

**Mi3**

# Australia post-cookies, post-privacy

Implications for brands, publishers & media supply chain

Australian digital advertising market analysis supported by



Resolution Digital.



## Executive summary

Based on 35 in-depth interviews with Australian brands, publishers, agencies and the tech supply chain – representing billions of dollars in marketing spend – this report presents a unified view on how every part of the marketing and media landscape is preparing to operate in a post-privacy environment, and where we are likely to end up.

Big Tech, led by Apple, is making changes that remove many of the tools digital marketers have taken for granted. Lawmakers are aiming to go harder than Europe's General Data Protection Regulation (GDPR) on personal information. When Google culls third party cookies, marketers will lose key aspects of personalisation, retargeting, measurement, attribution and frequency control – and will need bulletproof consent to use customer data.



## Brands are already feeling the impacts, and none are truly ready for what's coming. But smart marketers are preparing for a post-privacy environment:

- Adore Beauty is driving consent, personalisation and crucially, sales uplift through a loyalty play, though says Apple's changes are hurting.

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- Menulog is also feeling Apple's impact, with costs rising and measurement much harder. "You lose sight of a large portion of what your audience is doing," warns CMO Simon Cheng.

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- CommBank is building a huge aggregated loyalty platform – or walled garden – in a bid to defend against global tech incursions and gain consent from customers to bring more brands into its app.

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- ANZ is also banking on loyalty via Cashrewards to achieve similar ends.

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- Westpac is working through consent permissions and re-permissions as new regulations bite.

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- E-comm shopping platform Little Birdie is trying to take on Amazon – by giving retailers and brands back first party data.

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- Taronga Zoo is monetising content and generating first party data by steering away from walled garden video platforms.

As the marketing world braces for life after cookies, the ad supply chain is attempting to build replacements, or alternative IDs. But Australia's largest publishers are reluctant to again lose audience data to the open web. They are building walled gardens of their own, aiming for more direct deals with brands using logged-in audience data and clean room data matching.

That approach will create further fragmentation – and some warn audience and Personally Identifiable Information (PII) leakage could become a critical issue if hashed emails become the go-to identifier.

In the short-term, some fear marketers will take the least risk, easiest option, and hand over more money to Facebook and Google.

"If we are wanting to market at scale using addressable audiences, it's playing into the hands of the walled gardens, and it's really difficult to see a vision outside of that," says Philip Pollock, Chief Operating Officer at Resolution Digital.

But Damien Healy, Apac Operations Officer at MiQ, urges brands to understand alternatives now: "There will not be a single replacement for cookies. If people are expecting a like-for-like future, they should get over that and move on. You have to use different kinds of data and different kinds of approaches, and there will be many."

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## Platform and privacy shifts

### Big Tech's big shifts: What's happened, what's coming, the upshot

Here's the bleeding obvious: Google is planning to kill third party cookies on its Chrome browser by late 2023, unless it delays again. But when it happens, the cookie cull will materially disrupt the foundations of digital marketing and almost everything digital marketers have always taken for granted.

What's not clear is how Google plans to replace the key functions cookies currently provide – targeting and retargeting across the open web and Big Tech's walled gardens, personalisation, attribution and measurement.

FLoC - or Federated Learning of Cohorts – is Google's key mooted alternative for targeting, which has run into trouble in Europe because it is not asking people's permission before placing them into behavioural, contextual or category segments. If it doesn't fly in Europe, it's unlikely to be implemented elsewhere.

Other adtech firms are scrambling to scale cookie alternatives, largely built on hashed emails - whereby two parties match and anonymise customer and prospect email addresses to target or "suppress" those users for online targeting - or by combining device and browser identifiers and any other available data. "I'm trying hard not to say fingerprinting", as one publishing exec described the latter's contentious approach. The challenge adtech firms face is getting publishers to adopt those alternatives – and there are dozens of alt-IDs vying for attention.

Instead, most of Australia's largest publishers are building their own ID ecosystems and walled gardens and identifiers, each aiming to enable better targeting, measurement and attribution across their individual platforms. Many appear reluctant to open up those gardens and their audience data to the open web and the digital ad supply chain.

That poses challenges for brands – some CMOs and agencies interviewed for this report have warned that buying across a patchwork of publisher walled gardens causes headaches for those seeking scale in a single hit – and may drive more ad dollars to Google and Facebook, which already take upwards of 81 cents of every digital ad dollar.

Some brands are preparing for the new uncertainty though, ditching their reliance on cookie-based data management platforms (DMPs), implementing customer data platforms (CDPs), using first party data to drive customer experience, retention and acquisition, and working out new strategies for targeting, measurement and attribution. Some are also moving away from identifiers that could end up on the wrong side of regulators and platforms – i.e. Apple – while working out how they can ensure all customer data has full customer consent – which is loaded with complexity and fast-changing regulatory rules itself.

Other advertisers are simply rethinking their approach, moving away from narrower digital channels and returning to fuller funnel strategies less reliant on capturing and building more detailed online user profiles.

“Marketers have to now deal with a reduced audience pool e.g. retargeting efforts will be drastically reduced in some cases making these efforts totally redundant.”

— Rajan Kumar, CEO, The Lumery



**Rajan Kumar**  
The Lumery

## Cookie cull: What marketers will soon lose

“There are so many aspects for brands to come to grips with, and to be honest a lot of noise which makes it difficult for marketers to take action,” says Rajan Kumar, co-founder and CEO at martech consultancy The Lumery. The firm breaks it down into three major categories:

- 1. Reach:** “Marketers have to now deal with a reduced audience pool e.g. retargeting efforts will be drastically reduced in some cases making these efforts totally redundant.”
- 2. Personalisation:** “Inability to use historical data tied to cookies, which for a lot of brands is the basis for their entire personalisation strategy.”
- 3. Attribution:** “Reporting methodologies tied to cookies e.g. email opens now become unavailable sending reports into absolute chaos.”

“Brands need to make sure they have their measurement plans sorted.”

— Georgina Wall, National Head of Product, Resolution Digital



**Georgina Wall**  
Resolution Digital

Measurement will be “impacted very heavily”, particularly for performance advertisers, warns Damien Healy, Apac Operations Officer at programmatic tech and data firm, MiQ.

Georgina Wall, National Head of Product at Resolution Digital, agrees: “Brands need to make sure they have their measurement plans sorted.”





**Michaela Michaut**  
Adore Beauty

## | The rise of dynamic media mix modelling

With cookie-based measurement on the way out, a growing percentage of marketers are turning to media mix modelling (MMM) – which calculates how advertising in each different channel drove conversions or sales and using the data to optimise spend and predict future performance. Traditionally, MMM has been relatively slow and based on quarterly or annual data. But emerging platforms are trying to speed that up.

“Dynamic MMM is the future,” says Michaela Michaut, head of acquisition & retention at Australian cosmetic pure-play Adore Beauty. “It’s revealed some really excellent insights for our business, and I think will help us – particularly to that C suite level – be able to push some channels that traditionally from the last touch perspective looked to not be as strong, but have actually turned out to be one of our most valuable.”

“Carve off a percentage of your media budget that is specifically focused on leveraging cookieless strategies ... and over time, between now and 2023, increase that percentage.

— Damien Healy, Apac Operations Officer, MiQ



**Damien Healy**  
MiQ

## | First party data: Start now, apportion media budget, increase over time

There is no single solution to life after cookies, and any brand sitting on first party data “needs to work out how to leverage that immediately,” says MiQ’s Damien Healy. “It will be core to your strategy moving forward.”

Acting now will give brands the ability to use measurement techniques that will disappear with cookies to gauge where their first party data is best performing, “and you can carry that forward”, Healy adds. “So cookies disappear, but you already know the kind of ad environments and channels that are working – there is probably not enough focus on that.”

Healy also advises brands to “carve off a percentage of your media budget that is specifically focused on leveraging cookieless strategies ... and over time, between now and 2023, increase that percentage”.

## Apple's pincer movement, Facebook impacts, what next

Apple started killing third party cookies in its Safari browser in late 2017. While those changes caused ripples in the ad industry, Safari has less than a fifth of the browser market. This year, its iOS updates have landed with a bigger splash – and the direction of travel is clear.

In April Apple's iOS14.5 update meant every app on every updated iPhone was mandated to ask users whether or not they wish to be tracked for advertising purposes.

If users say no, that means apps can't track them and advertisers can't target them. To date, average opt-in rates in Australia are low double-digit.

At the heart of the change is Apple's Identifier for Advertisers (IDFA), which since its creation in 2012 has become central to the mobile ad industry, playing a major role in how ads are targeted, conversions tracked and app pages optimised.

Ad tech companies use the IDFA to enable:

- Targeting and retargeting
- Attribution
- Campaign measurement
- Frequency capping

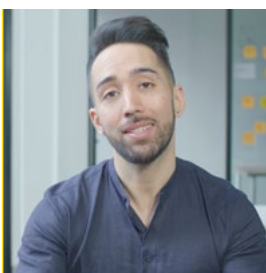
Even Facebook uses IDFA for a significant percentage of its advertising technologies – and flagged in its most recent results that margins are about to get squeezed as a result of Apple's changes as accuracy of Facebook targeting decreases and measurement and attribution gets harder.

A further challenge for marketers is that Apple's changes could hit their core systems and data, given IDFA has been used by CDP providers to onboard data.

Meanwhile, Apple also explicitly ruled out email-based retargeting within its ecosystem, and its latest iOS update killed off email tracking via Apple Mail, removing a significant chunk of email traffic visibility for marketers and publishers.

Joey Nguyen, Co-Founder and Executive Director at martech advisory Venntifact, says the biggest impact seen to date as a result of Apple's changes is a surge of demand for customer data platforms from both brands and agencies. "What's unclear is their intended strategies, and what they expect CDPs to deliver for them," says Nguyen.

Meanwhile, he says marketers are focusing on things that are not affected by unilateral platform decisions. "We've seen a lot of brands interested in channels and areas that they can control. More investment in CTV, more investment in partners and affiliate technology," says Nguyen. "They are getting on with it." Some – such as Taronga Zoo – are taking relatively simple but smart steps to monetise content and gain first party data, and gaining huge ROI as a result (see p36).



**Joey Nguyen**  
Venntifact





## Apple impacts: Marketer views

Menulog CMO Simon Cheng says Apple's iOS updates have hit retargeting capabilities. While Menulog has seen higher opt-in rates than Australia's low double-digit averages, "you lose the ability to track a pretty material proportion of your customers," says Cheng.

"That means you've got a smaller sample size to be able to collect data from. Your CPMs and your CPAs increase – and it's a pretty material cost increase. You lose sight of what a large portion of your audience is doing. It's hard to optimise, so I'm sure every business is starting to grapple with how they model their spend to be able to give a more accurate representation of what the world really looks like. We're grappling with that as well."

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— Simon Cheng, CMO, Menulog



Michaela Michaut, head of acquisition & retention at Adore Beauty, agrees Apple's changes are "definitely raising challenges", citing impacts on how content is displaying in dynamic EDMs, through to people logging into the Adore Beauty app via Apple ID.

"When customers hide their identification in general, that can lead to myriad background impacts. One of those can be duplicate contacts. From a first party perspective that's not ideal – because it's very hard to unify behavioural signals around two separate contacts," says Michaut.

Given Apple's latest iOS updates have restricted or hidden email addresses from marketers, brands must now work through alternative identifiers. Michaut says Adore is instead looking at using phone numbers and/or unique customer identification numbers.

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— Michaela Michaut, Head of Acquisition & Retention, Adore Beauty

But she thinks Apple's changes and cookie deprecation also present a "huge opportunity" for brands to address longstanding legacy issues.

"As a marketer, that really excites me. We can get on the front foot and leave a real legacy for the future, as opposed to having to remediate issues of the past."



Privacy. That's iPhone.

## Consent is king, trust is kingmaker

For brands, Adore's Michaela Michaut thinks the guiding principle in a post-cookie, post-privacy world is to be transparent with consumers on what and how data is collected, and give them more valuable and relevant experiences in return – with that value exchange clearly articulated. If customers understand what they are consenting to, and their data is not shared, then brands can adapt to whatever regulators or platforms decide to do.

"It all comes down to trust. If your customer trusts you to share their data with you, then you treat that respectfully," says Michaut. "I think relevancy is how you show a customer that you've treated their data respectfully. I think that's how you can continue to foster that kind of a relationship and continue to grow that trust."

## Zero, first, second and third party data defined

**Zero party data:** is explicit interest and preference data that customers share with a brand, such as their personal context or purchase intentions – e.g. which brands they like to buy, or whether they own an electric vehicle.

**First party data:** is data collected from customer interactions directly with an enterprise, such as CRM data, purchase data, website interactions, subscriptions, surveys and social assets.

**Second party data:** is data collected directly from someone else's audiences or customers, e.g. publishers' logged-in audiences, Ticketek, Flybuys, Google Ads, Facebook Audience Segments.

**Third party data:** is statistical data aggregated from multiple sources with no direct relationship to the consumer. The kind of data provided by brokers and aggregators.

Third party data will remain an important data source, provided it has not been collected via third party cookies.





## Australia's tightening data privacy laws: 'Everyone is going to have to rethink the way they operate'

In October, the **Federal Attorney-General finally dropped two long-awaited privacy papers** – the Privacy Act discussion paper and draft legislation for an Online Privacy Code – that have far-reaching ramifications for brands, publishers and the digital ad industry.

In short, what most companies are doing in terms of data collection, consent and use now may not be allowed in the future – or will face significant tests and compliance hurdles. Experts think the Australian government is in places going harder than GDPR – and their early read suggests the frameworks may open up brands, publishers and Big Tech to potential class actions as well as regulatory penalties.

The papers put data brokers in the frame, and pose serious questions over the use of loyalty and credit card data for advertising purposes – with even identifiers like location data under scrutiny.

In other words, the huge market in trading customer and audience data is under microscopic review, which means everyone in the marketing supply chain needs to take note – and prepare to take action.



**Anna Johnston**  
Principal at Salinger Privacy  
Former deputy NSW Privacy Commissioner

## Redefining personal information

Former deputy New South Wales Privacy Commissioner, Anna Johnston, now principal of advisory firm Salinger Privacy, says lawmakers' moves to redefine what constitutes personal information will have major implications for brands and media – because legal definitions mean firms will not be able to skirt the rules.

“They have said inferred data ... online identifiers, information that can individuate people – that can distinguish one person from another, such as your online behaviour, pattern data, location data. All of that is within scope,” says Johnston.

The Attorney-General's paper suggests the definition of consent will be beefed-up and enshrined in law, so that “when an organisation is relying on someone's consent, what you need to achieve that consent needs to be voluntary, informed, specific, current, and it needs to be an unambiguous affirmation,” she adds.

It means that consent policies will need to be slimmed down to simple, meaningful language so that consumers of average literacy can understand what they are agreeing to.

## | Fair and reasonable rules

While the paper also states that some routine business activities will not need consent, there is also a “flip side” proposal to add “a new overarching fair and reasonable test over practices that collect, use or disclose personal information,” Johnston points out.

“So as an organisation, you have to meet that fair and reasonable test before you can do anything else. And my understanding is you can’t ask your consumers, customers, whoever, to consent away the requirement of being fair and reasonable in the first place,” says Johnston.

“ They have said inferred data ... online identifiers, information that can individuate people – that can distinguish one person from another, such as your online behaviour, pattern data, location data. All of that is within scope.

— Anna Johnston, Principal, Salinger Privacy

She thinks that approach will give consumers the ability to lodge complaints if they feel brands or platforms have acted unfairly or collected data in a “covert” manner – and means all businesses operating in Australia will have to apply a “fair and reasonable test to whether or not you can collect or use someone’s information”.

Johnston believes that will have significant implications for Australia’s digital media companies and advertisers.

“They’ll need to apply that decision-making to online behavioural tracking, for example, or pulling together things into your customer profiling, making decisions about how we profile our customers, how we market to them, how we spend our advertising dollars.

“We know that individuals can be tracked online, targeted for advertising, targeted for misinformation campaigns. Too many of those kind of behaviours have escaped regulatory action because today [brands] have been able to say, ‘Well, we didn’t know who the person was at the other end of that IP address that we were targeting. Therefore, our privacy obligations don’t exist’. That’s the big change.”

