INSIDER INTELLIGENCE | eMarketer

Publisher Ad Monetization After the Third-Party Cookie

First-Party Data Strategy Comes to the Fore

The deprecation of the third-party cookie in Google's Chrome browser, a change expected by 2022, is driving publishers to create alternate paths to generating digital display advertising revenues on their websites. But the death of the cookie also opens up unique opportunities for content publishers. This eMarketer Report investigates how publishers are evaluating identity solutions, building first-party data strategies, and collaborating with partners to monetize their sites without the third-party tracking cookie.

presented by LiveIntent

Dear eMarketer Reader,

eMarketer is pleased to make this report, **Publisher Ad Monetization After the Third-Party Cookie: First-Party Data Strategy Comes to the Fore**, available to our readers.

This report features eMarketer data and insights, and investigates how publishers are evaluating identity solutions, building first-party data strategies, and collaborating with partners to monetize their sites without the third-party tracking cookie.

We invite you to learn more about **eMarketer's approach to research** and why we are considered the industry standard by the world's leading brands, media companies, and agencies.

We thank you for your interest in our report and **LiveIntent** for making it possible to offer it to you today.

Best Regards,

Nancy Taffera-Santos

Nancy Taffera-Santos
SVP, Media Solutions & Strategy, eMarketer

eMarketer, Inc.
11 Times Square, Floor 14
New York, NY 10036

www.emarketer.com
nancyts@emarketer.com

Publisher Ad Monetization After the Third-Party Cookie: First-Party Data Strategy Comes to the Fore

The deprecation of the third-party cookie in Google's Chrome browser, a change expected by 2022, is driving publishers to create alternative paths to generating digital display advertising revenues on their websites. But the death of the cookie also opens up unique opportunities for content publishers to reclaim a central role in the digital ad ecosystem as entities with direct, trusted relationships with their audiences.

How will the deprecation of the third-party cookie affect publishers' ability to monetize their sites?

Publishers are the most exposed parties to third-party cookie loss, which will affect ad addressability, causing programmatic cost per thousand (CPM) pricing on the unidentified web to plummet. Publishers expect to increasingly leverage their own first-party data in a cookieless future.

How are publishers evaluating new or proposed identity solutions?

Like marketers, publishers are examining various identity solutions designed to replace the third-party cookie as a persistent identifier on the web. Buy-side adoption will be among the strongest incentives for publishers to integrate any solution, but publishers should also ensure that solutions are compliant with data privacy regulation, will drive yield, and are manageable for their teams and on their sites.

How can publishers prepare for the deprecation of the third-party cookie in Chrome?

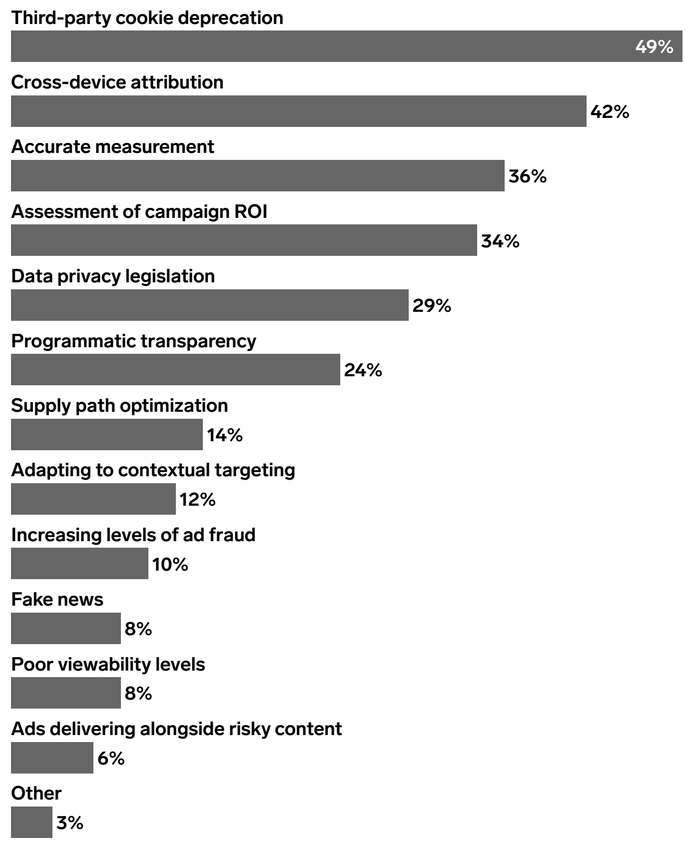
Publishers are building or expanding their first-party data strategies, such as increasing their authenticated users, advancing their contextual and behavioral data collection and insights capabilities, and exploring data collaborations with advertisers or brands. Work is also being done in Prebid.org, in collaboration with the Interactive Advertising Bureau (IAB), to develop a standardized taxonomy that would allow publisher first-party segments to be transacted programmatically at scale.

WHAT'S IN THIS REPORT? This report investigates how publishers are evaluating identity solutions, building first-party data strategies, and collaborating with partners to monetize their sites without the third-party tracking cookie.

KEY STAT: Nearly half (49%) of US digital media professionals polled by Integral Ad Science in October 2020 cited third-party cookie deprecation as one of their top three challenges for the industry in the following 12 months.

Digital Media Challenges According to US Digital Media Professionals, Oct 2020

% of respondents



Note: top 3 responses; in the next 12 months
Source: Integral Ad Science (IAS), "The 2021 Industry Pulse Report: US Edition," Dec 8, 2020

261936 eMarketer | InsiderIntelligence.com

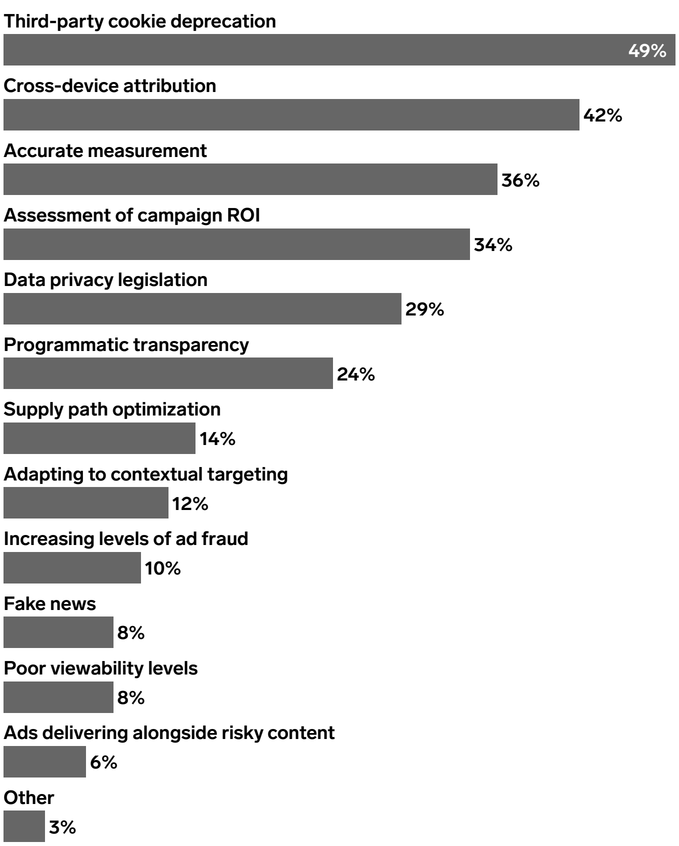
Contents

Setting the Stage

Along with the rest of the media industry, publishers are preparing for the final demise of the third-party tracking cookie. Google's Chrome browser will deprecate the third-party cookie by early 2022, following similar actions from other major web browsers including Apple's Safari and Mozilla's Firefox. But the death of the cookie also opens up unique opportunities for publishers to collaborate with partners and ad buyers—as well as with each other—to build new solutions.

The deprecation of the third-party cookie is expected to be one of the biggest digital media challenges of 2021. According to an October 2020 Integral Ad Science survey, nearly half (49%) of US digital media professionals cited third-party cookie deprecation as one of their top three challenges for the industry in the next 12 months.

Digital Media Challenges According to US Digital Media Professionals, Oct 2020
% of respondents



Note: top 3 responses; in the next 12 months
Source: Integral Ad Science (IAS), "The 2021 Industry Pulse Report: US Edition," Dec 8, 2020

261936 eMarketer | InsiderIntelligence.com

A Note on the Scope of This Report

This report discusses post-cookie solutions needed to deliver programmatic monetization for online publishers at the same or similar levels offered by third-party cookies.

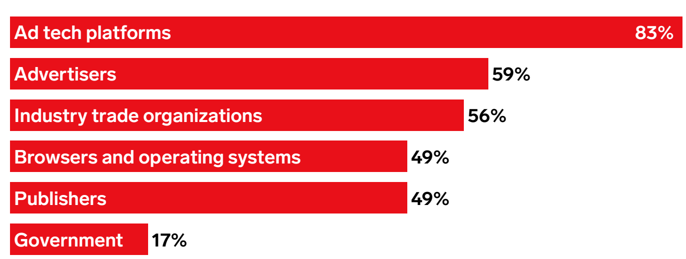
This report is primarily focused on strategies and tactics that will be key to publishers in a post-cookie world, including audience authentication, segmentation, and targeting. For more information on the dominant post-cookie and identity approaches that marketers are considering or taking, read our September 2020 report, **"Identity 2020: Changes to Cookies, Ad IDs, and Regulations Take Aim at Tracking"** and our February 2021 report, **"Ad Measurement and Revenue Attribution 2021: Identity Crisis Adds to Longstanding Challenges."**

Who's Responsible When Third-Party Cookies Go Away?

