# The Renaissance
# of Digital Advertising

And How LiveRamp Can Help

**/LiveRamp**

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# Introduction

**Privacy regulations, the imminent death of third-party cookies, implementation of Apple's ATT, and soon, the loss of IP addresses and other device-based identifiers.**

All of these are clear signals that the threat of data deprecation is real and that the industry, perhaps unknowingly, has been living in the digital dark ages.

**Each of these changes has shaken the foundation upon which marketers and publishers build their first-party data strategy, and their ability to:**

— Segment and activate audiences

— Suppress and retarget

— Execute a cohesive cross-device strategy

— Glean audience insights

— Measure and attribute campaign performance

The good news is that we have an opportunity to restore trust with consumers through strong first-party relationships and lean into transparency and control, not only for the consumer, but also the publisher and marketer.

Read on to learn what has changed as we head into the renaissance of digital advertising and what it means for advertisers and publishers.

# A tale of two walled gardens

In June 2021, Google changed its date for for the deprecation of third-party cookies to 2023. They also announced that they'll combat fingerprinting more aggressively with changes to Chrome and make Privacy Sandbox technologies available to the industry in late 2022.

Google's news affirms its move away from third-party cookies and the industry trend away from unauthenticated user identity and toward a world of people-based identity, while giving the industry some more time to prepare.

Meanwhile Apple, with the release of iOS 14.5, brought its AppTrackingTransparency (ATT) framework to the mainstream. ATT requires app developers to ask users for permission to track and share their user identifiers, including the IDFA (Apple's mobile ID), which are used to facilitate mobile in-app advertising and measurement. Marketers have already begun to see an impact on the ability to build audiences, target, and measure on IDFA, and publishers have already seen a decrease in CPMs and budgets shifting to Android.

**Marketers:** Use authenticated solutions to connect your first-party CRM audiences to first-party publisher inventory. Buy directly via enabled DSPs or deal IDs. Most importantly, leverage omnichannel solutions that work across all browsers, platforms, and channels.

**Publishers:** Build and deploy an authentication strategy that puts consumer trust first and has a clear value exchange; work to get ATT consent by explaining the value exchange. Find solutions that enable you to retain as much control as possible—own your identity and have the ability to choose which platforms and vendors you work with.

# The future of identity is being decided today

As a marketer or publisher, you've likely been inundated with solutions for a post-cookie world, and the fact is, you need more than one. There's no silver bullet for the end of the cookie, diminishing IDFA, or loss of other common identifiers.

For marketers who want to maximise reach and return, and for publishers who want to maximise yields, authenticated people-based addressability should remain at the very top of the marketing tactic list and be supplemented with cohort-based or contextual advertising for unauthenticated inventory. Each solution has pros and cons.

# Authenticated people-based identity is the gold standard

Why is that? Consider that walled gardens have thrived because of people-based identity. Now the open internet has the chance to go through a renaissance and achieve crucial addressability parity with walled gardens.

For example, **LiveRamp's Authenticated Traffic Solution (ATS)** allows for:

**1** People-based audience building, targeting, frequency capping, and measurement

**2** Omnichannel campaign strategies to connect across web, in-app, and CTV at the same time

**3** Extended reach, i.e., across previously unaddressable environments such as Safari and Firefox

**4** Ecosystem interoperability, i.e., support for other identifiers such as **Unified ID 2.0**

**5** Control over first-party data and which ecosystem partners to work with

Most importantly, ATS is rooted in a **trusted value exchange** where authenticated consumers have shared their identity with the publisher.

ATS does not co-op data and it doesn't use log-ins from one site to power another. It instead **connects authenticated publisher inventory to marketer demand** across the advertising stack, including in open exchange, private marketplace deals, and direct deals.

