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Identity Indicator

Audience addressability
trends for a cookieless future

SEPTEMBER 2022

The Current State of Identity

"**Marketers got another reprieve** from Google's latest announcement to delay the death of third-party cookies. Realistically, many are still using third-party cookies for targeting and measurement - as they should. For all the negative press, third-party cookies do support legitimate advertising use cases.

However, we've seen increasing adoption of alternative identity solutions as not only a testing approach, but part of the media mix. And why not? The cookieless future is our present in places like Safari and Firefox. There are solutions proving effectiveness and scale at reaching targeting audiences. **Seek out those partners who have proof across regions and vertical that their identity solution is not only tested, but an active part of the marketing mix.**"

Eliza Nevers
Chief Product Officer

LOTAME

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Highlights: September 2022

While Google may have delayed their cookie deprecation deadline yet again, the impact of the shift towards cookieless can already be felt across the industry. In this year's State of Data Report, **the IAB stated the market has lost 50% - 60% of the signal fidelity from third-party identifiers due to action from players like Apple and Firefox** that have already deprecated cookies.

Cookieless isn't the future. It's part of the present and we want to equip buyers and sellers alike with insights to understand the results of cookie and mobile ID deprecation. Our Equativ Identity Indicator is a **snapshot of key metrics from eight major markets to offer an overview of the current state of consent and identity and to also highlight trends** in the shift towards a privacy-first digital advertising ecosystem.

The only market with an increase of in-app inventory with positive ATT framework consent was the UK.

The UK showed a **2% increase in iOS inventory share along with an equal increase in positive ATT consent.**

All of the other markets aside from Germany, showed a **decrease in positive ATT consent despite an increase in iOS inventory share**.

Auction share with alternative user IDs grew everywhere except for Mexico, the UK, and France.

Brazil showed the most growth, with the share of ad inventory including alternative IDs increasing 12 percentage points to total 45%.

The US continues to have the greatest share at 69% and also increased 5% this quarter.

The share of ad inventory with no positive GDPR consent appears to have reached long-term value.

Percentages have remained **fairly stable** in each market over time.

However, the rate in France declined %1. **This is the third quarter we've marked a decline in France**, which could be a result of the strict rules enforced by the French privacy authority.
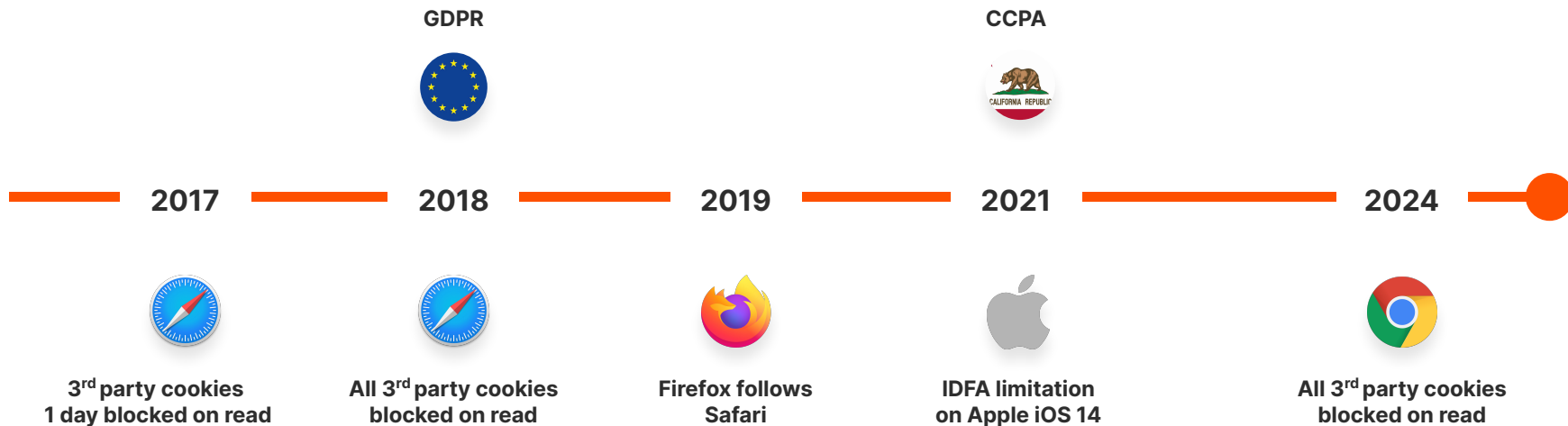
Spain and Italy continue to show consistent increases towards privacy.

