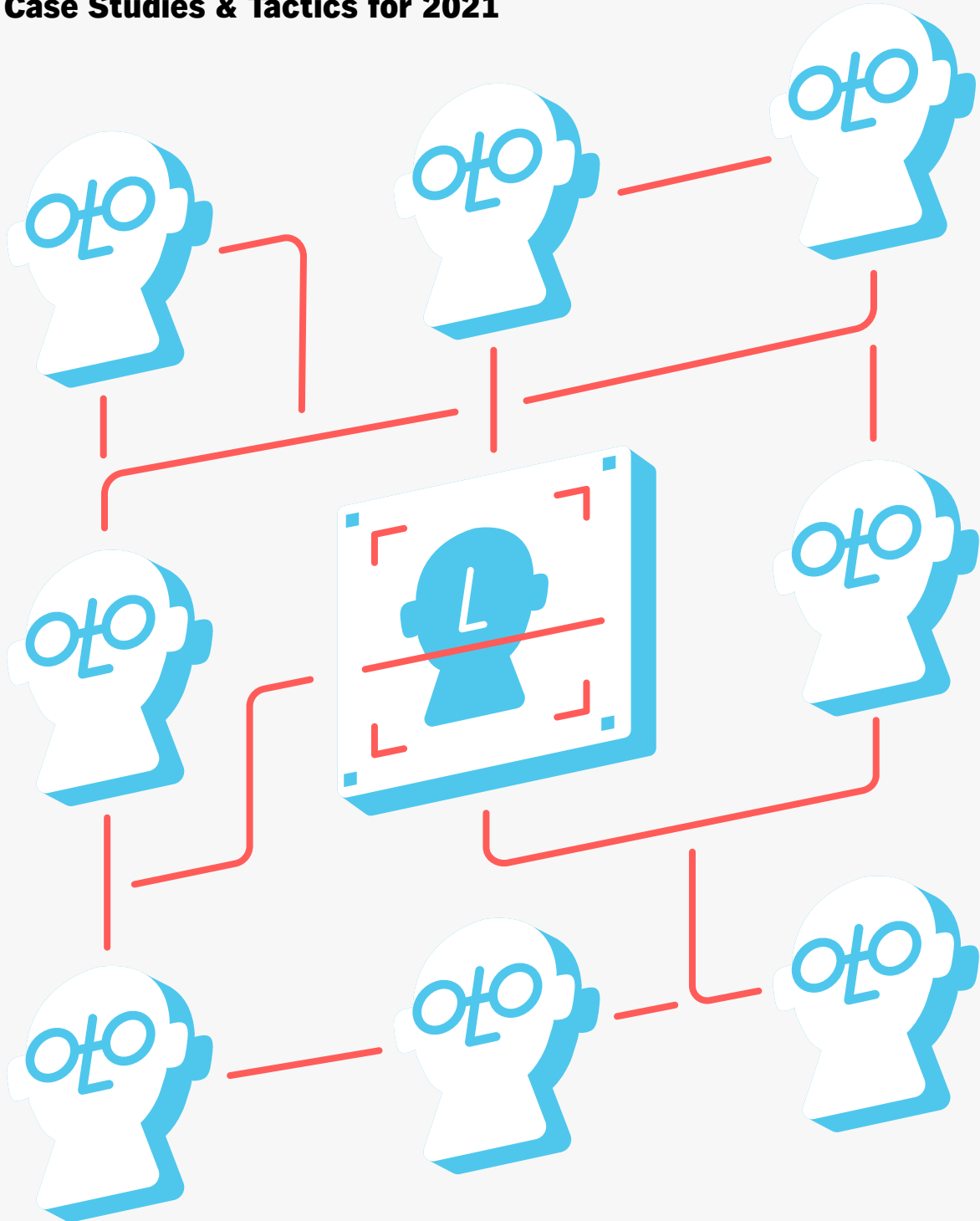


Publisher and Identity Resolution

Case Studies & Tactics for 2021



Topics covered in this report

1.

ID solutions that publishers have tested that have proven successful



2.

Best practices and considerations for approaching first-party data and targeting



3.