Most of the digital ad industry would likely concede that third-party cookies were imperfect. But rearchitecting an alternative that can serve existing use cases on the open web will take an industrywide collaborative effort. According to a September 2020 Advertiser Perceptions survey of agencies and marketers, 68% agreed at least somewhat with the idea that the industry will work together to create a universal identifier that can replace third-party cookies.

Most programmatic buyers believe that ad tech vendors are responsible for devising an alternative for the third-party cookie. According to a different August 2020 Advertiser Perceptions survey, 83% of US programmatic buyers felt that ad tech platforms have the responsibility to figure out alternatives to the third-party cookie. By comparison, just 49% think publishers carried that responsibility.

Who Do US Programmatic Buyers Believe Has the Responsibility to Figure Out Alternatives to Third-Party Cookies?
% of respondents, Aug 2020



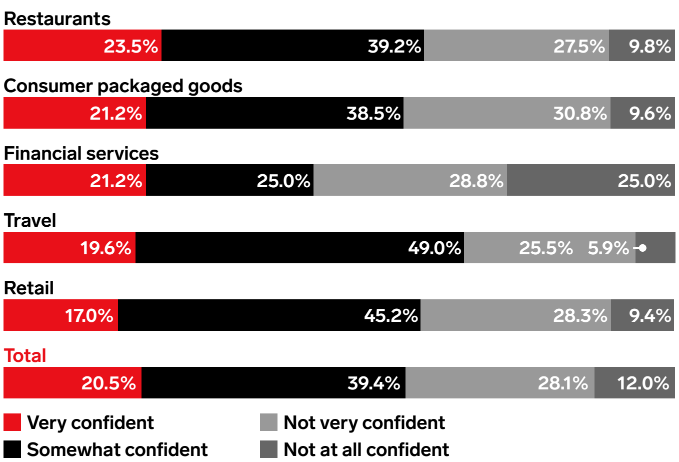
Note: n=326
Source: Advertiser Perceptions, "DSP Report, Wave 9: Q4 2020," Dec 18, 2020

262340 eMarketer | InsiderIntelligence.com

But even if they believe ad tech platforms have a responsibility to create an alternative solution, most marketers aren't very confident in those sorts of vendors to do so. According to an October 2020 Epsilon survey, 40.1% of US marketers across five industries either weren't at all confident (12.0%) or were not very confident (28.1%) in their vendors to devise an alternative to third-party identifiers, including the third-party cookie. Just 20.5% said they were very confident.

Confidence Level of US Marketers that Their Vendor Will Have Viable Solutions to Replace Third-Party Cookies (3PCs) and Mobile Advertising IDs (MAIDs), by Industry, Sep 2020

% of respondents



Note: n=259; numbers may not add up to 100% due to rounding
Source: Epsilon, "Third-Party Cookies Phase Out," Oct 27, 2020

263488 eMarketer | InsiderIntelligence.com

Amid greater efforts to collaborate across the industry, ad buyers also see publishers as relevant partners to help them prepare for the loss of third-party cookies. In a November 2020 survey from the Interactive Advertising Bureau (IAB), 49% of US agencies and brand marketers said that they were working with publishers to prepare for the decline of third-party identifiers, including the third-party cookie. That's compared with 65% that were working with ad tech vendors.

Departments & Partners US Agencies/Brand Marketers Are Working with to Prepare for the Decline of Third-Party Identifiers*, Nov 2020

% of respondents

Internal departments	
Analytics/CRM	55%
Media/marketing	44%
Technology/website	42%
Legal/compliance/policy	33%
External partners	
Technology vendors	41%
Publishers	25%
Media or consulting agency	22%
Identity resolution partners	19%
All of the above	**24%**
None	**5%**

*Note: n=135; *including cookies*
Source: Interactive Advertising Bureau (IAB), "2021 Marketplace Outlook Survey Results," Dec 15, 2020

262828 eMarketer | InsiderIntelligence.com

Publishers should take this as a sign to develop more collaborative, transparent relationships with buyers over the coming year, particularly among their most important ad partners.

Possible Post-Cookie Alternatives

Browser makers, ad tech vendors, industry trade groups, advertisers, and publishers are involved in an industrywide undertaking to create alternative solutions to the third-party cookie. Numerous identity solutions have been proposed or brought to market, including open-source and proprietary vendor solutions. Most are still in proposal stages and being discussed in working groups, but some active in-market solutions are slowly gaining adoption from both the buy- and sell-sides.

According to a February 2021 Lotame survey, just 24% of marketing executives at US publishers said they already have an identity solution to mitigate the loss of third-party cookies—and 38% said they were looking for a post-cookie identity solution that would work longer term.

Do US Publishers Have a Solution in Place for the Potential Loss of Third-Party Tracking?

% of respondents, Dec 2020

Note: n=45
Source: Lotame, "Beyond the Cookie: The Future of Advertising for Marketers & Publishers," Feb 17, 2021

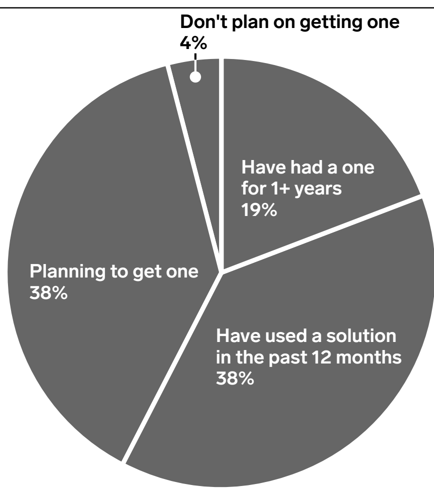
263817 eMarketer | InsiderIntelligence.com

According to a July 2020 LiveRamp/Digiday survey, most publishers worldwide (57%) were already using an identity solution that will continue working post-cookie. But 38% planned to get one, and 4% said they had no such plans.

It's worth noting that the samples of both surveys were relatively small and that LiveRamp and Lotame are identity solution providers. The limited view we have into respondents also makes it difficult to judge this data as a representative indication of how publishers have responded to identity solutions.

Publishers Worldwide Who Have an Identity Solution that Will Continue to Work in a Post-Cookie World, July 2020

% of respondents



Note: numbers may not add up to 100% due to rounding
Source: LiveRamp and Digiday, "The State of the Industry: Publishing," Aug 18, 2020

262839 eMarketer | InsiderIntelligence.com

Experts we spoke with agreed that there are a few classifications of identity solutions that publishers can consider:

- **Authenticated.** These solutions rely on a publisher (or brand) to supply deterministic, first-party data (e.g., a user's email address, phone number) that the provider's solution then converts (e.g., through hashing or encryption) into a persistent identifier tied to a specific user. Because the personal information used to create these IDs identifies a known user, these IDs are considered particularly high-quality. So far, authenticated identity solutions (e.g., The Trade Desk's Unified ID 2.0, LiveRamp's Authenticated Traffic Solution) have gained substantial industry attention and adoption.

- **Probabilistic.** Probabilistic identity solutions are subject to hazier definitions and will sometimes share overlapping or similar qualities to fingerprinting, an identification process that combines attributes of a device. Probabilistic ID solutions usually depend on a core deterministic data set, which is then extended through matching and applying additional signals or information (most commonly an IP address). Similarities to fingerprinting have led some to question their future viability, however. Browsers have already proposed IP-blindness, which would limit the ability of probabilistic solutions to do matching. Probabilistic ID solutions also pose potential data privacy risk, as it becomes questionable whether matched users have given direct and informed consent.

- **Cohort-based.** These solutions aim to target groups of users based on their interests or other information. As of January, Google has updated its own plan to replace the targeting functionality of third-party cookies using one of its Privacy Sandbox proposals Federated Learning of Cohorts (FLoC), which will group browser users into interest-based cohorts by tracking their browsing activity. FLoC will be available for public developer testing in March 2021. Prebid.org is also developing a publisher-controlled cohort-based solution that will allow buyers to transact against publisher first-party data segments, effectively cohorts. This solution would rely on having a standardized taxonomy that publishers would be able to adopt and apply to their data, including from nonauthenticated traffic.

As the industry works to devise post-cookie solutions, now is a critical time when publishers can make their needs and interests heard. Publishers are encouraged to engage in working group conversations in the IAB, World Wide Web Consortium (W3C), Prebid, and the Partnership for Addressable Media (PRAM) where post-cookie solutions and standards are now being discussed.

Alongside the industry push to develop and adopt a replacement ID for the third-party cookie are monetization options that don't require any ID to enable forms of targeting on the web. These opportunities stem from publishers' first-party data, including information that publishers glean from user behaviors on their sites, which we discuss later in this report.

