



MediaMath

# Identity Playbook

Preparing Brands & Agencies for a New Era

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## I. Introduction

Released in July 2020, MediaMath's whitepaper *Preparing for a Post-Third-Party Cookie World: Identity & the Future of Online Advertising* explains how identity works today so brands can be informed for tomorrow. The premise for the paper stems from a societal need for a thriving open ad-supported Web where publishers, brands and people all benefit from value exchange. We shared tips on what marketers can do today in order to not only prepare for future standards, but how they can help design a better ecosystem—one in which consumers continue to get the content they love while feeling certain that their data privacy is respected.

We are pleased to follow up to our “Identity 101” with this playbook, your guide on the available options that will empower you to take advantage of first-party identity, so that you can play a role in the mission to usher in a better ecosystem for brands, publishers and consumers.



## II. Implications

### Of third-party cookie deprecation and IDFA opt-in

Third-party cookies are expiring in Chrome in 2022 and Apple will eventually require consumer opt-in for use of the iPhones IDFA. Marketers depend on these identifiers to effectively reach, message and measure audiences on a 1:1 level.

In response to restrictions on the current generation of identifiers, the programmatic ecosystem is witnessing an influx of identity solutions to replace third-party cookies and mobile ad IDs.

In the meantime, marketers must answer a critical question —which new Identity solution is right for my brand?

This playbook is designed to guide marketers through the process of selecting 1P ID partner(s).

We will discuss changes in identity infrastructure and their implications. Then we will go over how to evaluate, select, validate and implement new solutions. We are confident that brands can navigate the transition away from third-party cookies successfully, but the work starts now: to ensure success tomorrow, brands must prepare today.



### IMPLICATIONS

Among the capabilities that will be impacted by the deprecation of third-party cookies, without a replacement solution, are:

#### Reaching customers & prospects to drive sales:

Marketers need identifiers to bring offline data online, reach website visitors, or use third-party data to segment audiences to drive sales.

**The implication:** losing the ability to deliver relevant messages to the right person will reduce sales revenue.

#### Improve campaign performance:

Algorithms in Demand Side Platforms (DSP) use identifiers to optimize bidding to logic.

**The implication:** a reduced ability to learn and improve through campaigns, increasing cost.

**Advertise efficiently:** Identifiers and identity graphs allow marketers to control how often they deliver messages to people across all their devices by “frequency capping.” These solutions can also help in understanding user-level reach vs. device-level reach.

**The implication:** too many messages equate to lost media investment and poor customer experiences.

#### Measure advertising effectiveness:

Marketers use identifiers to associate online or offline purchases to individual ad impressions.

**The implication:** marketers won't know what part of their ad spend contributed to sales.

# III. New Solutions

## The King is gone; Long-live the Queen

Two classes of identity solutions will replace the old ones. First-party user IDs (1P IDs) aim to preserve 1:1 marketing without changing the general principles of how brands reach and measure audiences digitally. Aggregate solutions offer a higher-privacy threshold but eschew 1:1 marketing in favor of targeting and measuring cohorts. Thereby limiting the ability to understand audience insights and opportunities.

As illustrated by the chart below, both the old and new identity solutions exist on different stages of the product life cycle.



