

IDENTITY

# The Healthy Alternative to Cookies

Using Ethically Sourced Identity to Drive Advertising Effectiveness

November 2020

DISQO

## BACKGROUND

With mastering digital advertising more important than ever for growth, marketers need to understand their options for identity resolution in a cookieless world.

## THE MEDIA LANDSCAPE

# Marketing is Facing an Existential Advertising Measurement Crisis

The advertising industry is facing a transformation caused by two powerful, concurrent forces. First, people are spending more time online than ever before, making it even more important for brands, agencies and media companies to understand consumer behaviors and the impact of advertising on people's digital lives. At the same time, cookies – a necessity for legacy ad effectiveness, conversion and attribution measurement – are increasingly problematic in a world where consumers' trust in privacy practices is waning. Browser and operating systems owners are listening to their customer's desires and eliminating cookies in their products, accelerating this change.

Traditional methods of measurement rely on one of two approaches to measuring consumers:

**The use of anonymous aggregated data,** such as Marketing Mix Models, which often lack the granularity needed to make smart decisions and optimizations.

**The use of identity** to perform Lift Studies or Multi-Touch Attribution (MTA), which provide the necessary granularity but are often incomplete or inaccurate due to their reliance on cookies.

As the industry continues to evolve, brands, agencies and media companies are forced to explore alternative methods of measurement, often believing they must make trade-offs between accurate, reliable insights and a desire to adhere to consumers' and companies' privacy requirements. As is always true in the world of measurement, not all approaches are created equal. Thankfully marketers do have measurement choices that allow them to have accurate, consumer friendly campaign analysis, if they choose their effectiveness approach wisely. This paper explores these topics in detail, providing insight into important nuances that will inform measurement of today – and the future.