## | Data brokers, loyalty players feel heat

The [Online Privacy Code](#) paper name-checked the likes of Quantum, Acxiom, Experian and Nielsen when flagging incoming changes to how data can be used. It also signalled a tightening of how loyalty data can be used within the media supply chain – and expanded its remit to include, not just Big Tech, but all online platforms with more than 2.5m users.





**Peter Leonard**  
Data Synergies

Peter Leonard, professor of practice at UNSW’s Business School, advisor to Gilbert+Tobin and principal at Data Synergies, warns the Online Privacy Code could spell trouble for data brokers – and pretty much everybody else.

But Leonard doesn’t think the new rules will necessarily spell the end of things like online identifiers and geolocation tracking.

“No, that will not be prohibited. But a much higher level of transparency disclosures as to these practices will be required ... There would need to be more clear disclosures up front as to what is happening and then an ability for individuals to opt out from direct marketing using those kinds of individuating practices.”

“ [Online identifiers and geolocation data] will not be prohibited. But a much higher level of transparency disclosures as to these practices will be required ... There would need to be more clear disclosures up front as to what is happening and then an ability for individuals to opt out from direct marketing using those kinds of individuating practices.

— Peter Leonard, Principal, Data Synergies



**Dan Stinton**  
Guardian Australia  
Managing Director

### ‘Everyone’s going to have to rethink the way they operate’

For publishers, brands and the media supply chain, Guardian Australia Managing Director Dan Stinton thinks there is a single standout – and it means the digital ad industry is going to have to change.

“The key thing that our industry needs to understand is that the definition of what is personal information is going to become much broader,” says Stinton.

“Our industry has largely operated [on the basis of] as long as you can’t really identify someone, you’re fine. I think what’s quite clear from these proposed changes is that that’s no longer the case. And so everyone’s going to have to rethink the way that they operate.”

“ Our industry has largely operated [on the basis of] as long as you can’t really identify someone, you’re fine. I think what’s quite clear from these proposed changes is that that’s no longer the case. And so everyone’s going to have to rethink the way that they operate.

— Dan Stinton, Managing Director, The Guardian Australia

Whether the Online Privacy Bill let alone the broader Privacy Act makes it to parliament before the next election is doubtful. But Australia’s ad industry has been served notice of what is coming – and would do well to start preparing now.



## Cookie alternatives

### Cookie replacements: Can alternative IDs plug the gap?

The advertising supply chain – including Google – is still working out how to operate post-cookies. There are dozens of potential solutions now vying for attention and viability. The aim is to not lose all tracking, targeting and measurement along with cookies across the open web.

If they are to survive in the long-term, alternative solutions must be permitted under incoming and existing privacy regulations and in most cases, achieve consumer consent, while gaining sufficient traction with publishers and advertisers.

This chapter breaks down some of the alternative IDs trying to scale in the Australian market, and outlines some of the global alternatives being worked up.

### Unified ID 2.0

One of the major alternatives to third party cookies is Unified ID 2.0, developed primarily by demand-side platform (DSP) The Trade Desk, but intended to be open-sourced and independent. It is deterministic – meaning it is based on authenticated and accurate information – and built on personally identifiable information (PII). It does, however, have transparency and privacy controls for consumers.

“ It isn't the target of Unified ID to be 100 per cent addressable. We only need 20 to 30 per cent coverage to be viable... That said, I think we will see far greater adoption than that 20, 30 per cent adoption. How high we get, that remains to be seen.

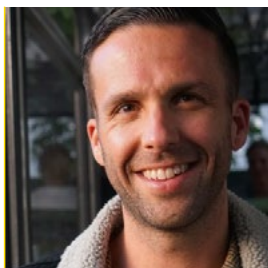
— Lachlan McDivitt, Senior Director of Trading, The Trade Desk

Users log in to a publisher or brand's website through a single sign-on service, after which their email address or phone number is converted into an unencrypted alphanumeric identifier, known as a UID2. The UID2 is stored by advertisers, data providers and DSPs, while an encrypted version of the UID2, known as a UID2 token, is shared with the real-time ad auction, or exchange. The UID2 token is



different every time, meaning it's theoretically impossible for someone to build a data profile of a user based on the information contained in a token.

UID2 has some big names behind it. Globally, publishers like BuzzFeed, the Los Angeles Times, Rolling Stone and The Washington Post have signed up for UID2 integration. In Australia, Southern Cross Austereo, LiSTNR, Gumtree, and Nova Entertainment are on board. Other major publishers have expressed some hesitation.



**Lachlan McDivitt**  
The Trade Desk

"It isn't the target of Unified ID to be 100 per cent addressable," Lachlan McDivitt, The Trade Desk's Senior Director of Trading, said. "That's not realistic and not really required in order to be successful. We will continue to focus on the areas of the ecosystem that are addressable with Unified ID and use other identifiers where they're not available... We only need 20 to 30 per cent coverage to be viable... That said, I think we will see far greater adoption than that 20, 30 per cent adoption. How high we get, that remains to be seen."

### **| LiveRamp's Authenticated Traffic Solution (ATS)**

LiveRamp's Authenticated Traffic Solution (ATS) is one of the more ubiquitous cookieless identity alternatives in Australia. Seven, 10 ViacomCBS, Gumtree and News Corp Australia are integrating ATS for advertisers, and the company insists the majority of the country's top 50 publishers are on board.



**Travis Clinger**  
LiveRamp

When Acxiom rebranded as LiveRamp in 2018, after selling Acxiom Marketing Solutions to The Interpublic Group of Companies, it held onto an enormous data set built up over years.

"LiveRamp owns this database now," Travis Clinger, Senior Vice President of Addressability and Ecosystem at LiveRamp, says. ATS functions as an intermediary between advertising parties. Publishers bring their extensive first party data and match it against LiveRamp's database - without their data being added to LiveRamp's identity graph. An advertiser does the same.

**“ When a marketer wants to connect their audiences, that works today on ATS. Is it a complete solution for the post-cookie era for the publisher? No. It handles the authentication and publishers should be exploring contextual solutions, they should be testing with FLoCs, they should be talking to Google. There's no silver bullet.**

**— Travis Clinger, Senior Vice President of Addressability and Ecosystem, LiveRamp**

"It is a way to enable the publisher and the brand to bring their data together," added Clinger. "You probably have multiple email addresses, you have a phone number, we're able to bring that all together to represent one person."

The advantage of ATS is that it is easy to integrate and can add value immediately. But publishers have privately said match rates – and finding active users – can be a problem. To give an example, if a major publisher brings six million email addresses to LiveRamp, perhaps four million will be matched against their database.

If an advertiser brings another four million, maybe two million will be matched to ATS's data set. Not all of those two million from the advertiser will match the publisher's four million, and of those that do match, maybe only half will be active on the publisher's site during the campaign period.

"Scale is a real issue," one executive from a major publisher noted.

LiveRamp's Clinger disagreed match rates were low, but noted ATS was never meant to be a holistic replacement for third party cookies.

"ATS is the premier solution in market and, really, the only global solution out there today," Clinger says. "We have a people-based identity, we have scale, we have high match rates and addressable research. When a marketer wants to connect their audiences, that works today on ATS. Is it a complete solution for the post-cookie era for the publisher? No. It handles the authentication and publishers should be exploring contextual solutions, they should be testing with FLoCs, they should be talking to Google. There's no silver bullet at the end of it."

LiveRamp is also going to market with a data collaboration platform called Safe Haven, which allows advertisers to use a clean room to purchase and overlay third party data to use across the web.

"Optus have been leveraging RampIDs for 18 months now, and they're constantly wanting to push further and lead in this space and they get really great results out of their ATS campaign, on average, getting two times return on investment," claims Deb O'Sullivan, Vice President of Enterprise Sales at LiveRamp.

## ■ ID5

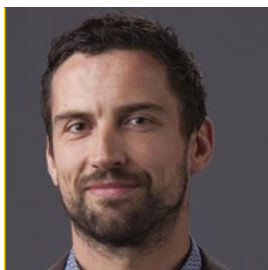
The third major identifier being trialled in Australia is ID5, a way of identifying users, effectively, by any means possible. ID5 uses multiple data points to match users: URL, page referrers, user agent, IP addresses, first party cookies and any device IDs. It assigns data points to identities, and looks to match the same identities with advertisers as well as publishers.

"I can already hear you say: 'So you're basically talking about fingerprinting?!'" ID5 CEO Mathieu Roche wrote back in February. The poor practices of fingerprinting used in the past, where DSPs and data companies harvested signals to create persistent identifiers that users weren't aware of, should be consigned to the scrap heap, added Roche.



Instead, “if such a probabilistic method is instead driven by the publishers, it can create a common currency across the Open Web and enable brands to access inventory and audiences at scale. It is an entirely new way to create user identifiers.”

To be legal in some jurisdictions (Europe, for example), the whole process must be based on users’ understanding and approval, Roche says, and requires strict consent management platforms from publishers. News Corp Australia has trialled ID5, and it’s understood some Australian advertisers are trialling it as well.



**Peter Barry**  
Pubmatic

## | Hedging bets

Supply-side platform Pubmatic, which works with publishers to bring their ad inventory to the open market, is hedging its bets, taking an “agnostic” approach. Brands and publishers will need to use multiple approaches, according to ANZ Regional Director Peter Barry.

“At the moment, we work with over twelve identity partners or identity solutions. So when it comes to a buyer saying they want to use a certain ID solution, our publishers can just switch on and switch off those solutions. So our job really is to facilitate that transaction and that’s what we’ve done,” he says.

“Over 50 per cent of all traffic on PubMatic has an alternative identity attached to it, so that’s not cookie based, not Apple IDFA based. I think that bodes well for the future. Obviously, we were working towards the [original cookie sunset] 2022 deadline that’s now been extended. But my view is that we need to pretend that that deadline is where it was and keep the momentum going.”

“Are we doing a good job as an industry in explaining the value exchange to consumers? I think Apple has done a fantastic job of taking the privacy high ground. [But] the bit the Apple is not showing in its latest privacy ad is at the end when the guy looks at his phone - the screen is blank. Because most of the internet is ad-funded.”

— Peter Barry, ANZ Regional Director, Pubmatic

## | Consolidation ahead?

While some think publishers and brands will need to use multiple solutions, Blis’ CTO Aaron McKee thinks only a couple of alt IDs will survive.

“Ultimately, it’s going to be a pretty short period for where there’s a Battle Royale. It’s only really practical that one or two of these will come out and ultimately succeed,” McKee suggests. The alternatives, he believes, don’t necessarily benefit users – possibly the opposite.

“Going from a third-party cookie, which is very easy to reset – every browser can say, ‘clear my history for the past hour’... to saying, ‘now my advertising identifier is my email address, which is durable for an extended period of time’. It seems unimaginable that regulators or consumers think that’s an improvement in privacy.”

But LiveRamp’s Travis Clinger offers a different opinion.



**Aaron McKee**  
Blis

“I think [cookie deprecation] happens on schedule. I think we see the end of the mobile device ID. We see the end of the IP address. We’ve moved entirely to authenticated identifiers, and we see a massive flourish in second party data and brands collaborating to use that data,” he says.

“You’ll have a people-based identity where you can say, ‘this person saw a CTV ad, then saw a display ad, then they saw it on their mobile phone, then they walked into a store offline [and purchased that product]’. We can connect all that together. I think it’s going to be a really exciting few years as we move beyond this old cookie-based advertising and device-based advertising to the new world.”

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— Aaron McKee, CTO, Blis

The Trade Desk’s Lachlan McDivitt also reckons the majority of the alt IDs will be dead. “There will be single digits number of ID solutions... they will live or die based on the value they bring to the ecosystem,” he states.

“Unified ID wants to be interoperable with all the other solutions, and so therefore, from our perspective, we don’t think you need all of them. If you have one, and it’s interoperable, then that will solve it ... UID is obviously the one that is free and independent and open source.”

Moves towards privacy-centric identifiers could have a profound impact on user experience on the open web, Peter Barry says, especially if multiple smaller publishers struggle to survive incoming changes. It could lead to the end of the open web itself, he suggests.

“Are we doing a good job as an industry in explaining the value exchange to consumers? I think Apple has done a fantastic job of taking the privacy high ground,” Barry says, citing it’s recent ad campaign that shows users being chased around the internet and their data scraped by all and sundry.

“[But] the bit the Apple is not showing in its ad is at the end when the guy looks at his phone - the screen is blank. Because most of the internet is ad-funded.”



**Phil Eligio**  
Consultant

## Ready for take off or on the nose? Cookie alternatives

The list of proposals for cookie alternatives reads like a grotesque aviary: There's Google's FLoC, Google's TURTLEDOVE, Google-led FLEDGE, Google's Dovekey, Google's Gnatcatcher, and Google's PIGIN; there's Criteo's SPARROW and Criteo's TEETAR; NextRoll's TERN and NextRoll's SPURFOWL; Magnite's PARRROT, AdRoll's MURRE, AdRoll's COWBIRD, Microsoft's PARAKEET, Neustar's PELICAN, and SWAN.

While the nerds are having fun flipping the bird, there are serious questions over the medium and long-term viability of many cookie alternatives.

"FLoC (Google's Federated Learning of Cohorts) is widely regarded as a non-starter in Europe as – amongst other things – it wasn't really asking for user permission before placing people into cohorts, so there is a big question around GDPR compliance that the Chrome team continues to dodge," says Frankfurt-based European data regulation advisor and Australian expat, Phil Eligio.

“ FLoC (Google's Federated Learning of Cohorts) is widely regarded as a non-starter in Europe as – amongst other things – it wasn't really asking for user permission before placing people into cohorts, so there is a big question around GDPR compliance that the Chrome team continues to dodge.

— Phil Eligio, Consultant

Likewise, Apple's iOS14.5 and iOS15 changes have profoundly impacted the viability of email and PII-based identifiers. "Other forms of tracking are also covered by the terms of Apple's User Privacy & Data Use policy – including name, email address, phone number and other customer identifiers," Joey Nguyen, co-founder of Venntifact, says. While he adds that Apple has not yet moved to fully enforce those terms, the direction of travel is clear – and where Apple goes, Google usually eventually follows.

your activity across other  
companies' apps and  
websites?

Your data will be tracked and  
sold to other companies.

