

The Publisher's Guide to Audience Addressability

Preparing for the post-cookies future



Topics covered in this report

1.

The implications of a cookieless future

2.

Tracking unique IDs at scale

3.

The role of the value exchange

4.

Managing multiple devices and reducing redundancies

5.

Steps publishers and buyers should take to prepare



Third-party cookies will soon no longer be a viable option for publishers. Once the common coin for monetizing site viewers by leveraging non-personal identifiers, the days of using third-party cookies to build a profile of user interests — otherwise known as addressable audiences — are soon to be the past.

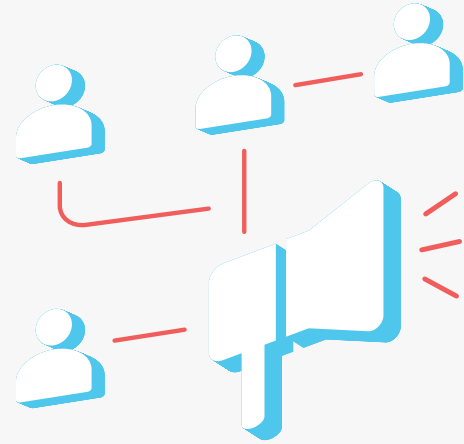
Some search engines, including Mozilla's Firefox and Apple's Safari, have already phased out cookies, and Google Chrome will eliminate the identity trackers in 2022. While walled gardens like Google are proposing ad-targeting

alternatives such as the [Privacy Sandbox](#) within its own browser, players across the industry are questioning the technology and whether it will hinder competition in digital advertising.

In the absence of cookies, with uncertainty swirling, publishers will need to have new, privacy-compliant strategies in place to collect and use consumer data. And they'll need to create new methods for managing and tracking unique identifiers if they want to continue to reach people with relevant ads.

To better understand where publishers stand in their addressability strategies, PubMatic surveyed nearly 70 publisher employees working in ad tech operations, ad business development and programmatic monetization roles. This report highlights what they said, and puts a lens on how publishers and buyers can approach audience addressability in a post-cookies world — specifically, the challenges of tracking and managing IDs, mitigating cross-device redundancies and the outcomes of achieving cross-channel insights.

Publishers and advertisers need to act in the short term



The deprecation of third-party cookies presents a new challenge to which technology vendors, publishers and ad buyers are responding. In preparing for post-cookies audience addressability, publishers need to keep two challenges in mind: using first-party data to reach audiences at scale and the ability to create and measure targeting segments.

Andrew Baron, senior vice president of identity and marketplace at PubMatic, explained that the open web will benefit from better quality data as publisher teams shift from using third-party cookies to more persistent personal identifiers.

“Walled gardens have long enjoyed this data advantage, while the open web has always had a content-quality advantage over the UGC in walled gardens,” Baron said. “As the open web re-architects to create stronger data assets, its publishers will be well positioned as an advertiser’s preferred channel.”

And while a number of industry bodies and independent identity resolution companies are working to solve this problem for both publishers and advertisers, the project will almost certainly fall in the short term to marketing teams themselves. With that in mind, Paul Bannister, chief strategy officer at CafeMedia and board member at the IAB Tech Lab, said that publishers should take steps now to protect their first-party data and develop privacy-by-design principles. There is a balance to be struck.

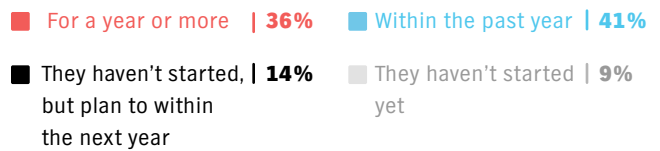
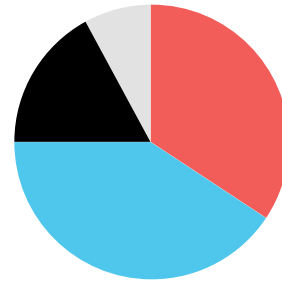
“As we go into this future world — whether it’s ID, cohort or contextual data — publishers should be very thoughtful about the right ways to expose their data, in ways that don’t commoditize what they’re doing, but do give access to buyer needs,” Bannister said.

