



# DATA PREPAREDNESS

The greatest challenge facing our industry is not collecting data but maximizing its value. Cookies are going away and revenue is at stake, but publishers can prepare now to find alternate identifiers for their audience. There are many tools and resources out there to help transform first – and third-party user data into addressable audiences that advertisers can target at scale. Make a plan beyond protecting your revenue, and look to capitalize on new opportunities to grow your revenue and thrive in the post-cookie landscape.





# CURRENT SITUATION

Currently, the ecosystem relies heavily on third-party cookies to target, personalize, optimize and measure programmatic advertising campaigns.

With the pending elimination of third-party cookies, there is significant revenue at stake for publishers.

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**McKinsey estimates  
\$10 billion is at risk for U.S.  
publishers alone.**

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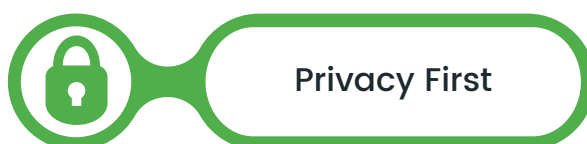
While the impact of this change presents many challenges for marketers and publishers alike, user privacy is the key driver. Thus in addition to needing to adhere to the legislation protecting consumer privacy, there is general agreement from all parties that the system needs fixing.





# CHALLENGES

The demise of third-party cookies brings a big shift to the entire industry, and with it plenty of challenges. Publishers without identifiers or transparent user data will find themselves struggling to present the unique value of their inventory to advertisers. And unable to provide users with the personalized experiences they expect. This presents the potential for significant revenue loss from the programmatic channel.



Understandably marketers and publishers have a lot to lose when it comes to data privacy. Consumers are more aware of their choices and increasingly less forgiving when a brand misuses information about them. In addition to reputational risks, businesses can face data privacy fines and other penalties.



Consumers 'willing to abandon a brand' if their data is used unknowingly.

What are the driving forces for selecting an identity solution to test?

#### MARKETERS

DATA PRIVACY

#### PUBLISHERS

DATA PRIVACY

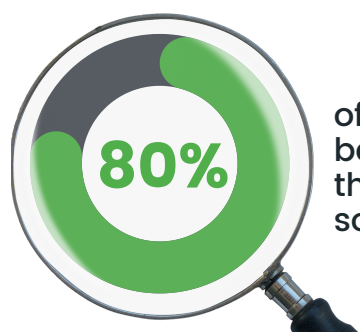
Source: Lotame, "Beyond the Cookie2: Identity Adoption & Testing Global Research Report"



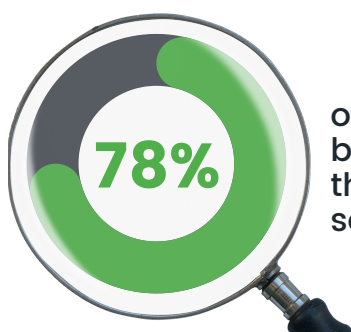
## Identifying Audiences

Figuring out how to identify audiences and offer targeting at scale is easier said than done. For starters, there are multiple solutions on the market with no universal solution. Publishers will need to work hard to convey the value proposition to users in collecting first-party data and have systems in place to transparently manage user consent about their data. Most publishers will need to work with multiple identity solutions to find what works best and ensure they can deliver at scale. One thing is very clear, there won't be one solution, there will be many.

## Which ID Solution? Various!



of marketers will be using more than one ID solution.



of publishers will be using more than one ID solution.

Source: Lotame, "Beyond the Cookie2: Identity Adoption & Testing Global Research Report"



## Growing Landscape, Growing Confusion

The digital identity industry is exploding. The shift in the industry to protect consumer privacy while still delivering personalized experiences has opened the floodgates for multiple solutions and multiple players. But this has also led to an overwhelming sense of confusion for publishers as they look for the right answer to best monetize their content.

