# How publishers should evaluate the post-cookie options

Article

When we spoke with experts in publisher ad monetization in January, most of them expected the field of identity solutions to narrow over the coming year as adoption continues, but they felt it was unlikely that a single identifier alone would replace third-party cookies.

According to a December 2020 Lotame survey, six in 10 US marketers said that multiple identity solutions would be needed, so long as they were interoperable. However, 22% of

respondents believed that just one solution would dominate.

**Future of Identity Solutions Among US Marketers, Dec 2020**

% of respondents

| | |
|---|---|
| Multiple identity solutions will be needed as long as they are interoperable | 60% |
| Only one identity solution will be needed | 22% |
| Only walled gardens will be needed as identity solutions | 10% |
| No identity solutions will be needed in the future | 7% |

Note: n=153; numbers may not add up to 100% due to rounding
Source: Lotame, "Beyond the Cookie: The Future of Advertising for Marketers & Publishers," Feb 17, 2021

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Publishers will likely adopt multiple solutions, but they also need to be flexible going forward. "It still feels like early days, because even the IDs that are out there aren't being transacted on at scale just yet," said Mark Connon, COO and general manager of identity graph provider Tapad. "You're going to see publishers using a recipe of IDs to maximize value versus picking one or two. Those that perform and have scale will prevail."

Post-cookie identity solutions will only be viable if they gain scaled adoption from both the buy- and sell-sides. Sources we spoke with said that the buy-side would likely lead solutions adoption and publishers would follow. But even as they expected the buy-side to lead, several publishers said they're intensively adopting and testing as many different solutions as they can now—and urged other publishers to do the same.

Publishers can't assess how well a solution works unless buyers can use it to transact against their inventory. "It's sort of a chicken-and-egg problem," said Paul Bannister, chief strategy officer at CafeMedia, which manages programmatic ad sales for publishers in its network. "Adoption is being led by the buy-side in the sense that if there's no money coming through an ID, no one's going to use it. But if there's no supply coming through, then buyers can't buy against it. So, that's why we've leaned pretty heavily into different IDs early, because we want to create the supply. We've been testing as many as we can."

The experts we spoke with in January identified the following as being among the key considerations that publishers should bring to their evaluation of identity provider solutions:

- **Buy-side adoption.** Are buyers using the ID, and which buyers are using it? What are clients leaning into and utilizing?

- **Regulatory compliance.** Are identity providers transparent in their data sourcing and sharing practices?

- **Monetization.** Does integrating the solution improve yield in the absence of third-party cookies?

- **Maintenance.** How labor-intensive is it to integrate, and then manage, a solution over time?

- **Alignment.** Is the solution building on your current strengths and what you already have in place?

Publishers that do nothing to adopt new solutions will effectively consign themselves to working with those that come out of Google's Privacy Sandbox and are deployed in Chrome. The downside of inaction is that publishers give up control of determining which options work best for them.

Publishers could just turn on Google solutions and hope for the best, but savvy publishers will be able to use those solutions in more creative and advanced ways. For example, "when FLoC [Federated Learning of Cohorts] turns on, if a publisher decides to look at the [cohorts], it can not only use them for ad targeting, but it can start comparing the [cohorts] with content that a user is visiting," Bannister said. "So, it can actually overlay FLoC data with first-party data and learn deeper insights about its audiences and do better targeting."

"As much as publishers can lean into understanding all these different approaches to dealing with the cookieless future, I think the better off they'll be," he added.

To learn more about what strategies will come to the fore in a post-cookie world, Insider Intelligence subscribers can read our recent report:

**Report** by Audrey Schomer Mar 08, 2021

## Publisher Ad Monetization After the Third-Party Cookie