Ask App Not to Track

Allow



## Alternative IDs and targeting methodologies – a snapshot

NAME	ACRONYM	WHO SUPPORTS IT	HOW IT WORKS
<b>UID 2.0</b>	Unified ID 2.0	The Trade Desk, Criteo, Prebid, IAB Tech Lab	An open source, interoperable ID framework using hashed and encrypted PII (an email or phone number) to create a ubiquitous, privacy-compliant ID for each user. UID2.0 ties together logged-in experiences from publisher websites, mobile apps and CTV apps. It will have a code of conduct, and Advertisers, Publishers, DSPs, SSPs, SSOs, CDPs, CMPs, Identity Providers, Data Providers and Measurement Providers can join.
<b>ATS</b>	Authenticated Traffic Solution	LiveRamp	ATS provides an encrypted, persistent, people-based identifier throughout the programmatic supply chain, starting at the inventory source - ie the publisher.
<b>ID5</b>	ID5 Universal ID	ID5	An encrypted, consent-based identifier which is stored in a first-party context (cookie, local storage or server-side) by publishers, who can then make it available to their authorised programmatic partners — either via a configuration of their header bidding wrapper or by installing the ID5 API.
<b>ConnectID</b>	ConnectID	Verizon / Yahoo!	Uses hashed, de-identified emails across Yahoo's properties to verify users and match them for targeting purposes.
<b>FLoC</b>	Federated Learning of Cohorts	Google	Through machine learning and algorithms, Google will place users in interest-based cohorts with thousands of other "like-minded" people. Chrome updates the cohort over time. They have anonymised names, and adtech platform only sees name of the user's cohort.
<b>TURTLEDOVE</b>	Two Uncorrelated Requests, Then Locally-Executed Decision On Victory	Google	A proposal from the Google Privacy Sandbox initiative in which a browser holds information about what its user is interested in. The advertiser can then serve ads based on those interests.
<b>SPARROW</b>	Secure Private Advertising Remotely Run on Webserver	Criteo	A proposal from Criteo meant to enhance Google's TURTLEDOVE by allowing advertisers to create upper-funnel and user lookalike campaigns based on interest groups. SPARROW includes an independent gatekeeper executing real-time bidding between an ad exchange and a user's web browser (rather than the browser as in Google's suggestion). The gatekeeper protects user group data.
<b>FLEDGE</b>	First Locally-Executed Decision over Groups Experiment	Google	FLEDGE is the first attempt to deliver ads using the concepts from TURTLEDOVE. It incorporates industry feedback and is expected to be available for testing by ad-tech platforms this year. It includes a "trusted server" designed to store information about a campaign's bids and budgets.
<b>Dovekey</b>	TURTLEDOVE + Key Values	Google	DOVEKEY is Google's proposal in response to Criteo's SPARROW. Google says it adds a Gatekeeper who acts as a "key value" server, and will guarantee user privacy.
<b>TEETAR</b>	Testing Environment Enabling Truthful and Actionable Results	Criteo	A proposed way to test Google's TURTLEDOVE initiative, evaluating the impact of cohorts on the ad ecosystem and users' perceptions of cohort-based advertising.
<b>TERN</b>	TURTLEDOVE Enhancements with Reduced Networking	NextRoll	A more complete proposal for TURTLEDOVE taking on industry feedback. TERN clarifies necessary inputs to participate in an auction, how to deal with multiple ad formats, creates a mechanism for trackability metrics, and allows publishers to keep control of auction dynamics while encouraging second-price auctions.
<b>PARRROT</b>	Publisher Auction Responsibility Retention Revision of TURTLEDOVE	Magnite	A counter-proposal to SPARROW and DOVEKEY that builds on where the auction logic is run; it would happen on the publisher site.
<b>Gnatcatcher</b>	Global Network Address Translation Combined with Audited and Trusted CDN or HTTP-Proxy Eliminating Reidentification	Google	A proposal from Chrome that would mean a user's IP address could be masked without interfering with a website's normal operations.
<b>PIGIN</b>	Private Interest Groups, Including Noise	Google	A predecessor of TURTLEDOVE in which a user's information is kept within the browser.
<b>MURRE</b>	Mechanism for User Reports with Regulated Epsilon	AdRoll	A proposal that would enable optimisation and machine learning on the ad-tech side while maintaining privacy. Not a full proposal, its author stresses, but a starting point for discussion.
<b>PARAKEET</b>	Private and Anonymised Requests for Ads that Keep Efficacy and Enhance Transparency	Microsoft	A proposal to have a proxy server between a user and the ad company. Statistical "noise" - anonymising the publisher requesting the ad, the geography of the user, the IP address of the user, and other details - would protect the privacy of the user. Microsoft would charge to run these trusted proxy servers.
<b>PELICAN</b>	Private Learning and Inference for Causal Attribution	Neustar	A proposal for a more sophisticated attribution measurement tool, post-cookie, using Google's FLoC data or another system.
<b>SPURFOWL</b>	Sandboxed Private User Reporting Functions Operating Within Limits	NextRoll	A proposal to add two mechanisms to browsers: a "trail store" and "private sandboxed functions". These would make it possible to implement complicated reporting in a privacy-preserving way. The trail store would store events happening inside the browser. The private sandboxed function would safely compute reports.
<b>SWAN</b>	Secure Web Addressability Network	PwC, OpenX, LiveIntent, 51 Degrees, RichAudience, Engine Media Exchange	When a user visits a site in the SWAN network, they will see a pop-up asking them to give all of the publishers in the network permission to show them ads. Their preference will be stored as a pseudonymous ID and made available to publishers and their ad tech vendors. Users can opt-out, reset their browser or have the option of putting in their email to be used as an ID.
<b>COWBIRD</b>	Coordinated Optimisation Without Big Resource Demands	AdRoll	A partial solution, allowing machine learning in the ad-tech ecosystem. Browsers would download and store some data - interest groups, contextual information, event history - before generating a "gradient" that can be aggregated and analysed by a DSP.



# Publisher strategies



**Josh Slighting**  
10 ViacomCBS

## 10 ViacomCBS: Preparing for privacy disruption, ditching DMP, eyeing publisher partnerships

10 ViacomCBS' Head of Data and Digital Audience, Josh Slighting, thinks privacy shifts coming down the track "will have completely obliterated some of the programmatic trading methods that everyone is married to today" and may lead to significant market consolidation.

"In five years time there will probably be fewer publishers, because some will struggle to withstand the changes coming at them," says Slighting.

He thinks alternative ID solutions are unlikely to alter that outcome, because publishers are all busy building their own walled gardens.

"No matter how many ID resolution companies there are, unless we're all using the same one, it doesn't really work. And we're never going to be on the same one as Google, or the same one as Facebook, so that problem compounds," says Slighting. "Right now, everyone's panicking: 'I don't have one and Google's changing so I better just sign up for something'. But if not all of us are aligned on the same thing, it doesn't really work."

“ No matter how many ID resolution companies there are, unless we're all using the same one, it doesn't really work. And we're never going to be on the same one as Google, or the same one as Facebook, so that problem compounds.

— Josh Slighting, Head of Data and Digital Audience, 10 ViacomCBS

While other networks are partnering up and in some areas doubling up on audience matching providers, Slighting says 10 ViacomCBS is keeping its tech stack and partners streamlined. "Duplication, for me, is a mess," he says. It's hard enough to manage the changing ecosystem if you're replicating the same mess internally. And the cost overheads can create competitive disadvantage."

## | Ditching the DMP

Meanwhile, 10ViacomCBS is preparing to ditch third party cookies altogether in 2022 by culling its data management platform (DMP).

“Our strategy is first party identity-led, with a CDP as the foundation,” says Slighting. “Our only reliance on a DMP is that some of our data partners prefer to share data via Adobe Marketplace.”

However, with the network striking a deal with LiveRamp to use its ‘Safe Haven’ clean room so that advertisers can connect first party datasets, that reliance lessens significantly, adds Slighting.

“When you’re matching with cookies, our match rates are under 5 per cent. When we matching on emails, our match rates are 40 per cent and above, so it’s literally a no brainer,” he says.

“Our inventory pool doesn’t support having cookies. It’s people on connected TVs, it works when you’re authenticated, you’re logged in, it’s privacy compliant, and you’re matching in a secure way. So our strategy from the beginning is starting to come through – and we’re not having to dismantle stuff,” adds Slighting.

“If you switch off a DMP [there is a challenge around] where and how do you manage segment taxonomy? But you can do that in LiveRamp and you can do it elsewhere. So our reliance on legacy technology is not there. We don’t have to have the DMP in place anymore, so we will switch it off and tell the market, ‘we are a publisher that doesn’t rely on those technologies’ – and I think we will be the first in Australia to do that.”

With all the privacy changes coming down the track, Slighting says 10 ViacomCBS “will not be immune from future shocks entirely, but we are better positioned to others that have built some very complicated set ups”.

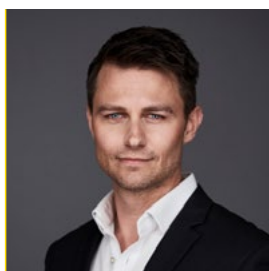
## | Publisher partnerships ahead

While Ten is backed by a global media conglomerate, it does not have the broader publishing assets that its biggest rivals can offer advertisers. Slighting says the network is open to striking partnerships, potentially with independent news providers, in order to compete on a more even footing.

He thinks that would go some way to addressing advertiser concerns about the hassle of dealing with multiple walled gardens in a bid for scale while delivering growth opportunities to both parties. Slighting points to Paramount Plus’ deal with Optus (for the telco’s bundled subscription service) as portent of more deal-making to come.

“Are you focused on self preservation, or are you focused on the longer-term future?” says Slighting. “As an industry, we have profited from some pretty shady practices. Now we have to take our medicine and there will be a correction. So you can try to find short-term fixes because it’s good for shareholders, or you can take the hit. I’d rather take the hit and invest in the long-term – and I do think that good partnerships will pay dividends.





**Ben Campbell**  
Nine

## ■ **Nine: Building walled garden to take on big tech**

Nine has built out the largest first party data pool of Australia’s major publishers, now claiming some 14m unique IDs – but it has taken years to consolidate its data into a single place since the Fairfax merger, says Director of Advertising and Data Products, Ben Campbell.

Post-third party cookies, Campbell says there will be three types of useful data for advertisers to reach and target specific audiences.

First, the advertisers’ own first party CRM data that they can use to match with publishers own audience data – typically logged-in email addresses.

“That would be activated through Universal ID solutions like UID 2.0 or through LiveRamp or through the media owners’ own customer matching technology... Nine has partnered with Adobe,” says Campbell, and recently also with Salesforce.

That gives publishers similar audience matching capabilities to the likes of Facebook and Google, says Campbell, but there are challenges in achieving scale.

“That first bucket of data, the identity data or the CRM data will be highly valuable user level people-based data. It won’t be device specific, but data that can be linked back to an actual person. But because getting people to sign in is challenging [and they may not be signed in all the time] it will be somewhat limited in scale – but highly accurate and supported across all devices,” he says.

“The second bucket of data will be media owner first party data. E.g. Nine’s proprietary first party data, Google’s proprietary first party data, Facebook’s data, News Corp’s data – first party audiences that publishers have built from data points as users interact with their network, and that data will be targetable across that particular media owner inventory only,” says Campbell. “That will be not just signed in data, but also anonymous user data.”

““ We haven’t yet committed to partnering with UID 2.0. We’re exploring it, as we are with LiveRamp’s ATS solution, which is the other big one. But we haven’t made any final decisions yet.

— **Ben Campbell, Director of Advertising and Data Products, Nine**

He says the third data bucket post-cookies is cohorts – something Google is pushing with its Privacy Sandbox. “In the case of Privacy Sandbox, that will be Google-built audience segments where all the data resides within the browser itself. It can’t be pulled out, ingested into DMPs or any advertiser systems and it will be activated through Google tech – it will basically be modelled cohorts of anonymous users, so large in scale but less accurate and only supported across Chrome,” says Campbell.

Nine’s strategy, he says, focuses on the “first two data buckets for the future” and the firm is continuing to scale up its data, rolling out a registration wall across its metro publishing sites to collect more email addresses from readers – and asking more questions from users about their interests and attributes when they register.

## | Alt IDs: Not yet convinced

Campbell says Nine continues to consider alternative IDs, which aim to join the dots between walled gardens and the open internet, but is more focused on its own systems.

“We haven’t yet committed to partnering with UID 2.0. We’re exploring it, as we are with LiveRamp’s ATS solution, which is the other big one. But we haven’t made any final decisions yet.”

Given Australia’s shifting regulatory landscape, Campbell says Nine is acutely focused on privacy and consent – and says that approach must be central to a post- cookie future.

“If we can instil confidence in consumers that their data is going to be used in the right kind of way, and it’s privacy compliant, then that’s a big positive for the industry. If consumers do feel like they’re being tracked in a creepy way, that sort of thing doesn’t reflect particularly well on advertisers.”

## | Apple pincer no problem

While advertisers are starting to see costs rise and measurement weaken following Apple’s iOS updates that limit tracking and remove key identifiers from Facebook’s measurement systems, Campbell says Nine is unaffected.

“A really important distinction is that a lot of these changes that are happening are not designed to stop media owners tracking within their own environment,” he says. “It’s designed to stop tracking across environments that are not owned by that publisher or that advertiser.”

## | Seven: Data sprint shaping content slate, attribution, sports rights strategy

Seven was a late starter on first party ID, but has made a sustained sprint in the last 18 months, using the Olympics to gather millions more user IDs, which it terms ‘SWM-IDs’. Now it is using them to shape programming and compete with other sporting rights holders as well as audience match with advertisers, “moving away from probabilistic to deterministic” methods, according to Director of Audience Intelligence, Andrew Brain.

The network is also using data partnerships with Ticketek, Flybuys and Mastercard to give advertisers the ability to target different kinds of buyers – for example, heavy or lapsed – and tie back ad spend to sales data to prove whether adverts resulted in target audiences buying products after seeing an ad.

Prior to the Olympics, Seven was sitting at just over 6m IDs. It’s now north of 9m. The subsequent challenge is keeping those audiences. If Seven can do so, Brain thinks it could change the dynamics of sports rights investment for both the network and its rivals while improving match rates between advertisers’ CRM data and Seven’s logged in audiences.

The network is using the audience data itself to inform much of that strategy, packaging up programming and other content based on their consumption habits.

### Attribution shift

For advertisers, Seven’s strategy is to “create visualisation of audiences and consumers that brands and agencies can actually see,” says Brain, showing advertisers both lapsed and active buyers within those segments and how to buy against them.

The network is also harnessing its partnership with Flybuys, matching audience SWM-IDs with purchase data to show FMCG brands whether their connected TV ads have driven a sale. “We can track the measurement and attribution all the way through,” he claims.

“If you look at things like the tennis, Nine now has the rights. But tennis was highly viewed within the Olympics – and we can pull the tennis audience back into RedIQ [Seven’s customer data platform]. In the future, for other sports, if we can understand what the rights look like and profile the audiences – the value in that is huge.

— Andrew Brain, Director of Audience Intelligence, Seven

### Leverage data to win

While Seven reportedly paid close to \$200m for the 2016 Rio Olympics, PyeongChang Winter Games and Tokyo, the rights investment is no longer purely about ads and sponsorship, given the audience data gains on the table. Seven plans to use that data to its advantage – at rivals’ expense.

“If you look at things like the tennis, Nine now has the rights. But tennis was highly viewed within the Olympics – and we can pull the tennis audience back into RedIQ [Seven’s customer data platform, or CDP],” says Brain.

“In the future, for other sports, if we can understand what the rights look like and profile the audiences – the value in that is huge.”

### Horizontal log-in

The network hopes to reach 14m IDs after the 2022 Winter Olympics and Commonwealth Games, but its immediate focus is growing daily active logged in users, currently sitting around 640,000. Seven has launched a loyalty programme in a bid to keep users logged in and consuming more content.

The next step is to unify its IDs across Seven’s news properties with its BVOD audiences by asking users to log-in.

“If we can do that, then we can harness the ID solutions across TV, across news media, across mobile and the apps provide advertisers with a first party full run of network,” says Brain, but he admits that task is no mean feat.





**Andrew Brain**  
Seven

### **| Alternative IDs ‘not on roadmap’, mobile numbers are**

While alternative ID providers are trying to convince publishers to use their audience tracking cookie alternatives, Seven is “pretty set on [our own] SWM ID”, says Brain. “That might sound a little insular, but we’re just concentrating on our own solution.” Meanwhile, as Big Tech platforms and regulators make changes, Brain says Seven is working on how to stay ahead of any incoming shifts. “Our focus is how do we look after our identifiers which might be an email address [today]. But how do we also bring in other identifiers that protect us from [policy/platform shifts], such as mobile number? That is all part of our current strategy.”

### **| News Corp: Pushing ahead with alt-IDs, but lack of scale and privacy may bite**

News Corp has been trialling two alternative ID solutions – LiveRamp’s email-based ATS, termed a ‘deterministic’ solution, and ID5, termed a ‘probabilistic’ solution, which pulls together various online identifiers. Alongside UID, driven by the Trade Desk, they make up the three major alt-ID players currently in the Australian market.

LiveRamp has built an email-based identity graph that assigns an ID to every email address, which means publishers can match them to their own IDs and work out the overlap (see p15 for more on LiveRamp).



**Suzie Cardwell**  
News Corp

According to Suzie Cardwell, News Corp’s General Manager Client Product & Strategy, that’s where the challenge lies.

“What we and advertisers are finding is that the match rates don’t tend to be very high. We all use multiple email addresses for different things. You might be logged in on one of our sites with one email address, and into an insurance provider with another.

“Even if we are able to find a decent match rate, 60 per cent-plus, finding those people then active in the network during the period you want to run the campaign is the second challenge,” says Cardwell.

“If you have 3 million matched, you might only have half or a third of those people active on the media during the campaign period. Between match rate and active usage, the pool of people you can target using hashed email addresses is pretty limited,” says Cardwell. “Scale is a real issue.”

### **| Multiple IDs required**

The upshot is that publishers may need multiple alternative ID solutions to achieve scale. Hence News Corp is also trialling ID5, which uses identifiers including IP addresses, cookies, device IDs and other sources to designate a device ID (rather than assign an ID to a person).

“We’re probably all going to work with multiple identity providers to give us scale and meet the needs of different advertisers. Advertisers will probably choose different providers and we need to meet the market.”