Positive ATT consent rates in both countries have **held steady over time, even with large iOS adoption increases.**

Interestingly, they are the two countries that have issued the most GDPR fines, indicating the issue may be more top of mind for users there.

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Countdown To The End Of Cookies

GDPR

CCPA

| 2017 | 2018 | 2019 | 2021 | 2024 |

3rd party cookies
1 day blocked on read

All 3rd party cookies
blocked on read

Firefox follows
Safari

IDFA limitation
on Apple iOS 14

All 3rd party cookies
blocked on read

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Browser Cookie Policy

Browsers Automatically Limiting 3rd Party Cookies:

Safari: Intelligent Tracking Prevention (ITP) is in place and blocks sending cookies to third parties determined to be "trackers."

Firefox: Enhanced Tracking Protocol (ETP) limits cookies by default for desktop and Android users.

Browsers Still Accepting 3rd Party Cookies:

Internet Explorer 11 and Microsoft Edge: Does not restrict 3rd party cookies by default.

Google Chrome: Does not block 3rd party cookies by default, but plans on doing so in 2024.

Opera: Has no restrictions concerning 3rd party cookies in their policy.

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Share Of Ad Inventory From Browsers Already Limiting 3rd Party Cookies

Desktop Auctions From Safari And Firefox

Germany — 28% / 35%

France — 20% / 24%

USA — 15% / 14%

Mexico — 8% / 8%

UK — 15% / 21%

Brazil — 3% / 5%

Spain — 19% / 17%

Italy — 11% / 16%

Jan 22
Aug 22

0%   10%   20%   30%   40%
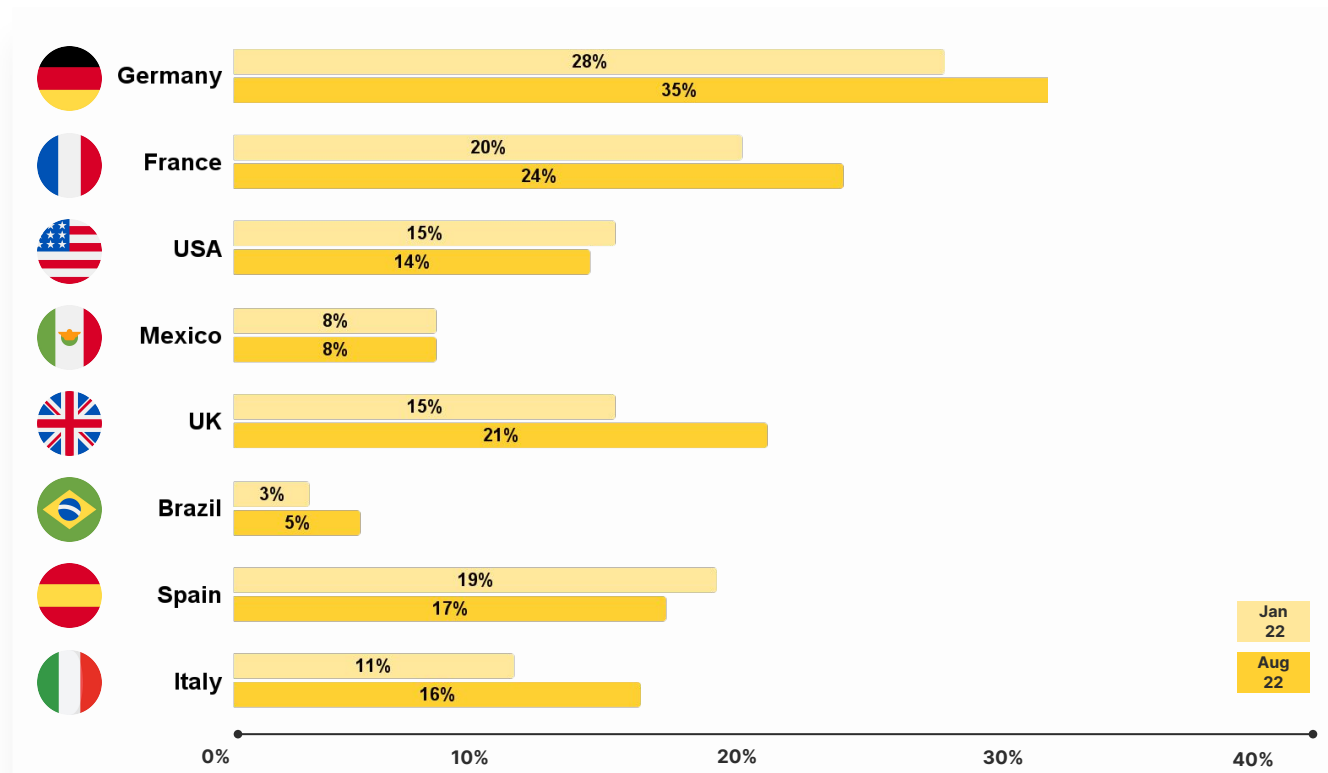
7 point uplift in Germany