How publishers are responding to a post-cookies landscape

While the need for solutions to offset eroding tool sets is clear, it's also evident that the effort is underway. Publishers are creating new addressability standards – ones that will be sustainable while delivering additional value to consumers. Our survey found that 41% of publishers have been working with solutions within the past year, and 36% have been working with solutions for a year or more.

For publishers, solutions are underway

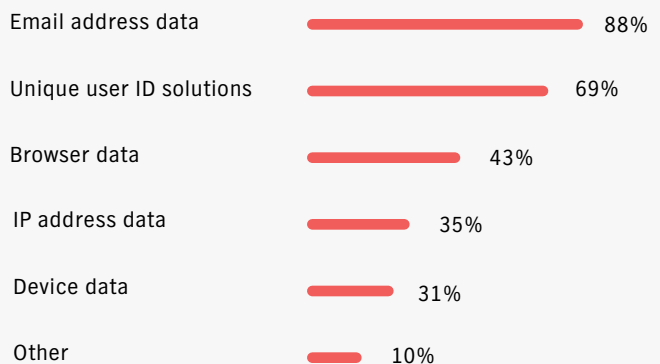
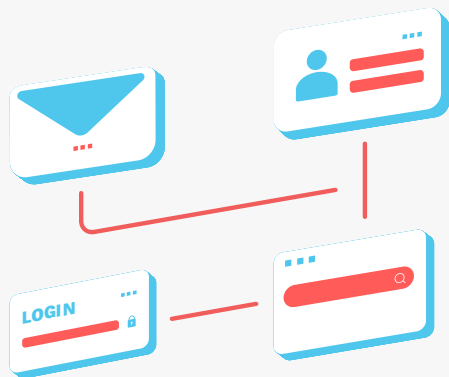
Q: How long has your company been working on addressability solutions?



The solutions and data sources publishers are pursuing include email address data, unique user IDs, browser data, IP address data and device data. A majority of survey respondents cited email address data as the most widely used addressability solution.

Publishers are pursuing alternative solutions

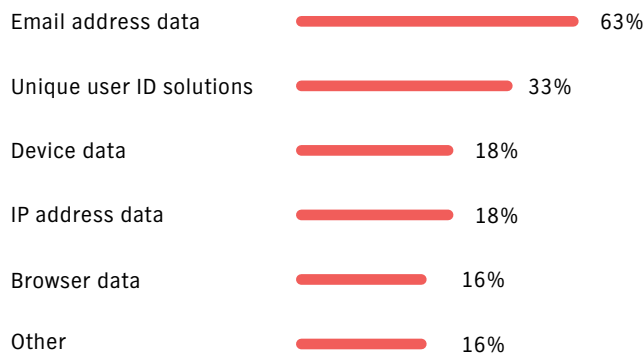
Q. What tactics are you pursuing to help solve addressability challenges? Select all that apply.



Addressability solutions that appear to be most effective track right along the lines of the ones being most commonly pursued – email and unique user IDs leading the list.

Addressability solutions success in 2021

Q. Which solutions have been most effective so far when it comes to solving addressability challenges? Select all that apply.



More than half of our respondents are pursuing unique user IDs, but less than half are finding success with this solution. This could mean that their pursuits are early stage and not yet reaping widespread results. Indeed, among respondents who included “other” in their survey answers, the majority said it was too soon to make a definitive evaluation.

As we’ll explore later in this report, some publishers are turning to tech vendors capable of helping them better achieve scale and tackle cross-site obstacles when using unique IDs as a strategy.

What is a unique user ID?

The unique user ID, also known as a persistent identifier, is formed using deterministic data that publishers gather from user log ins. For example, if a user signs into an email, social media or other online account – and remains signed in – publishers can better identify that user wherever they are on the web or on mobile.

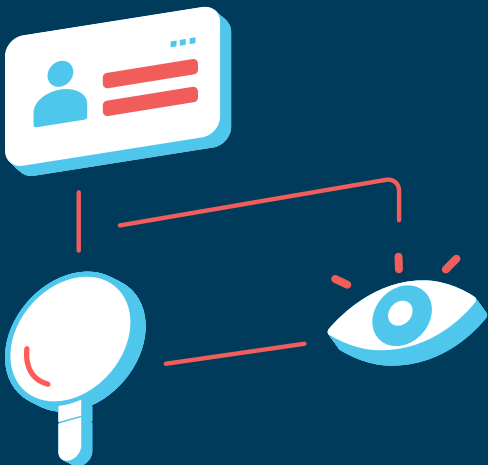


Tactics summary: Getting started on addressability

- In the near-term, leaning into email address data and unique user IDs shows the greatest promise when it comes to addressability solutions.
- Further evaluation is still necessary — not all publishers agree that the verdict on top solutions has been reached.