While Australia’s big publishers are simultaneously working on proprietary ID solutions, Cardwell thinks they could each end up using “half a dozen alternative identity solutions, easily”.

But each comes with its own challenges. Aside from the time and resource dedicated to onboarding and trials, there are concerns around how alternative IDs will meet shifting privacy requirements.

“What we and advertisers are finding is that the match rates don’t tend to be very high ... Between match rate and active usage, the pool of people you can target using hashed email addresses is pretty limited.

— Suzie Cardwell, General Manager Client Product & Strategy, News Corp

“There is some nervousness about some email addresses being used in some sectors – finance, for example,” says Cardwell. “Other sectors are less concerned. It’s going to come down to particular approaches advertisers want to take to the market.”

But if there are challenges for publishers, Cardwell says post-cookie IDs are even harder for advertisers to navigate. She thinks publishers will ultimately have to align on a solution that enables advertisers to achieve scale – or risk ceding further initiative to the global platforms.



**Dan Richardson**  
Yahoo

### Yahoo: IDs could work, but contextual crucial to hit the masses

Dan Richardson, Head of Data at Yahoo, says the company has amassed 5 million Australian IDs. But he thinks AI-driven contextual targeting will become a mainstay of targeting on the open web.

“We need to be clear with people: Having an email based identity solution, whether it’s our Connect ID that we produce from our direct relationship with our logged-in members, or using an industry solution – none of those are scalable enough to cover the majority of the web.”

Richardson advises brands to start testing now to be ready for 2023. At present, “there’s not enough of that happening.”

Whereas most of Australia’s large publishers appear intent on building out their own identifiers – becoming walled gardens in the process, Yahoo is both a publisher and an ad tech player. As such it’s running the rule over dozens of alternative ID solutions globally – 32 for its demand side platform (DSP) and 25 on the supply side (SSP).

“It’s not [Yahoo’s proprietary] Connect ID or nothing, we are agnostic ... But there is a lot of work that goes into evaluating whether a solution is scalable ... [the priority] is in order of scale and demand from the market” says Richardson. “That’s the difference between us and a walled garden. If an advertiser or a publisher wants to use an industry solution, for example LiveRamp, we’re already set up to match our email anonymously within LiveRamp. But there are so many to integrate.”

“ We need to be clear with people: Having an email based identity solution, whether it’s our Connect ID that we produce from our direct relationship with our logged-in members, or using an industry solution – none of those are scalable enough to cover the majority of the web.

— Dan Richardson, Head of Data, Yahoo

### Low match rates make contextual essential

Locally, Richardson says match rates with advertisers’ data range from 15-30 per cent, which is why he reiterates the need for brands to look more seriously at contextual targeting.

“Contextual is going to be a big part of the internet going forward. It doesn’t require that persistent identifier, which, if not explained to consumers properly, is a bit on the nose.

“The reality is there are going to be a lot of identity solutions that are heavily modelled, which are using data that could be second or third hand, which is something marketers should be aware of,” says Richardson.

“It only takes one screw up to ruin a relationship with the consumer – while 55 per cent of people are willing to share their data with the brand they like, that can easily turn. So now is the time to start aggressively testing and figure out what’s going to work. Google is going to start migrating people to its new sandbox solutions at the end of next year. You don’t actually have a huge amount of time.”

### The Guardian: Private marketplaces, direct deals a better bet

Guardian Australia and New Zealand MD, Dan Stinton, welcomes the demise of third party cookies.

“People are going to look back at this period and the idea that you could drop a piece of code on someone’s browser and follow them around the internet will be viewed with horror,” says Stinton.

He thinks that perception could undermine efforts by those building alternative ID solutions that use other means to track users.

“We’re still assessing the various technologies that will eventually replace cookies, but we want to be sure that any technology that we use respects consumer privacy and what is a fair and reasonable use of consumer data.”



Stinton thinks Australia’s largest publishers – which have been building out and acquiring scale and the data to go with it – may also question the commercial rationale of opening up their proprietary audience data to the broader market.

“The decision for publishers is whether limiting access to our respective first party data represents more value than allowing this data to be hashed and matched with other publishers. Different publishers will make different decisions.”

Publishers were burnt last decade by opening up inventory to the programmatic open marketplace, and seeing their audiences being followed and picked up more cheaply elsewhere.

“Obviously any publisher is going to be very cautious before rushing into a decision that risks a similar outcome,” says Stinton

“ The decision for publishers is whether limiting access to our respective first party data represents more value than allowing this data to be hashed and matched with other publishers. Different publishers will make different decisions.

— Dan Stinton, Managing Director, The Guardian ANZ

The Guardian is currently finalising its post-cookie first party position and has been asking readers to log-in for some time. As a result, Stinton says it now knows a large and growing proportion of its total audience of circa 7 million Australians.

The Guardian is focused on content, private marketplaces (PMPs) and direct buys with advertisers, which reduce the risk of audience leakage and deliver higher yields for publishers, while giving advertisers brand safe, quality environments that deliver stronger results for advertisers. While some marketers fear post-cookie fragmentation will cause planning and buying headaches, Stinton says the pay-off is results that move the needle.

“[Direct deals and PMPs] may require more strategic thinking running campaigns, but ultimately the results delivered by truly understanding the objective of a campaign makes the extra effort worthwhile.”



**Tim Lloyd**  
Adtech & Data,  
Gumtree

### **| Gumtree: Building a walled garden, ‘predicting future purchase intent’**

Gumtree, now owned by Swedish online marketplace giant Adevinta, operator of the world’s largest classified business via dozens of marketplaces, thinks it can deliver deeper insights than most across automotive verticals, via Carsguide and Autotrader, and horizontals, via Gumtree.

The three platforms have a combined Australian monthly audience of 7.8m, says Tim Lloyd, Senior Manager, Adtech & Data. Gumtree now makes buyers and sellers log-in to trade and buy – and while the platform primarily lists second-hand goods, Lloyd says the signals and data that buyers and sellers provide are highly valuable to brands.

“We can understand consumers and their search trends like only a few others can,” claims Lloyd. “Basically, that enables us to analyse shopping and research patterns, interest and trends by looking at what the sellers are listing today – and that helps us to predict future purchase intent, with visibility on their evolving life stages,” he adds.

“ The decision for publishers is whether limiting access to our respective first party data represents more value than allowing this data to be hashed and matched with other publishers. Different publishers will make different decisions.

— Tim Lloyd, Senior Manager, Adtech & Data, Gumtree

“They might move out of their family home. Perhaps they’ll get married, have a family of their own, they might look to up-size the home or the car. And that’s actually a really exciting place for brands, because our research has told us that 90 per cent of Aussie sellers actually consider replacing their pre-loved items with new items.”

The firm makes that data available to brands via an ‘audience engine’ and creating “rich personas that can be targeted across our network,” says Lloyd. “We give advertisers an option to align their databases with our own,” he adds, with the firm working with the likes of Adobe, LiveRamp and InfoSum to ingest and match CRM databases and enable more personalised targeted ads.

“That gives great insight into who those customers are, and what the likely actions are that they’ll take,” says Lloyd.

### Direct trend ahead

Gumtree is now pushing harder into direct deals with brands across its network and away from the open exchanges.

“Historically, we’ve been a programmatic first business,” says Lloyd. “That is where a lot of our energies and resources were previously concentrated. We’re now going down the path of really building out our direct capabilities, taking these new products and initiatives to market. It’s definitely a growth area.”

Shannon Fitzpatrick, Director of Commercial Partnerships, thinks advertisers with strong first party data will also head in that direction.

“We’re technology agnostic ... So if partners want to deliver solutions through programmatic pipes, and if they’re capable and set up, we’ll fit a solution to suit that. But if they want to work with us around first party data and help us build customer-based solutions, then a direct approach would probably make more sense,” says Fitzpatrick.

As such, while the marketplace has implemented “several” alternative IDs, including The Trade Desk-driven Unified ID, “our focus is on building those direct partnerships with brands,” says Lloyd.



**Shannon Fitzpatrick**  
Commercial Partnerships,  
Gumtree

# First party brand strategies



**Michaela Michaut**  
Adore Beauty

## **| Adore Beauty: Loyalty driving major gains, Apple's shifts pose core challenges**

In simple terms, a first party data strategy is about putting all consented customer data in the right place, then understanding how to extract value from it, then activating, says Michaela Michaut, Head of Acquisition & Retention at Australian cosmetic pureplay Adore Beauty.

For Adore, the right place to store and enrich data is a Tealium CDP. This year Adore also launched a loyalty programme to fill the gaps within its customer behaviour signals and enrich its data. Adore also uses its BeautyWise AI engine to gather behavioural data and serve onsite content and product recommendations.

For activation, Tealium connects to the likes of Facebook and Google's conversion APIs, "which is a way to start creating server-to-server connections between businesses and ad platforms as opposed to relying on third party cookies," says Michaut.

As the deprecation of third party cookies draws closer, she says, "we're focusing on more ways to do that kind of work."

## **| Loyalty: Rewards driving sales and consent gains**

Six months since full-scale launch, Adore's loyalty programme has gained 180,000 members, roughly 25 per cent of its customer base, says Michaut.

It's paying dividends: "We are seeing upwards of 10 per cent-plus improvement on average order values from our loyalty members compared to non-loyalty members – it's definitely delivering value," says Michaut.

"From a first party data perspective, it provides so many more opportunities to get to know our customers better, whether through [better understanding their] preferences, being better able to connect their behaviour, looking at RFM

[recency, frequency, monetary] modelling and so forth. Understanding some of the other attributes that unite particular cohorts so that we can prospect similar valuable cohorts, or prospect and find other ways to get in touch with currently less valuable cohorts – the ones that we see huge potential in to engage with us deeper in the future.”

At the same time, the explicit consent granted by customers joining the loyalty programme heads off privacy changes coming down the track.

“It all comes down to trust. If your customer trusts you to share their data with you, then you treat that respectfully,” says Michaut. “I think relevancy is how you show a customer that you’ve treated their data respectfully – aside from obviously not sharing it. I think that’s how you can continue to foster that kind of a relationship and continue to grow that trust.”

““ The biggest challenge is going to be how do we [collectively] respect customers’ wishes to be anonymous to a degree, but then also fulfill our responsibility as marketers, which is to deliver a relevant experience to them.

— Michaela Michaut, Head of Acquisition & Retention, Adore Beauty

## Apple manoeuvres start to bite

Michaut says there are broader challenges facing businesses in the shift to a privacy-centric environment.

“The biggest challenge is going to be how do we [collectively] respect customers’ wishes to be anonymous to a degree, but then also fulfill our responsibility as marketers, which is to deliver a relevant experience to them. Ideally, we’re always looking for the win-win situation.”

Which is where Apple’s privacy changes are starting to bite, says Michaut.

“There are definitely challenges being raised by that,” she says, citing impacts on how content is displaying in dynamic EDMs, through to people logging into the new Adore Beauty app via Apple ID.

“I know that other businesses – particularly those that are quite app focused – have experienced this as well: when customers hide their identification in general, that can lead to myriad background impacts. One of those can be duplicate contacts. From a first party perspective that’s not ideal – because it’s very hard to unify behavioural signals around two separate contacts,” says Michaut.

“With respect to privacy, it then comes into the realm of how deeply do you go to try and unify them, as opposed to encouraging the customer to identify themselves in other ways.”

Given Apple’s latest iOS updates have restricted or hidden email addresses from marketers, brands must now work through alternative identifiers.



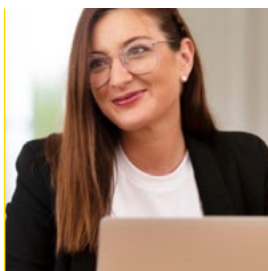
Michaut says Adore is instead looking at using phone numbers and unique customer identification numbers.

“If people want to sign in with their Apple ID, we absolutely want to deliver that to our customers. Apple is a really important partner for us, too. So then it’s about how can we allow the customer to do what they want, but that it doesn’t compromise their privacy, it doesn’t compromise their customer experience, and it doesn’t compromise our first party data strategy.”

But she thinks Apple’s changes and cookie deprecation also present a “huge opportunity” for brands.

“Generally when you have challenges with your data or customer identification, it’s a legacy issue that dates back ten years to your predecessor’s predecessors. With what Apple and Google have sparked, we actually have the opportunity to address these things as they’re happening – to mitigate future issues before they even become an issue,” says Michaut.

“As a marketer, that really excites me. We can get on the front foot and leave a real legacy for the future, as opposed to having to remediate issues of the past.”



**Kate Cook**  
The Lumery

## Dynamic MMM “the future”

With measurement a key challenge for brands post-cookies, Adore is already pushing into media mix modelling (MMM). Michaela Michaut thinks those platforms will evolve as more marketers try to find ways to understand which channels are performing without cookie-based measurement systems.

“Dynamic MMM is the future,” she says, with Adore’s recent MMM helping to negate some of the impacts of Apple’s changes and give the retailer a clear picture of what’s working, and what is not.

“It’s revealed some really excellent insights for our business, and I think will help us – particularly to that C suite level – be able to push some channels that traditionally from the last touch perspective looked to not be as strong, such as Youtube, but have actually turned out to be one of our most valuable.”

Kate Cook, Data & Analytics lead at martech advisory The Lumery, thinks privacy restrictions will lead digital and performance marketers to swing back towards traditional brand channels as they lose visibility of clicks and conversions. As a result, she agrees media mix modelling will become more prevalent as marketers seek new ways to determine which channels are delivering.

“While it’s always been difficult to measure more awareness-based channels like TV and outdoor, MMM offers a mechanism to attribute the impact of impressions, spend and the associated impact on sales while accounting for the macro trends we’re at the mercy of – such as lockdowns,” says Cook.

## 2022: more 1PD execution

Adore next plans to connect its first party data to walled gardens via API connections to do targeted next best offers and ad suppression.

“That’s where it becomes incredibly powerful,” says Michaut. “Because we have a current understanding of the channels in which our customers most engage, and we understand the behaviour around which products are being purchased, we have the ability to serve next best offer. We don’t yet have that use case live, but it’s on my roadmap for 2022,” she adds.

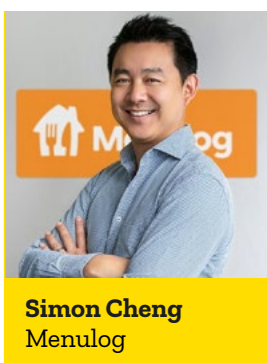
“I think that’s what all marketers are striving for – the relevancy piece – which ultimately leads to stronger conversion and stronger commercial outcomes for the business.”

## Menulog CMO: First party data powering growth, contextual set to boom, measurement challenges ahead

Menulog spends much of its marketing budget on big brand traditional media in a bid to drive app downloads and food orders – but as a digital pure-play, data is “ingrained” within the business says CMO Simon Cheng.

At a basic level, it uses first party data – behavioural data, what people eat, where they live and browsing habits – to drive personalised restaurant recommendations to customers within app and online “to provide a micro-level of targeting,” says Cheng.

“We have over 30,000 restaurants on the platform. But nobody really cares about 30,000 restaurants, they care about the 250 that are within driving distance. So the data we use powers all the recommendations and the personalisation to serve up the most relevant restaurants for each person.”



**Simon Cheng**  
Menulog

## Data-powered kitchens, virtual brands

Menulog also uses its first party data to create “virtual brands”, says Cheng.

“We have a lot of data on consumers ordering habits and the type of cuisines that are available in different areas. So we use that data to go to existing restaurants, and highlight where the gaps are in terms of cuisines in their local area. So we can tell them: ‘Because of your kitchen and the type of cuisine you offer, we think you will be able to gain X amount more business if you were to offer these things. We will list that menu on the platform as a virtual brand, and the courier will come to your restaurant to pick up the order’,” says Cheng.

“It’s an interesting way of using data to help support our restaurants drive incremental growth.”

## CTV and contextual rise

The firm is also using its first party data for marketing. Earlier this year it conducted a first party data matching trial via CTV with Seven, IPG's Matterkind, Acxiom and LiveRamp that delivered 37 per cent conversion rate improvements and a similar sales boost, which bodes well for broader post-cookie approaches.

"The way I describe it to people is simple: when you get to a cookieless world, the only way brands are going to be able to do effective targeting is by using publishers' first party data," says Cheng.