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Share Of Ad Inventory From Browsers Already Limiting 3rd Party Cookies
Mobile Auctions From Safari And Firefox

Country	Jan 22	Aug 22
Germany	18%	19%
France	14%	17%
USA	28%	25%
Mexico	12%	12%
UK	20%	26%
Brazil	6%	12%
Spain	21%	14%
Italy	10%	15%
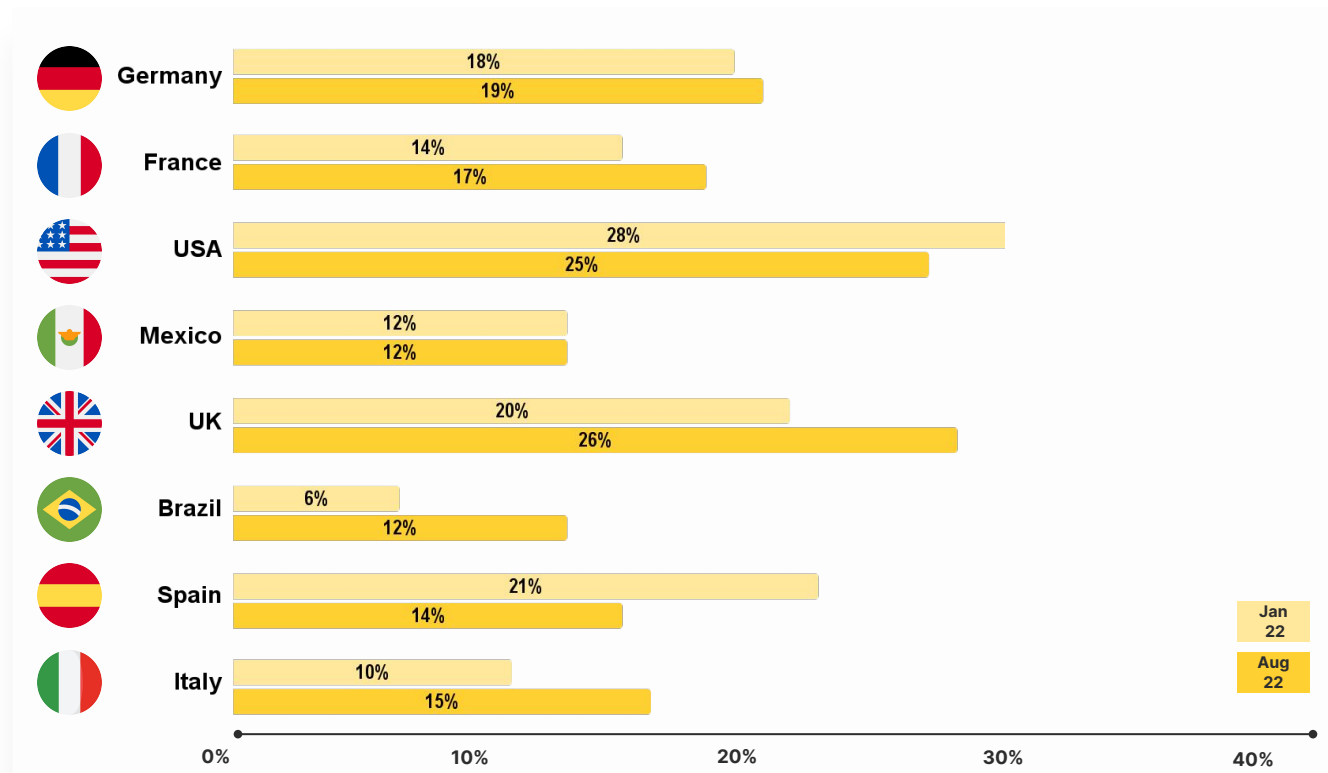
100% increase in Brazil

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User Identification

What is a User ID?

A single identifier associated with an individual or household across different platforms. Provides insight used to deliver more relevant ads.