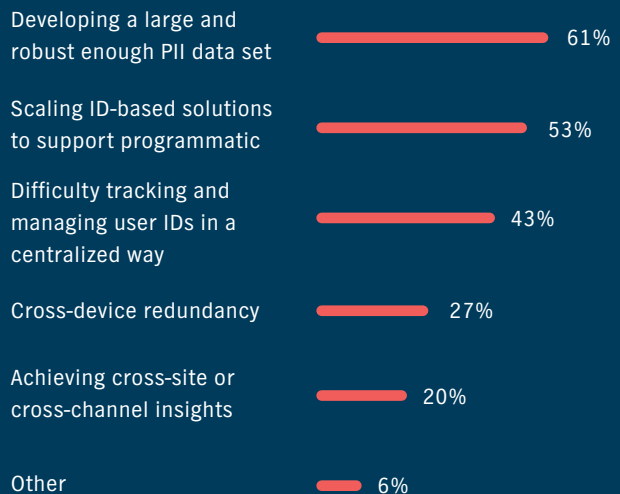
The challenge of scale — unique ID tracking and management

When it comes to approaches to addressability such as tracking and managing unique user IDs, the biggest obstacle will be achieving scale. In our survey, more than half of publishers cited the problem of scaling data sets and solutions to the degree needed to run programmatic programs.



Scale tops the publisher challenge list

Q. When it comes to the solution types above, what are the key addressability challenges in play? Select all that apply.



Again, among the “other” responses were indications that the chief challenges are still to be determined — more signs of early-stage work on the part of our respondents. Achieving sufficient lift with Prebid user ID solutions also appeared in that answer set.

Solving for scale and the value exchange

According to Scott Messer, senior vice president of media at Leaf Group, creating a value exchange between publishers and audiences is a key first step for achieving scale with ID management.

“It could be logins, it could be sign-ups, it could be reminders,” Messer said. “Every publisher and every business has a different reason for value exchange. Product teams should be working hard to invent some value for their business.”

And while consumers are often willing to log in to a certain number of websites they visit regularly, if publishers want to be included in that set of signed-in sites, they’ll need to provide clear value in exchange for the privilege.

From free articles to newsletter access to downloadable content, a successful value exchange also depends on the context; publishers need to deploy methods that resonate best for particular sites.

“If I visit a vegetarian slow-cooker site and they offer a downloadable guide of the top-10 vegetarian slow-cooker recipes of the year, that might be really appealing to me as a user,” said Bannister, at CafeMedia. “You can’t go to an e-commerce site without getting a pop-up window within 10 seconds of being there, asking you to sign up for their newsletter for special deals and 10% off your first purchase. When publishers get to that level, the data starts getting more deterministic.”

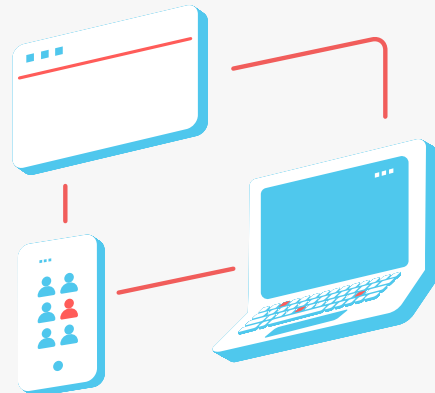
Tactics summary: Driving scale with value

- To start scaling their first-party data sets, publishers must audit their offerings and identify what’s valuable to their audiences.
- With value identified, they can build experiences that generate data within a privacy-compliant framework — via logins, sign-ups and the like — for content, newsletters, recipes, tips, whatever the context of the relationship highlights as significant to audiences.

Lessons from the walled gardens

Publishers face challenges when it comes to effectively reducing cross-device redundancies, as their starting point is an online world with limited deterministic information. Google has a data strategy that publishers can use as an example. The platform convinces users to log in to their accounts on every device they own — the value being convenient access to their email, personalized YouTube searches and the like. Outside the walled gardens, single-sign-on solutions are also pursuing ways to boost PII data — offering users a convenient way to manage identity across devices with choice in their privacy settings.