“ The way I describe it to people is simple: when you get to a cookieless world, the only way brands are going to be able to do effective targeting is by using publishers' first party data.

— Simon Cheng, CMO, Menulog

"We chose CTV because it's already a cookieless medium. If you're not viewing through a browser but instead on a smart TV, then brands can go to a publisher and use their BVOD platforms to match data across age, geography and viewing habits."

That means advertisers can tap greater contextual targeting capability – and Cheng thinks contextual will form a major plank of brand's ad strategies if and when cookies are finally culled.

"Contextual targeting as a concept, has been around for decades. But I think there's going to be much greater use of AI to better utilise all the different data that you have to be able to find customers," says Cheng. "We're getting a lot more serious about complementing our first party data and finding lookalikes through using these kinds of algorithms."

“ Cookie-based marketing has a lot of flaws. It is nowhere near as reliable as a people-based system. It's just that people-based targeting requires a lot more resource to get it right.

— Simon Cheng, CMO, Menulog

## Scale challenges ahead

While backing publishers to build out first party data capability – and more direct deals between brands and publishers – Cheng is concerned about achieving scale in a fragmented post-cookie world.

"Cookie-based marketing has a lot of flaws. It is nowhere near as reliable as a people-based system. It's just that people-based targeting requires a lot more resource to get it right. All the publishers are moving in that direction, each at different stages. The challenge is how to get to a solution that offers us scale – because I don't think we want to be doing individual deals with everyone."

Australia's big publishers have tried to collaborate before – but failed due to individual commercial interests clouding the bigger picture. Could the threat of losing even more dollars to the likes of Facebook and Google create the necessary impetus?

“I think it's just too early to judge them on it,” says Cheng. “They're all signalling good intent. And to be honest they are probably going to be forced to get there anyway.”

## | Apple issues, measurement shift

Deprecation of cookies will affect retargeting, says Cheng, and Apple's iOS updates have already hit that capability. While he says Menulog has seen higher opt-in rates than Australia's low double-digit averages, “you lose the ability to track a pretty material proportion of your customers.”

“Naturally, that means you've got a smaller sample size to be able to collect data from. Your CPMs and your CPAs increase – and it's a pretty material cost increase. You lose sight of what a large portion of your audience are doing. It's hard to optimise. I'm sure every business is starting to grapple with how they model their spend to be able to give a more accurate representation of what the world really looks like. We're grappling with that as well. And we have early models for how we can predict that.”

He says Menulog doesn't officially call that approach media mix modelling, or MMM. “But we do both economic modelling and attribution modelling. We do it on a less frequent basis than weekly. But we're constantly optimising the channel mix on the performance side of things to make sure we are getting best bang for buck,” says Cheng.

“I think there's going to be a much heavier reliance on modelling as cookies start going and all the various privacy changes come about.”

But because there is an element of guesswork, “that modelling will have to be much more frequent”.

Hence Cheng thinks that “access to reliable information to inform good decisions” will be one of the biggest post-cookie marketing challenges.



**Karen Madden**  
Taronga Zoo

## | How Taronga Zoo built a paid streaming service, ditched YouTube to launch first party data masterplan; targets exceeded sevenfold

Taronga Zoo CMO Karen Madden left in November to head up marketing at the ABC. But she leaves the zoo with a first party data play that is bringing in cash at bargain basement acquisition rates while driving huge engagement gains. The trick was ditching YouTube for a video player that didn't want to keep first party data all to itself.



While Taronga is fleshing out its first party data strategy, Madden says the journey has not always been easy.

“As a business, we have a lot of data, but we tended to silo it ... we haven’t always had a cohesive single view of the customer – which has limited us,” says Madden. “We have assumed a lot of things about our guests and supporters.”

The marketing team is working to change that, using recent lockdowns to review its data marketing strategy – and start experimenting.

While Covid presented huge challenges – “in its 105 year history, the zoo has only been closed twice, both due to Covid,” – and leaving it short of the 40 per cent of revenues that come from overseas tourists, it also presented opportunity. The zoo has generated tens of thousands of dollars in revenue from its animal cams via Taronga TV, while adding new first party data, customers and driving major engagement gains.

Launched during the first 2020 lockdowns, Taronga TV – showing live cams on animal enclosures, keeper talks and behind the scenes video – was scaled back when the zoo reopened in June 2020. But it provided the test-bed for phase two.

“Cue Delta, and once again we were facing into another lockdown. I decided to double down on TTV and we upgraded and relaunched our live cams, and put a renewed focus on creating content,” says Madden.

“Our education and digital marketing teams quickly launched ‘Lockdown Lessons’ – free half hour lessons aired twice a week.” These were a “huge success”, says Madden, racking up 260,000 live-streams and bringing more schools into its funnel, “with around 70 per cent growth of our teacher database”, Madden adds.

## **| Ditching YouTube for data**

With admissions income turned off, the birth of five lion cubs presented an opportunity to test how to monetise the platform, with Taronga seeking upwards of \$7 for time-limited access to the streams.

“ Via our media agency, we reached out to YouTube and very quickly realised it wasn’t the right platform for us as we didn’t want to sign up to an ongoing strategy – and we needed the first party data.

— Karen Madden, ex-CMO, Taronga Zoo

“There were some massive internal hurdles. The carnivore keeping team needed to be on board and comfortable it would not adversely impact the animals, and that we had control over what footage was aired,” says Madden. “The marketing team were cautious about asking people to pay for our content; there was a fear that we would get our loyal Zoo Friends members offside by asking them to pay when they hadn’t been able to access the zoo for months.”

So Taronga opted for a donation-based campaign – making it tax-deductible. But that meant the zoo needed people’s data to send a tax-deductible receipt – and the big video platforms don’t share data.

“Via our media agency, we reached out to YouTube and very quickly realised it wasn’t the right platform for us as we didn’t want to sign up to an ongoing strategy – and we needed the first party data,” says Madden. So she opted for InPlayer, which provided a paywall and meant Taronga could host the video on its own site, facilitate tax receipts – and keep its first party data.

### Roaring success

The Cub Cam results “exceeded our internal targets seven-fold,” says Madden. “The average donation rate was double the \$7 entry-level amount and 79 per cent of those who signed up were first time donors. It had an 88 per cent conversion rate and the total cost of fundraising was \$7k, with cost per acquisition under \$2 – which is exceptional in the world of fundraising.”

The Zoo is now turning its attention to greater efficiency within media spend, using media mix modelling via Mutiny’s WarChest platform to work out which channels are driving business results and how to make more money from Taronga TV. It’s also working to refine its data management and marketing stack to make best use of first party data ahead of cookie depreciation.

Meanwhile, Madden is now shaping the ABC’s marketing strategy, a different beast altogether.



**Roger Slater**  
Westpac

### Westpac: Working through permissions in bid for compliant growth

In October 2021, ASIC’s Design and Distribution Obligations kicked in, which place significant new constraints on financial institutions around using data for targeting, because it requires them to declare upfront their intended target market for any given product or service – with penalties for institutions that fall foul.

From an advertising perspective, “that means there is a lot more onus on banks to ensure that we know who our intended customers are,” says Roger Slater, Executive Manager, Digital Solutions, at Westpac. As a result, he says the bank is “weaning itself off second and third party data... and primarily focusing on first party data”.

“It’s better to have a database with 10 people that want to hear from me than a database with 100 people who don’t.”

— Roger Slater, Executive Manager, Digital Solutions, Westpac

“Part of that is reassessing our preferences and profile management against our current customers,” adds Slater, “In effect, taking our current customers and asking them what they want us to talk to them about relative to banking and financial services, but then also getting an idea around where they are in terms of their different life stages and product cycles.”



For example, someone approaching middle age would probably benefit from being transitioned towards an offset retirement account.

“So part of our internal strategy is conducting a large assessment around our current customers and then establishing ‘lookalike’ profiles,” across different life stages and attributes, adds Slater. “Within that, how do we use that information to target based on their product profile and footprint?”

The upshot is a customer matrix that includes key attributes, such as age bracket, income and life stage, as well as “softer profiles” in terms of preferences.

The idea is to use that matrix to cross-sell in a way that complies with DDO – which means a lot of permissions work, or getting re-permissions from customers.

Given the return rates from campaigns of that type, the approach may take some time to work through. But Slater, who worked through a similar process with Citi, said it soon paid dividends when simultaneously applied to new customers, and that a fully permissioned 30 per cent of total customer-base soon delivers “80-85 per cent of value”.

In simple, terms, he says, “it’s better to have a database with 10 people that want to hear from me than a database with 100 people who don’t.”

But working through permissions and then going out to private marketplaces with first party data requires significant investment, says Slater – and must be completely in step with PII data privacy policies. “That is the thing that slows you down the most, and appropriately so,” he says.

“If you step away from Google and Facebook... the landscape opportunity [for other private marketplaces] is quite limited. If we’re sending data, we’ve got to get the data back to make sure it is compliant, and you have to get the customers’ trust because you’re asking them for more information,” says Slater.

“If you step away from Google and Facebook... the landscape opportunity [for other private marketplaces] is quite limited. If we’re sending data, we’ve got to get the data back to make sure it is compliant, and you have to get the customers’ trust because you’re asking them for more information.

— Roger Slater, Executive Manager, Digital Solutions, Westpac

“That is a large brand marketing programme and it has got to be foundationally but also operationally in place in order for the benefits... to start coming in. The challenge for us is how do we do them at the same time.”



**Toby Norton-Smith**  
X15 Ventures

## Deep dive: CommBank's plan to take on global tech firms

Launched to channel CommBank's billion dollar tech funding envelope in early 2020, X15 has since built, acquired or invested in ten tech ventures – from retail marketplaces, energy retail, property management through to fintechs and venue management platforms – and there's more to follow. "We're just getting started," says Managing Director Toby Norton-Smith.

X15's mission is to scale "exceptional next generation services and then plug them into CommBank," provided that makes sense for both the venture and the bank's 15 million consumer and business customers, said Norton-Smith.

"Banks are trusted centres where people store a lot of their sensitive data, permissions and authentication. A banking app is a great environment to introduce new services to customers in a way that is entirely permissioned by them," added Norton-Smith.

“ CommBank is premised on predominantly serving banking products. But in an increasingly digitised and competitive banking environment, the competitive set is not just the other banks, it's global tech.

— Toby Norton-Smith, Managing Director, X15 Ventures

"And with many of our ventures, where customers grant permission, [we can] set them up quite easily within the app by authenticating and transferring relevant data like their email address or phone number across. That is the opportunity we are exploring."

## Buying blocks

CommBank is spending significant sums to bring that opportunity to fruition. Earlier this year it invested \$50m to take stakes in retail marketplace Little Birdie and energy supplier Amber Energy.

The ventures unit has also built or invested in property buying and management tools, small business management platforms and retail gifting start-ups. Next up, X15 is **planning to launch Unloan**, a cloud-based **10-20 minute direct-to-consumer mortgage service** which will crunch customer data to provide loans under \$3m for customers with higher amounts of equity.

It is connecting those businesses via API into the CommBank app, says Norton-Smith. As CommBank builds out that ecosystem, it starts to look like a huge loyalty play, that builds consent around an increasing number of services.

"The end game – you framed it as a loyalty platform – is exactly that," said Norton-Smith.

"CommBank is premised on predominantly serving banking products. But in an increasingly digitised and competitive banking environment, the competitive set is not just the other banks, it's global tech.



“How do you create more value for customers? How do you create more ‘stickiness’ in your relationships by proving the trust and the data that you share with us is being utilised for your benefit? That is exactly what global tech does pretty well ... and we understand the value exchange in engaging with them,” he added.

“Banks are trusted centres where people store a lot of their sensitive data, permissions and authentication. A banking app is a great environment to introduce new services to customers in a way that is entirely permissioned by them.

— Toby Norton-Smith, Managing Director, X15 Ventures

“Increasingly with banking, it is not sufficient that you provide really good mortgage and lending products. If you are going to share your data with that institution, if you’re going to trust them with some very sensitive data, you should expect to be stitched into the other ‘best of the internet’ digital services.”

So while CommBank’s leadership has termed its approach an “integrated customer proposition” rather than a loyalty strategy, “that is the position,” said Norton-Smith. “But we’re just getting started, really, on that strategy.”

### **Little Birdie: Aiming to take on Amazon, give retailers back first party data**

CommBank invested \$30m in shopping platform Little Birdie pre-launch. Little Birdie aims to be “the home page of shopping” bringing together brands and retailers with millions of Australian shoppers – and ultimately going global.

The platform is now live in the bank’s app, harnessing exposure to millions of banking customers to rapidly scale, while enabling CommBank to build out a broader set of consumer consent.

The platform requires users to log-in and become members, which gives it permissioned first party data as well as zero party data – i.e. explicit data such as brand preferences.



**David Jennings**  
Little Birdie

According to CMO David Jennings, Little Birdie’s ultimate aim is to be the marketplace that presides over other marketplaces, sending shoppers to what some might see as rivals – the likes of Catch, Kogan, even Amazon. The crucial difference for retailers, says Jennings, an ex-Uber, Mondelez and Reckitt Benckiser marketer, is that they get to keep the data – rarely the case when dealing with marketplace intermediaries.

“We don’t see [other marketplaces] as competitors,” said Jennings. “We send traffic to those retailers [and marketplaces].

“We want shoppers to begin their shopping journey on Little Birdie,” he adds, with the platform aiming to “put the fun back into shopping” by surfacing the best deals in one place, without shoppers crashing browsers with “millions of open tabs”.



“Once they discover a great product at a great price, then they bump out to that retailer’s website to complete the transaction. That partly solves the problem on the retailer side – we know that marketplaces are eating the world and retailers losing access to first party data, their customer data, is becoming an increasing problem,” says Jennings. “We want to make sure for retailers that we’re not taking that off them – that they will capture the consumer data; that they control the experience.”

“ We want to make sure for retailers that we’re not taking first party data off them – that they will capture the consumer data; that they control the experience.

— David Jennings, CMO, Little Birdie

Likewise, Jennings thinks Little Birdie can ultimately challenge Australia’s digital duopoly.

“The other problem we are looking to solve for retailers is the fact it is becoming much more difficult and expensive to acquire shoppers. Google and Facebook control over 80 per cent of online ads in Australia. There is a concentration of power. But we believe Little Birdie can become a really important [traffic] source for retailers.”

## ■ Data fuels the fire

Jennings says both first and zero party data are central to Little Birdie’s ambitions.

“First party data is super important. It’s the oil of the 21st century, but oil has to be refined. If we want to deliver discovery, we have to deliver great personalisation, and great personalisation comes from a couple of aspects,” says Jennings.

“Firstly, it’s claimed user intent. So when you on board [as a Little Birdie member], you tell us which brands and categories you have affinity with. That’s super important.

“Secondly, it’s behavioural data – much like Netflix – personalisation that over time gets to know you and nudges you around the ecosystem, which is something Spotify also does really well,” adds Jennings.

“Thirdly is just smart algorithmic technology that suggests relevant shopping offers to you. They are three key things we think are important if we want to build great discovery – which requires great personalisation [powered by] first party data.”

## Connecting internal decisioning engine with digital ad world

CommBank took much of its digital, social and SEM media buying in-house four years ago in order to leverage its first party data and keep it secure. It then connected up **Pega, an AI-driven decisioning engine now central to the bank's media, marketing and CX.**

It serves as a 'next best conversation engine' and was originally connected to media through Adobe's Audience Manager platform to enable cookie-based matching while leveraging CBA's first party data.

But cookie deprecation driven by Apple and Google saw the cookie-based audience match rates start to decline. Meanwhile, CommBank found its ad server was no longer fit for purpose. After reviewing tech options, it opted to go with Google.

Whereas it uses Adobe and Pega in combination within CommBank's owned ecosystem, the bank last month connected Pega through Google to the external world. The aim is to harness its first party data to deliver 'next best offer' ads that drive better bang for buck while eliminating wastage.

Globally Ford is using the same approach, but connecting Pega to Google in that way will make CommBank the first in Australia to do so.

It means, for example, that CommBank can now target the right customers with the right product messaging, i.e. targeting customers that are eligible for products and suppressing ads to those who are ineligible or who already have that particular product – without using cookies.

The bank already takes that approach within its own digital walls – when people are logged into NetBank or within the CommBank app.