Can be one of three types

- First-party (created by a publisher)
- Third-party (created by a tech provider)
- Industry ID solution

Examples of User IDs Used for Digital Advertising

- Cookies
- Device IDs
- IFAs (Identifier For Advertising) on mobile/OTT devices
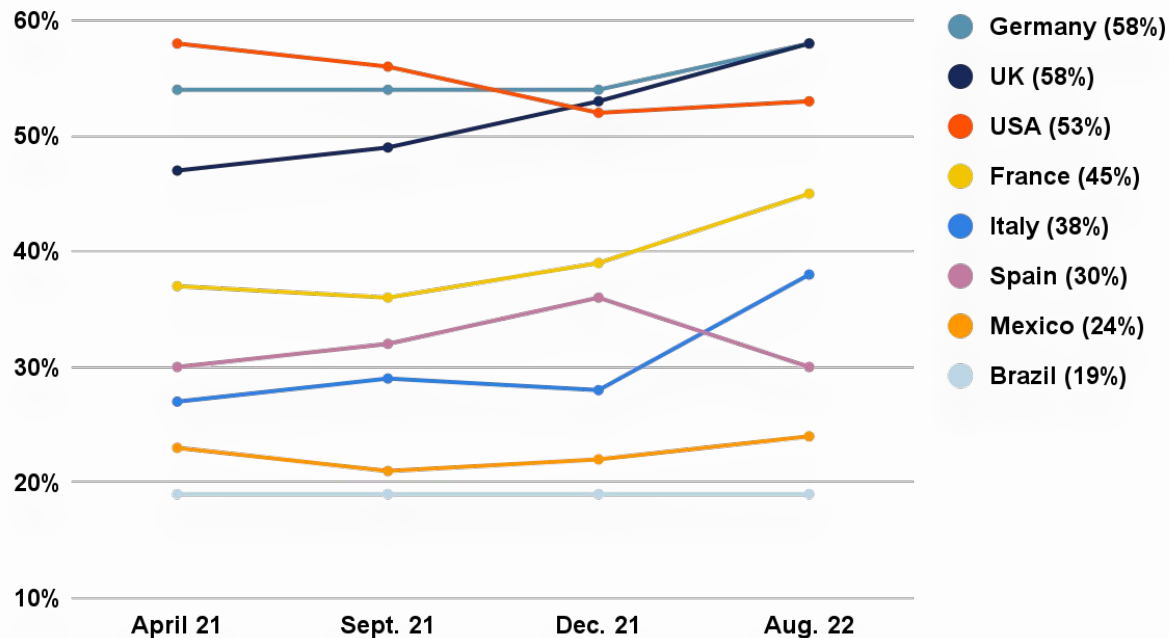
Consent

What is Consent?

Consent relates to whether or not users authorize the website visited to process their data. This access is granted through a Consent Management Platform (CMP).

Publishers use CMPs for: requesting, receiving and storing user consent; preferred vendors; and communicating why they are collecting user information.

Consent Under GDPR

As concern over the use of personal data has grown, guidelines have been established in many markets to ensure the respectful use and protection of user data.

The General Data Protection Regulation (GDPR), which became a model for many national laws outside the EU, was implemented in 2018 and provides guidelines for the collection and processing of a user's personal data, both within the European Union and around the transfer of personal data outside the EU.