How Publishers Should Evaluate the Post-Cookie Options

Most of the experts we spoke with expected the field of identity solutions to narrow over the coming year as adoption continues, but felt it was unlikely that only a single identifier will replace third-party cookies.

Six in 10 US marketers said that multiple identity solutions will be needed, so long as they are interoperable, per Lotame. 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

263813 eMarketer | InsiderIntelligence.com

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."

The decision to adopt a solution isn't a light one. Each solution added requires publishers to invest finite resources to negotiate with vendors, develop cross-organization strategies, have or build technical know-how to integrate solutions technology on their sites, and run A/B testing to determine how well different solutions work and in what environments. "That becomes a duplicative cost, time and time again," said Andrew Baron, vice president of machine learning and marketplace at programmatic ad platform PubMatic. (Editor's Note: Baron is now senior vice president of identity and marketplace at PubMatic.)

"We're humoring everything at this point," said Phil Bohn, senior vice president of sales and revenue at Mediavine, which manages ad sales for lifestyle publishers. "That's going to be the tricky part for other publishers. We've got a couple dozen engineers that we can set on these things and get turned on. Not all publishers or publishing groups have those capabilities. It's going to be tricky figuring out what works and what doesn't. We've been doing a lot of A/B testing on all these different things."

Post-cookie identity solutions will only be viable if they gain scaled adoption from both the buy- and sell-sides. Sources we spoke to 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."

Different solutions might monetize better for different sites or groups of sites. Publishers should be testing to find out what solution might be the best fit for their particular traffic and site makeup, according to Premesh Purayil, CTO at Freestar, which manages programmatic ad sales for publishers.

"We deployed PubMatic OpenWrap solution, an identity wrapper that gives us the ability to launch five, 10, or 15 identity providers at will across our network, and then look at those results," Purayil said. "We're looking at the results now, as a holistic solution—looking at the sum of all the identity providers—as well as on a site-by-site level: Are there certain identity providers that work better on certain types of sites?"

Still, other publishers said they're being more selective about the solutions they integrate into their sites until they have a better idea of what buyers want. Decision-making was influenced by watching or talking to their most important buyers. "Who are our biggest marketers, are they going to be affected, and how can we help them continue partnering with us through this?" said Sara Badler, senior vice president of advertising and partnerships at lifestyle digital publisher group Dotdash.

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.** For example, General Data Protection Regulation (GDPR), California Consumer Privacy Act (CCPA), and California Privacy Rights Act (CPRA). 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.** Does the solution help you play to your current strengths and build on 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 to determine 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 them in more creative and advanced ways. For example, "When FLoC turns on, if a publisher decides to look at the [cohorts], they can not only use them for ad targeting, but they can start comparing the [cohorts] to content that user is visiting," Bannister said. "So, they can actually overlay FLoC data against first-party data and learn deeper insights about their 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.

Publisher First-Party Data Strategies

Given their direct relationships with audiences, publishers will become increasingly important owners of consumer data. Building up their first-party data sets is becoming a greater imperative in the absence of third-party cookies. Some have already begun prioritizing and monetizing their first-party data, but all publishers will need to consider this shift in the near future.

"The opportunity for us in the post-third-party cookie ecosystem is that we are the owners of our data. We are the only ones who know and understand our users, who have a repeat relationship based on the first-party cookie."

—Stephanie Layser, Vice President of Advertising Technology and Operations at News Corp.

Sources we spoke with identified two main forms of user data that publishers can collect:

- **Deterministic.** This data includes personal information collected from users who authenticate with the publisher, including forms of personally identifiable information (e.g., email address, phone number) that a user willingly shares with the publisher. Publishers typically collect this information when a user subscribes or registers for various types of content access (e.g., paid subscription, email newsletter, webinar), fills out a survey, etc. Deterministic data points can also include identifying information that isn't strictly classified as personally identifiable information (e.g., age, job title, education level, or household income), which publishers can add to a user's profile or personal graph.

- **Nonauthenticated.** This data includes a multitude of signals that a publisher gathers from a user's site activity over time using first-party cookies set within the publisher's own domain, even if the user isn't logged in. Data points span contextual or behavioral cues gleaned from a user's content consumption behaviors on publisher sites, which the publisher can use to extrapolate insights and infer user interests and intent.

Publishers and advertisers expect to rely more on owned data in the absence of third-party cookies. According to May 2020 research from Winterberry Group and the IAB, 60.4% of data professionals in North America said that they would increase their emphasis on the use of first-party data because of the change in support for third-party cookies. Respondents included 104 data users, suppliers, and agency partners representative of the landscape of stakeholders that buy, sell, and leverage audience data—meaning that they came from the buy- and sell-sides. Additionally, 35.9% of respondents said they would increase their efforts to build second-party data relationships, and 34.0% would increase spending on contextual advertising—strategies that could directly involve using publisher first-party data.

How Will the Change in Support for Third-Party Audience Cookies Affect the Use of Data for Data Professionals in North America?

% of respondents, May 2020

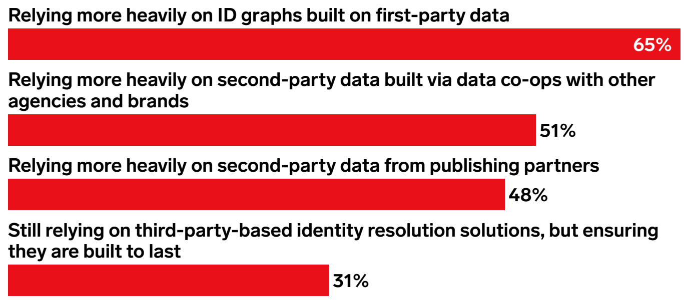
Source: Winterberry Group, "The State of Data 2020" in partnership with Interactive Advertising Bureau (IAB), July 22, 2020

257477 www.eMarketer.com

This means marketers will increasingly rely on their own first-party data and publisher first-party data. According to a September 2020 Advertiser Perceptions survey, 48% of US marketers and agencies said they would rely more heavily on second-party data from publishing partners in a cookieless future.

Tactics US Marketers and Agencies Are Using to Address Identity Resolution in the Future as Third-Party Cookies Are Being Phased Out, Sep 2020

% of respondents



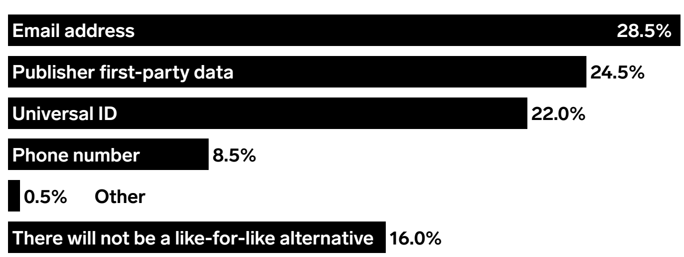
Note: n=302
Source: Advertiser Perceptions, "Identity: Are we headed toward resolution, revolution or regression?" Oct 19, 2020

259934 eMarketer | InsiderIntelligence.com

According to a Q4 2020 LiveIntent survey of more than 200 senior marketers and publishers from small and medium-sized companies, 24.5% expect publisher first-party data to emerge as a key identity replacement for third-party cookies. Since responses total to 100%, respondents could only select one option from among these results, although it's likely that each will be viable alternatives post-cookie that can operate in tandem.

Type of Data that Will Emerge as a Cookie Replacement for Identity According to US Marketers and Publishers, Q4 2020

% of respondents



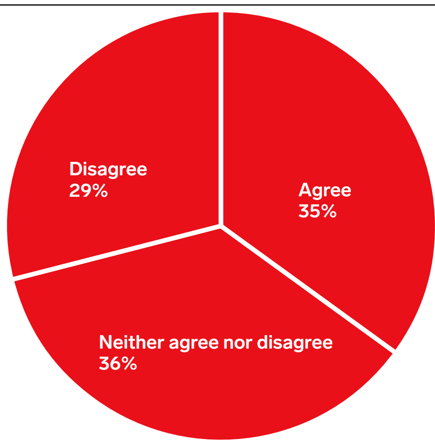
Source: LiveIntent, "Third-Party Cookies and Identity," Dec 1, 2020

263854 eMarketer | InsiderIntelligence.com

Marketer perceptions are somewhat divided on whether relying solely on publisher first-party data is a good alternative to third-party cookies, but some do believe it is. According to Lotame's February 2021 survey, 35% of US marketers agreed that relying solely on publisher first-party data is a good solution to third-party cookies phasing out, which suggests a high degree of confidence in publisher first-party data. Another 36% of respondents neither agreed nor disagreed that it was a good solution. But even if some marketers were more neutral, this bodes well for publishers with first-party data assets in a post-cookie future.