Qualities that publishers should look for in ad tech partners to help them prepare for post-cookies addressability



The ability to create addressable audiences with third-party cookies will soon be a publisher practice of the past. With third-party cookies set to be phased out by Google in 2022, and Apple's IDFA privacy updates already taking effect, web and mobile app publishers in 2021 are beginning to take — or, at the very least, they are thinking about — new approaches to addressability.

Ad tech vendors with alternative ID solutions designed to help identify and track digital audiences in consumer privacy-compliant ways are a key component in helping publishers navigate a complicated journey of testing, testing and more testing. The SSPs providing these solutions are also essential in helping publishers maintain and protect their revenue streams and ROI, now and in the future.

With expert insights from the vendor and publisher side, this report highlights how tech partners are helping publishing platforms tackle identity resolution right now. We'll look at strategies that have proven successful for publishers, roadblocks to consider in the web and in-app space and the qualities publishers are seeking in tech partners to achieve success in a cookieless future.

ID resolution strategies — the payoff so far

It is important for publishers to remember that there will not be a one-size-fits-all addressability solution once cookies are gone.

“Identity is such a complex space that we’re helping our customers navigate,” said Tom O’Hara, regional vice president of customer success at PubMatic. “Identifying, testing and adopting the portfolio of solutions that delivers for publishers – and their customers – is going to be crucial. I don’t think this is a zero-sum game by any means.”

Freestar, a tech company that helps publishers such as Fortune and Uproxx maximize ad revenue, has been experimenting with alternative identity resolution tactics for more than a year. Their goal? Respond to the addressability challenge presented by the impending loss of the third-party cookie.

Matt Burgess, vice president of revenue operations at Freestar, said the company needed a solution that would allow his team to test numerous identity modules without taxing their in-house engineering resources.

To implement an integrated identity solution, Freestar partnered with PubMatic to use Identity Hub — built on the open-source Prebid User ID Module — and has been able to experiment with six identity modules. The six modules Freestar is testing right now are The Trade Desk’s Unified ID, Criteo ID, Pub Common ID, Identity Link ID, BritePool ID and Parrable ID.

One module with which Freestar found success is The Trade Desk’s Unified ID, which creates identifiers by using consumers’ anonymized email addresses, gathered from users logging into a website or app. A month into using The Trade Desk’s Unified ID, Freestar saw CPM lifts for that particular module as high as 68%. Since launching at the end of 2020, the company’s total CPM lift has averaged between 50% and 100% in cookieless environments.

“For us, it’s just staying at the forefront of what identity modules are gaining the most traction and adding the most value,” Burgess said. “It’s really about scale and efficiency for us, and being able to trust [that ad tech vendors] will have the most up-to-date, latest and greatest identity solutions available to us.”

Tactics summary: Getting started with identity solutions

Freestar succeeded by scaling identity solutions across the company’s entire operation — meaning that the open market supply can access every new module once it is added. The identity modules are also accessible to other SSPs.

Constant collaboration with tech partners, particularly in being open to testing new modules on an as-needed basis, also drives identity solutions.

Turning to key partnerships helped Freestar boost efficiency. In 24 hours, the company can activate a new identity module and see it passed into the open bid stream.

Being able to efficiently package and use data to create a target audience is essential. Publishers that are working with data sets should make sure their transactions occur within a Deal ID, a unique identification number used to match publishers and advertisers individually. This is optimal because it makes it easier for publishers to identify advertisers interested in their inventory and to invite them to buy it.

The in-app space is relying on anonymized signals

Apple's new [iOS 14.5 update](#) requires apps to request permission from users before they gather data across multiple services or sell personal data to brokers for advertising purposes. The tracking notifications will undoubtedly minimize data sets and complicate attribution and measurement for publishers.

Verve Group, an ad platform that offers programmatic solutions for app publishers, is helping clients monetize inventory in a secure and privacy-focused way by creating anonymized audiences directly on user devices. Instead of relying on consumer log-ins and PII data, anonymized solutions create audiences through behavioral and contextual data obtained locally on devices. The platform then compiles these signals to create an anonymous profile of a user that publishers can target.

The company is also helping publishers monetize authenticated users that have consented to IDFA opt-ins or passed through privacy-focused ID providers and solutions by SSP partners.