The following charts represent Equativ's auction share under GDPR guidelines for European traffic only.
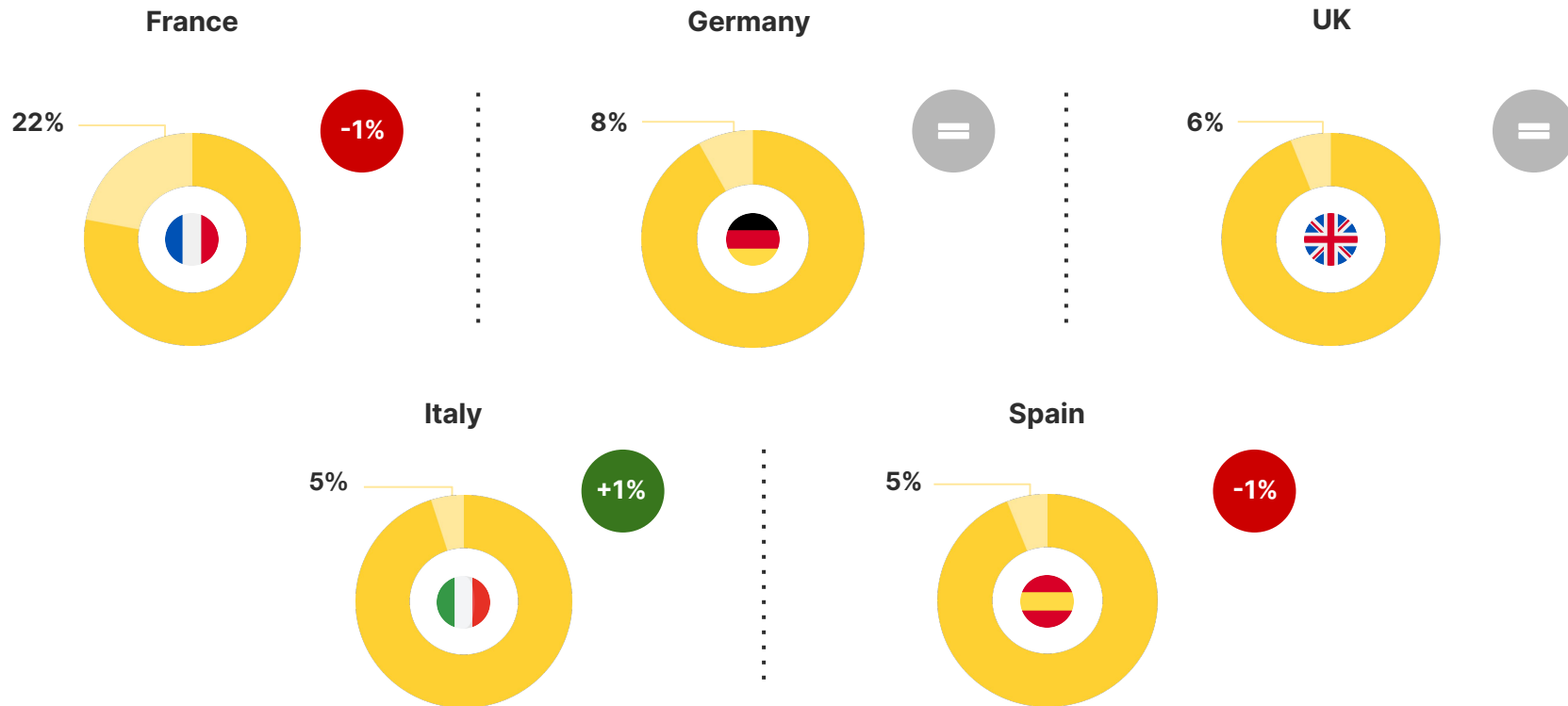
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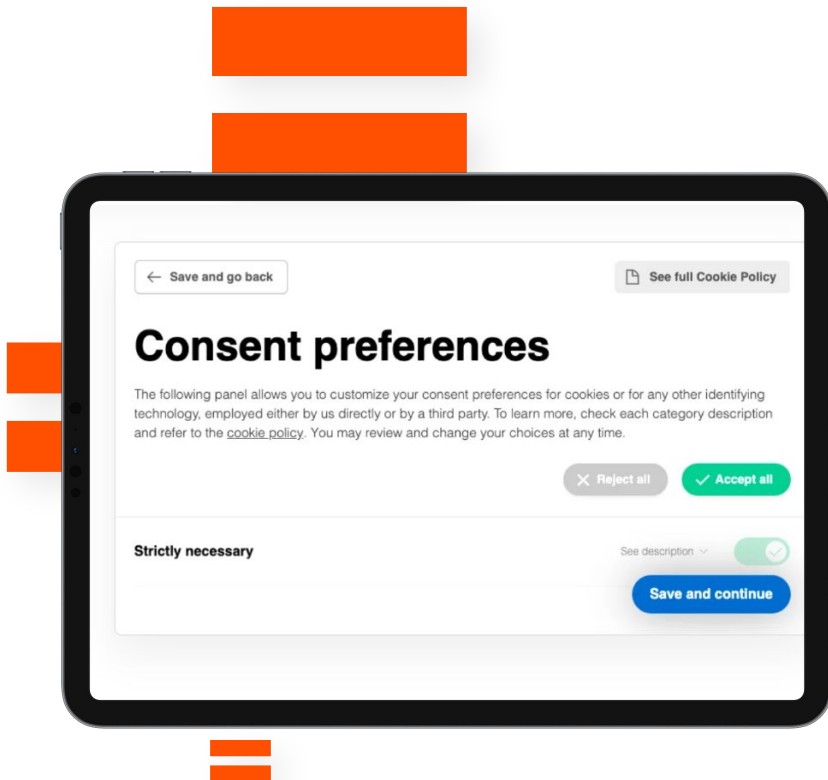
Share Of Ad Inventory With No Positive Consent
Compared to January 2022

