5 things to consider before implementing an identifier

Article

The identity landscape is vast and growing more complex. Google confirmed it will phase out third-party cookies but continues to delay deprecation. A wave of privacy regulations in the US challenges advertisers operating across state lines. Plus, an increasingly digital world has made it difficult to track users across TV, social media, and the open web.

Luckily, identity solutions, ranging from universal IDs and identity graphs to data clean rooms and other privacy-preserving tools, are helping marketers maintain their ability to target and measure campaigns in the wake of those challenges.

Here's an excerpt from EMARKETER's new Field Guide To Identity Resolution and Alternative Identifiers, which takes a deep dive into the complex and changing field, including breaking down the major players.

Here's a checklist to help your organization adopt alternative identity solutions.

1. Prepare your data

The first step is to conduct a data audit, said Eric Beane, chief data and analytics officer at VML.

"How much third-party data are you using today? And how are you using it? If that goes away, how much first-party data do you have?" he said.

- The audit will identify gaps in organizational data and provide more insight into what kind of solution (or solutions) are right.

- "My biggest piece of advice is make sure you have a good data foundation and you truly understand what you're trying to accomplish [with an identity solution] so when you get data back in, you can use it effectively," said Beane.

2. Get organizational buy-in

Companies that want to maintain success in programmatic strategies relevance and success post cookies must take the time to invest in one or more of these solutions. But identity solutions require time, talent, and potentially a large financial commitment. To get organizational buy-in, especially from leadership, marketers must demonstrate the practical value of the identity solution and how it can benefit the company in the long run.

Before selecting an identity solution, consider scalability, precision, quality, cost, and interoperability.

It may be difficult to convince internal stakeholders that identity solutions are a critical need.

- Only 13% of marketing professionals worldwide say identity is the most critical advertising capability or media investment, according to a November 2023 survey by Mediaocean.

- In addition, US advertisers report that only 8% of their average budget allocation across data types for targeting goes to alternative identifiers, according to a November 2023 survey by Proximic.

3. Test and learn

"Google hasn't pulled the plug yet, and that's not helping to encourage people to adopt these solutions and really test them," said Dane Buchanan, chief data and analytics officer at M&C Saatchi Performance. "But we need to."

- Testing while cookies are still in play can give marketers valuable insights into measurement and targeting post cookies.

- "You need to prepare your CFO or CMO for potential drop off, for what your ROI and cost per action (CPA) will look like," said Buchanan.

- For the time being, there is no single solution to match the effectiveness of cookies, so marketers need to find the right combination of solutions.