Research and Markets reports that the global market for **Digital Identity Solutions** is projected to grow to:

**\$49.5 billion by 2026**  
up from \$23.3 billion in 2021.

Market forecast to grow at a  
**CAGR of 16.20%**

Source:  
<https://www.researchandmarkets.com/reports/5393866/>







# SOLUTION



**With big shifts come big opportunities.**

Those who are data-prepared will be well-positioned to not just protect, but grow their revenue.

Adapex is working with our sister company, Datrix AI Solutions, to build a suite of products across all identifiable and addressable dimensions to make sure our publisher partners are poised to win. We understand the need for a product that allows for communication with every tier of the identity sector, so that is what we are building.

Adapex works closely with the IAB Tech Lab, Prebid, and other industry leaders in identity solutions to understand how to put it all together for publishers. And, last year we hosted our own webinar series on the Cookie Countdown to initiate discussion and bring various experts together to design a well-lit path forward.

## SOLUTIONS IN PROGRESS

Publishers outside of pyramid with no cookieless solutions

**= risk of extinction**

### IDENTIFIABLE

Magnify Identity Axis  
Pub 1st Party IDs

### ADDRESSABLE

Targetable audiences for  
advertisers to buy as scale.

### CONTEXTUAL

NLP to generate and pass  
IAB categories in bidstream  
+ AI for optimization.

market size

CPM



Contextual  
Targeting

Contextual targeting is increasingly more sophisticated and viable. This solution offers advertisers the promise of reaching relevant audiences without needing to amass privacy-sensitive audience data. Contextual advertising once relied on matching ads to content based on keywords. Now, contextual solutions leverage natural language processing to develop a sophisticated and nearly instantaneous understanding of content's meaning.



Advertisers can then leverage that understanding to target audiences based on the relevance of ad campaigns to audiences' online experiences. This enables brand-safe ad placement, as the advertiser can avoid contexts with which they would rather not be associated and it also enables nuanced targeting without stoking privacy concerns.





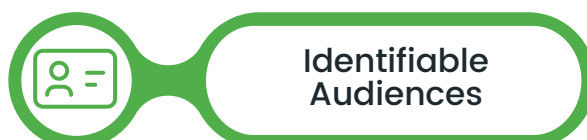
As businesses are inundated with all sorts of information; the challenge is safely storing and sorting it so that it can then generate actionable and monetizable insights. The challenge publishers face is transforming first – and third-party user data into addressable audiences that advertisers can target at scale and which they can measure the performance of their campaigns.

**User addressability in digital advertising does not aim to identify an individual person with name, address or phone number but rather generate a persistent pseudonym to engage and optimize against when buying media or delivering ads.**

Publishers can partner with data companies to sort audience information into addressable segments, allowing advertisers to reach ideal customer profiles. Crafting addressable audiences is an opportunity for differentiation in the programmatic market. The winners of the next era of open web advertising will be those who offer not only rich audience data but also greater transparency into how to reach those audiences and measure exposure to them.



Finally, publishers can leverage artificial intelligence to maximize the value of their addressable audiences. With AI, publishers can do more with less data, recognizing patterns in user activity and developing more sophisticated profiles – and therefore targeting options. This then allows publishers to maximize their advertisers' return on investment, driving retention and revenue.



At the top of the pyramid is the identifiable audiences, this is publisher first-party data and profiles from identity solutions providers. Publisher first-party data is valuable but requires clear communication of the value exchange for the user to register or subscribe. Publishers must convey the balance between offering free and authenticated content (which requires registration or subscription to access). This data then needs to be transparently managed.



However, even publishers with robust first-party data may struggle to offer the audience scale advertisers are looking for. This makes the case for working with multiple identity solution providers to harness their data. For advertisers, cross-publisher identifiers impact both the efficiency and effectiveness of campaigns, allowing better frequency control, increased reach, and more relevant messaging. This not only drives marketing effectiveness; it creates a better relationship with current and potential customers: more relevant messages and no annoying over-delivery of ads. Advertising identifiers, which come in a variety of formats, are a prerequisite to addressing a user for frequency capping or personalized/optimized advertising. Advertising identifiers can be either device or user-level, depending on the type identifier.