### IDENTITY SOLUTIONS ACROSS THE PRODUCT LIFE CYCLE

#### THE NEW: First-party Solutions



##### First-party User IDs

Adoption accelerating but fragmented across supply



##### Aggregation solutions

Slow growth, Maximum privacy

#### THE OLD: 3P Solutions



##### 3P cookies

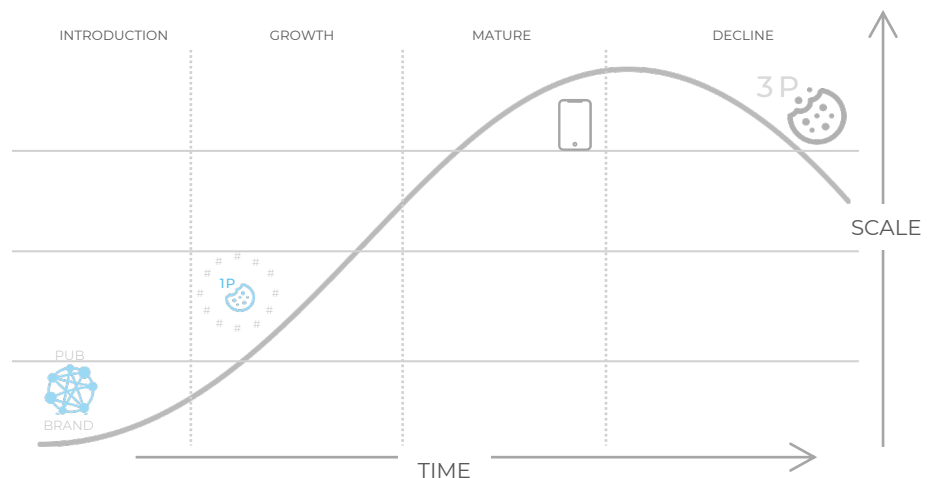
Basis of programmatic, Deprecation in 2022.



##### Mobile ad IDs

IDFA Opt-in, potential restrictions in Android

#### MATURITY OF IDENTITY SOLUTIONS ACROSS THE PRODUCT LIFE CYCLE



The focus of this Playbook is on how to preserve 1:1 marketing by using First-party User IDs. We expect these solutions to reach maturity in 2022. It's important to understand why this type of ID represents a better alternative the third-party cookie-based ecosystem as well as the challenges as 1P IDs pass through the growth stage.



## BENEFITS OF FIRST-PARTY USER IDS

First-party identity is a better system than the expiring third-party model. It's more accurate, privacy-friendly, portable and offers higher data fidelity across the programmatic supply path. This model will make advertising better for brands, people and publishers. An overview of the benefits follows:



**User-level / more portable:** 1P IDs generally use encrypted email to associate users across sites and devices. Essentially, they are an identity graph in action and allow brands to easily use the same identity space across platforms.



**Less data loss = higher fidelity:** Because these IDs are integrated across all providers in the programmatic supply path (Brand, Onboarder, DMP, DSP, SSP, Publisher) they will eliminate data loss that occurs with third-party cookie syncing.



**Truly first-party = direct relationship:** These IDs are based on a direct relationship between brands, publishers and people: people must allow use of their encrypted email. It means that these IDs let people support the brands and publishers that they visit online and whose content, products and services they care about.



**More control = more privacy:** Because integrating a 1P ID requires a certain level of effort, publishers and brands will choose carefully the ID providers that enable targeting and measurement on their sites. This offers vastly more control and transparency than the opaque 3P cookie-based ecosystem where site owners could lose track of tags running on their page. Ultimately, this provides a higher level of privacy protection for consumers.

### KEY GLOBAL ID PLAYERS:



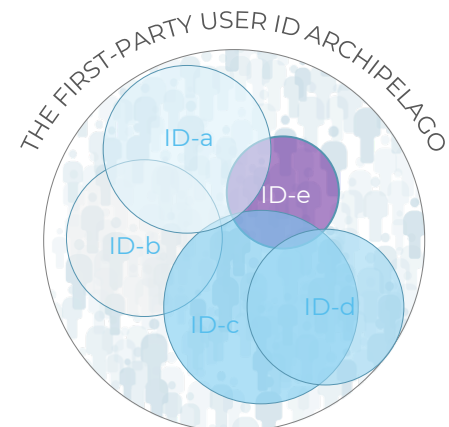
## THE CHALLENGE WITH FIRST-PARTY USER IDS

With so many 1P ID solutions entering the market, the critical issue is scale. The 1P IDs with the most scale will succeed in replacing the functionality of third-party cookies.