US Marketers Who Believe Relying Solely on Publisher First-Party Data Assets Is a Good Solution to Third-Party Cookies Phasing out and Privacy Regulations, Dec 2020

% of respondents



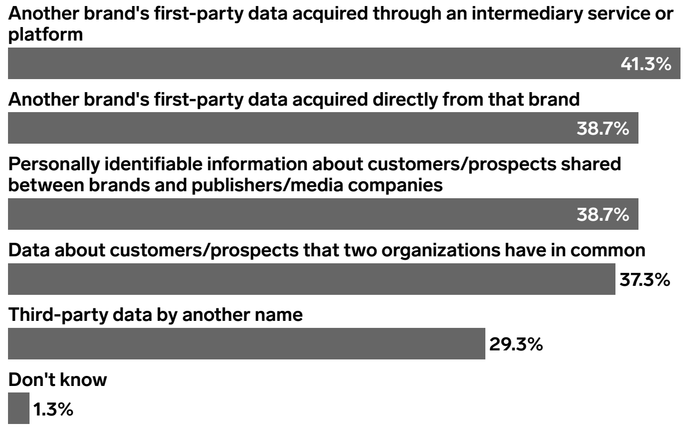
Note: n=153
Source: Lotame, "Beyond the Cookie: The Future of Advertising for Marketers & Publishers," Feb 17, 2021

263816 eMarketer | InsiderIntelligence.com

However, advertisers may expect that second-party data shared by the publisher specifically means the publisher's data about its authenticated users. According to a November 2020 Winterberry Group survey of US/UK brand marketers, 38.7% said that they considered "second-party data" to mean personally identifiable information about customers that's shared between brands and publishers or media companies. Personally identifiable information (e.g., email address) is a level of personal information only available from users who authenticate with a publisher. A form of PII is usually needed to act as a common identifier, or bridge, in data clean rooms where two first-party data sets are being combined. We discuss second-party data partnerships in more detail later in this report.

What Does "Second-Party Data" Mean to UK/US Brand Marketers?

% of respondents, Nov 2020



Note: n=75
Source: Winterberry Group, "Collaborative Data Solutions: Data and Identity in the Era of Permission," Jan 14, 2021

262733 eMarketer | InsiderIntelligence.com

As first-party data grows in importance in the absence of third-party cookies, both deterministic and nonauthenticated publisher first-party data will evolve and take on expanded roles. In the following sections, we investigate how publishers are building and deploying their first-party data strategies and explore challenges and best practices to prepare for a post-cookie world.

Strategies for Monetizing Authenticated Users

Authentication can be one aspect of a publisher's first-party data strategy. The potential returns publishers can get through authenticated identity solutions will likely drive them to try and authenticate more of their users.

Authenticated identifiers are tied to a known user, meaning they will target "an actual human being, not a device," said Jason White, senior vice president and head of publishers at data services and identity provider LiveRamp.

"[Authenticated] first-party data gets you closer to the truth," said Kerel Cooper, CMO at LiveIntent, an email monetization solutions and identity provider. "What I mean by that is understanding that you are actually delivering advertising content to a real person."

But there's a tradeoff with publisher reliance on authenticated identity solutions: smaller scale in exchange for higher data quality and CPMs. However, even a limited amount of authenticated traffic can be enough to make up for reduced reach from a revenue perspective, White said.

Strategies to Encourage More Users to Authenticate Themselves

Publishers that leverage authenticated identity solutions must have some way of capturing personal information from users, such as by compelling a site login or incentivizing them to provide identifying information through some other channel like an email newsletter, webinar, or survey. The email address is the most common form of personal information that web publishers collect from users and can be used as the basis of a cookieless identifier (e.g., a hashed email).

Many publishers already employ authentication strategies, but they'll become even more prevalent to enable user-level targeting on publisher sites in a cookieless future. Authenticated identity solutions can help publishers further monetize the authenticated users they may already have.

According to a July 2020 LiveRamp and Digiday survey, the vast majority (71%) of publishers used email newsletters to authenticate their audience, while 31% were planning to do so. Other common strategies were sign-on with email functionality (62%) and paid subscriptions (48%). (Respondents could select more than one response, so percentages don't always total to 100%.)

Strategies Publishers Worldwide Are Employing to Authenticate Their Audience, July 2020

% of respondents

	Employing	Planning	Neither
Newsletters	71%	31%	4%
Sign on with email	62%	35%	8%
Paid subscription	48%	27%	27%
Special offers (BOGOs)	25%	33%	44%
Widgets	19%	38%	42%

Source: LiveRamp and Digiday, "The State of the Industry: Publishing," Aug 18, 2020

262840 eMarketer | InsiderIntelligence.com

Test and Learn

The coming months offer an opportunity for publishers to experiment with strategies to encourage login, like hard, soft, or metered paywalls. "This isn't getting turned off overnight," said Cory Munchbach, COO of customer data platform (CDP) BlueConic. "So, the ones that are doing the best work right now are pausing and asking, 'Where do we need to be in 12 months? What are some small tests that we can start to build and learn off of?'"

Publishers also have a testing ground in Safari and Firefox where third-party cookies have already been deprecated. "You can test how that monetizes versus a bounce rate of a user not giving their email, versus how much you make off of that user [who does give their email]," White said.

Delivering on the Value Exchange

For authentication strategies to work, publishers need to provide value meaningful enough to incentivize users to log in while also maintaining a positive user experience. Some would also argue that users need to be plainly informed that free online content is paid for by ads. That reeducation could conceivably make more users open to authenticating.

Regardless of what authentication strategy a publisher deploys, improving the user experience is fundamental to making it effective. "These better, more personalized types of experiences that lead to a reader logging in, or having some sort of authentication, give a much better, more persistent record that can be managed across different channels and systems," Munchbach said. "There's a lot of upside to that. But it comes with the commitment from the publisher to make it worth it for someone to become a subscriber: What's in it for that individual reader?"

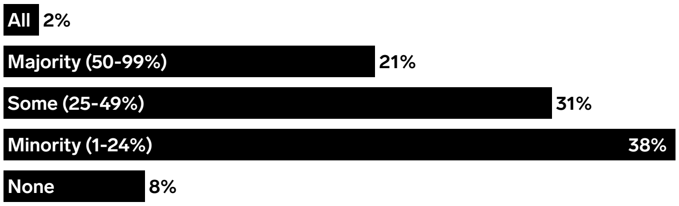
When thinking about how to authenticate users, CafeMedia's Bannister noted that internally they ask key questions related to user experience, "How can you build a better user experience? How can you engage your users in better ways? How can you make them trust your property more and want to share that information with you?"

Problems with Relying on Authentication

But even with strategies in place, it's unlikely that a sizable percentage of publisher audiences will be authenticated in the near term. According to the LiveRamp/Digiday survey, 38% of publishers said that only a small minority (1% to 24%) of their site traffic is authenticated, while 31% said that between 25% and 49% of their traffic is authenticated. Just 2% of respondents said that all their traffic is authenticated, and 8% said none is.

However, without knowing more about survey participants, this data may paint a rosier picture of actual authentication rates among web publishers as a representative whole.

Percent of Their Traffic that Is Authenticated According to Publishers Worldwide, July 2020
% of respondents



Source: LiveRamp and Digiday, "The State of the Industry: Publishing," Aug 18, 2020
262838 eMarketer | InsiderIntelligence.com

Authentication rates will vary by publisher depending on their relationships with users. But experts we spoke with from different parts of the industry expected that between 5% and 30% of users would be authenticated, even with authentication strategies in place. Some publishers may struggle to achieve single-digit authentication rates among their users. As one source put it, "It's a tough road."

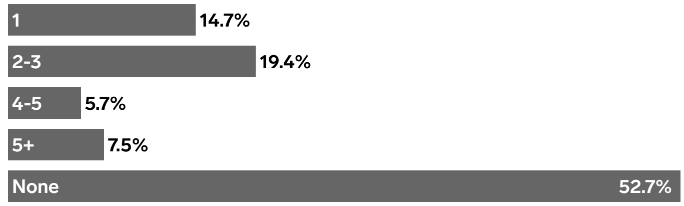
Some authentication proponents expect a future in which web publishers shift into more aggressive tactics, including instituting hard paywalls on their sites to require a user to authenticate. But these tactics don't account for how users browse, discover, and engage with different sites on the open web.

"The fact is that a lot of websites have very transient users: people who don't come back on a repeat basis or who come in through social or search," News Corp.'s Layser said. "Because of that, some sites will never get people to log in. So, this authenticated solution becomes a lot smaller."

More general content publishers may be less able to convince site visitors to give personal information for access. "With our vertical, because it's more general content, anybody can have a pumpkin pie recipe, and the user may not want to give up an email address to get access to it," Mediavine's Bohn said.

Using email newsletters to grow and retain authenticated users is fairly straightforward, but there are also likely to be upper limits on audience interest and willingness to subscribe. According to a December 2020 survey from performance marketing firm What If Media Group, 52.7% of US adults said they don't subscribe to any email newsletters for news and entertainment. Among those that do, 19.4% subscribe to two or three, and 14.7% subscribe to just one.

