

# Identity resolution is both the No. 1 challenge and No. 1 opportunity in the programmatic landscape

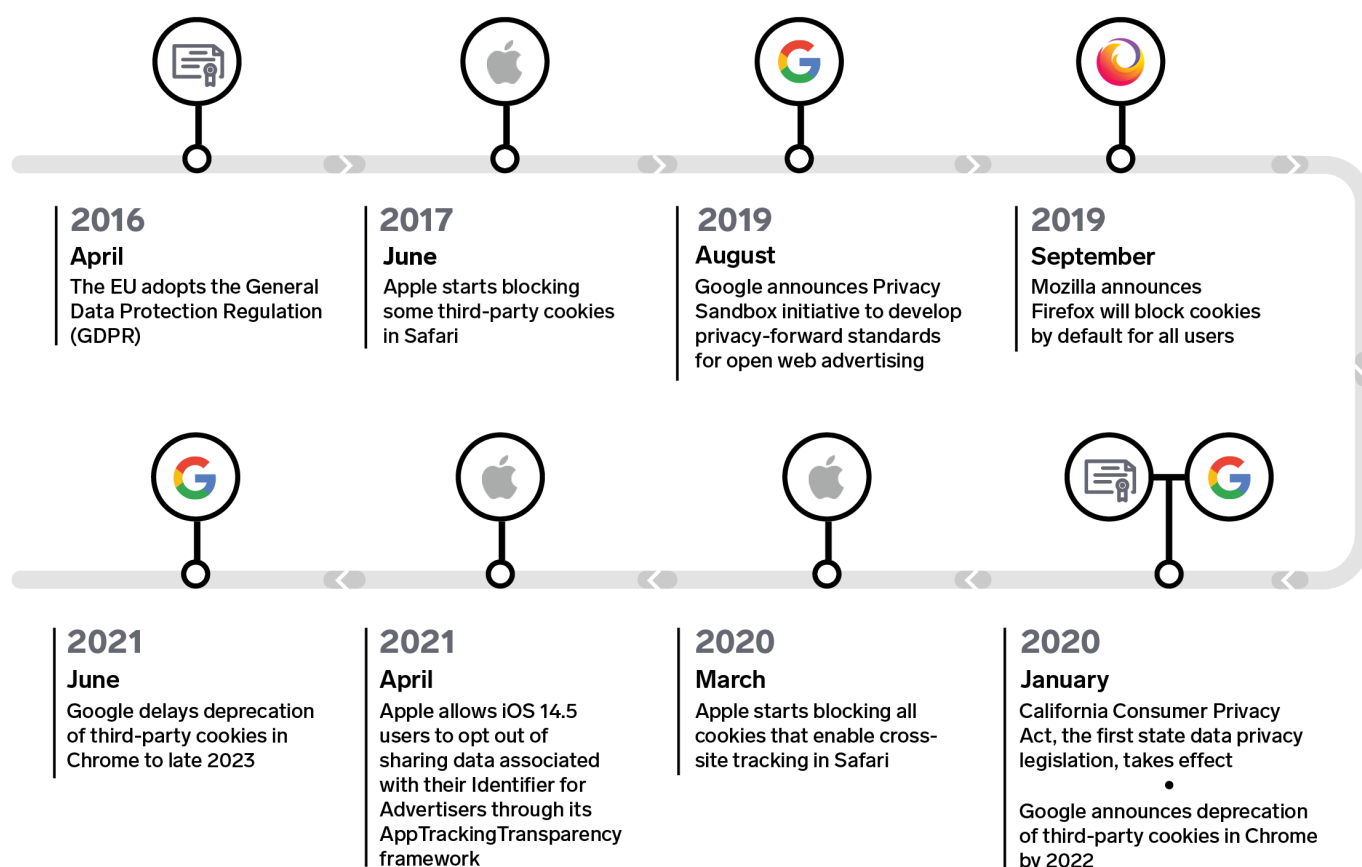
Article

Third-party identifiers, upon which programmatic digital display was built, have been under fire for years. Regulatory scrutiny has heightened and consumer sentiment around privacy

has grown in favor of increased transparency into, and control over, where and how companies use personal data.

Google's plans to deprecate third-party cookies in Chrome and Apple's introduction of the AppTrackingTransparency (ATT) framework are just the latest of the major milestones in the slow demise of third-party identifiers.

## Major Events in the Ongoing Deprecation of Third-Party Identifiers



Source: Apple, California Office of the Attorney General, European Data Protection Supervisor, Google, Mozilla g272654

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At the end of 2020, we predicted that a US federal privacy law reminiscent of the EU's General Data Protection Regulation (GDPR) would pass in 2021. Although that did not

happen, demand for more privacy regulation is mounting as the ad industry navigates multiple state laws with varying levels of enforcement.

**Nearly two-thirds of US adults said the government should do more to regulate how internet companies handle privacy issues**, according to a November 2021 survey from The Washington Post and the Schar School of Policy and Government at George Mason University. 2022 has already been eventful for congressional attempts at regulating digital advertising practices, with two bills introduced in the first 18 days of the year:

- The Terms-of-service Labeling, Design, and Readability (TLDR) Act would require websites to provide an easily digestible “summary statement” alongside any prompt asking a user to agree to terms of service. The statement would outline what data will be collected, as well as how and by whom it will be used. This requirement has the potential to secure the “informed” in “informed consent.”
- The Banning Surveillance Advertising Act would prohibit digital advertisers from engaging in any behavioral targeting practices using data that is “reasonably linkable” to consumers, with very few exceptions. While unlikely to pass, this proposal is further proof of legislators’ enthusiasm for more restrictive data privacy protections.

Globally, governing bodies continue slapping digital advertising heavyweights with fines. Early this year, France fined Google **\$170 million** and Facebook **\$68 million** for making it easier to accept cookies than to refuse them, thereby manipulating consumers into consenting to have their data collected.

**Even if the US government fails to pass comprehensive data privacy legislation, consumers are being bombarded with messaging telling them they should care**, and they don’t need to wait on Congress to take action to protect their personal data. According to June 2021 research from YouGov, only **32%** of US adults agreed that when a website asks them about cookies, they always select “accept all”—the lowest percentage of any country measured. Despite this, the majority (**86%**) of US marketing decision-makers said they rely on third-party cookies to some extent, according to an October 2021 study from Sapio Research.

Consumers’ identities, and the data used to construct them, shape the options advertisers have for targeting, addressability, measurement, and attribution. **Identity will continue to be top of mind for advertisers, publishers, and ad tech platforms in 2022.**

Read the full report.

**Report** by Evelyn Mitchell Feb 15, 2022

# US Programmatic Digital Display Ad Spending 2022

