The Cookieless Knowledge Gap

What marketers need to know about personified advertising
Contents

01 Cookieless is coming ................................................................. 03
   An industry In flux ................................................................. 04
   Current players in the AdTech ecosystem ......................... 05
      Walled gardens & retailers .............................................. 05
      Third-party data players ................................................. 05
      ID-less and cookieless innovators ................................. 05

02 What this means for advertisers ............................................. 06
   Top advertiser concerns ..................................................... 07
      Reaching target audiences at scale ............................. 07
      Maximizing RoAS ......................................................... 07
      Associated with the use of third-party data ................. 08
      Performance measurement is moving towards attention  09
         Video Completion Rate is too simplistic a metric .... 09
         Attention is the next frontier in measurement ....... 09
   Budgets are shifting ............................................................ 10

03 The knowledge gap .............................................................. 11
   A lack of familiarity with cookieless solutions ................. 12
   Brands are relying on agencies to guide them ............... 13

04 Personified advertising ......................................................... 14
   Targeting personas, not people ..................................... 15
      Activating our data ..................................................... 15
   Formats that drive attention ......................................... 16
   The future is personified ................................................. 16

05 Methodology & citations ....................................................... 17
Cookieless is coming
An industry in flux

As regulation and consumer sentiment shift towards the end of advertising identifiers, brands and agencies are being forced to reassess their advertising strategy towards more privacy-focused targeting solutions. As digital advertising is undergoing a momentous change, many players will find their role in the ecosystem compromised.

The signs are telling, and if there is one thing that the industry can agree on, it’s that cookies and IDs are on their way out. An IDC study commissioned by Ogury found that 60% of advertisers believe it’s only a matter of time before advertising cookies and IDs come to an end.

As global digital advertising spend is expected to exceed 600 billion dollars in 2023, it is likely that a shift towards solutions that do not rely on cookies and IDs is coming. In fact, one-third of advertisers will reduce their dependence on third-party cookies in the next year according to an IDC study commissioned by Ogury.

1/3 of advertisers will reduce their dependence on third-party cookies in the next year.

IDC InfoBrief, sponsored by Ogury, The New Era of Advertising - Beyond Cookies and Identifiers, ID#EUR150572523, April 2023
Current players in the AdTech ecosystem

With various shifts impacting the advertising landscape, clear distinctions amongst players have emerged.

Walled gardens & retailers

Walled gardens are technology companies and large retailers that collect mass amounts of first-party data in exchange for access to their products and services. Meta, Google and Amazon are examples of walled gardens. They are expected to continue to grow as they own the full experience on their website/app and therefore can access this first-party data easily. The use of sites such as YouTube and Amazon is conditional on the collection of large amounts of personal data.

Third-party data players

Traditional AdTech players relying on third-party cookies and IDs still represent a large share of the market. While cookies are still available on Chrome and IDs on Android, they have disappeared almost entirely from the Apple ecosystem. The question is not if these targeted advertising methods will become obsolete, but when. It is expected that this antiquated method of advertising will completely disappear sometime in the near future. If these players do not adapt soon, then they are bound to fail, as they are already playing catch-up to those who anticipated these changes in advance. Most players outside of the walled gardens reside within this category. They are the most at risk when third-party cookies ultimately vanish. There have already been attempts to circumvent the end of cookies through the use of unified IDs. However, this only delays the inevitable and is neither a future-proof nor sustainable model.

ID-less and cookieless innovators

The final bracket consists of AdTech innovators who foresaw the move away from cookies and IDs and responded by creating and adopting cookieless and ID-less technology solutions. They understand that the future of digital advertising is rooted in consumer privacy and respect for the user experience. Those who have begun to innovate are set to gain market share over traditional ID-based AdTech players. Ogury comfortably resides within this bracket and is leading the charge into a privacy-based advertising future.

It is undeniable that the advertising industry is set to experience a major paradigm shift. As the old ways of advertising fall, they give rise to new and innovative solutions that drive the market toward a future categorized by privacy, performance and scalability.
What this means for advertisers
Top Advertiser Concerns

According to an IDC study commissioned by Ogury, advertisers’ top concerns range from maximizing return on ad spend to measuring performance.