Scale depends on supply-side integrations with both SSPs and publishers, but it all comes down to the 1P IDs publishers choose to integrate. With so many 1P IDs and the associated integration costs and potential to impact page load time, publishers will make their choice of 1P ID partner carefully. In the near to mid-term, it is likely that we will see fragmented identity across supply, where each 1P ID has a unique, but also overlapping, footprint with publishers.

LiveRamp's Authenticated Traffic Solution (ATS) connects first-party user authentications with LiveRamp's identifier at scale — and [recently made the move to support other ecosystem IDs](#). This will drive further adoption of ATS and additionally, provide addressability for its identifier, and interoperability with other 1P IDs as well.

This should help the industry coalesce around a smaller number of IDs. That said, brands must pay attention to scale and publisher supply with potential Identity partners.

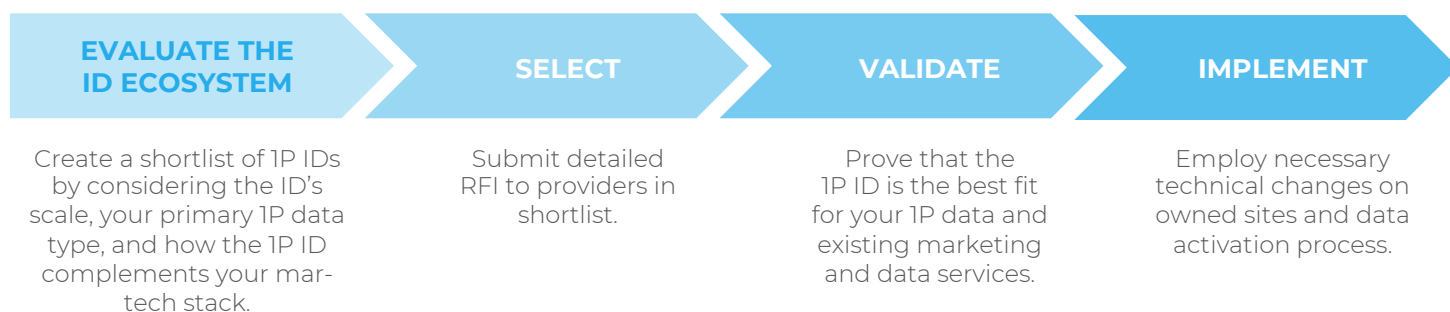


The immediate challenge with first-party user IDs is fragmentation

## IV. Implementation

The big difference in the new ecosystem is that brands will have to choose a primary identity partner for programmatic activation, rather than rely on third-party cookie syncing across platforms to ensure they can find audiences in supply. Brands will use this 1P ID to build audience segments, remarket to site visitors, and measure attribution.

We recommend the following process for choosing the key identity partner:



### STEP 1: EVALUATE THE ID ECOSYSTEM

With an influx of First-party User IDs in the marketplace, brands should first create a short-list of providers. We recommend considering 1P ID scale, 1P data type, how a 1P ID complements your existing marketing and data services stack:

#### Scale:

There are two factors to look at when evaluating scale of a 1P ID (a) overall scale in bid requests (b) scale in cookie restricted browsers. Scale for IDs will evolve over time and increases could happen rapidly from one month to the next.

#### Question to ask your DSP:

Do you offer tools to track the evolution of 1P ID scale across SSPs, in bid requests, and in cookie-restricted browsers?

#### Primary Data Type:

Brands should consider 1P ID providers based on the primary type of 1P data that they will activate:

- Email Address: Consider IDs with competency in email address, either (a) online site visitors that have contributed email or logged in. (b) emails in offline customer database
- Offline data: Consider IDs that have a strong foundation in pure offline data such as physical address and phone number and can uphold privacy standards in activation.
- Site visitors (no email or log-in): IDs that can help reach site visitors even when an email is not immediately available.