And because it relies on publisher first-party data, publishers remain in the driver's seat, **controlling the activation and use of their identity,** including which platforms can leverage it.
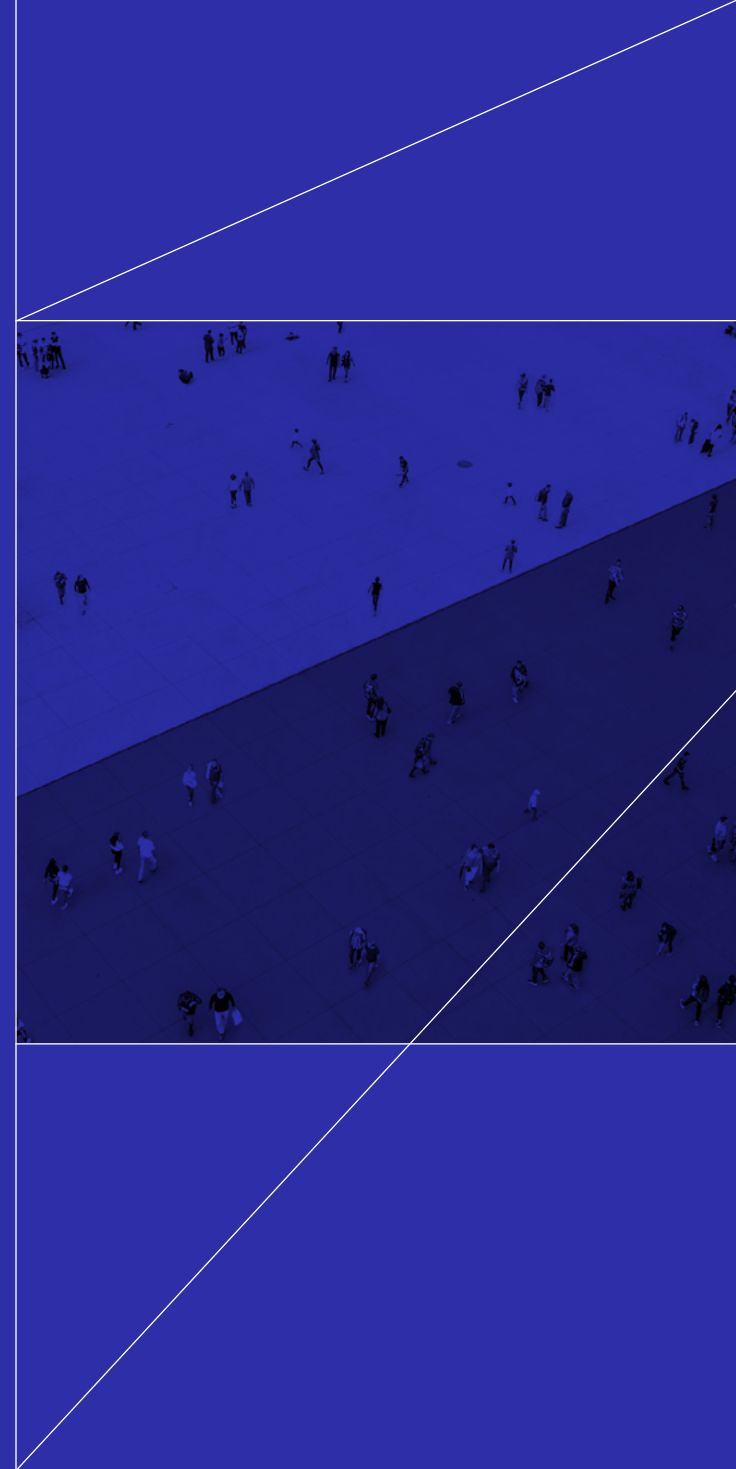
# Contextual advertising

Contextual advertising has existed for a long time. Aligning advertising to keywords and topics on a page can yield meaningful results. The benefit of contextual is that it works on every site. The downside is that it's imprecise, difficult to measure, and based solely on the context of the browser session at that point in time. While contextual will have a place in the post-cookie world, it's important to recognise its limitations, and publishers should be aware that the walled gardens will be competing with people-based addressability paired with contextual, not context alone.

# Say "No" to Fingerprinting

Fingerprinting aggregates browser and/or network signals, including user agent, screen resolution, installed fonts, operating system, and device model to create a "synthetic" ID in place of a cookie. These signals were not meant for creating IDs, they were intended to enable consumers to view an optimised web experience or to power the infrastructure of the internet itself. They are not transparent to the consumer, with consent and the choice to opt out being difficult at best. Fingerprinting has been condemned by every major browser and is under regulatory scrutiny. While fingerprinting may offer instant scale for targeting and measurement, it does so at an enormous cost—the trust of the consumer.