Current and Future Usage of Cookieless Solutions According to US Marketing and Advertising Professionals, Nov 2023
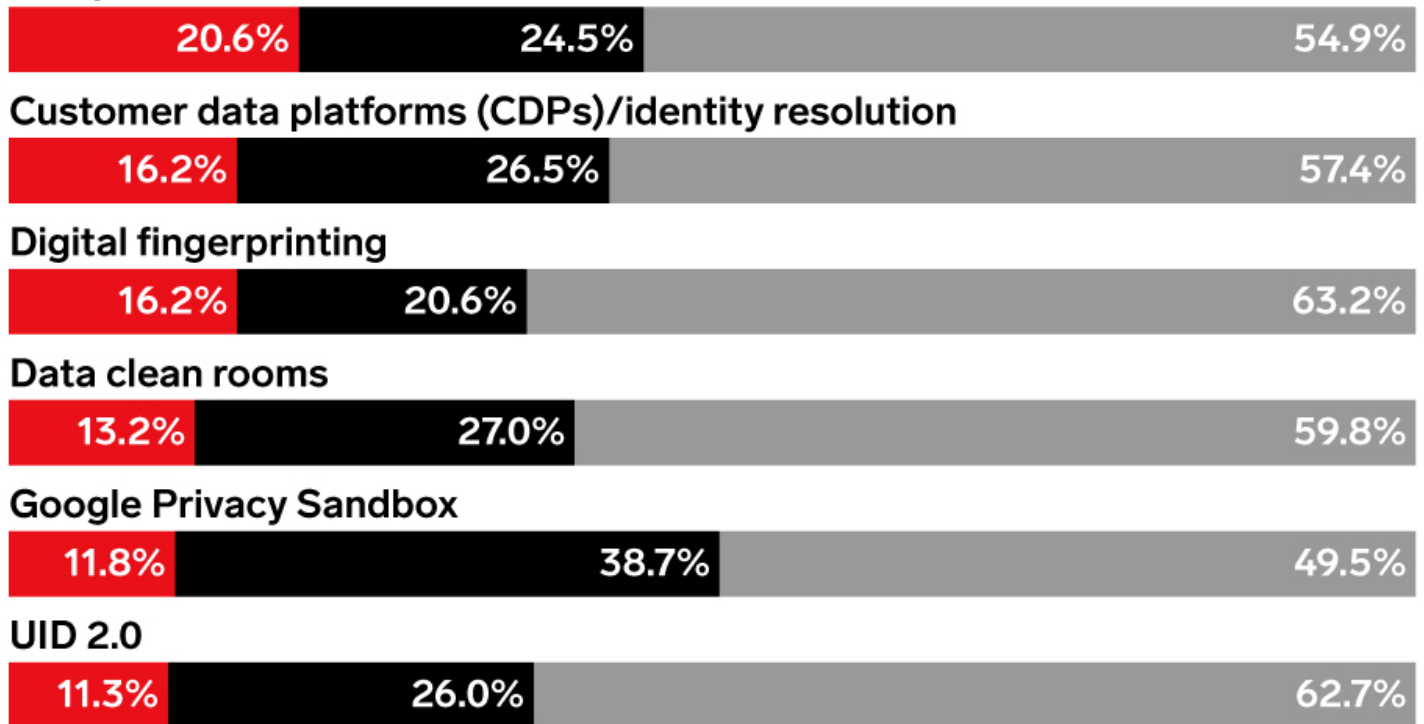
% of respondents

Contextual targeting

| 80.4% | 13.2% | 6.4% |

First-party data

| 77.0% | 14.7% | 8.3% |

Lookalike audiences

| 75.5% | 13.2% | 11.3% |

RampID

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20.6%	24.5%	54.9%

Customer data platforms (CDPs)/identity resolution

16.2%	26.5%	57.4%

Digital fingerprinting

16.2%	20.6%	63.2%

Data clean rooms

13.2%	27.0%	59.8%

Google Privacy Sandbox

11.8%	38.7%	49.5%

UID 2.0

11.3%	26.0%	62.7%

■ Already using

■ Plan to begin using within next 12 months

■ Not intending to use at this time

Note: n=204; numbers may not add up to 100% due to rounding
Source: Basis Technologies, "Identity vs. Privacy: Digital Advertising in a Cookieless World,"
Jan 24, 2024

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4. Rethink measurement

While Google's Privacy Sandbox tools may help with digital attribution, marketers should also invest in other ways to measure performance.

"We're suggesting our clients build up their measurement approaches," said Buchanan. "The performance world is shifting toward incrementality. And one of the main ways we're doing that is through media mix modeling (MMM). It's doesn't solve for everything, but it helps marketers understand where they should be investing more or less."

MMM will be especially important for marketers testing different identity solutions.

"MMM isn't just about vendor or channel anymore," said Beane. "There's going to be another layer added on now to evaluate the effectiveness of data sources or identity solutions. It's going to be pretty critical in understanding what's working."

5. Keep privacy at the core of identity strategies

In addition to maintaining compliance with state, federal, and global privacy laws, identity solution providers must employ consent management and user preference tools to maintain records for each individual user—and be transparent about how they're using that data.

"The whole point of going cookieless is to protect consumer privacy," said Buchanan. "If consumers are being targeted in ways that feel intrusive, even within privacy regulations, it gives digital advertising a bad name."

Download the full Field Guide To Identity Resolution and Alternative Identifiers for free.

This was originally featured in the EMARKETER Daily newsletter. For more marketing insights, statistics, and trends, subscribe here.