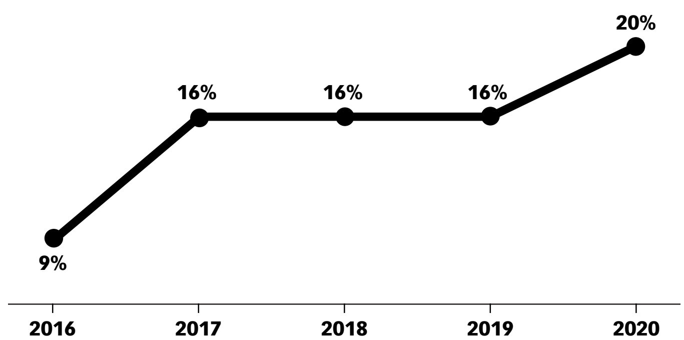
How Many Email Newsletters Do US Adults Subscribe to for News and Entertainment?
% of respondents, Dec 2020



Source: What If Media Group as cited in company blog, Jan 11, 2021
262753 eMarketer | InsiderIntelligence.com

In the realm of paid subscriptions, there's an even slimmer opportunity for publishers looking to authenticate users. According to a June 2020 survey from the Reuters Institute for the Study of Journalism at the University of Oxford conducted by YouGov, just 20% of US internet users ages 18 and older said they had paid for digital news in 2020, up from 16% in 2019, 2018, and 2017. Despite last year's bump, only a minority of respondents pay to subscribe to access digital news content—much less types of non-news content that internet users now find widely accessible for free on the open web. Further, subscribers are likely to be concentrated among a handful of large or very relevant niche publishers.

US Internet Users Who Have Paid for Digital News Content, 2016-2020
% of respondents



Note: ages 18+; in the past year
Source: Reuters Institute for the Study of Journalism at the University of Oxford, "Digital News Report 2020" conducted by YouGov, June 15, 2020
256457 www.eMarketer.com

Another potential barrier to scaling a publisher's deterministic data set is the likelihood that even users who authenticate will need to give publishers explicit consent for their personal information to be shared with ID partners for the purposes of advertising. GDPR and CCPA already require such consent in the EU and California, respectively. Similar regulation at a US federal level would expand that mandate.

Where these regulations are enforced, publishers need to build consent language into a user agreement at the point of authentication. "The publisher will basically say, we're sharing the email address with XYZ for the following purposes. The only question in that context is what does scale look like? How many of the consumers that use a publisher site are going to do that?" Tapad's Connon said.

Authentication strategies also risk limiting the amount of nonauthenticated user data collected if they alienate users who might otherwise have engaged with their sites. "Publishers that go down that path, unless they've got enough readership, are making it harder to build rapport and get content in front of their users when they're trying to extract versus add value," said Dave Pond, head of media strategy and operations at BuzzFeed.

Strategies for Monetizing Nonauthenticated Users

Publishers have a few options for monetizing their nonauthenticated traffic, including assembling and activating first-party contextual segments. Some publishers will also be able to participate in second-party data partnerships with brands or advertisers.

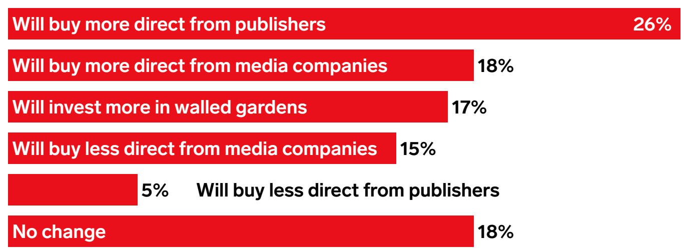
Publisher First-Party Segments

Targeting publisher audiences through first-party segments will continue to be an important post-cookie monetization strategy for publishers, partly because it doesn't require an ID to be exchanged. "What do we do instead of a single identifier?" PubMatic's Baron said. "Will there be an increased value placed on context? It's related to the identity change, but it's by definition not identity."

Now and in a cookieless future, publishers can run campaigns on audience segments assembled from their first-party data, typically sold as direct or programmatic direct (e.g., private marketplace, or PMP) deals. Publisher first-party segments can include data that publishers collect from either or both authenticated and nonauthenticated users. Publishers will sometimes sell high-value segments containing user information about authenticated users (e.g., CEOs who read The Wall Street Journal). But publishers will often create segments from nonauthenticated user data gleaned from user behavior or details about the content they engage with while on the publisher's site.

Many marketers expect to ramp up direct buying from publishers and media companies post-third-party cookie, meaning greater investment against publisher first-party segments. According to Lotame, 43% of US marketers said they will buy more direct from publishers and media companies in a post-cookie world.

Change in Their Relationships with Publishers and Media Companies in a Post-Cookie World According to US Marketers, Dec 2020
% of respondents



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
263815 eMarketer | InsiderIntelligence.com

Publishers can partner with vendors like data management platforms (DMPs) or CDPs to store user data, draw insights, and create audience segments from their first-party data.

Several larger publishers and publishing groups have also invested in building in-house solutions to enable more sophisticated data-driven targeting on their web properties. These solutions include The Washington Post's Project Signal (powered by Zeus Insights), Vox Media's Forte, Meredith Corp.'s Data Studio, and Insider Inc.'s SÁGA. (Disclaimer: Insider Inc. is the parent company of Insider Intelligence.)

These tools monitor and collect a vast number of data points and use these signals to generate granular insights about user interests, intent, and even where users are in the purchase funnel. Publishers can extrapolate increasingly sophisticated insights as they begin applying machine learning and data science to the process.

"The industry is only thinking about first-party data as the authenticated user, but first-party data comes in all different forms, whether somebody is authenticated or not," said Jana Meron, senior vice president of programmatic and data strategy at Insider Inc. "What matters is the behavior because that really tells you about the person. If advertisers focus less on the demographic and more about the user behaviors, they're going to learn a lot more about their consumers."

Publishers can collect contextual and behavioral signals from both their authenticated and nonauthenticated users using first-party cookies. First-party cookies will persist in browsers even after third-party cookies die, meaning publishers can collect and store this data to build a longer-term historical view of a user, at least until users delete their cookies. First-party cookies live on Safari for a maximum of seven days, per Apple's ITP 2.3 update.

Publishers and vendors we spoke to said that these signals generally fall into a few buckets:

- **Contextual:** what content a user consumes or engages with on a publisher site, including page context, topic of the first page a user clicks at site entry, or most frequently read topics (e.g., top section interest, all section interests).
- **Behavioral:** how a user engages with content on a publisher site, including search, share, or purchase behaviors (e.g., site searches, whether they share content, whether they buy something) and where a user comes from (e.g., search, social, email).
- **Temporal:** when a user engages with content on a publisher site, including time of day they come in, if they are a repeat visitor, or how frequently they return to a page or site.
- **Geolocation:** the physical location where a user engages with the publisher site to help inform what ad to serve.

"In some cases, we have publishers that are collecting anywhere from 400 to more than 1,000 data points about their readers," BlueConic's Munchbach said. "Operationally, that translates to a staggering amount of insight for segmentation and/or machine learning models that can be activated across multiple channels. Then publishers can answer questions like, 'How should I be targeting these users? How can I engage them better?'"

These signals can be turned into rich, dimensional audience segments beyond simple keyword-based context for targeting marketers' specific KPIs and responding to requests for proposal (RFPs) in a data-driven way. Publishers can also enrich their first-party data segments by overlaying deterministic data.

Publisher first-party segments can offer contextual targeting for buyers, but it's an expanded definition of context that includes insights drawn from on-site user behaviors. Often, there's a blended approach to segment creation, wherein different types of insights, including those derived from page context, are layered into the same segment. "It's looking at context, and then stitching context and usage together into deeper information about a user," CafeMedia's Bannister said. In effect, publisher first-party segments are targeting interest- or intent-based audience cohorts from among a publisher's users.

"We're interested in building an affinity graph for our properties," BuzzFeed's Pond said. "To do so, we look at millions of different data signals, combining them, cross-referencing them, and then delivering an ad based on what we think will be the highest performance." Pond added that such data can be used to serve users a relevant contextual ad in real time. "A lot of it is in-session," he said. "We think about how we can engage them in real time, in the moment, and with behaviors they're showing there."

Advertisers anticipate relying more heavily on contextual targeting without third-party cookies. According to a September 2020 Epsilon survey, 54.0% of US marketers said their companies would be moving to contextual targeting strategies as among the steps they were taking to prepare for third-party cookie deprecation.

Steps Taken by US Marketers' Companies to Address the Impact of the Deprecation of Third-Party Cookies, Sep 2020

% of respondents

1 **Consumer packaged goods** 2 **Financial services** 3 **Restaurants** 4 **Retail** 5 **Travel** 6 **Total**

	1	2	3	4	5	6
Building a customer data platform (CDP)	66.7%	62.5%	70.8%	66.7%	70.0%	67.3%
Strategizing around first-party data	88.9%	58.3%	58.3%	38.9%	55.0%	61.9%
Building out a private ID graph	44.4%	58.3%	58.3%	77.8%	70.0%	60.2%
Moving to contextual targeting strategies	59.3%	54.2%	58.3%	55.6%	40.0%	54.0%
Getting a data clean room	22.2%	12.5%	29.2%	33.3%	30.0%	24.8%

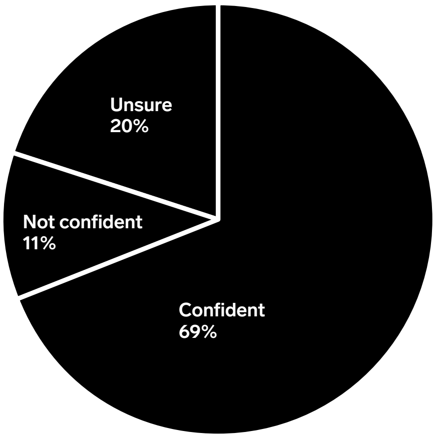
Note: n=259
Source: Epsilon, "Preparing for a world without third-party cookies" in partnership with Phronesis Partners, Oct 27, 2020

260806 eMarketer | InsiderIntelligence.com

Publishers are confident in their contextual targeting abilities to serve advertisers' needs post-cookie. Nearly seven in 10 US publishers said they were confident that their contextual targeting can replace audience targeting and measurement needs for advertisers, per Lotame.