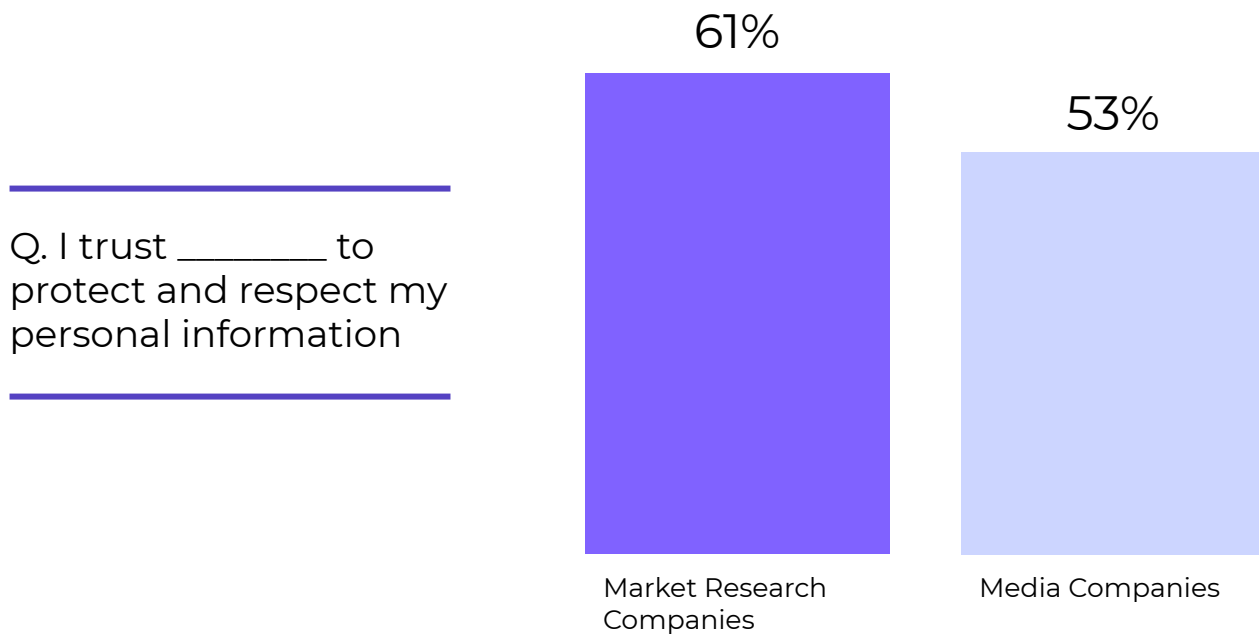
## THE GOOD NEWS

# Consumers Want to Share Their Experiences

The good news is consumers want to share their opinions with brands in a privacy-friendly way. According to DISQO's latest [Consumer Voice](#) study, a majority of people believe their voice can have a real impact on the products they use every day. While the methods consumers use to share opinions with brands can vary — whether through surveys, customer support or changed behavior toward the brand — an overwhelming portion of people want to provide valuable feedback. This remains true as long as brands do not break consumer trust by circumventing permission-based conversations with consumers or eavesdropping on their digital lives.

90.3%  
of people  
agree that  
brands  
should listen  
to their  
opinion

Even in an environment where organizational trust is waning, consumers can and do have confidence in some companies to protect their privacy, but their faith varies by who is collecting the information. Market research firms, with their neutrality and independence, are the highest rated type of company in the ad effectiveness reporting chain. 59% of people in the DISQO [Consumer Trust](#) Study said they agreed their personal information was protected and respected by Market Research companies. Over half of consumers said they feel the same way about Media Companies.



Source: DISQO Consumer Trust Study, January-June 2020 n=27,496

## REQUIREMENTS FOR GROWTH

# Marketers Need Comprehensive and Accurate Campaign Measurement

Even as cookies become less commonplace and privacy concerns grow, the fundamentals of quality digital ad effectiveness research remain unchanged. Brands, agencies and media companies still require an accurate, actionable and reliable assessment of campaign impact that meets a high standard:

- **Complete view of the campaign** – In order for marketers to make impactful optimization decisions, they need a complete understanding of the campaign’s impact. Missing data – such as having several publishers unreportable on a campaign or only knowing how well an ad performed on desktop but not mobile – have become commonplace in today’s fragmented media world, resulting in inaccurate and incomplete insights.
- **Fraud-free reporting** – Campaign impressions under measurement must be confidently tied to actual people, not bots or non-human traffic. Counting fraudulent impressions in ad effectiveness measurement creates error in reporting and misdirects campaign optimization, often in the form of wasted dollars or missed opportunities.
- **Future-proof technology** – Companies need solutions they can use over time to understand how their advertising is trending. If measurement providers continuously change their methodology – such as moving from cookies to mobile IDs to probabilistic fingerprints – due to evolving technical restrictions, then historical data and insights become useless.
- **Insights on attitudes and actions** – In order to ensure campaigns are moving people through the complete consumer journey, brands need to understand the short and long-term impacts of their advertising. Measurement should include brand awareness and persuasion measures as well as how successfully the campaign drives people to the brand’s website, increases search activity, delivers visits to online retailers – and impacts activity with competitors content as well.
- **Neutral, independent analysis** – For a true picture of campaign health, which holds all media to the same standards, companies that sell media cannot also determine its effectiveness. Even when media companies provide exposure data to a third-party for analysis, there are inherent issues associated with varied data collection and reporting across publishers.

# Approaches to Understanding Consumers Vary Wildly

Given challenges with legacy measurement approaches, many companies are seeking alternative methods of effectiveness measurement that address the above requirements. There are four common approaches often considered today:

- **IP Addresses**– Digital activities measured by IP addresses are relatively easy to capture, but they often fare poorly in identity resolution. This method can only provide household-level data and VPN usage masks IP addresses. According to Security.org, 68% of people in the US use VPNs to some degree at home or work, causing significant measurement gaps.
- **Cookie Proxies: Fingerprints & Alternative IDs** - There are a multitude of companies trying to replicate the cookie with new persistent ID proxies for cookies. These often merge data collected from multiple sources, sometimes even tying back to personally identifiable information. Many of these cookie proxies ignore people’s wishes not to be tracked by companies they don’t know – only exacerbating consumer trust issues.
- **Media Data Integrations** – Media companies collect data from consumers in exchange for free content and information. This data can be anonymously provided to research companies for the purpose of conducting measurement. However, when different companies provide researchers their own control and exposure data, there isn’t consistency in collection methodologies, nor the ability to look at frequency of exposure across sites. A person allocated to a control on one publisher could have been exposed on another site creating contaminated analysis. Without a consistent methodological approach, marketers can’t know if their media recommendations are accurate.