"We'll be using it for targeting, cross-selling and suppression, which is really exciting across the Google ecosystem," says Vanessa Sanford, GM, Media, Marketing Operations and Technology.

Sanford thinks for brands to be "successful in the long-term," they will need a customer data platform, or CDP, linked externally via API in that manner if they want to market and advertise to known and unknown audiences with sophisticated next best offers and suppression of unsuitable offers. "That is our long-term strategy," says Sanford, who thinks it will result in significant efficiencies and ROI gains.



**Vanessa Sanford**  
CommBank

## Data Nirvana

"Nirvana," says Sanford, "is to have third party, first party and zero party data connections all running through a CDP and then getting consent from customers to enable us to build out zero party information."

Zero party data – also known as explicit data – is data consumers willingly share with a brand, such as their context or preferences. For example, if CommBank knows a consumer is environmentally conscious it can offer them a green home loan and push them comms around Amber Energy, which CommBank took a stake in earlier this year and which offers cheaper energy bills based on cutting prices when there is more renewable energy generation on the power system.

“ Nirvana is to have third party, first party and zero party data connections all running through a CDP and then getting consent from customers to enable us to build out [further] zero party information.

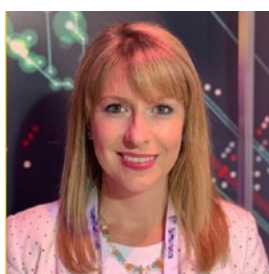
— Vanessa Sanford, GM, Media, Marketing Operations and Technology, CommBank

Partnering and investing in businesses across verticals – such as Amber, retail platform Little Birdie, home services and property management firms as being scaled by CommBank’s X15 Ventures unit – is therefore central to CommBank’s data and broader growth strategy.

### **| Pega: Connecting data dots at top end of town**

CommBank’s Chief Analytics Officer Andrew McMullan is the driving force behind CommBank’s AI-powered customer engagement engine, which **he says has transformed the way the bank is set up and how it interacts with customers, delivering personalisation at scale.**

Pega is a key component of the engagement stack, delivering the decisioning – the ‘next best’ messages a customer sees next across internal channels. Now CommBank is harnessing the platform and its first party data to drive more relevant comms externally, via direct APIs into paid channels.



**Gabriela Darley**  
Pega Systems

Gabriela Darley, 1:1 customer engagement executive at Pega, thinks more brands will head in that direction.

“If you look at organisations that have done one-to-one engagement really well, they’ve done that across inbound and outbound channels [e.g. call centres and email marketing]. They’ve managed to do that effectively, but oftentimes they haven’t really integrated the paid channels,” says Darley.

“The opportunity comes when we think about how we can effectively engage customers across paid channels as well and utilise first party data in the context of delivering better, targeted, more relevant ads. The important thing is to empower organisations to incorporate intelligence that already exists in the firewall to be able to engage customers across those additional paid channels. So leveraging first party data for advertising – and that is an area that organisations need to prioritise their investment,” she adds.

“Traditionally, [brands] have really been focused on utilising DMPs and DSPs to engage customers across [social and digital] platforms. But the ability to connect directly is changing the landscape.



“If we already have an organisation that’s utilising one-to-one customer engagement across inbound and outbound channels, we now have the ability to automatically map each customer to the most relevant audience, based on their propensity to engage, to respond to particular ads and based on that organisation’s willingness to pay for that ad,” says Darley.

“ If you look at organisations that have done one-to-one engagement really well, they’ve done that across inbound and outbound channels [e.g. call centres and email marketing]. They’ve managed to do that effectively, but oftentimes they haven’t really integrated the paid channels.

— Gabriela Darley, 1:1 Customer Engagement Executive, Pega Systems

That approach means brands can “eliminate wasteful ad spend and optimise ad targeting and ad budgets to drive more conversions”.

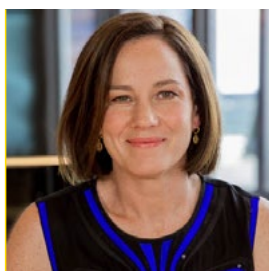
Meanwhile, feeding conversion data into audiences means “we can in real time improve lookalike models so that we can teach the platform(s) how to look for the next best customer... that are most likely to convert.”

Darley says Ford is taking that approach across thousands of dealerships globally and driving major gains.

“They have a lot of dealerships, and each dealership will put ads in front of a customer. The ability to automatically feed conversion information in real time to optimise ad spend at scale across that huge network ... has drastically cut down the time to market for Ford, and really helped to centralise and optimise [customer] experiences.”

### ANZ: Consent key to diversification, e-comm growth – hence Cashrewards stake

As part of Cashrewards’ float last year, ANZ took a 19 per cent equity stake in the loyalty operator, which has since topped 1 million members. Earlier this year the two announced a new scheme ‘Cashrewards Max’, open to ANZ’s 4.7m debit and credit card holders. Customers earn cash back on purchases from circa 1,700 merchants and brands, some of which now get to target those banking customers – but they only pay on conversion.



**Emma Gray**  
ANZ Group

Emma Gray, ANZ’s Group Executive for Data and Automation, is eyeing a much bigger opportunity: permission to use customer transaction data to build out new services and partnerships with other brands while pushing deeper into personalisation. She’s aiming to reach the point of predictive, personalised marketing messages and offers, based on banking customers’ shopping habits that also save them money.

ANZ’s ultimate ambition is that members use their cash back to improve their finances, such as pay off debt or top up savings, and it views the rewards scheme as a way to start those conversations – and get the green light to introduce other brands.

## Consent catalyst

“We have an ability to use data – when customers let us. So we need their consent to use their data outside of our core business,” says Gray.

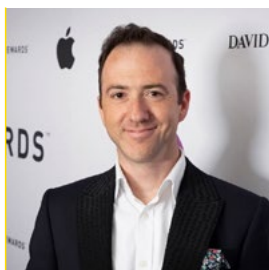
“We want to have conversations with customers about their financial wellbeing, to tailor propositions around buying and saving for a home, buying and saving for a business. To do that, we need to become much more proactive – not just around our own propositions, but in the partners we introduce to them,” she adds.

“Increasingly our customers will start to say ‘I understand ANZ has brought me this proposition, I am going to give my consent for products and services that give more value to me’ ... That is really what this is all about.

— Emma Gray, Group Executive for Data and Automation, ANZ

The bank hopes to get to a point where it can “start to anticipate [customer’s] purchasing behaviour” and present them with better offers.

“So it is all around getting more targeted, but we have to crack the consent framework as well. Because increasingly our customers will start to say ‘I understand ANZ has brought me this proposition, I am going to give my consent for products and services that give more value to me,’” says Gray. “That is really what this is all about.”



**Bernard Wilson**  
Cashrewards

## Retailers, banks converge

Cashrewards CEO Bernard Wilson thinks retailers and banks are converging as e-commerce and data drive exponential growth.

“It’s not as though banks have a different agenda to retail. It’s just that the economics are different. Retailers want to acquire and retain customers, and that turns into transactions and transactions turn into sales and volumes. Banking is the same they want to acquire and retain customers, it’s just that the velocity is different,” says Wilson.

“Businesses that have first party data across all sectors [are those that are] able to maintain the growth that they’re achieving, especially in e-commerce, where the importance of first party data is critical: The path to purchase is hugely complex, and there’s an interaction of evaluation and consideration. You need to be where the buyers are – especially high value buyers – in the right moment,” he adds.

“We reward you for the data that you give us and we’re going to continue to use it to connect you with brands where that connection facilitates great savings.

— Bernard Wilson, CEO, Cashrewards

“So first party data becomes increasingly important in terms of actually continuing to grow e-commerce business, where Australia is under-penetrated. If businesses aren’t winning on e-commerce, then they’re losing versus a growing category, and losing more at an absolute level.”

## Post-cookies, more partnerships

Marketers, suggests Wilson, will not be “given a free pass” when third party cookies are phased out. “They still have to be accountable for showing what their marketing spend is delivering. So they will need to work with businesses that can deliver.”

Banks could end up being one of those partners, if they can prove the value exchange to customers in return for consent. Wilson thinks those kind of partnerships can deliver much stronger outcomes for marketers.

“It doesn’t become about replacing what’s gone, i.e. cookies, it becomes about using data to deliver better outcomes.”

## No regulatory threat for loyalty ‘cleanskins’

Value and consent, thinks Wilson, will keep brands clear of incoming privacy changes, as and when they arrive. While the Attorney General’s [Privacy Review](#) paper and the OIAC’s [Online Privacy Code](#) cite loyalty schemes as areas of interest, their concern appears to be focused on downstream uses of loyalty and transaction data.

“Cashrewards gives customers value both in terms of financial value, but also in terms of an engaging proposition that makes customers happy. That is the reason customers stay with us for more than five years on average.”

As such, Wilson thinks loyalty players that are doing the right thing by customers and their data have nothing to fear.

“I think that [loyalty programmes that operate in that manner] can say to a regulator: ‘The customer is giving us the data and we use it to engage with them on behalf of brands and partners, but in a relevant way that ultimately ensures the customer gets more value than if they weren’t [a consented member],’” says Wilson.

“We are also helping brands get more customers into their database. So from a brand perspective, they are getting better outcomes, while the consumer is saving money at all points in time. The data is specifically used for a customer to save money where they would otherwise not have that opportunity. There is no credit risk, no strings attached.”

Wilson says while not all loyalty schemes are equal, “that is the business we are in. We reward you for the data that you give us and we’re going to continue to use it to connect you with brands where that connection facilitates great savings. And the more value we drive for brands, the more value we drive to customers.”

So regardless of regulatory change, says Wilson, “if we lead with the customer – in terms of both consumers and merchants – everything takes care of itself.”



## Agency, consultancy approaches & insights



**Jason Scott**  
MiQ

### **MiQ: Measurement, retargeting, frequency capping under threat – but major opportunity for smart marketers**

A post-cookie world brings opportunity as much as threat, according to Jason Scott, ANZ CEO of programmatic tech and data firm, MiQ. Cookies have largely been tied to display advertising – and between Safari and ad blockers that means “only half the web has been accessible” via cookie-based approaches for some years.

While deprecation poses challenges, particularly for measurement, Scott thinks culling third party cookies will “clear out some of the bad actors and poor experiences for the consumer.” On the flip side, as traditional media channels like TV, out of home and audio digitise, “there is a huge opportunity in terms of what you can do through data-driven marketing across a much broader portfolio of assets,” says Scott. “So post-cookies will change a few things, but let’s not assume that is bad.”

“There is a huge opportunity in terms of what you can do through data-driven marketing across a much broader portfolio of assets. So post-cookies will change a few things, but let’s not assume that is bad.”

— Jason Scott, ANZ CEO, MiQ

Apac Operations Officer Damien Healy agrees, and says the upshot is that brands will need to use a basket of technologies and techniques in order to drive, measure and understand digital media.

“There will not be a single replacement for cookies. If people are expecting a like-for-like future, they should get over that and move on,” says Healy. “You have to use different kinds of data and different kinds of approaches, and there will be many.”

While inputs have to change, says Scott, the processes and output remains largely the same – it’s just feeding the adtech machine with different kinds of data extracted and modeled from various sources. The trick is to get those combinations right.





**Damien Healy**  
MiQ

## Post-cookie planning, activation and measurement – what changes?

“A lot of brand planning actually continues as normal – because that’s largely panel-based and panels will be resilient through this whole process. Certainly we’ll be leveraging panels effectively over time,” says Healy.

“Activation will be challenged because people will need to move to new methods – there’s going to be different ways of achieving similar goals, but it is not going to be around targeting or identifying individual users – except where a brand has a specific relationship with that consumer via first party data and authenticated environments.”

“ There will not be a single replacement for cookies. If people are expecting a like-for-like future, they should get over that and move on. You have to use different kinds of data and different kinds of approaches, and there will be many.

— Damien Healy, Apac Operations Officer, MiQ

But measurement will be “impacted very heavily”, says Healy, particularly for performance advertisers. “I worked for third party advertising businesses for many years, and all of that measurement was based on cookies. So if you want to look at your conversion rates – who’s hitting your landing page and conversion pages, that will be challenged – and retargeting is going to be impacted quite substantially. So we need to move away from cookie-based measurement.”

Likewise, he says, frequency capping will be a harder for brand campaigns. “It will be incredibly difficult to manage frequency. That will be a serious issue for big brand advertisers.”

“ It will be incredibly difficult to manage frequency. That will be a serious issue for big brand advertisers.

— Damien Healy, Apac Operations Officer, MiQ

If it gets off the ground, Healy thinks Google-driven FLEDGE, which uses browsing history to group browsers into cohorts based on their interests, could be a solution to retargeting. If no solution is found, he thinks parts of the ad supply chain could be in trouble. “Retargeting today is fully cookie-based. It has been the lifeblood of many, many businesses and performance campaigns, so something needs to change around that.”

Meanwhile, pre- and post-campaign insights will also be affected, says Healy, because most of those systems are based on cookies and mobile ad IDs.

## Attention metrics rising

Attention is rising to the fore as a key metric – even before cookies disappear. But the challenge is to deliver “fully baked” solutions in order to plan and buy without suffering side effects, say Scott and Healy.

“We’re testing with various vendors. But many of the attention solutions are not yet fully baked, so we need to figure out the right partners that we can scale with and with the right ways to plug in to our infrastructure,” says Healy.

Ultimately, however, Healy sees attention as a highly complementary aspect to contextual strategies in a post cookie world.

“It’s not just about attention [alone]. It’s about great environments that better enable brand messages. Then you can layer on contextual strategies to make sure that the message resonates with the content on the page and layer that with supply path optimisation to make sure you are transacting that media in a trusted, cost-optimised manner,” says Healy. “That becomes very exciting, and that’s where I want to take MiQ.”

## Harnessing authenticated data to address the open web

Post-cookies, marketers should think of the web as a circle within a circle, says Scott. The inner circle, perhaps 30 per cent of web users, will be authenticated – where people have logged into a site and publishers, brands or platforms have their email address or phone number, which is then hashed and encrypted.

“That becomes a very powerful and persistent identifier – way stronger than cookies. So think about that as the subset on which to base modelling and measurement. For the rest of the web, that is where people are looking at alternative IDs,” says Scott. He thinks the digital marketing industry will need to use both approaches.

“ If you take the concept of the two areas of the web; closed, typically big tech walled gardens; and open, most publishers, independent tech operators – there is fragmentation at play. There is nothing we can do about that. But the answer is to get on top of ways to make sure you’re getting advantage of the closed web and the open web; both authenticated and anonymous users.

— Jason Scott, ANZ CEO, MiQ

“We’re agnostic across technology and platforms because we think the solution will be to take a set of authenticated users, modelling around some anonymous data signals, and building segments around feature extraction and other things,” adds Scott.

“So if you take the concept of the two areas of the web; closed, typically big tech walled gardens; and open, most publishers, independent tech operators – there is fragmentation at play. There is nothing we can do about that. But the answer is to get on top of ways to make sure you’re getting advantages of the closed web and the open web; both authenticated and anonymous users,” says Scott. “Because that will give you the best ability to maximise the data that you have access to.”

Marketers have expressed concern that fragmentation and more walled gardens will make buying at scale harder. Damien Healy agrees it will be less straightforward, but says advertisers will get out what they put in, or risk becoming “ostrich buyers ... that put their head in the sand and hope that other companies solve it for them ... so people are going to have to lean in a bit more.”

## **| Closed ecosystems and clean rooms**

Clean rooms are ‘safe spaces’ where advertisers can match up their aggregated first party data against those from walled garden publishers and platforms.

Within closed ecosystems – such as Amazon, Facebook, Google and other walled gardens – clean rooms “can achieve a lot of what cookies have done in the past,” says Healy.

While Google’s ADH (Ads Data Hub) is probably the most widely known clean room, plenty of others are also in market.

“Within authenticated environments, using clean rooms you can do a lot of the analysis, targeting and insights work that people have been reliant on cookies to do,” says Healy. “So you can package up individual segments, for example, segments that an FMCG advertiser will really value, push it out to a DSP and start bidding on it. So that enables similar things that we have been used to doing with cookies – you just have to do it in a specific closed ecosystem using a clean room environment.”