Addressing cross-device and cross-site complexities



Addressability will push publishers to target users across multiple devices and sites, all while seeking to eliminate redundancies — a concern that 55% of publishers in our survey cited as a chief concern for the future (as distinct from what they have reported about present concerns).

Before solving these challenges, publishers will have to focus on how to target audiences and specific devices, and then determine how those devices offer a more unified view of a single consumer. Device IDs will likely fall into publishers' post-cookie ID graphs, which include other identifiers such as email and IP addresses.

How do these audiences get tied together?

Messer, at Leaf Group, said that publishers should begin experimenting with measurement tools and resources that they are building in-house, or with SSPs, to create cross-channel analytics. These steps should help them deliver more unified reports to advertisers and prove the success of their campaigns.

According to Bannister, at CafeMedia, publishers who achieve effective cross-channel insight will develop better targeting tactics. Instead of relying on banners, they'll shift to high-impact engagement ads and native units, for example.

That being said, the high degree of complexity in tackling cross-channel challenges comes with tech costs, operational costs and legal costs. In the way of solving those challenges, partnerships are helping publishers by opening pathways to distributed resources — ones that can sew together the variety of signals that publishers want to track.

"If we have solutions for helping publishers work across many vendors at once, then creating the price-device strategy becomes much simpler," PubMatic's Baron said.

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That is the vision for the ecosystem ... solving the inherent complexity that comes with different standards and regulations within each device, and with many companies approaching the space from different angles. ”

Tactics summary: Tying audiences together

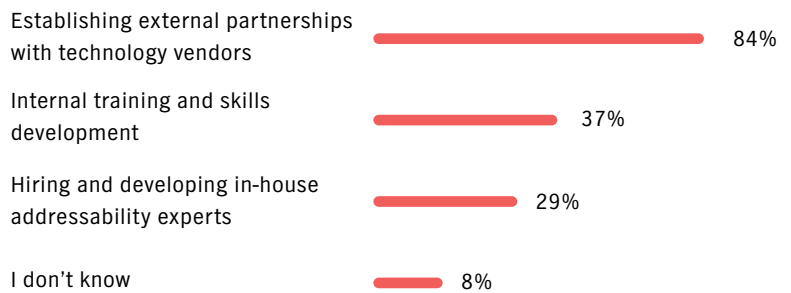
- Publishers should begin working with omnichannel SSPs that include multi-format capabilities or build in-house measurement tools to create cross-site analytics.
- With effective cross-channel insights, publishers can rely less on annoying targeting tactics and make smarter ad strategies that drive engagement.

Where do publishers and buyers go from here?

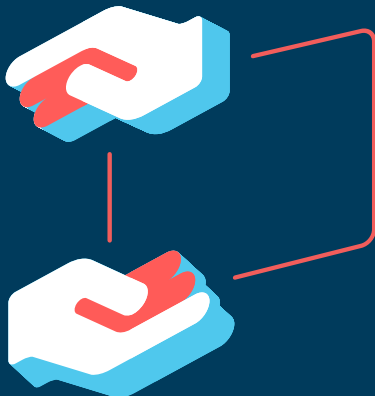
The future of audience addressability is complex but presents an opportunity to engage the right consumers with the right creative via privacy-compliant methods. According to our respondents, partnerships are helping to achieve those goals.

Partnerships are leading publisher approaches

Q. What other steps have you taken to help solve addressability challenges? Select all that apply.



When it comes to navigating the addressability landscape in the future, publishers are often leaning on the following checkpoints.



- **Developing partnerships with omnichannel vendors.** Multi-format vendors can help publishers seamlessly manage multiple IDs across devices and ad formats, so teams can focus their time and energy on testing and developing their strategy.
- **Testing across solutions.** Publisher teams should focus on testing numerous solutions to see which works best and maximizes coverage without compromising performance. Partnering with vendors that provide a wide range of solutions and have the ability to facilitate testing is the first step in gaining an addressable audience.
- **Delivering premium content for value.** Publishers that value and invest in the quality of their content will see better ROI when relying on site-specific targeting — creating clear, privacy-compliant value exchange relationships with users.

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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