- **Ethical Identity: First-Party Single-Source Survey & Behavior** - Ethical identity puts the consumer at the center of research. It starts by openly and transparently recruiting people to join a research community also known as a panel. Here, they knowingly share their experiences with researchers in exchange for rewards which provide value to them. Some participate only in research surveys while others allow for behavioral measurement through a persistent technology that sees their digital activities. Many people chose to share their experiences both ways.

With behavioral measurement enabled, researchers no longer need to rely on cookies, cookie proxies or data from media companies to see what ads a consumer was or was not exposed to.

In addition, because all digital behaviors are available for research, marketers can get a sense of how their ads are impacting behavior after the click. For example, a brand can run a study assessing the lift in awareness and perception caused by an ad compared to a control group using surveys to the community. They can also then see if these same people went to the brand's website, searched for the product, bought it at any online retailer or even engaged with competitors sites and products – all without using cookies.

Traditionally getting an understanding of what happens when ads are served in walled gardens has been a challenge. With ethical identity solutions from first-party survey and behavior, marketers can see how walled gardens are performing compared to sites and apps on the open web with an apples-to-apples methodology.

## THE CHOICES

# How Identity Options Stack for Consumers & Marketers

Given the variety of approaches and nuances with each, it can be difficult to understand which of these methods are most reliable – leaving many to question, “how can I be assured I’m protecting my customers and getting accurate campaign effectiveness insights?” The below table compares the four main approaches, helping to further illustrate how each option stacks up:

Identity Approach	Consumer consent for data collection	Complete view of the campaign	Fraudfree reporting	Future-proof technology	Insights on attitudes and actions	Neutral, independent analysis
IP Addresses	No	No	No	No	No	<b>Yes</b>
Cookie Proxies; Fingerprints and Alternative IDs	No	No	No	No	No	<b>Yes</b>
Media Data Integrations	<i>Varies by site</i>	No	<i>Varies by site</i>	<i>Varies by site</i>	No	No
Ethical Identity: First-Party Survey & Behavior	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>



## THE OPPORTUNITY

# Smart Marketers Can Deliver on Business Growth and Consumer Privacy

Getting permission from consumers to collect their data makes business sense. Market research is more accurate when people openly share their experiences vs. when a proxy for experience is stitched together through opaque integrations. Brands can't make solid decisions in a rapidly changing environment with blind spots.

**Ultimately Marketers, Agencies and Media Companies are going to have to make a choice, and it's a simple one.**

They can use various technical workarounds to replicate the cookie or they can do what consumers actually want — get permission before measuring advertising impact.

First-party relationships need to be honest – ultimately this data collection is between a real person and a company and just like in a face-to-face relationship, honesty is the best policy. If a company is planning to match up personal data with another database or guess where someone lives based on a digital fingerprint, they should ask themselves if their customer really understands what is occurring.

The relationship between a consumer and a company also has to be equal. If the company isn't providing value to a consumer in exchange for their data, they aren't in a healthy relationship and it's not going to end well.

## THE DISQO SOLUTION

# Ethically Sourced, First-Party, Opinion & Behavior Identity

DISQO leverages Ethical Identity methods to enable a complete campaign view:

- Consumers in our panel are measured throughout the full journey – before, during and after ad exposure and across brand and competitor sites.
- In addition to behavioral insights, the DISQO audience is also surveyed to get an understanding of their attitudes and intentions.
- Measurement blind spots from walled gardens, mobile apps and ad blockers are avoided.

We also survey our audience regularly to make sure they are getting value from participating in our first-party panel and that communication loop ensures both parties have the information they need to build trust. The valuable consumer insights we gain from our community allows us to continually improve their experience, and helps our brand, agency, media company and market research clients make smarter business decisions.

---

By choosing ethically sourced, first-party, opinion and behavior Identity, you can deliver business growth and are also on the right side of privacy.

---

That's a whole lot more valuable than a cookie!

## CONCLUSION

The use of Ethical Identity – which relies on a first-party, single-source survey and behavioral panel, can provide a complete view of campaign performance, while also respecting consumer privacy.



DISQO