## **| Third party cookies out, but third party data still valuable**

When third party cookies, the “cornerstone of insight and targeting” are culled, a number of ad tech companies will likely to exit the market as a result – which is already happening in Europe, says MiQ’s Damien Healy. But third party data will remain valuable – with a number of data marketplaces and data co-ops now vying for supremacy. Healy cites the likes of Snowflake, Amazon and InfoSum as active in that area. “There will be a lot more of that [activity]. Third party data and data sharing is not going away. It’s just not going to be cookie-based,” says Healy. “I’m genuinely excited about where that market is heading, in terms of the connection of lots of different data. It used to be very complicated. Now it is becoming very simple.”



**Philip Pollock**  
Resolution Digital

## Resolution: Walled gardens rise, but contextual and measurement key to life outside platforms, brands must plan now

The end of cookies will likely serve to strengthen big tech's dominance of the Australian ad market, unless there is significant regulatory intervention, according to senior execs at Omnicom-owned digital marketing agency, Resolution.

As things stand, Philip Pollock, Chief Operating Officer, and Georgina Wall, National Head of Product, predict growth for closed environments – walled gardens – as brands continue to seek measureable results from digital campaigns.

“I think we are moving to a two-year scenario where we are still going to be operating within those closed walls, unless the ACCC or some other regulator really pushes to ensure that there is more of a data sharing agreement between the tech providers and publishers,” Pollock says. “And I just can't see that happening, to be honest.”

“A lot of clients think having first party data is the answer before they've actually come up with the question. They've been told the dangers of not having first party data, but then they realise, 'Actually, I don't know what I'm going to do with this even when I get it'.

— Philip Pollock, COO, Resolution Digital

While unified identities and other post-cookie alternatives are an attempt to maintain control over user data and user tracking, moves by Apple and regulators towards stricter consent, privacy and opted-in data rules may limit uptake – even if publishers can be convinced to align on cookie alternatives.

“We have [The Trade Desk's] Unified ID, and speaking from an Australian perspective, it really is completely reliant on the opt in of publishers and consumers. We conceptually understand how it works – but we're not there in terms of the implementation and how usable it's going to be,” Pollock says.

Whether via alternative IDs or via publisher's own ID solutions, hitting the numbers is the crux of the issue, Pollock suggests: “We've always seen a challenge with match rates when providing that first party data and getting scale.”

“Already today we are viewing multiple buys and having very little correlation between [different channels]. Those siloed buys can overlap and it is very hard to track and measure between all those entry points. So the idea of more walled gardens or more siloed approaches creates additional challenges.

— Philip Pollock, COO, Resolution Digital



## Scale, silos and walled gardens

In 2017, Omnicom worked with Google to build Ads Data Hub (ADH), a clean room that gives advertisers a view over their own data compared to Google's. Advertisers have privately shown some reluctance to be too reliant on one tech stack but the tech giant's dominance and the need for results tends to outweigh such concerns.

"I'm not saying brands are necessarily comfortable with moving into that way of working, but the majority of clients that we see feel that to achieve business goals it is really the only solution that we can use at the moment," Pollock says.

That's because walled gardens will only exacerbate existing ad buying friction.

"Already today we are viewing multiple buys and having very little correlation between [different channels]. Those siloed buys can overlap and it is very hard to track and measure between all those entry points. Those challenges exist today in the way we work with many of our suppliers – even in a relatively joined up approach within a DSP, BVOD and CTV has been a challenge to track and de-dupe across," says Pollock.

"So the idea of more walled gardens or more siloed approaches creates additional challenges."

“ It doesn't matter if we're using some type of identity solution and identity graph. Realistically, we're seeing this play out: If we are wanting to market at scale using addressable audiences, it's playing in the hands of the walled gardens, and it's really difficult to see a vision outside of that.

— Philip Pollock, COO, Resolution Digital

Which may lead brands and buyers to go to single platforms or publishers that can deliver the biggest hit in one go.

Where brands seek hyper-targeting at scale, "we will be working mostly within closed environments ... anything outside of that, it's going to be really almost impossible to have that notion of 'one-to-one addressability,'" says Pollock.

"It doesn't matter if we're using some type of identity solution and identity graph. Realistically, we're seeing this play out: If we are wanting to market at scale using addressable audiences, it's playing in the hands of the walled gardens, and it's really difficult to see a vision outside of that."



## | BVOD: a “fighting chance” against big tech

Australia’s TV networks are pushing into first party data-led targeting and attribution with logged in audiences on BVOD. While BVOD is growing fast, daily logged in audiences across individual networks tend to be in the hundreds of thousands rather than the millions. That poses challenges for first party buys when bought in silos, says Pollock.

“It’s a very tactical way of approaching CTV and BVOD... but it doesn’t always necessarily have the scale and reach [in pure terms and in terms of being able to match up with buyer’s CRM data],” says Pollock.

“But from a value exchange perspective, they are in a good spot, because I’d happily give my details to a platform like that. You are less dubious because you’re getting an instant reward. So from that perspective, they have a bit of a fighting chance.”



**Georgina Wall**  
Resolution Digital

## | Keep options open

For now, says Georgina Wall, “we’re rarely having a client conversation just about Facebook and Google. We’re having a conversation around the whole customer journey and how we link it together – which is where measurement is so important.”

While stitching together different data and approaches is more involved for brands and agencies, Wall thinks it future-proofs optionality, whatever comes down the track, and gives brands a broader arsenal in terms of reach.

She says the digital ad industry’s push for personalisation at scale “went to the extreme ... if you’re going to do that, you’re going to restrict the scale of who you’re going to be able to reach. And unless you have such a compelling message that would offset that, you’re going to get stuck in the confines of the walled gardens.”

## | Brands: Crack contextual, sort measurement

In the face of big tech’s walled gardens growing bigger, publishers building their own walls and alt IDs facing scale hurdles, Pollock and Wall say brands should be re-assessing their approach to contextual targeting and working out how they will measure in a post-cookie world.

“ [Advertisers] should re-evaluate how they have contextually bought in the past and whether that needs to change. When we look at our clients, we’ve got some of the best contextual buys ... If you’ve got your measurement sorted, then there’s no need to panic.

— Georgina Wall, National Head of Product, Resolution Digital

“[Advertisers] should re-evaluate how they have contextually bought in the past and whether that needs to change,” says Wall. “When we look at our clients, we’ve got some of the best contextual buys ... If you’ve got your measurement sorted, then there’s no need to panic.”

Wall echoed the attribution side: Digital agencies can piece together the data for brands – but the data needs to be there.

“We want as much data as possible, whether that’s to activate against, but also we need to be measuring the right thing to make sure we’re getting to the right end goal,” says Wall.

“Brands need to make sure they have their measurement plans sorted. Their success is going to come down to how they’re activating their data.”

## **| Can CommBank compete with Big Tech?**

While CommBank is building its own walled garden (see p40), Phil Pollock suggests anyone taking on Big Tech has a fight on their hands, regardless of the move being a potentially defensive position against the likes of Google, Facebook and Apple getting into banking.

“I think it’s a brave, brave move,” says Pollock. “I can see the rationale, but they are absolutely up against it. Trying to change the advertising or identity landscape in Australia, going against Google, is ultimately extremely challenging.”

He says if the likes of CommBank are aiming to build a competing ecosystem while connecting their first party data to execute externally, i.e. within Big Tech-owned ecosystems, “that’s where it becomes really tricky. Apple owns the hardware and the browser. Google operates the hardware and the browser [and the underlying adtech infrastructure]. Really, between those two ecosystems, they monopolise the majority of entry points into the open web as we see it.”

## **| Where to start, where first party will end up**

Pollock and Wall urge brands that have not yet begun work on a coherent first party plan to start now – and to define goals before anything else.

“A lot of clients think having first party data is the answer before they’ve actually come up with the question,” Pollock says.

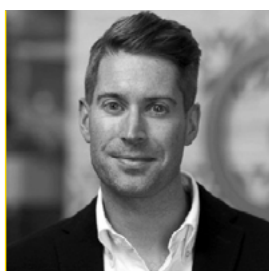
“They’ve been told the dangers of not having first party data, but then they realise, ‘Actually, I don’t know what I’m going to do with this even when I get it.’”

At the other end of the spectrum, Pollock says traditional performance marketers, digital pure-plays and direct-to-consumer brands “are a lot further down that maturity curve in understanding what they can and can’t do with first party data and are now looking at the risks of having that first party data to their own business models,” says Pollock.

“So is it going to result in a reduction in targeting, a reduction in performance? They are looking to us – agencies – to help define those risks, which is where we are advising around walled gardens or working with groups of publishers.”

Pollock says digitally mature brands are taking high value customer segments, putting them into clean rooms to model their behaviour and then extend that audience via ‘lookalikes’ in order to reach a broader number of similarly high value customers and overcome scale limitations.

“I think that approach is where we’re going to get to with how first party data will operate.”



**Tom Braybrook**  
Media.Monks

## ■ ‘No Australian brands ready for cookie crunch’, but easy wins for those that look

Media.Monks AUNZ Head of Growth Tom Braybrook says few, if any brands, are genuinely ready for a first party data driven world. That’s backed up by a survey of 65 ANZ brands conducted by the firm in August.

It found:

- **One in three** firms are not preparing for a world without cookies
- **Two in three** are planning
- But **none** are ready yet

In terms of targeting:

- **47 per cent** are using customer matching for ads
- **50 per cent** are using remarketing tags
- **66 per cent** are not using a customer data platform (CDP)

For measurement:

- **44 per cent** are still relying on attribution modelling
- **18 per cent** utilising market mix modelling
- **25 per cent** are using incrementality testing

“ If you’re an FMCG brand or an insurer, and you’re not creating compelling reasons for customers to want to actually talk to you in a digital way and give their details in order to do that, then you’re just going to be chasing your tail.

— Tom Braybrook, AUNZ Head of Growth, Media.Monks

Braybrook thinks brands will need to pick up the pace.

“If you’re an FMCG brand or an insurer, and you’re not creating compelling reasons for customers to want to actually talk to you in a digital way and give their details in order to do that, then you’re just going to be chasing your tail.”



The former Google and Adobe exec says “the days of filling up a DMP with media exposure data, which was never privacy compliant - but I’ve seen it happen - alongside behavioural based segments from your website, those days are gone.”

Braybrook urges brands to “think more about what kind of relationships they want to have with their customers. What’s the compelling reason for those customers to want to come back?”

“Banking as an industry is on it. Media and entertainment is getting there, particularly around broadcast and SVOD, and they’re definitely getting there. Retail is a mixed bag – Amazon entering the market a few years back really shook that up.”

## Easy wins, no CDP required

While some brands have invested in a customer data platform (CDP) and other martech stack components, “a tech investment is not always required,” Braybrook suggests. “You walk into most organisations and they have some degree of tag management, analytics, whether it’s free or it’s paid for. There’s an ability to spend a small amount of budget just structuring that data in the right way, making sure that when the tag is pulled in, it’s all in a server-side way, which means that the cookie is not just going to expire after that page view.”

“If you think about the wealth of data in terms of audiences that we will still have, especially with the major tech platforms, your ability to target audiences, different device types, different times of day, all those kind of contextual environmental variables – that’s not going anywhere. So start designing experimentation plans around advertising off of that.”

— Tom Braybrook, AUNZ Head of Growth, Media.Monks

“We’re talking to a lot of customers about just making sure they have the right foundations in place around tagging, measurement, analytics.”

Braybrook advises companies to maximise what they can do today while preparing for tomorrow.

“If you think about the wealth of data in terms of audiences that we will still have, especially with the major tech platforms, your ability to target audiences, different device types, different times of day, all those kind of contextual environmental variables – that’s not going anywhere. That’s going to be around for years and years to come. So start designing experimentation plans around advertising off of that.”

Braybrook says double-digit uplifts on ad spend ROI are easily achievable via “always-on incrementality testing – and that doesn’t require a CDP, doesn’t require huge cloud infrastructure and high authentication rates. It’s stuff that pretty much any brand can do off the cuff”.

## | The return of panels

Braybrook thinks the post-privacy advertising world needs get used to the idea of “less data” and thinks panels will become more important for key digital marketing aspects such as prospecting.

“If you were sucking up ad log files a few years back, pumping those into a DMP and and off doing your audience targeting with 20 million profiles - that’s gone for a very good reason,” says Braybrook.

“You have to get more comfortable with being able to take a subset or a panel of data. If you’re an insurer, you might look what your top five per cent of customers look like in terms of retention, profitability, customer satisfaction. That might be a list of maybe 20,000 to 30,000 customers. You can apply customer matching capabilities and then use an algorithmic approach to model out from that to determine statistically, who looks similar and it’s done in a clean room way, it’s privacy compliant, and I think we just have to get more comfortable with that approach.”

“ If you were sucking up ad log files a few years back, pumping those into a DMP and and off doing your audience targeting with 20 million profiles – that’s gone for a very good reason. You have to get more comfortable with being able to take a subset or a panel of data.

— Tom Braybrook, AUNZ Head of Growth, Media.Monks

He says that it is no different to planning and measuring ‘legacy’ media such as TV using Roy Morgan panel data.

“You’d say, what’s my index for this show or this channel or this time of day. And I think the same thing is true around the future of how we use first party data. We’ll have to be more comfortable with modelled conversions because we can’t track every single conversion and attribute it back to the ad all the time.”

He thinks the same ‘lookalike’ approach will apply to targeting.

“It’s a bit of forced simplicity. The industry has probably been guilty of overcomplicating this stuff: ‘One-to-one advertising’, ‘personalisation at scale’; really, when we look at effectiveness, it’s going to tell a different story. So a bit of forced simplicity is going to be a net positive for us.”





Clay Gill  
Matterkind

## Australian brands still way behind on 1PD – but transparency push fuels growth

Matterkind CEO Clay Gill says while industry is talking a good game on first-party data driven advertising, probably only three per cent of inventory is bought using sophisticated targeting, “at best.”

“The other 97 per cent is using the standard library of cookie and ID-based graphs, saying ‘here’s a library of target audiences you can utilise in a DSP for your buying’. That for me is not first party data custom audience activation,” says Gill. “That is buying what everybody else has as an audience.”

For all the innovation, Australia tends to be risk averse, he suggests, but the early movers are starting to ramp up.

“We were seeing very small revenues in first party data activation, but we’re now seeing that’s doubled within eight months. We expect that to double again in 2022 and see exponential growth for at least the next five years... We’re at the tip of the iceberg.”

“ 97 per cent of the market is using the standard library of cookie and ID-based graphs, saying ‘here’s a library of target audiences you can utilise in a DSP for your buying’. That for me is not first party data custom audience activation.

— Clay Gill, CEO, Matterkind

He thinks publishers are finally getting into a position to challenge the big platforms.

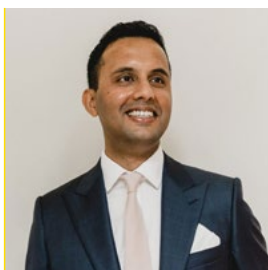
“There is always an antagonist... Google and Facebook have taken away so much share, eventually publishers have to respond and find a way to work with the rest of the marketplace,” says Gill.

He thinks auditors are also helping to drive that shift, with a lack of transparency from big platforms.

“The more you don’t know something, the fewer options you have and the narrower your ability is to extract value ... Clients are feeling very uncomfortable with that notion.” Marketer discomfort is growing as Australia’s tightening privacy regime begins to take shape.

“It’s the supply chain of data, and the supply chain of media – make it as transparent as you can,” says Gill. “It’s simpler to manage and easier to be accountable for what you’re using that information for.”





**Ryan Menezes**  
GroupM

## Hazard warning over contextual shift and more walled gardens, clean rooms rise

While agencies and publishers see contextual advertising becoming more important in a post-cookie world, GroupM Chief Technology & Transformation Officer, Ryan Menezes thinks that approach is not risk free.

“Contextual is having something of a 360, everybody is talking about it – and it’s important and will come into play, but it can also be quite dangerous [if done badly],” he suggests. “If you’re targeting a keyword and not looking at everything else on the page, it can be problematic.”

Meanwhile, he thinks publishers – and some brands – should consider whether creating a greater number of closed ecosystems will potentially curb advertiser appetites by creating more friction and more moving parts.

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“We can’t complain about the walled gardens and then create walled gardens ourselves,” suggests Menezes.

