TODAY’S HOST

Lauren Fisher
VP Business Intelligence

Advertiser Perceptions is the global leader in research-based business intelligence for the advertising, marketing, and ad technology industries. Our expert staff delivers an unbiased, research-based view of the advertising market with analysis and solutions tailored to your specific KPIs and business objectives. These insights provide you with the confidence to make the very best organizational, sales, and/or marketing decisions, driving greater revenue and increased client satisfaction.
WHAT WE’LL COVER:

1. Where we are with identity resolution today
2. Which companies advertisers are looking to for identity resolution services and solutions
3. Where identity resolution is headed
IDENTITY TODAY
METHODOLOGY
& RESPONDENT PROFILE

INTERVIEWS CONDUCTED: 302

SURVEY FIELDED: Aug 14th to Sept 9th, 2020

QUALIFICATION: 100% involved in advertising/marketing, IT/Tech or Business Intelligence/Data Science, company currently using Identity Resolution solution, involved in developing/approving IR solution budgets, determining IR strategy, approving IR vendors or using IR solutions

SAMPLE: Marketer and agency contacts from The Advertiser Perceptions Ad Pros proprietary community and trusted third-party partners as needed

Incentives include cash and information
A software or technology that combines consumer identifiers into a single, persistent identity graph that can then be used to holistically identify consumers across various channels, devices and online-to-offline domains.

Identity resolution services can either be standalone services (e.g., data on-boarders), or may be offered as part of an integrated ad/marketing offering.
IDENTITY RESOLUTION SERVICES ARE WIDELY USED

79%
The portion of US advertisers and agencies using identity resolution services today

4.1
The average number of identity resolution services used
1. To take advantage of unique data sets and identity graphs across specific partners and platforms

2. To enable integrations with specific adtech partners

3. To meet channel- or format-specific needs

4. To carry out specific functions

5. To build a more holistic customer view
Most advertisers and agencies access IR solutions via existing adtech and martech relationships

Methods of Working with IR Solution Providers

- Integrated Service (adtech): 72%
- Integrated Service (martech): 56%
- Proprietary Solution (company/main client developed): 40%
- Proprietary Solution (agency developed): 33%
- Standalone Service: 30%

Q15. How is your [company/main client] working with providers of identity resolution solutions?
Base: Total Respondents
Two-thirds of agencies, marketers and IT.tech professionals consider IR very important for onboarding data, enhancing measurement and activating data across other platforms.

<table>
<thead>
<tr>
<th>Importance of Identity Resolution Capabilities, “Very Important” reported</th>
<th>Do not use IR for this purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>Onboarding data</td>
<td>70%</td>
</tr>
<tr>
<td>Enhancing measurement</td>
<td>67%</td>
</tr>
<tr>
<td>Activating data across other platforms, systems</td>
<td>66%</td>
</tr>
<tr>
<td>Cross-Device Targeting</td>
<td>63%</td>
</tr>
<tr>
<td>Personalization</td>
<td>61%</td>
</tr>
<tr>
<td>Enriching data sets</td>
<td>55%</td>
</tr>
<tr>
<td>Frequency capping</td>
<td>46%</td>
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</tbody>
</table>

Q40. How important are the following identity resolution capabilities to your [company/main client]? Base: Total Respondents
LEADING
IDENTITY RESOLUTION SERVICES PROVIDERS
WHAT MATTERS MOST WHEN CONSIDERING AN IDENTITY RESOLUTION SERVICE PARTNER?

PERFORMANCE/TECH:
1. Cross-organization ID management
2. ROI/ROAS
3. Data rights management and privacy compliance (compliance with CCPA, GDPR)
4. Compatibility of ID graph with other platforms/systems

AUDIENCE:
1. Audience reach/scale
2. Discovery of addressable audiences
3. Custom audience building
4. Strength of ID graph
5. Frequency capping

RESEARCH & INSIGHTS:
1. Customer journey insights and engagement
2. Thought leadership
3. Future of identity/data privacy
4. Post ad campaign insights and recommendations
5. Reporting and analytics

ACCOUNT MANAGEMENT & CLIENT RELATIONSHIP:
1. Technology vision & roadmap
2. Partnership solves business needs
3. Service and support
4. Quality of training
5. Troubleshooting capabilities
**WHAT MATTERS MOST WHEN CONSIDERING AN IDENTITY RESOLUTION SERVICE PARTNER?**

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<th>PERFORMANCE/TECH:</th>
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</table>
Identity Resolution Companies Measured

- Axiom
- Facebook Company
- Merkle (M1)
- The Trade Desk
- Adobe
- Google
- Neustar
- Throtle
- Amazon
- Infutor
- Oracle
- Verizon Media
- Epsilon/Conversant
- LiveRamp
- Salesforce
- Viant
- Experian
- Lotame
- Signal
THE TRIOPOLY & MARKETING CLOUDS ACCOUNT FOR THE TOP 6 MOST-USED IDENTITY RESOLUTION SERVICES

<table>
<thead>
<tr>
<th>Rank</th>
<th>Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Google</td>
</tr>
<tr>
<td>2</td>
<td>Facebook</td>
</tr>
<tr>
<td>3</td>
<td>Amazon</td>
</tr>
<tr>
<td>4</td>
<td>Salesforce</td>
</tr>
<tr>
<td>5</td>
<td>Adobe</td>
</tr>
<tr>
<td>6</td>
<td>Oracle</td>
</tr>
<tr>
<td>7</td>
<td>LiveRamp</td>
</tr>
<tr>
<td>8</td>
<td>theTradeDesk</td>
</tr>
<tr>
<td>9</td>
<td>Experian</td>
</tr>
<tr>
<td>10</td>
<td>Verizon Media</td>
</tr>
</tbody>
</table>

Q. Which of the following companies has your [company/main client] used for identity resolution solutions/services in the past 12 months? Base: Total Respondents
LIVERAMP IS A PRIMARY PLAYER

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<tr>
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<td>Amazon</td>
</tr>
<tr>
<td>5</td>
<td>Facebook</td>
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Q. Which company do you consider to be your [company’s/main client’s] primary identity resolution solution/service provider (used the most over the past 12 months)?
Base: Use "IR Brand" (Variable Base)
Reasons a Company is a Primary Identity Resolution Services Provider:

“We are pleased with their data sets; they match well with our clients’ needs.”