## CASE STUDY

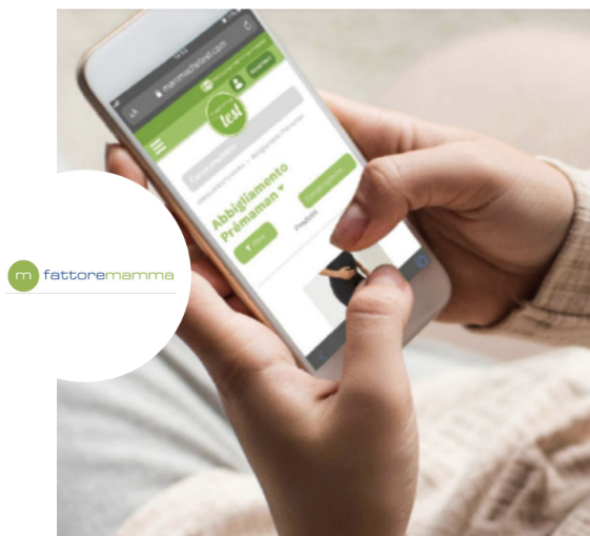
### Case Monetise - DataLit

**NEEDS:** Increase and optimise the collection and analysis of first-party data relating to users registered on the digital properties of the network (data governance). Integrate first-party digital data with CRM in a specially developed data lake (data integration).

Apply predictive profiling machine learning models to unregistered users to transform them, like registered users, into advertising audiences (data modeling). Maximise revenues from programmatic advertising (data activation & monetisation). All activities of highly strategic importance, also in light of the recent cookie-less initiatives.

**ACTIONS:** We have delivered a first technical audit with suggestions and indications to be implemented to maximise advertising performance and, through our DataLit proprietary AdNetwork, we transform first party data into hyper profiled audiences - based on their characteristics, interests and propensity to buy - and we monetise at best through targeted advertising actions.

**ACHIEVEMENTS:** DataLit also allows you to predict the propensity to buy and consequently granularly profiles the inventory. It is easy to understand how this activity is carried out in the interest of advertisers interested in reaching unconventional audiences to obtain better conversion rates and therefore better returns on their advertising investments.



## CONCLUSION

Now is the time to take the steps to prepare for the end of the third-party cookie- if you haven't already. Publishers who are prepared with data management and alternate identifiers will capitalize on the opportunity this shift will bring. Maximizing the value of first-party data, building addressable audiences, and enabling both behavioral and contextual targeting will give all publishers, even long-tail sites, the best possible opportunity to thrive in the post-cookie landscape.

There are many resources and tools available to publishers for data collection, development, management, and implementation of data layering and enrichment.

Adapex's m4 Tech Suite™ is a comprehensive monetization solution. It includes Magnify™, our identity connector with seamless integration into the top identity suppliers compatible with Prebid. Giving publisher's access to multiple identity solutions in one connection. Adapex will be ready with our AI-enhanced solution to give our publishers a connection to every tier of the identity pyramid.



**Publishers implementing this technology are seeing a 60% increase in CPMs.**

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### **Bottom line, don't wait.**

Get your data strategy in place and begin testing and analyzing alternate targeting options to determine how to optimize monetization for your content.

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**Interested in a  
free demo or site audit?**

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## **SUMMARY**



### **Test, Test, Test.**

There is still no one-size-fits-all solution and the market is constantly evolving.



### **Early Adopter Advantage.**

Getting a head start braces for a landscape without cookies and sets a good foundation for the future.



### **Working Together.**

Communication between publishers, agencies, and brands will be essential to finding the right solution.



### **Stay Connected.**

Join the conversation around identity and data working with industry groups like IAB Tech Lab and Prebid. Or work with a partner who does. Adapex is an active member of these groups, working with other innovators to identity solutions around post-cookie monetization.