The ad buying group uses its Finecast platform to aggregate CTV and aims to strike deals with all Australian CTV publishers – which if successful could provide a route in for advertisers to Australia’s multiplying walled gardens. It used both first and third party data.

One major challenge arising from a wholesale shift to first party data strategies is that scale is limited, says Menezes: “There’s just not going to be as much data available.” He thinks clean rooms – which allow sharing of aggregated data – will continue to grow in number and importance.

“Clean rooms helps you bring together the different data assets from different providers to be able to solve for the breadth and the depth of data that would otherwise be lacking in a way which is completely privacy compliant. They are going to become a major element the more we move into identity.”



**Chris Brinkworth**  
Civic Data

## Agency supply chain crunch: Proving end-to-end data consent a looming threat

Australian brands face a massive challenge in proving their data is consented all the way through the chain, according to Chris Brinkworth, Director at martech and data compliance advisory, Civic Data.

“Once you’ve collected that first party data, can you effectively track that consent across the entire business, and pass the chain of custody to your partners so they can understand that as well? I don’t believe anyone in Australia can truly do that at the moment.”



Brinkworth says he has analysed dozens of Australian brand websites in recent months, “looking at how they collect data, consent, and where they are and are not leaking PII. Very few would stand up to scrutiny in terms of GDPR compliance,” claims Brinkworth. Given [Australia’s privacy regime appears to be going further than GDPR in some areas](#), “that’s a major problem.”

Brinkworth thinks the agency supply chain currently involved in handling PII across websites, mobile apps, email marketing and social media could expose brands to risk.

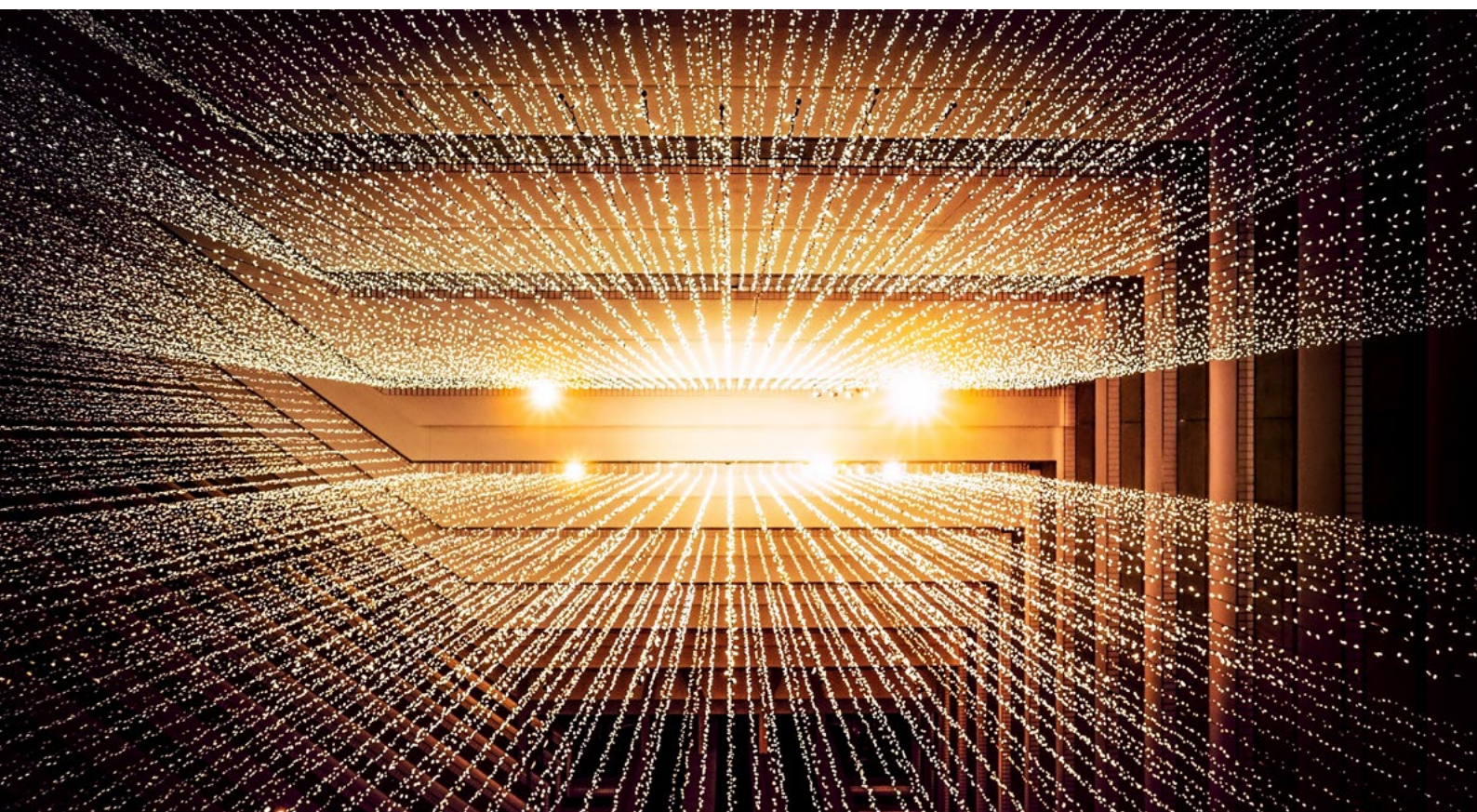
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“Each one of those marketing tools uses data to personalise the messaging. You have multiple people making decisions of what consent is versus what consent isn’t. You’ve got people who are uploading information about a customer into a vendor, in a way that may not be compliant,” he warns.

“If you’re uploading sensitive information, PII, and you’re not adhering to the regulations that are coming in, that presents a massive liability.”

An overarching challenge for brands, suggests Brinkworth, is “pollution” of compliant data with non-compliant data. He likens it to mixing paint – in that it can’t be unmixed. “That’s a lot of money to throw away – and in 12-18 months time, it will become a challenge.”





# Data has a better idea

## Data, risk and clean room alternatives



**Vivian Zhou**  
Karlsgate

### Clean rooms, hashed emails, data provenance... and risk

Clean rooms are places where advertisers and publishers or platforms – walled gardens – can securely match first-party data. Some have integrated audience graphs, some don't. Google's Ads Data Hub (ADH) is well established but in recent years tech firms have been scrambling to build alternatives.

InfoSum is gaining traction and the UK-based company is expected to open an Australian office in 2022. Snowflake is another alternative making headway. Locally the likes of TEG have joined the fray and are layering in attribution and analytics.

Another provider establishing a foothold in the Australian market is Karlsgate. The company is aiming at the top end of town – companies with the highest compliance risk, and those that fear hashed emails are a form of PII, which may also present risk of leakage.

The firm claims its tech is a “clean stream”, rather than a clean room – i.e. the data stays behind a brand's firewall and is linked via a “distributed cryptographic exchange”.

“There is no ‘room’, there is no bunker. Your data stays wherever it is, and via encryption technology we link that data and stream the insight,” says Co-Founder and Chief Product Officer, Vivian Zhou.

Zhou, a former Accenture, Merkle and Acxiom exec, suggests clean rooms “don't solve the ad industry's problem. The problem is linkage. Companies don't need a room, they need a way to link the data together.”

She believes tech companies that can provide those secure linkages between brands and publishers will replace adtech middlemen by enabling publishers to enrich their data and brands to match data without sharing their entire database, while enabling measurement and attribution.

## ■ The problem with hashed emails

“In today’s world, the brand might have a million customers. The publisher might have 5 million, but only half a million might be matched. The brand’s question will be: how will the publisher deal with those 1 million customers once the match work is done? Because hashed emails still have an identifying value,” says Zhou, with brands increasingly nervous about leakage.

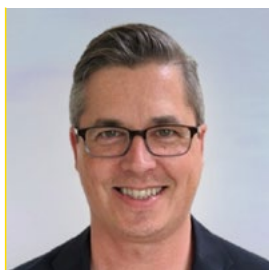
“Everyone is using the same way to hash emails. That is why Apple banned email.”

KarlsGate thinks the solution is to generate a single use ID or token, which means that if brands and publishers trade ten times using the same data sets, “that crypto identity will change ten times... and also to generate that identity, for each trade, we will have a shared secret between party A and party B.”

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That scrambled, single-use ID is the only thing that leaves the brand’s firewall, says Zhou, going to an on demand cloud-based exchange which “only exists if requested by both parties... which is used to calculate the match rate. We call it ‘triple blind’ because each party always has something the other side doesn’t have.”



**Brian Mullin**  
KarlsGate

The same methodology applies to working with multiple parties and data providers.

Brian Mullin, CEO at KarlsGate, says brands and publishers should be thinking seriously about the risks involved with first party data in a post-privacy world, because they can no longer outsource responsibility.

While many brands, publishers and platforms will argue otherwise, Mullin thinks hashed emails could prove problematic.

“The problem with hashed email is, in reality, it works exactly the same way [as a cookie]. Everyone copies the hashed emails that they see, and they start hoarding them. They start building a big graph with all of those hashed emails in them. And every time they notice them from another site, they tag that. And then they shift it to somebody else, they upload it to a DMP, they put it onto other types of advertising platforms. So in a sense, it’s become like a third party cookie,” says Mullin.

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“You have to understand data now. You have to learn how to manage it, protect it and traffic it in a safe way. That’s a big burden for a lot of brands and publishers. They don’t have those skill-sets necessarily within their organisation. They used partners in the past. But if it’s really first party data, that means it’s living inside [the organisation] – and that’s on you now.”

## Consent problems ahead

Given tightening consent obligations in Australia and around the world, Mullin warns missteps could prove costly.

“I’m not even sure how companies are thinking they’re going to allow someone to opt out when they really should be saying on the website, ‘Oh, sorry, too late. I’ve already sent it all over the world – and I don’t know how to take it back’.

— Brian Mullin, CEO, Karlsgate

“There is no right to be forgotten if you’ve lost control, because I can only forget what I’m holding onto. But if I sent it somewhere and they sent it somewhere and the person they sent it to sent it somewhere, it’s never going away. You don’t even know where it is. So unfortunately, data isn’t easy to grab and take back because it’s just bits, it gets copied,” says Mullin.

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**Nick Jordan**  
Narrative IO

## Control the data supply chain

Nick Jordan, CEO of data marketplace Narrative IO, agrees that data provenance and consent are looming risks for businesses. The former Adobe, Tapad and Yahoo exec urges brands to take control of the data supply chain – and thinks some alternative ID solutions may ultimately cause problems for both brands and publishers, especially “black boxes”.

“Nike gets in trouble every 10 years because of exploitation in China or Thailand. And part of the reason is because they don’t control their supply chain. They outsource to someone, who outsources to someone. Data is very much in the same vein, in that nobody knows where the data comes from, nobody knows where it is going to. How do you ever become compliant in that way? I don’t think some of the proprietary solutions in market fix that problem,” he says.

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— Nick Jordan, CEO, Narrative IO

“They may give you a substitute for the cookie, or a substitute for the mobile ad ID, or whatever is in vogue at the time. But it is still problematic in so far as you are tied to their ecosystem and you don’t know what is really happening in the middle. Which can only cause challenges down the track.”

On the flip side, Jordan thinks changes being made by the likes of Google, Apple and eventually regulators, should not be cause for panic.

“ I get asked all the time, ‘Apple and Google are changing their identifiers, as an advertiser, as a publisher, what should I do?’ And my answer is always ‘calm down’. If people panic, Apple and Google win, because they control the ecosystem. So look at your challenges, lay out your objectives and figure out a plan.

— Nick Jordan, CEO, Narrative IO

“I get asked all the time, ‘Apple and Google are changing their identifiers, as an advertiser, as a publisher, what should I do?’ And my answer is always ‘calm down’. There’s a bunch of people that are running around like their hair has been lit on fire,” says Jordan.

“Panic is not a solution. Look at your challenges, lay out your objectives and figure out a plan. Frankly, half the time we talk to people, they haven’t done that. If everyone panics, Google and Apple win, because they control the ecosystem. So cut through the noise, come with a plan – and execute on it.”





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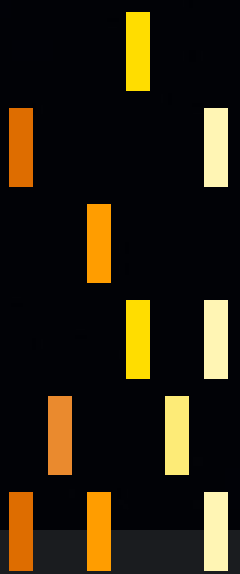
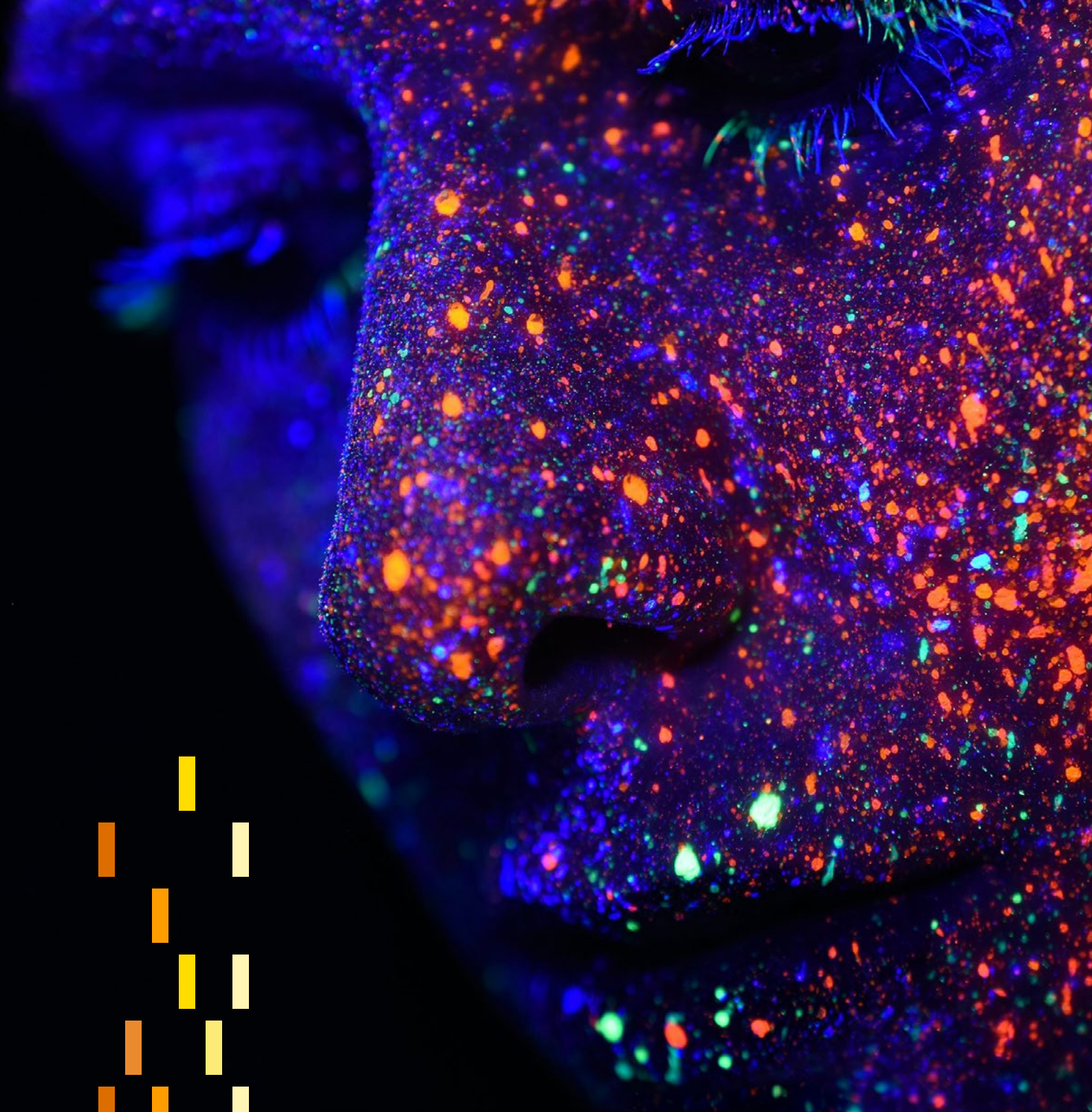
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