Interoperability, the right evaluation criteria are key to identity solution adoption

Article

Now that Google has reaffirmed it will deprecate third-party cookies for all users in the third quarter of 2024, it's clear that marketers need to get their post-cookie plans in place,

including how and where identity solutions fit.

Earlier this month, the Interactive Advertising Bureau (IAB) Tech Lab introduced its Identity Solutions Guidance, which explores what identity solutions are, how they can be integrated into workflows, and how marketers can evaluate their effectiveness.

Here are four takeaways from the guidance to help marketers better understand the role of identity solutions and what makes them most effective.

1. Identity solutions are fundamental to the entire marketing process

Identity solutions don't just help marketers more accurately target consumers. They have a role in each step of the marketing journey, per the IAB's guidance.

Campaign planning

Marketers need to understand when and where they can find consumers that are likely to purchase their product or service. Identity solutions can help find unique consumers across different channels.

They can also help marketers match identities across companies and platforms, find new audiences matching buyer requirements, and glean important pre-campaign insights like total reach for a target audience or past performance.

Targeting and activation

Identity solutions can identify traffic on a publisher website and connect it to an advertiser's audience, making it easier to buy or sell impressions for a given audience segment, control or direct advertising spend where it's most effective, and stop ad buys on suspected invalid traffic sources.

Reporting and attribution

Accurate reporting requires understanding each consumer's actions. Identity solutions can help underpin aggregated metrics and provide marketers with more detailed insights and trends. They also can enable attribution to see who viewed or clicked an ad, or which actions resulted in a purchase.

2. Marketers will need both deterministic and probabilistic identity solutions

Deterministic solutions rely on attributes that are relatively permanent and associated with one person or household, like an email address or a phone number.

- Because this data is usually provided by the consumer, it can be very helpful for publishers and advertisers to use to target their campaigns.
- However, deterministic data may not be available for every consumer, so the scale is limited.

Probabilistic solutions use data gathered from the devices a consumer uses, how they connect to the internet or specific applications, or methods that are used to track consumers across the internet. Examples include IP address, device details, or settings.

- These types of data are usually temporary or change often.
- But they do enable marketers to expand their targeting beyond deterministic identity attributes, though with less accuracy.

To achieve both scale and precision, marketers must combine both types of solutions for maximized efficiency, according to the guidance.

3. Interoperability is essential

Interoperability between different identity solutions enables the different parties in the digital ecosystem to communicate with each other, increasing reach and scale for advertisers. Ideally, interoperability will enable:

- Collaboration with data partners to enrich first-party data to understand consumer behavior better
- A more comprehensive view of the customer journey and its touchpoints
- Maintaining of frequency and recency caps across multiple touchpoints
- A better understanding of the impact of marketing campaigns across channels and touchpoints

But there are a few challenges to achieving interoperability, according to the IAB's guidance. This includes matching IDs based on diverse data sets, matching IDs with different definitions of individuals and households, and consumer privacy-related methods like Apple's "hide my email" that make it difficult to match identities across contexts.

Still, a few solutions have emerged that enable ID interoperability, including identity graphs (usually provided by identity resolution services), real-time ID resolution through client or server-side API integration, and data clean rooms.

4. Marketers need to evaluate identity solutions based on how they intend to use them

Not every identity solution is made the same, and not every identity solution will be right for every situation. To select the right solution for the right use, the IAB's guidance suggests marketers evaluate the following:

- **How future-proof the identity solution is.** Some data sources, like a phone number or email address, are stable enough that marketers can count on them to build out an identity solution. But some, like third-party cookies, are declining, making an identity solution based on them a risky bet.

- **Scalability.** Does the identity solution have sufficient scale across the right channels and marketplaces? Consider publisher footprint, programmatic availability, and the number of households or individuals that can be reached. Also take into account which identity solutions your buy-side partners are already using.

- **The quality of the identity solution**. Will the data the solution is using be relevant for the length of your campaign? What kind of precision does it allow? If your identity solutions provider is using an ID graph, how stable is it and how do they handle any changes?

- **Interoperability.** As noted, it's very important to be able to communicate user identity throughout the digital supply chain, so marketers should seek out vendors that have the capability to translate or decode IDs into a language that is understandable by them and their partners.

- **Cost.** There's a scale to how expensive identity solutions can be. Most identity solution providers are free for publishers looking to distribute IDs across their user base. For vendors, there's usually a subscription model or usage fee.

- **Privacy compliance.** Do your due diligence and ask if your identity solution provider has a privacy policy and how it is enforced. How does the solution ensure consumers' privacy is respected? And how does the solution support requests to delete data?

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