An industry-wide **call to action**: Reject fingerprinting and lean into consumer privacy needs.

# Cohort-based advertising

Cohorts help marketers reach audiences by clustering large groups of browsers with similar interests. FLoCs are one example of cohorts, but there are other browser proposals, like Microsoft's PARAKEET. Cohorts are controlled by the browser, and it's difficult for both publishers and marketers to thoroughly understand why a cohort is behaving the way it does—personalising the consumer journey becomes that much more difficult. They are an improvement from contextual advertising and protect consumer privacy, but still lack the precision and measurability of audience-based buying.
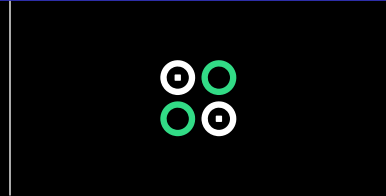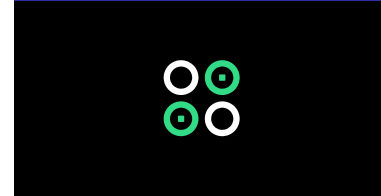
# Own your data future

The most significant competitive advantage for marketers and publishers alike, now and long term, is first-party data. Building relationships with your audience, whether they are shoppers or viewers, will be the fuel that propels an organisation's ability to reach the right individuals, deliver better customer experiences, and measure the effectiveness of campaigns. This is nothing new—data has long driven the digital world. Owning your data future also requires that you treat that data with the utmost care and respect, and in an ethical and privacy-conscious manner.

# LiveRamp ATS

LiveRamp built its **Authenticated Traffic Solution** to enable all publishers to create addressability effectively and at scale, and to maintain their relationship with consumers and strengthen their relationship with marketers. The net effect empowers publishers to operate viable business models while delivering meaningful, engaging content to consumers. LiveRamp has spent years working on ATS with the foresight that third-party cookies, device identifiers, and IP addresses are unsustainable and will be deprecated.

We're focused on connecting marketer first-, second-, and third-party data to authenticated publisher inventory. This will be a subset of the new internet, but it will be the most premium subset—the gold standard for ad buying comparable to what you can get in the walled gardens.

> ATS puts consumer transparency and control above all else.

It champions the importance of first-party, consented relationships, enabling a direct connection between a publisher's authenticated first-party data and marketer demand.