Auctions **without consent** to use personal data (GDPR applies)

Auctions **with consent** to use personal data (GDPR applies)

France

22% -1%

Germany

8% =

UK

6% =

Italy

5% +1%

Spain

5% -1%

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ATT Framework

The ATT Framework Explained

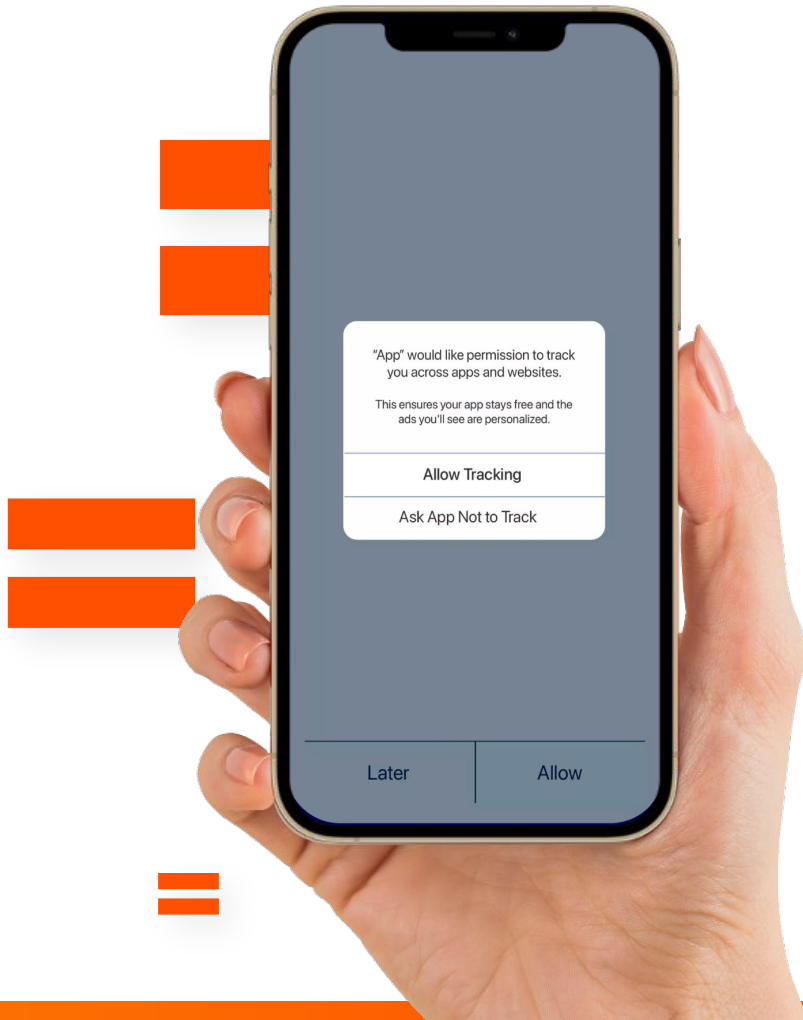The ATT framework is Apple's IDFA opt-in mechanism introduced with iOS 14.

It requests user authorization to access app-related data and permission must be granted to track the device. The framework must be used if a publisher's app collects data about end users and shares it with other companies for the purpose of tracking across apps and websites.

By default, the IDFA won't be available until publishers have implemented the framework and obtain user consent.

Measuring Its Impact

Publishers will be required to ask for user consent to collect and share data. When accessing an app for the first time, users will see a prompt to allow the sharing of their personal information with third parties.