"The internet has always been split between the anonymous and authenticated versions in one way or another," said Anish Aravindakshan, head of product marketing at Verve Group. "It's important that we build and support solutions that cater to both audiences, so that from an advertising perspective, we can achieve 100% addressability."

To build anonymized audiences, Verve Group layers device data, app metadata and advertisement interactions to probabilistically deduce user qualities like age groups, gender and interests. The anonymized audiences are built within the user device through a machine learning model that's shipped in Verve Group's SDK.

Aravindakshan said that beta testing the anonymized strategy with a few of its in-app publishers, his team has seen an average of 75%–80% efficacy rates. He noted that the industry will gradually achieve better targeting efficacy — and more precise performance metrics — with more adoption and scale of anonymized and authenticated solutions.

"We will be working closely with the partners to ensure that they do not waste advertising budgets on random or blind targeting," Aravindakshan said. "[We want them] to focus on testing authenticated and anonymized solutions, which could deliver higher ROI while being on the right side of the privacy-regulations enforced by platforms and governments."

Tactics summary:

- For Verve Group, selecting a group of app publishers open to understanding how they could convert users into anonymized audiences was key to successful beta testing.
- Until campaigns (relying on authenticated or anonymous data) fully shift from beta tests to running in bulk, Verve Group's objective is to educate publishers and advertisers on the benefits of these solutions and offer support in transitioning away from an IDFA strategy.



What qualities should publishers look for in their tech partners?

As the case studies in this report show, to prepare for the addressability journey ahead, successful publishers are focusing on educating themselves now and putting resources in place to be able to tackle a cookieless web going forward.

It will be crucial for publishers to form partnerships with vendors that have resources to protect revenue and will be able to sustain business operations for long-term success.

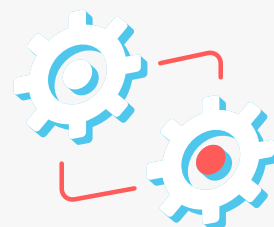
If publishers have not already chosen ad tech vendors to help them navigate identity resolution strategies, it is imperative they choose a partner that is aware of present and future challenges. Vendors should be aligned with what is happening in the industry as it heads toward a post-cookies future and spending money on areas that will need support.

As publishers begin to approach new identity solution strategies, here are some takeaways they should consider, as well as qualities they should look for in a tech partner:



Vendors with a broad set of ID partners that can simply and efficiently integrate new solutions.

Having a broad set of ID partners also contributes to speed, efficiency and ease. “You want to ensure that your ad tech vendor provides that agility and works hard on your behalf, so you don’t need to tax your own internal resources,” said Burgess at Freestar.



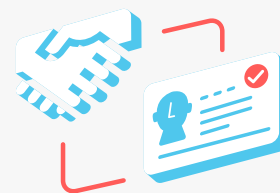
Partners that have the capacity to handle the contract process and code maintenance.

Since many ID modules are still very new, they will require extensive maintenance. Partners who can successfully manage these modules on the backend—including open source—will give more space for publishers to focus on creating valuable content for users.



Vendors that operate at the appropriate scale for a publishers' reach.

Aravindakshan said publishers should look for vendors that cover all regulations and privacy compliance requirements. The goal is to work with identity providers that meet a demand that’s as global as the publisher needs it to be.



Partners who demonstrate they have knowledge and resources dedicated to identity resolution.

Publishers should seek vendors that have invested in building the technology, infrastructure and analytics reporting necessary to succeed in cookieless addressability. Furthermore, vendors that are working with players such as Prebid, IAB Tech Lab and W3C will have more skill when it comes to developing scalable solutions.

About PubMatic

PubMatic (Nasdaq: PUBM) delivers superior revenue to publishers by being an SSP of choice for agencies and advertisers.

PubMatic's cloud infrastructure platform for digital advertising empowers app developers and publishers to increase monetization while enabling media buyers to drive return on investment by reaching and engaging their target audiences in brand-safe, premium environments across ad formats and devices.

Since 2006, PubMatic has been expanding its owned and operated global infrastructure and continues to cultivate programmatic innovation. PubMatic operates 14 offices and eight data centers worldwide.

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