ATS mimics the very approach Google has and continues to take with its own properties like Google Search and YouTube. ATS makes these capabilities available to non-walled garden publishers so the open web can compete on a level playing field and publishers can continue to provide free content.
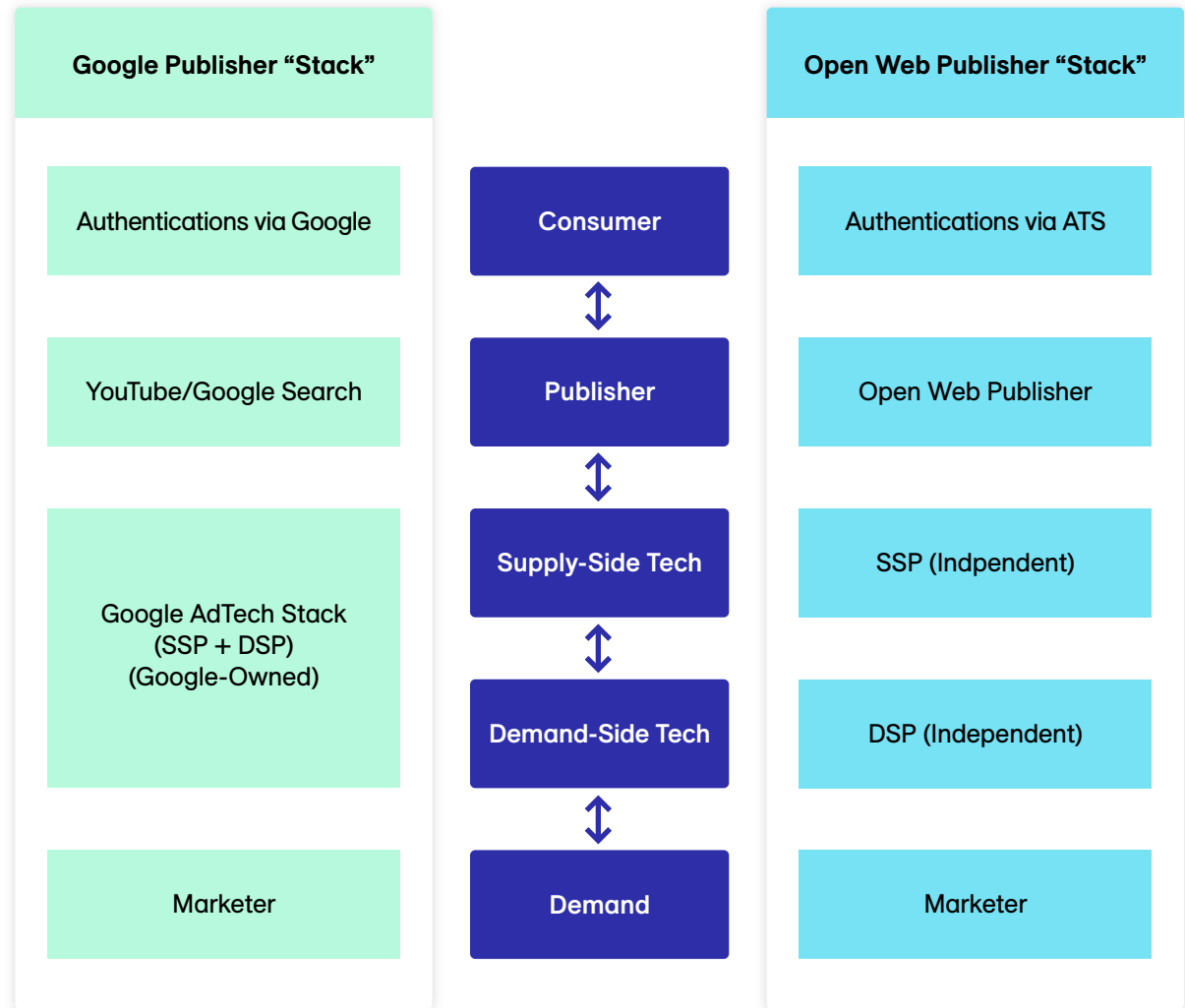
ATS is all about putting the publisher in control of their relationship with the consumer.

Through log-in events, publishers can match data through their chosen adtech stack, just like Google Search and YouTube.

And by leveraging ATS controls, publishers always remain in control of their data, enabling some platforms to use their identity while not enabling others.

# Comparing Publisher Models

For marketers, ATS is comprehensive, agile, built to scale, and can be used anywhere an individual logs in or authenticates. It's multichannel and supports customer journey engagement across web (on mobile and desktop) as well as in-app, connected TV, and OTT. This means brands are able to buy media cross-channel and know that they can reach and measure individuals—not just devices—with consistency and accuracy. This solution is built with consumer trust at its heart, so marketers and publishers can rest assured that it will last through the foreseeable future.

| Google Publisher "Stack" | | Open Web Publisher "Stack" |
|---|---|---|
| Authentications via Google | Consumer | Authentications via ATS |
| YouTube/Google Search | Publisher | Open Web Publisher |
| Google AdTech Stack (SSP + DSP) (Google-Owned) | Supply-Side Tech | SSP (Indpendent) |
| | Demand-Side Tech | DSP (Independent) |
| Marketer | Demand | Marketer |

For mobile publishers, **LiveRamp introduced On-Device ATS**—a safe and transparent application-first solution that delivers addressability across iOS and Android environments. On-Device ATS honors consumer privacy and choice as well as data protections, so advertisers can reach their audience safely and securely.

Specifically, On-Device ATS allows mobile app publishers to leverage direct relationships with users to deliver addressable inventory without sending user or device identifiers off the device.

# Embracing the renaissance of digital advertising

## What marketers need to do now

There's never been a more important time for marketers to establish a durable data foundation with first-party data that can be activated upon. To date, more than 100 brands have run ATS-enabled campaigns. These campaigns perform better, can increase reach on Safari and Firefox, and ensure marketers are set up for future success. When a health and fitness technology brand ran a **ran a similar A/B test** using LiveRamp vs. third-party cookies, it doubled its return on ad spend (ROAS), decreased cost-per-page-view by 34%, and increased average order value by 13%.