The first indicator for measuring impact is the share of in-app inventory amongst all iOS. ATT status is only measurable for Equativ when the publisher has implemented the Equativ SDK.
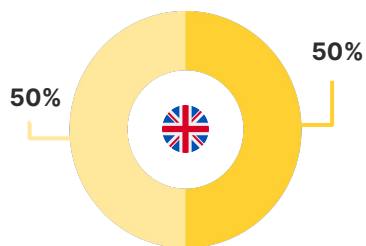
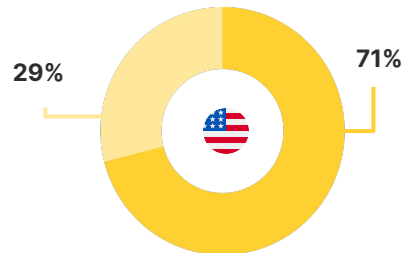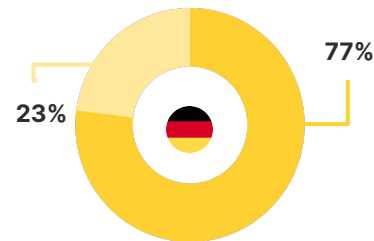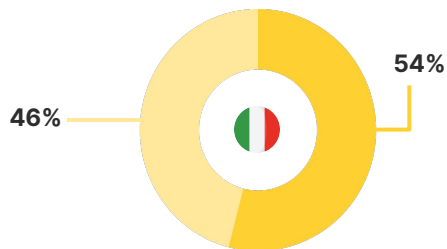# Share of In-App Inventory Between Android and iOS
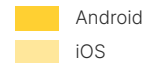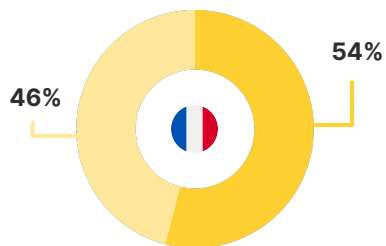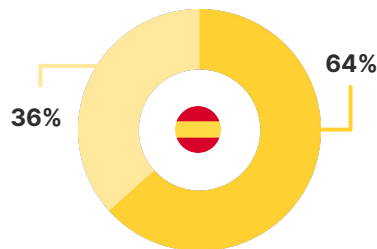
Android
iOS

France

54%
46%

UK

50%
50%

USA

29%
71%

Germany

77%
23%

Italy

54%
46%

Spain

64%
36%

Mexico

19%
81%

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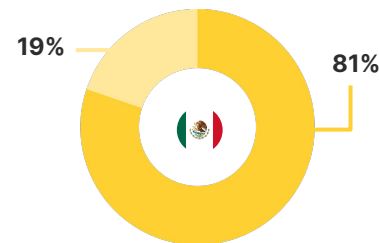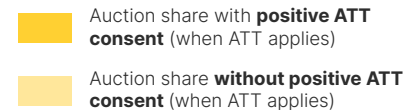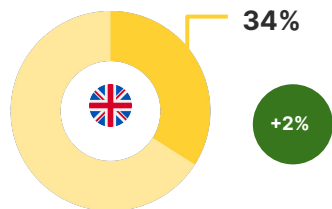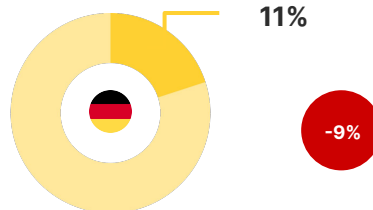
Share of In-App Inventory With Positive ATT Consent

Auction share with **positive ATT consent** (when ATT applies)

Auction share **without positive ATT consent** (when ATT applies)

UK
34%
+2%

Germany
11%
-9%

Spain
24%
-1%

USA
11%
-14%

Italy
33%
=

France
33%
-3%

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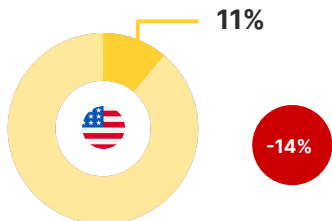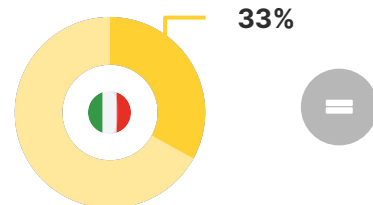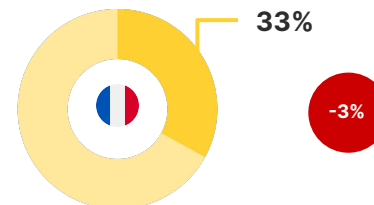EQUATIV
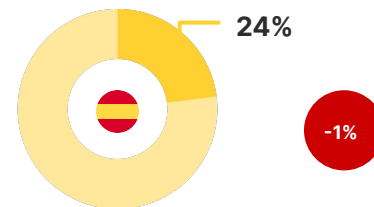
Alternative IDs

Alternative IDs aim to replace 3rd party cookies/IDs by using a same shared ID across the whole advertising chain. Some are used by multiple players while others were developed specifically for use by an individual player.

Two methods

- **Inferred/Probabilistic**
  Uses passive identification signals, such as an IP address, to create a unique pseudonymous identifier.

