IS IT TIME TO **EMBRACE THE UNIVERSAL ID?**

ZEOTAP

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In these uncertain times, many businesses have found much of their marketing activity drastically modified, or simply on hold. Despite all the change that has marked this last year, marketers' underlying goals haven't fundamentally shifted — delivering the best brand experience to customers will continue to be a priority. The question is: what's the best way to get there?

According to industry analysts at Winterberry Group, almost 50% of brands say better identity recognition capabilities will do the most to advance their omnichannel marketing efforts. In tandem, 60% of digital marketers cite connecting the dots across different channels as the activity that consumes the most time and resources. These statistics are underpinned by the 30% CAGR of marketer spend on identity solutions in the U.S. over the last few years - more than three times the growth rate of overall digital ad spend.

In short, the majority of marketers are still grappling with the onerous task of linking customer identities to unify siloed assets. This is a crucial prerequisite for everything that follows — deeper customer understanding leading to better brand experiences. These marketers need the ecosystem to step up and provide a better toolbox.

Enter the "universal ID" –– a game-changer not only for marketers, but also for consumers.

As much of a brake as this is going to put on pure marketing spend for the near term, it can also provide an opportunity for brand teams to take an introspective look at their marketing plans and commitments. In normal circumstances, when everyone is more execution-oriented, busy trying to keep up with the next campaign, there often is not enough time to sit back and assess broader strategies. Now may be the time to have those conversations around what is delivering value. And one thing every marketing organisation should be talking about is customer identity.

UNIVERSAL IDS ARE POISED TO UNLOCK THE BEST OF BOTH WORLDS

Universal IDs provide a shared, persistent identifier to trace the user across the supply chain without the clunkiness of cookie syncing or the platform risk of operating system IDs. Simultaneously, from a marketer's perspective, they share some of the best characteristics of existing methods: the democratic nature of third-party cookies (where every cookie is essentially equal) and the simplicity of Mobile Ad IDs.

According to the IAB, "the habits or search queries for a user on YouTube may be significantly different from their interaction on Instagram, Amazon or even when engaging with editorial content. A digital ID on one does not automatically translate to another. And that's why implementing a universal digital ID could be beneficial."

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Moreover, while smaller or independent technology players need to contend with the multitude of challenges presented by different types of user identifiers, the walled gardens maintain a major advantage. This leads to an disproportionate concentration of power in the ecosystem. Marketers, too, are increasingly wary of ceding control and compromising clarity. Universal IDs help level the playing field.
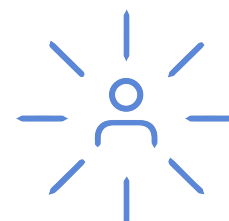
FORGING A PATH FROM
UNIFICATION TO UNIVERSALITY

The concept of universal IDs has been growing in popularity since 2019, but Google Chrome's announcement regarding the deprecation of third-party cookies has accelerated their adoption. Rumors of the impending demise of mobile identifiers have also contributed to these efforts gathering steam

In some respects, the mechanism of universal IDs does not deviate dramatically from those of cookies. Their implementation is quite simple, at least conceptually. When a new user visits a publisher's or brand's property, their key identifiers –– email address and/or phone number – are collected, typically in hashed form. These are collected along with the source domain, which is then appended to the central identity graph — in effect a master match table maintained by the universal ID provider. The publisher then receives a tokenised version of the user identifier that can be used to identify that user for first-party data management.

The publisher-specific universal ID serves two purposes:

UNIFICATION

The universal ID enables the publisher to unify siloed first-party data under a single user/customer view, essentially a private identity graph. In this regard, it functions as a master first-party "cookie" but one that is persistent and valid across all data collection channels. The same ID can also be used for relevant second- or third-party data enrichment and serves as the backbone for better segmentation or analytics.

UNIVERSALITY

The second application of the universal ID is in the context of activation, i.e., its use as a currency in the ecosystem. Since all tokenised versions of the ID are derived from the same key user identifiers, they're all connected and therefore effectively interchangeable for the purposes of marketing transactions, including ad buying and measurement. Specifically, the tokenised version of an ID passed by the sell-side can be linked with the tokenised version of the same ID that resides with the buy-side.

UNIVERSAL IDS ARE NOT WITHOUT THEIR CHALLENGES

The very design of universal ID frameworks requires users to identify — to log in using an email address or phone number. This naturally has an impact on scale. In order to maximise identification coverage, publishers will need to be more aggressive in deploying authentication (login) walls across their properties and think about these three areas:

EXPERIMENTING WITH CONSENT COLLECTION

It's crucial to start testing different methods to collect emails from login walls and incentivise users towards logins. Consent collection has shown that those who start to experiment early on — with differentiated messages and user experiences — have been a lot more successful in this space than those who are hesitant.

WIDER ADOPTION

The success of a universal ID network will be contingent on its adoption as a currency by the marketing ecosystem. While it's unlikely there will be one network to rule them all, it would also be counterproductive for scores of them to mushroom across the industry.

INCREASED INTEROPERABILITY

It's likely that a handful of large global players and potentially a couple of relevant regional ones — such as publisher alliances — will emerge. Increased interoperability will contribute to their effectiveness and ease of use outside of the dominant walled gardens. In order for these to foster the buoyant health of the industry, the emerging players should be democratic rather than engender a new concentration of power. Nobody wants to see one duopoly give way to another.

A sustainable solution to linking customer identities to unified assets demands a multilateral governance model based on collaboration. Universal IDs can be that door to the long-awaited change that can ultimately bring satisfactory results to a whole industry in a transparent and compliant manner. Publishers should feel empowered to embrace the road ahead.

UNIVERSAL IDENTITY
AT ITS FINEST

ID+ is a universal marketing digital solution aiming to resolve identities at scale in the nearing cookieless future dominated by privacy regulations. The project is an open invitation to the whole ecosystem to collaboratively solve a pressing industry challenge.

Powered by Zeotap and its existing patented identity resolution solution, ID+ is built on the back of the world's largest marketing identity graph, available across Europe and India. The graph, with a strong backbone of emails and MAIDs (Mobile Ad IDs), today counts with over 400M ID- verified/self-declared linkages coupled with unified and curated 3rd party profile data.

MORE INFORMATION

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