Level of Confidence that Their Company's Contextual Targeting Can Replace Audience Targeting and the Marketer's Need for Measurement and Analysis According to US Publishers, Dec 2020

% of respondents



Note: n=45
Source: Lotame, "Beyond the Cookie: The Future of Advertising for Marketers & Publishers," Feb 17, 2021

263818 eMarketer | InsiderIntelligence.com

Again, it's worth noting that this sample is small, so this data may not accurately represent confidence levels among all publishers. For example, contextual targeting isn't necessarily a post-cookie panacea for all publishers. Some may not have context or intent signals that particularly interest advertisers, such as local or regional news publishers. "In a lot of cases, contextual data is really powerful. But if you're the 14th largest newspaper in the country, you're not relevant to national buyers, and most of your content is hard news that's not contextually interesting to brands, even forgetting about brand safety issues," Bannister said.

By contrast, most marketers don't think contextual targeting solutions will be enough to replace audience targeting, even if some are confident. More than a third (35%) of US marketers were "fully confident" that contextual targeting alone could replace audience targeting, according to Lotame. But 54% of respondents said that contextual targeting is useful as a tactic, but not when used on its own.

Another limitation of publisher first-party segments is that there will be limits to how many direct buys that advertisers can set up. Buys against publisher first-party segments are typically direct-sold or programmatic direct deals, so buyers need to string together multiple deals to scale reach among audiences. That's a problem because advertisers are unlikely to work with every publisher, meaning publishers that can't access demand for their first-party data will be excluded. "You have the reality that we won't be able to do this publisher by publisher," said Amanda Martin, vice president of enterprise partnerships at marketing agency Goodway Group.

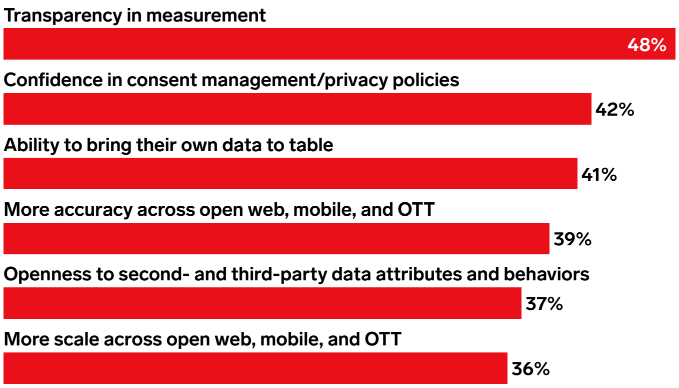
Multipublisher PMPs are possible through supply-side platforms (SSPs), but they haven't scaled revenues, Bannister said. That could be because buyers can already reach users across multiple sites through audience buys in their demand-side platform (DSP). There is also a lack of standardization across different publisher first-party segments, making it harder for advertisers to trust and compare the quality of audience segments across publishers. Publishers may have greater visibility into their own content and users, but they self-define the makeup of their own segments. So, even if buyers do multiple PMP deals with different publishers, they could be getting different things classified the same way (e.g., different audiences that individual publishers decide are auto intenders). A committee in Prebid.org, collaborating with the IAB, is now developing a standardized taxonomy that would be agreed upon and adopted by publishers, SSPs, DSPs, and buyers.

Even if publisher segments aren't yet standardized, they can still offer a more accurate way of buying context compared with broad-based vendor contextual solutions that crawl the web and scrape publisher URLs to repackage and sell publisher context. Ad tech contextual solutions are also destined to grow in a cookieless future, but it's unclear just how accurate these third-party contextual solutions are. "At least allow me to audit your understanding of my website," said Scott Messer, senior vice president of media at Leaf Group, a lifestyle digital publisher group. "We don't know if you're right or wrong." Further, these vendor solutions undermine publishers' ability to sell their own inventory and can cause latency issues on publisher sites.

Without a common taxonomy, publishers should communicate with buyers about the precise makeup of their first-party segments, how they've been assembled, and how they perform. According to the Lotame survey, 48% of US marketers said they particularly need publishers and media companies to be transparent in their measurement for them to feel confident buying from them, whether direct or programmatically, in a post-cookie world.

What Do US Marketers Need Publishers and Media Companies to Provide to Buy* More Confidently from Them in a Cookie-less World?

% of respondents, Dec 2020



*Note: n=153; *includes direct or programmatic buys*
Source: Lotame, "Beyond the Cookie: The Future of Advertising for Marketers & Publishers," Feb 17, 2021

263814 eMarketer | InsiderIntelligence.com

Transparency around segment makeup and measurement can help boost advertiser confidence levels around publishers' own first-party segments.

Scaling Publisher First-Party Segments

"Some portion of the advertising ecosystem post-cookie will be powered by logged-in users, or the anonymization of logged-in users. For the remaining 'nonauthenticated' users, which is likely to be the majority of the internet, we believe that the future of addressability moves squarely to the sell-side and will be powered by publisher first-party data. The obvious transition is a switch to first-party identifiers, and specifically first-party audiences, as defined by the sell-side, meaning publishers and publisher systems." —Garrett McGrath, Vice President of Product Management at Magnite

Work is being done now, specifically in Prebid and in the European Publishers Council, to create scalable, cross-publisher solutions for addressing the nonauthenticated web using publisher first-party data. In December, Prebid.org launched its publisher-controlled, open-source identifier SharedID. Testing is now being done against SharedID using an infrastructure based on third-party cookies.

Sources we spoke with who are involved in Prebid.org said a few things need to happen for a Prebid solution to become one that publishers can sell through and buyers can transact against:

- **Publishers and sell-side partners need to agree on a shared taxonomy.** A common taxonomy that all ecosystem players agree to would allow any publisher to build standardized, publisher-controlled and -verified segments from their own first-party data. Prebid is using the IAB Content Taxonomy as the starting point. Freestar's Purayil said a taxonomy would be ready within the year, when SSPs can decide whether to adopt it.
- **Publishers and sell-side partners need to agree on how to populate users into that taxonomy.** This would amount to a set of qualifying criteria for publishers to put a user into a particular segment, ensuring a standard data quality level across different publishers. For example, "We all agree to only flag a user as a 'blender intender' if they read between three and five pieces of blender content in the past seven days," CafeMedia's Bannister said.
- **Publishers will need to send segments into the bid-stream in way that's consistent with all others.** When publishers send bid requests to exchange partners, all publishers would need to do so using the same nomenclature for similar data. For example, "We both send ad exchanges Segment ID=12345, and ad tech companies know 12345 means this person is a blender intender," Bannister said.
- **Publishers will need to get agreement from buyers that these are the segments they want, and that they trust segment creation is consistent and legitimate.** Instead of a user ID, this solution would enable buyers to transact against an audience segment, similar to the logic behind FLoC's interest-based cohorts. "This might be two years from now before it is very common for a buying platform to receive a segment ID, as opposed to a user ID, and everyone's speaking the same language of segments," McGrath said.

Eventually, any SSPs that agree to this taxonomy would push these segments into OpenRTB, and DSPs that agree would allow buyers to transact against them. The key to this being possible is the buy- and sell-sides agreeing on a common taxonomy, and then for enough adoption to happen on both sides for it to scale. There also needs to be a way to validate publisher segments to make sure they're truthfully aligned with the taxonomy, so they can be reliably differentiated and bought in the open marketplace.

"It's not just the publishers self-defining this," said Purayil, who is on the committee to develop the taxonomy. "These conversations are happening with SSPs as well. Once you can agree on this and get buy-in in terms of, here's the taxonomy, here's what the structure is going to look like, here's how you validate it, or how you trust the information, then you can get the SSP to say, 'OK great, we're going to incorporate this and expose it out to the open marketplace so that it can be transacted against because it is structured.'"

The goal is to effectively replace third-party data in the DSP with publisher-declared first-party data segments. This would also give buyers more scaled access to multiple publishers' first-party data—including collected from nonauthenticated users—that publishers agree to share in the bid-stream.

That would also make it easier for buyers, rather than having to set up many different direct or PMP deals. "Instead of a buyer having to ask a publisher, 'Can you set up a deal for me targeting this audience?' the publisher can standardize their data with others, and that data can be aggregated and exposed within the DSP where hopefully many buyers can take advantage of it," Bannister said.

An eventual Prebid-led solution would also offer similar functions that will be lost with cookie-blocking, by publishers reporting information through the bid request. For example, in the case of frequency capping across different publisher domains, publishers would report ad frequency counts on their URLs to the DSP so it knows when a URL has been hit too many times.

"What if, instead of solving for identity and trying to push identity into the ecosystem, you solve for the use cases of identity?" News Corp.'s Layser said. "You use OpenRTB protocol to push through information to have somebody be able to target, to have a DSP able to frequency cap per domain, using publisher self-declared data. So, publishers give feedback on if an ad worked or not, whether it got clicked."