- Agency, C-Level

“They were one of the first to offer this service to the market. I think their cloud-based platform is the easiest to use and integrate into our DSPs.”

- Marketer, Director

“They assign specialists who are very well versed in our industry to guide usage and strategy.”

- Marketer, Director

“Easiest to upload PII and match up with large percent of users.”

- Agency, C-Level
Non-primary partners must demonstrate value fast
Three-quarters give IR providers less than 6 months to prove their worth

Timeframe Given to Identity Resolution Provider to Prove Their Value

<table>
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<th>Timeframe</th>
<th>Percentage</th>
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<tr>
<td>1 month</td>
<td>5%</td>
</tr>
<tr>
<td>2-3 months</td>
<td>37%</td>
</tr>
<tr>
<td>4-6 months</td>
<td>38%</td>
</tr>
<tr>
<td>6+ months</td>
<td>19%</td>
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Average Time: 4.4 months
THE FUTURE OF IDENTITY
HALF OF ADVERTISERS AND AGENCIES PLAN TO SPEND MORE ON IDENTITY RESOLUTION SERVICES IN THE COMING YEAR

Q50. Is your [company/main client] spending more or less on identity resolution solutions next year (2021) compared with this year (2020)?
Base: Total Respondents
Main Reason for Increasing Spend in 2021 on Identity Resolution Solutions:

"After we get through 2020, we will resume spend to increase our proficiency in this area.

-Marketing, Director"

"GDPR, CCPA and other ‘cookie killers’ on the horizon.

-Marketer, CEO"

"Third-party data increasingly less desirable and based on inferences we no longer value or can’t validate.

-Agency, President"

"A collectively agreed upon decision from the top down.

-Agency, Director"
Use of ID Consortia or Other Industry-Backed ID Graphs

**TWO-IN-FIVE PLAN TO TAKE ADVANTAGE OF ID CONSORTIA OR OTHER INDUSTRY-BACKED ID GRAPHS**

Q. Does your [company/main client] currently take advantage of ID consortia or other industry-backed ID graphs (e.g., IAB’s DigiTrust or LiveRamp’s IdentityLink)? Base: Total Respondents
“The industry will work together to create a universal identifier that can replace third-party cookies”
In the interim, many will lean in to first- and second-party data

Tactics for addressing identity resolution in the future:

- 65% Relying more heavily on ID graphs built on first-party data
- 51% Relying more heavily on second-party data built via data co-ops with other agencies and brands
- 48% Relying more heavily on second-party data from publishing partners
- 31% Still relying on 3rd-party-based identity resolution solutions, but ensuring they are built to last

Q: As third-party cookies are being phased out, what are your [company’s/main client’s] tactics for addressing identity resolution in the future? Base: Total Respondents
3-in-10 planning to build their own identity resolution solution
Agencies significantly more likely to consider going this route

Plans to Build Proprietary Identity Resolution Solution

Agencies

Marketers
Q: Do you plan to adopt Apple’s SkAdNetwork App with iOS14 Update?

- Yes: 14%
- No: 17%
- Not sure/Not familiar with SkAdNetwork: 70%

**IT’S STILL EARLY FOR THOSE ADDRESSING THE CHALLENGES POSED BY APPLE’S IOS 14 UPDATE**

Q. Do you plan to adopt Apple’s SkAdNetwork (Apple’s new app install attribution solution that will be available with the iOS14 update)? Base: Total Respondent
In the absence of cookies, measurement and optimization becomes significantly more challenging

Campaign Phases That Will Become More Challenging With "Cookieless" Advertising
Rank 1-2 Reported

- Campaign reporting/insights: 65%
- Optimization: 63%
- Buying/Implementation: 30%
- Planning: 26%

Source: Measurement Report 2020. Q. Please select up to 2 advertising campaign phases that you believe will become most challenging with the advent of "cookieless" advertising. Base: Total Respondents
Are we headed toward a measurement revolution or a regression?

Measurement Tools That Will Become More Important in "Cookieless" World

- Sales-Lift Research: 44%
- Ad Effectiveness Research: 39%
- Media Mix Modeling: 38%
- Cross-Platform Multi-Touch Attribution: 36%
- Internal analytics: 35%
- Verification Analytics: 34%
- Last-Click Attribution: 33%
- External analytics: 31%
- Location/Geo-Based Attribution: 31%

Q: There has been industry news and discussion around restricting or limiting the use of 3rd party cookies. Which type of advertising measurement and/or research will become more important in a “cookieless” world?
Base: Total Respondents
KEY TAKEAWAYS TO KEEP IN MIND AS YOU NAVIGATE THE IDENTITY REVOLUTION AHEAD

**Investment in identity is on the rise.** Advertisers are planning to spend more money—and use more services—as the future of third-party cookies and identity becomes more uncertain.

**Adtech and martech-provided IR solutions are the most common,** but advertisers will rely on an **average of four or more** to accomplish specific functions or obtain a holistic customer view.

As identity evolves, **the industry has the opportunity to evolve its metrics and measures of success away** from channel-specific KPIs to **more meaningful company measures of success.**
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Lauren Fisher
Lauren.Fisher@AdvertiserPerceptions.com

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