**Reaching target audiences at scale**

...amid growing consumer and regulatory pressures and the end of third-party cookies

**Maximizing RoAS**

...how to grab the attention of increasingly ad-fatigued audiences and maximize return on advertising spend

**Protecting brand and reputation**

...and regaining credibility with consumers who have lost trust in the digital advertising industry

**Measuring performance**

...in a way that truly reflects audience engagement and attention

IDC InfoBrief, sponsored by Ogury, The New Era of Advertising - Beyond Cookies and Identifiers, #Eur150572523, April 2023

**Reaching target audiences at scale**

Amid the growing consumer and regulatory pressures that have resulted in the removal of third-party cookies from the advertising ecosystem, brands and agencies are concerned that they will no longer be able to effectively reach their intended audiences.
Maximizing RoAS

With the fast-paced and ever-changing nature of the digital world, consumers are becoming increasingly fatigued by advertising. Advertisers are struggling to generate and maintain attention while maximizing their return on advertising spend.

Associated with the use of third-party data

Another key factor representing this shift is reputational risks for brands associated with continuing to use third-party data. According to an IDC study commissioned by Ogury, 56% of advertisers believe that cookies and IDs are a threat to user privacy and 57% believe brand safety and suitability are at greater risk with the use of cookies and IDs.

Interestingly, there is particular distrust of advertising identifiers in Australia with 70% believing that tracking technology poses a significant risk to brand reputation (vs 60% in other markets). Additionally, 74% believe that cookies and IDs pose a threat to consumer privacy — substantially higher than the 56% recorded in other geographies. One reason for this could be a rise in personal data concerns following the public data breaches of Australian telecommunications company Optus and private health insurance provider Medibank.
Performance measurement is moving towards attention

Brands have an average of eight seconds to make an impression with their advertising. When you consider the vast amount of money that goes into advertising, this fact is quite staggering. Advertising is essentially a war for attention, but with the average person exposed to thousands of ads a day, standing out is easier said than done.

Video Completion Rate is too simplistic a metric

While video completion rate is a commonly used measurement metric, many advertisers have concerns about how effective it is given its simplicity. According to an IDC study commissioned by Ogury, 69% find VCR misleading and 61% have concerns with industry viewability standards.

Attention is the next frontier in measurement

Attention measurement involves a combination of state-of-the-art eye-tracking technology with advanced machine learning, creating a formula to measure the attention a viewer is paying to an ad. This means that attention captures not just the viewability, but whether the viewer has actually engaged with it. According to the IDC InfoBrief, 57% of advertisers believe it gives a more complete view of engagement and say that it helps improve creative strategy.

As this metric becomes better understood, we are confident that it will become the key metric leveraged to gauge engagement and performance.
Budgets are shifting

As advertisers prepare for shifts in data privacy regulations and consumer sentiment, many will change how they allocate budgets when it comes to cookieless solutions. In fact, according to an IDC study commissioned by Ogury, 32% of respondents said they would change the type of AdTech suppliers they work with in the next year and 64% of those respondents said they will increase budgets towards AdTech suppliers that do not rely on third-party cookies or any personal data collection.

The United States, and leading global market in terms of advertising spend, is still more reliant on suppliers that leverage cookies and IDs. This puts them behind Europe and Asia when it comes to adoption of alternative targeting methods. However, recent developments such as amendments to the California Consumer Privacy Act (CCPA) and congressional hearings around user data collection have thrust this topic into the spotlight. Consequently, users are more knowledgeable about the value of their personal data than ever before and are wary of advertisers who seek to profit from it.
03 The knowledge gap
A lack of familiarity with cookieless solutions

While most advertisers believe cookies are coming to an end and that one-third of them will reduce their dependency on cookie-based solutions over the next year, many are unsure about how to tackle this shift and which partners they can rely on.

According to an IDC Infobrief, 41% of advertisers are moderately to not at all familiar with targeting methods that do not leverage third-party cookies or IDs.

So what does this mean? Clearly, there is a knowledge gap in the market, and there are a number of reasons for this. Chief among them is the fact that most solution providers are not ready for the cookieless future themselves and have been biding their time until the removal of cookies from the world’s most popular browser, Chrome.

“I think everyone is talking about it but not many people are doing a lot of preparation yet. I think it’s just going to catch a lot of people out.”

Senior Advertising Agency Executive

IDC InfoBrief, sponsored by Ogury, The New Era of Advertising - Beyond Cookies and Identifiers, #Eur150572523, April 2023

Consequently, there has been little innovation or preparation on the part of many AdTech providers. This complacency communicates that they see this cookieless shift as “tomorrow’s problem.”