Magnite's McGrath further speculated that similarly structured efforts and taxonomies would arise elsewhere worldwide. "There won't be one taxonomy to rule them all," he said. "But if we can standardize at least regionally, and everyone starts speaking the same language in terms of taxonomy, that's one of the key drivers to bringing publisher's first-party data together, federated to the degree that publishers are willing to do."

Data Collaboration and Lookalike Audiences

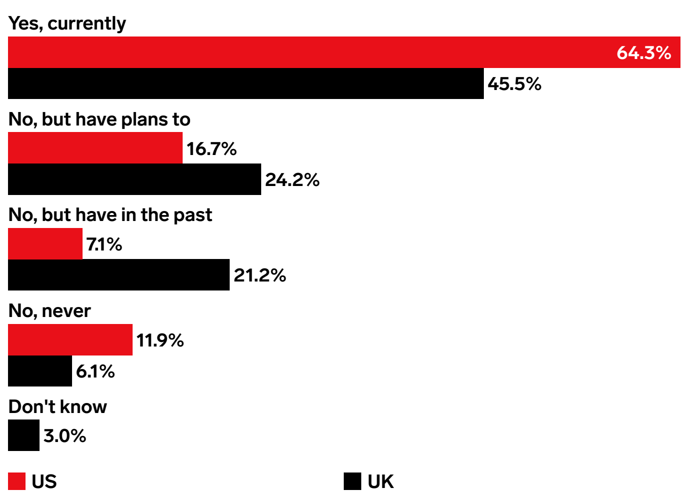
Publishers can also explore opportunities to combine their first-party data with advertiser first-party data sets in clean-room environments, usually provided by vendors. Data clean rooms are pitched as a way for publishers and advertisers to bring together their respective first-party data sets, where users' personal data is anonymized or pseudonymized, to look for overlap and find matches. Anonymization in clean rooms involves a hashing or encryption process to treat the original data, which is then keyed (substituted) to a specific ID to obscure or obfuscate any individually identifiable data.

Publishers and advertisers with complementary sets of consumers can connect their data at the user level to create joint segments with overlapping data, which can then be used for activations or to derive insights. For publishers, these collaborations are also often pitched as an inroad to new or expanded relationships with advertisers, as an entry point to access advertiser demand.

Marketers are increasingly looking at such opportunities to share first-party data as third-party cookies are phased out. According to a November 2020 Winterberry Group survey, 64.3% of US brand marketers said that their companies were currently collaborating with other organizations, including brands, media companies, and publishers, to share first-party data for insights, activation, measurement, or attribution, while 16.7% of US respondents plan to.

UK/US Brand Marketers Whose Companies Collaborate with Other Companies to Share First-Party Data, Nov 2020

% of respondents



Note: n=75; for insights, activation, measurement, or attribution
Source: Winterberry Group, "Collaborative Data Solutions: Data and Identity in the Era of Permission," Jan 14, 2021

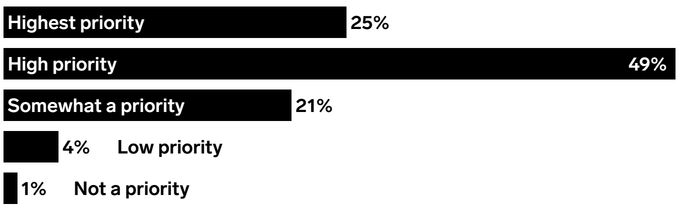
262732 eMarketer | InsiderIntelligence.com

Nearly six in 10 US respondents said that their companies were currently considering leveraging a data co-op for prospecting or expanding audience reach, and another 26.2% said they plan to.

Second-party partnerships are highly important to companies. According to a November 2020 Merkle poll, 74% of US and UK executives said that second-party data partnerships were at least a high priority, with 25% of which saying it was their highest priority.

Importance of Second-Party Data Partnerships to Their Company According to UK/US Executives, Nov 2020

% of respondents



Source: Merkle, "2021 Customer Engagement Report," Jan 12, 2021

262562 eMarketer | InsiderIntelligence.com

This type of data collaboration between publisher (media owner) and advertiser (brand) is still emerging, but it's likely to become more common as brands realize the limitations of their own first-party data. "I think savvy advertisers are realizing that their first-party data, while very beneficial, doesn't necessarily scale that far beyond their own walls, and they're beginning to think about how they can partner with publishers to use publisher data," Bannister said. "It's about marketers adapting their strategies and having to lean more heavily on publishers to help them reach the audiences that they want to reach. I think those conversations are starting to happen already."

In fact, 50% of US marketers said they had concerns about their own first-party data assets because they cannot find new audiences without supplemental data, per Lotame.

Some publishers were generally open to such partnerships, but said it was still too early for them to say how well this type of collaboration would work for them or whether it's something they would do. A couple of sources we spoke with said they were already doing them. Publishers cautioned that these combinations need to be done in a privacy-safe way, meaning that shared data is consented and can be used by both partners, and that ensures no risk of data leakage.

However, these aren't likely to be realistic or meaningful opportunities for publishers that don't have large quantities of deterministic data to bring into these data-sharing agreements with advertisers. For data to be matched in a clean room, partners need a common identifier between the two data sets, which typically means an email address. Clean rooms have mainly been used to connect authenticated user data, most commonly with an email address, said Amit Kotecha, marketing director at DMP Permutive. But even publishers that do have meaningful authenticated user data often come into these environments with a relatively small amount, according to Permutive co-founder and CEO Joe Root.

Overlapping those data sets to find matches further reduces the scale of the resulting pool. "Once you start overlapping data, it can get really small really fast. This is something that [only] the bigger publishers will be able to do with the bigger marketers," LiveRamp's White said.

These clean-room combinations can have match rates as low as 1% or 2% of the publisher's original data set. "What we find is that [publisher] authentication is so low that you're talking about tens of thousands of users at most that you get matched—not enough to actually be able to run a meaningful campaign," Root said. "If publishers ran a campaign on the matched users, you'd be talking about dollars spent, not millions of dollars spent."

To scale the match data set, publishers can model matches to a publisher's nonauthenticated traffic, then append lookalikes to then be able to run a more scaled campaign. "What publishers need to do, and what we see, is if you bring that data into a publisher ecosystem and then allow the publisher to model and scale that out using their own first-party data across their anonymous users, then all of a sudden you can scale an audience of 10,000 or 20,000 users to a couple of hundred thousand or a million users," Root said.

Key Takeaways

- **Evaluate, integrate, and test different identity solutions.** It's essential to begin adopting and testing different solutions, including at a site level, to figure out which solutions work best for your site traffic and makeup. When evaluating ID solutions, publishers should align with buyers by adopting solutions that have scaled buyer adoption, particularly among important advertiser clients. Publishers that don't act will effectively be consigned to working with solutions that come out of Google's Privacy Sandbox.

- **Publisher first-party data from authenticated traffic will be key to audience addressability at the user level in a post-cookie future.** Some publishers will expand their efforts to encourage users to authenticate themselves, emphasizing strategies to help them collect email addresses that will be leveraged into authenticated ID solutions. Authenticated traffic will have higher CPMs, but significantly less scale. To make authentication strategies effective, publishers will also need to focus on how they can improve the user experience to deliver on a value exchange.

- **Publishers must also consider how they will monetize their nonauthenticated traffic, which for most, will be the majority of it.** Important strategies will include building and selling publisher first-party segments, based on insights derived from their users' on-site content consumption and behaviors. Publishers that have enough authenticated user data can also pursue data-sharing partnerships with advertisers and perform lookalike modeling to extend campaign reach among nonauthenticated users. A standardized taxonomy that both the sell- and buy-sides agree on would help to scale the opportunity for publishers to programmatically sell their first-party segments.

Insider Intelligence Interviews

Insider Intelligence and eMarketer research is based on the idea that multiple sources and a variety of perspectives lead to better analysis. Our interview outreach strategy for our reports is to target specific companies and roles within those companies in order to get a cross-section of businesses across sectors, size, and legacy. We also look to interview sources from diverse backgrounds in order to reflect a mix of experiences and perspectives that help strengthen our analysis. The people we interview for our reports are asked because their expertise helps to clarify, illustrate, or elaborate upon the data and assertions in a report. If you would like to be considered for an interview for one of our reports, please fill out this form.