- **Deterministic**
  Uses a user-provided piece of information, such as an e-mail address or a phone number, to create an anonymized identifier for all the websites and brands that have collected it.
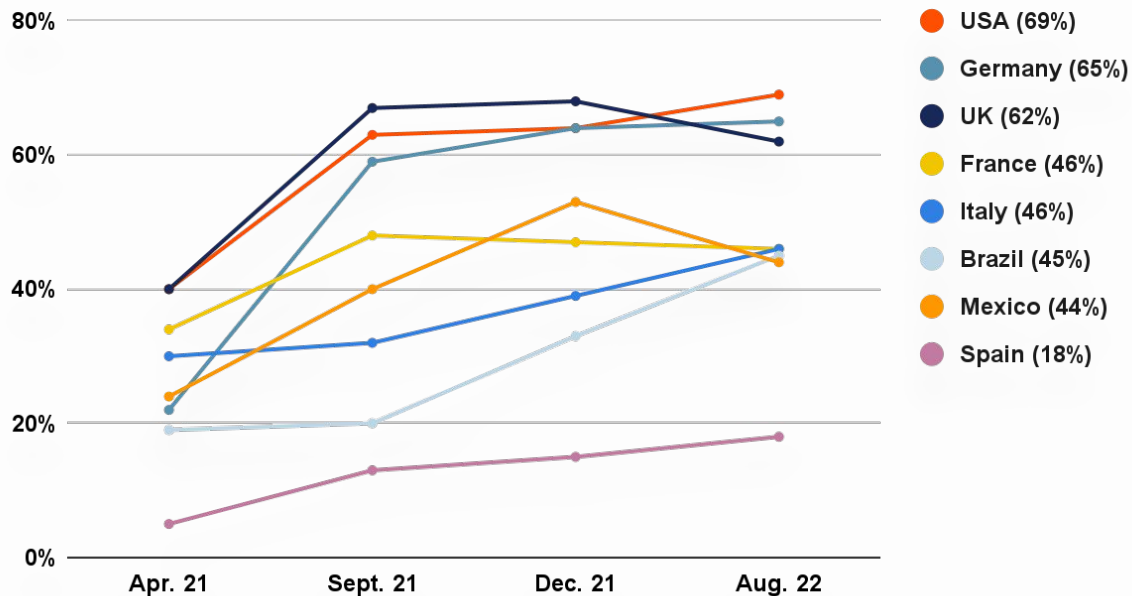
Examples of ID providers

ID5, The Trade Desk, Criteo, Prebid, Lotame, LiveRamp

Share Of Ad Inventory With Alternative IDs
Share of header bidding traffic sent with at least one alternative in the bid request

Legend:
- USA (69%)
- Germany (65%)
- UK (62%)
- France (46%)
- Italy (46%)
- Brazil (45%)
- Mexico (44%)
- Spain (18%)

12 point uplift in Brazil

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Top Alternative IDs By Market

USA
- Prebid
- ID5
- theTradeDesk

Germany
- CRITEO
- Prebid
- ID5

UK
- ID5
- Prebid
- CRITEO

France
- LiveRamp
- ID5
- Prebid

Mexico
- theTradeDesk
- Prebid
- ID5

Italy
- ID5
- LiveRamp
- theTradeDesk

Brazil
- CRITEO
- Prebid
- ID5

Spain
- theTradeDesk
- ID5
- Prebid

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Methodology And Sources

All data in this report comes from Equativ's SSP and was compared to data in our **Spring 2021 report** and **January 2022 report**.

All data was collected from August 1, 2022 through August 31, 2022 on web and/or mobile inventory across all Equativ's publishers for selected markets.

Data was collected for the following markets: Brazil, France, Germany, Italy, Mexico, Spain, the UK, and the USA.

Information was also retrieved from the following sources:

**The IAB
Clearcode
GDPR.EU**

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About Us

As one of the leading independent adtech players, we work directly with hundreds of buyers and more than 1,000 publishers worldwide. Our independent ad tech platform and shared-interest business approach enables brands and publishers to get their fair share of ad value at every opportunity, on their terms. We prioritize accountability and transparency throughout the ecosystem and **we are helping our publishers and demand partners succeed in a cookieless future through three main initiatives:**

- **Targeting without user IDs.** We are developing contextual and performance-driven cookieless targeting options and are actively testing cohort-based approaches in parallel.

- **Vertical integration and first-party data activation** to deliver a true value exchange and enable the user to share their data with the publishers and brands they trust.

- **Support of alternative IDs.** We are ID agnostic and pass all IDs received in ad calls to connected DSPs. We also use alternative IDs for audience targeting and frequency capping at the SSP level and activated through PMPs or auction packages.

Visit equativ.com to learn more.

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