#### Question to ask your DSP:

What 1P data type are your integrated 1P IDs able to ingest?

#### Ability to complement marketing & data services:

Brands should consider 1P ID providers they are already using or considering for other data services such as:

- CRM / CDP / Customer Database
- 1P data onboarding
- Segmentation
- 1P data enrichment
- Brand identity management
- DMP
- 3P data marketplace

#### Question to ask your DSP:

Are you integrated with 1P ID providers that are in my current marketing and data stack?

## STEP 2: SELECT A PARTNER

Once a shortlist is created brands should conduct a deep dive into a 1P ID's capabilities and ancillary data serves. MediaMath recommends submitting the following questionnaire.

### Question to ask your DSP:

- How can you help me better understand the points of differentiation and key benefits of 1P ID solutions?
- How can you ensure that my choice of ID partner will be the right one or ensure that as the industry matures that you are flexible enough to execute on other ID solutions?

AVAILABILITY	
Availability by country	
Current SSP integrations by region / country	
Timeline of future SSP integrations by region / country	
DSP integrations	
DMP integrations	
List of publishers integrated with 1P addressability solution	
Monthly active addressable users seen in Safari / Firefox / Edge / Chrome	
BENEFITS	
What is the ID's value proposition statement?	
What are the primary benefits of the ID?	
What are the differentiators of the ID compared to others in the marketplace?	
PRIVACY	
<b>Consumer choice:</b> Please list the consent frameworks your ID solution is integrated with.	
CAPABILITIES	
Is the ID user-level?	
<b>3P cookie solution:</b> Does the ID provide addressability in cookie-restricted browsers?	
<b>IDFA opt-in:</b> Will the ID provide addressability in iOS apps when the user has not opted into IDFA?	
<b>CTV:</b> Is the ID present in CTV supply?	
<b>CTV:</b> If yes, with what SSPs?	
<b>Onboarding:</b> What type of 1P data do you onboard? (a) email address (b) offline Pii / CRM (c) site visitors with no email or log-in.	
<b>Onboarding:</b> What's the workflow for onboarding 1P data? Please include any activation guides.	
<b>Ancillary data services:</b> What other data services do you offer that can complement your ID?	
<b>Attribution:</b> How are conversions and events on brand sites measured if the action happens in a cookie restricted browser?	
<b>Remarketing:</b> How do I build audiences on site visitors if the visit occurs in a cookie restricted browser?	

## STEP 3: VALIDATE ID

Once a partner is selected, brands should begin the validation process of the 1P ID by activating 1P data in campaigns. Campaigns will provide the most insight if audience segments are built off of the 1P ID directly, as this will allow for bidding on every instance of the 1P ID in a bid request. We recommend monitoring the following KPIs:

- Overall reach
- Incremental reach
- Reach in cookie-restricted browsers
- Ability to achieve your KPIs
- Reduced media waste

Furthermore, brands should pay close attention to the scale of the 1P IDs in supply, as scale could increase markedly, as publishers integrate more 1P IDs.

### *Question to ask your DSP:*

- Can I build audience segments of the 1P ID or are we matching the IDs to your cookie and mobile ID space?
- Can you customize a plan for my brand's specific use cases?
- What type of tools and reports can you provide to inform my choice of ID partner?

## STEP 4: IMPLEMENT

To fully transition over to a 1P ID, brands will have to carry out the following:

### i. **Ensure existing partner platforms accept the ID**

Current DMPs and Analytics tools are ramping up their implementations of 1P IDs. Speak with your customer service reps at the various platforms you work with to confirm the 1P IDs they support.

### ii. **Onboard CRM with Identity Provider to get the ID in Audiences**

Identity Providers use authenticated email addresses to translate CRM into their proprietary 1P ID as part of their onboarding service. Some platforms require a fee for this service. Reach out to your desired platform to discuss the prospect of a test and contractual terms to get you up and running.