Sara Badler
Senior Vice President, Advertising and Partnerships
Dotdash
Interviewed January 12, 2021


Paul Bannister
Chief Strategy Officer
CafeMedia
Interviewed January 19, 2021


Andrew Baron
Vice President, Machine Learning and Marketplace
PubMatic
Interviewed January 8, 2021


Phil Bohn
Senior Vice President, Sales and Revenue
Mediavine
Interviewed January 19, 2021


Yigael Chetrit
Global CTO
Adwanted Group
Interviewed January 14, 2021


Mark Connon
COO and General Manager
Tapad
Interviewed January 8, 2021


Kerel Cooper
CMO
LiveIntent
Interviewed January 12, 2021


Chris George
COO
Group Nine Media
Interviewed January 22, 2021


Benoit Hucafol
Head of Product
Smart AdServer
Interviewed January 21, 2021


Romain Job
Chief Strategy Officer
Smart AdServer
Interviewed December 14, 2020


Jason Kint
CEO
Digital Content Next
Interviewed January 6, 2021


Amit Kotecha
Marketing Director
Permutive
Interviewed January 27, 2021


Stephanie Layser
Vice President,
Advertising Technology and Operations
News Corp.
Interviewed January 14, 2021


Amanda Martin
Vice President, Enterprise Partnerships
Goodway Group
Interviewed January 15, 2021


Garrett McGrath
Vice President, Product Management
Magnite
Interviewed January 13, 2021


Jana Meron
Senior Vice President,
Programmatic and Data Strategy
Insider Inc.
Interviewed January 13, 2021

Ian Meyers
Head of Addressability Product
LiveRamp
Interviewed February 6, 2021

Scott Messer
Senior Vice President, Media
Leaf Group
Interviewed January 22, 2021

Jordan Mitchell
Senior Vice President, Head of Consumer Privacy, Identity, and Data
Interactive Advertising Bureau (IAB) Tech Lab
Interviewed January 19, 2021

Cory Munchbach
COO
BlueConic
Interviewed January 19, 2021

Ryan Pauley
Chief Revenue Officer
Vox Media
Interviewed January 21, 2021

Mike Peralta
Chief Revenue Officer
Future plc
Interviewed January 25, 2021

Dave Pond
Head of Media Strategy and Operations
BuzzFeed
Interviewed January 15, 2021

Premesh Purayil
CTO
Freestar
Interviewed January 22, 2021

Joe Root
Co-Founder and CEO
Permutive
Interviewed January 27, 2021

Sunil Rao
Vice President, Analytics
Merkle
Interviewed January 13, 2021

Somer Simpson
Vice President, Product Management
Quantcast
Interviewed January 20, 2021

Alexandra Theriault
Chief Customer Officer
Lotame
Interviewed January 19, 2021

Len Ostroff
Senior Vice President, Global Supply and Partnerships
Criteo
Interviewed January 15, 2021

Jason White
Senior Vice President, Head of Publishers
LiveRamp
Interviewed January 11, 2021

Editorial and Production Contributors

Anam Baig	Senior Report Editor
Rahul Chadha	Director, Report Editing
Joanne DiCamillo	Senior Production Artist
Donte Gibson	Senior Chart Editor
Katie Hamblin	Director, Charts
Dana Hill	Director, Production
Erika Huber	Senior Copy Editor
Ann Marie Kerwin	Vice President, Content
Na Li	Senior Data Research Manager
Penelope Lin	Copy Editor
Stephanie Meyer	Product Specialist
Heather Price	Senior Director, Managing Editor
Magenta Ranero	Senior Chart Editor
Amanda Silvestri	Senior Copy Editor
Julia Woolever	Senior Report Editor
Ali Young	Copy Editor

Building a bridge to a world without third-party cookies

This article was contributed and sponsored by LiveIntent.

Kerel Cooper, CMO, LiveIntent

Preparing for a world without third-party cookies is a bit like building a bridge while walking on it; publishers must address their immediate business needs while also planning for a future in which the old ways of targeting and advertising are obsolete. Thriving in the world that follows the third-party cookie's demise will require publishers to diversify their revenue streams and expand their first-party data footprint. And if current market trends are any indication, email newsletters are, and will continue to be, a critical component of both.

Consider Axios, which bypassed social and other distribution channels to focus on email newsletters when it launched its HBO show. Axios leaned into and leveraged first-party data to reach its email subscribers and people similar to that audience across different channels and mediums. Similarly, The Washington Post and The New York Times have also diversified their revenue portfolios by testing and adopting new content distribution channels while placing first-party data at the center of their monetization strategy.

These publishers realize that email newsletters represent a unique opportunity. A reader provides them with an email address, opting-in to receive content from a source they trust. Then, the reader must be logged-in, no matter the device, to access the content, making it an addressable media channel built on one of the most stable digital identifiers available. This allows publishers to foster and nurture relationships with advertisers by offering them access to an audience of real, engaged people in premium inventory, as well as a way to grow their audience's first-party footprint. Not only does this lessen cookie reliance, but it also enables publishers to gird their futures.

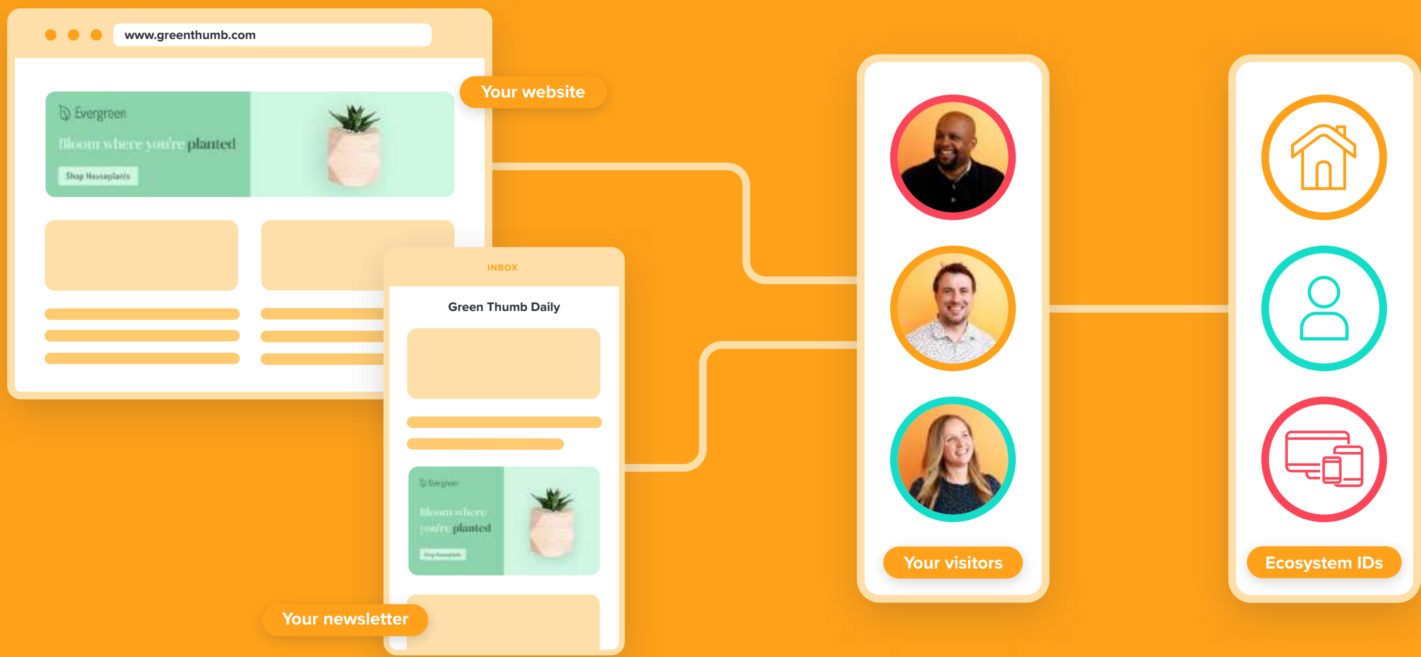
Of course, this strategy isn't limited to media behemoths alone. A recent LiveIntent survey asked 200 senior publishers and marketers of small to mid-sized businesses what role the email address plays in understanding consumer identity today. While 30% of respondents say it's primarily for monetization, 34% answered that it's important for both identity and monetization. With first-party data and a powerful channel like email newsletters, even smaller publishers can leverage their first-party data to grow and expand their audiences and drive revenue.

While 30% of publishers and marketers said email is primarily for monetization, 34% said it's important for both identity and monetization.

Although the industry is headed toward new territory, publishers already have the necessary tools to bridge the gap between a world with third-party cookies and one without. With email newsletters, publishers can make the most of their two greatest assets—their first party-data and content—to survive and thrive in the new era.

LiveIntent

Activate your **first-party data** to monetize your email and web properties



Take control of your **first-party data** by securely connecting the people visiting your website and opening your emails to the larger ecosystem. Unlock an entirely **new revenue stream** from your email inventory while earning more from the mobile web and anonymous browser inventory you struggle to monetize today with a solution that **doesn't rely on third-party cookies**.

Learn how LiveIntent securely bridges identity across the greater ecosystem and can help you:

- Enhance audience insights
- Fortify programmatic partnerships
- Futureproof your website monetization

Learn more

Power your next move with clear and credible insights.

Your morning coffee

Never fall behind the biggest trends and executive-level decisions shaping your industry with our Industry Briefings—they're timely subscriber-only newsletters delivered straight to your email.

Learn More

Get the bigger picture

Your organization is affected by diverse industries, geographies, and ideas. Tap into these influencing factors to avoid information silos and see a more complete picture.

Explore related content

Empower your colleagues

Confidently share reliable and accurate research with your subscribing team members to strategize around our information.

Send to my colleagues

Your account team is here to help.

Contact accounts@insiderintelligence.com or 1-866-345-3864 for answers to any research- and account-related questions.

To learn about advertising and sponsorship opportunities, contact advertising@insiderintelligence.com.