**A Forrester Consulting Total Economic Impact™ (TEI) study**, commissioned by LiveRamp, found advertisers who use LiveRamp's solution in place of third-party cookies can achieve 343% ROI over three years, with payback within only six months of initial investment.

Regardless of regulatory, browser, or device changes that may arrive in the future, now is the time to accelerate your transition to people-based addressability and firmly take control of your destiny. You can benefit from the scale of third-party cookies while they exist, and also reach consumers in already-cookieless environments, all while maximising your media buys.

**DSPs and SSPs Ready for Activation**

INDEX EXCHANGE®  OpenX.

Magnite  PubMatic

MediaMath  AMOBEE

theTradeDesk

✓ **Plus more than 65 others**

# Marketers To-Do List

✓ Audit your existing campaign buying strategy and develop a plan to start activating against key KPIs without using third-party cookies or device IDs.

✓ Set benchmarks by running your cookie- and device ID-based campaigns in tandem with LiveRamp's authenticated solution and understand how your audience data and campaign performance are evolving.

✓ Implement advanced authentication strategies that support retargeting and suppression and optimise buys and strategies based on your data.

Get started today and upgrade your business outcomes! Visit **180 Days to a Cookieless Future.**

# What publishers need to do now

Now is the time to implement post-cookie addressability and develop authenticated and trusted consumer relationships. Publishers should also take action toward **increasing consumer authentication rates** and ATT opt-in rates. Authentications translate into higher-value inventory and better data. Authenticated approaches enable publishers to connect their inventory to advertisers' target audiences with precision, boosting both CPMs and consumer trust. This is why Google is using authentication for their search and YouTube inventory—they are relying on authentication for monetisation, and the rest of the ecosystem should follow their lead. Every publisher should aim to have an authentication of at least 30%. Authentication on even 5%-10% of traffic today is enough to boost the bottom line.

For example, recent analysis of publisher yields suggests publishers can generate as much as a 350% improvement in yields on Safari and a 50% improvement in yields on Chrome when leveraging ATS as compared to third-party cookies.

While authentications won't cover every impression, they will drive a disproportionate amount of publisher revenue. Cookies already don't work on 40% of the internet.

**The Top Publishers are Already On Board, Including:**

Microsoft Advertising, Asahi, Burda Community Network, CafeMedia, Dennis Publishing, eBay Classifieds Group UK, Gumtree, IDG, OpenWeb, Planet Media, Prisma, Publift, Realtor.com, Seven West Media, Tubi, and Cricket Australia

**70%** of the Comscore 20

**65%** of the Comscore 50

# Publishers To-Do List

✓ Deploy ATS within 60 days and mimic the authenticated audience approach YouTube and Google Search deploy; testing has shown that even publishers with low levels of authentication benefit enormously.

Download our **Publisher Addressability Playbook** featuring six proven strategies, tactics, and best practices to garner new authentications.

✓ Use the next 90 days to A/B test authentication strategies and look to increase authentication rates to 30%.

# Conclusion

## The path forward is not incremental, it's visionary.

Changes in the advertising industry will have a long-lasting impact on all members of the ecosystem. In solving for these changes, a better solution has emerged, and it's time to upgrade expectations on performance and what's possible. For marketers, doubling down on first-party data will help them better reach, engage and measure return on investment effectively and efficiently across the entire ecosystem. Success requires publishers to identify authentication strategies that will enable them to establish a value exchange and forge stronger first-party relationships.

Further, if the goal is a more sustainable, healthy, and competitive open web that works better for everyone, then placing consumer trust and transparency first is not only ethical but essential. Not only will it enhance customer experiences, it will also increase the bottom line.

**It's a renaissance.**

**The time is now.
The results are better.**

# About LiveRamp

LiveRamp is the leading data connectivity platform for the safe and effective use of data. Powered by core identity resolution capabilities and an unparalleled network, LiveRamp enables companies and their partners to better connect, control, and activate data to transform customer experiences and generate more valuable business outcomes. LiveRamp's fully interoperable and neutral infrastructure delivers end-to-end addressability for the world's top brands, agencies, and publishers.

For more information, visit  **www.LiveRamp.com**