### iii. **Add pixels to set the 1P ID on owned & operated Properties**

Targeting audiences is only part of the equation, brands must solve for attribution, remarketing and optimization. Integrating the 1P ID will allow the following:

**Attribution** in cookie-restricted browsers: Connect the ID in the Impression to brand sites to measure conversions and events.

**Remarketing:** Retarget site visitors across publisher supply in cookie restricted browsers.

Some methods of 1P ID integration provide varying levels of persistence\*, which is how long the 1P ID will remain in the browser without a user revisiting the site. Methods which use only JavaScript tags provide seven days of persistence. Methods that use the brand's Content Delivery Network (CDN) to offer 30-days of persistence.

\*Note: the seven-day or thirty-day window is reset when a user visits the site, and the time period begins anew.

Other methods for measuring, optimizing, and remarketing in cookieless environments include using emails from purchases or log-ins or household level identity, which isn't 3P cookie based.

### *Question to ask your DSP:*

- Do you offer tools that reduce the level of effort and cost of integrating a 1P ID on my owned & operated sites?
- How long does an integrated ID persist on site?

#### iv. Stitch together ID signals

Brands should ask their platform partners how they plan to solve for identity fragmentation across supply. Stitching together identity signals will increase addressable reach. The methods for doing this will differ in 2021 while 3P cookies exist and in 2022, when the 3P cookie goes away.

##### A ) Stitching together signals in 2021:

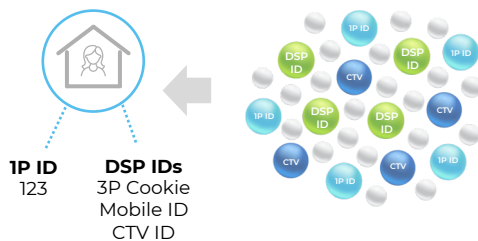
Use an Identity graph to bid on both First-party User IDs, 3P Cookies, CTV IDs, and Mobile Ad IDs.

##### B ) Stitching together signals in 2022:

In 2022, Cross-ID will be the new cross-device. Use a Cross-ID graph to enable bidding on multiple IDs, regardless of audience segment, stitching together a fragmented Identity ecosystem.

ID GRAPH ENABLES  
BIDDING ON DSP IDs & 1P ID

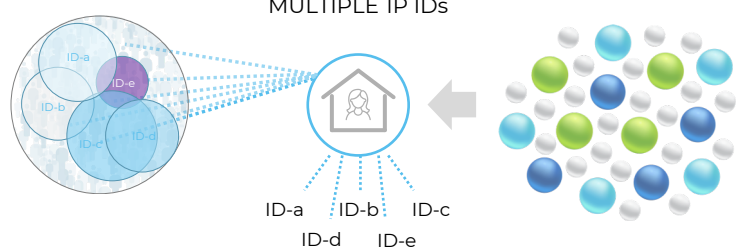
SSP SENDS  
BID REQUESTS



FRAGMENTED  
1P ID SIGNALS

ID GRAPH ENABLES  
BIDDING ON  
MULTIPLE 1P IDs

SSP SENDS  
BID REQUESTS



## V. Conclusion

### Secure the Future of Addressability

Solving for changes in the Identity ecosystem is about embracing change. With so many solutions in the market and uncertainty about the immediate impact of third-party cookie deprecation, marketers have a lot to think about. Brands should evaluate new solutions, select preferred partners, and begin validating.

First-party identity will ultimately usher in a better ecosystem for brands, publishers and people. The first-party ecosystem is based on a direct relationship between the consumer and the brand and publisher, since email contribution or log-in is required. This system is based on respect for consumer privacy preferences regarding use of their data for cross-device messaging and measurement. For brands, it'll provide a more accurate and less lossy ecosystem, where their first-party data is more directly actionable on the open web.

To prepare for third-party cookie deprecation, the most important step is the first one. Brands need to start preparing today to ensure addressability tomorrow.