That said, providers that are working towards innovative solutions are likely to create new, consumer-focused products that solve for driving performance through engagement and attention.
Brands are relying on agencies to guide them

While consumer privacy remains a top concern, reaching audiences at scale is a concern that’s shared amongst both agencies and their brand partners. However, it seems that agencies bear more of the burden with 61% of brands saying they are confident that organizations will still be able to reach audiences at scale compared to 51% of agency respondents. Agencies are less optimistic about targeting capabilities in a post-cookie advertising landscape.

This is not too surprising, considering that agency executives are likely to have a deeper understanding of the potential hurdles and are taking a cautious approach.

Conversely, brands have a certain expectation of what performance looks like and their agencies’ ability to drive performance for their brands. This will soon be an important consideration for brands when choosing which agencies to partner with and equally important for agencies when choosing future AdTech partners.

“To be honest, internally we have not done a whole lot of planning around it. We do partner with agencies for a lot of our ad spend and we’re, for now at least, taking the approach that hopefully they are the ones that are identifying the most strategic ways to circumvent or maintain some sort of targeting.”

Senior Marketing Executive, Beverages

IDC InfoBrief, sponsored by Ogury, The New Era of Advertising - Beyond Cookies and Identifiers, #Eur150572523, April 2023

In terms of regional context, brands and agencies in the United States are even less confident than in other countries and believe multiple identity solutions will be required to offer the same level of targeting as before.²
04  Personified advertising
Ogury, the global leader in personified advertising, has created a breakthrough solution that targets personas, not people, at scale. Personified advertising is a new way to target effectively and safely, rooted in consumer privacy.

Our personified targeting activates data from a variety of inputs and collects millions of insights at the asset level. This allows for categorization of target personas that share attributes making them ideal audiences for a brand message.

**Activating our data**

We’ve collected years of consented mobile data on 2 billion devices that help us target effectively and drive reach safely. This gives us information on app installs and websites browsed. We then enrich this data with bid request data and semantic and contextual signals which help us predict where audiences will be. For example, our web crawler analyzes content from 6m+ apps and sites using multilingual natural language processing.

We also deploy surveys that are always-on, first-party data collectors providing insights through the funnel. We collect over 20M data points per year and measure over 1k sites/apps per question, per country to reach statistical significance. These surveys gather highly valuable, user-declared data points.

Through all these data sources, we’re able to predict which target personas are more likely to perform and drive reach. This means the right message will be deployed at the right time to the right audience.
Formats that drive attention

Ogury’s formats are built to attract superior attention, solicit user interaction, increase engagement and boost memorability, resulting in superior advertising experiences for consumers. Ogury’s KPI of choice for measuring attention is the Fully On-Screen Rate for 50% duration — the most reliable metric for mobile campaigns. Ogury Fully On-Screen units like Thumbnail and Header Ad are 100% in view, 100% of the time and offer 2x the performance when compared to the market average on Fully On-Screen Rate.

Additionally, as Ogury has direct access to exclusive mobile placements, we eliminate overhead from intermediaries and deliver superior media quality for each ad dollar spent. Advertisers working with Ogury benefit from direct access to measurable viewability for both web and in-app across a network of brand-safe, carefully vetted publishers.

The future is personified

Advertisers using Ogury’s Personified Advertising solution benefit from non-replicable audience knowledge, Fully On-Screen visibility and future-proof brand performance with total respect for consumer privacy. Our AdTech solution is built for a cookieless world and ensures premium brand performance and protection.

Ogury’s future-proof advertising solution:

Protects
Privacy compliant by design means audiences are protected.

Scales
Safe environments with proprietary targeting methods that reach audiences at scale.

Performs
The right target combined with the right creative in the right environment achieves unparalleled performance.

Get in touch today at hello@ogury.co.
Methodology

An IDC study commissioned by Ogury aimed to understand numerous changes and challenges facing the digital advertising industry. The study is based on:

- **Agencies and brands**
  - Both sides of the table: sample of advertisers and media agency executives

- **Global survey**
  - International coverage — America, Europe, and Asia/Pacific

- **1,000 respondents**
  - Large-scale quantitative sample (n = 1,000)

- **Quality and quantity**
  - Combination of quantitative and qualitative in-depth interviews

IDC InfoBrief, sponsored by Ogury, The New Era of Advertising - Beyond Cookies and Identifiers, #Eur150572523, April 2023

Citations

1. Digital Ad Spend (2021-2026), oberlo.com
2. Future of identity solutions among us marketers, Dec 2020, insiderintelligence.com