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Google

Thriving in a privacy-centric ad-sales ecosystem

Lessons from conversations with leading
European publishers and broadcasters

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Introduction

Over the past few years, online users have become increasingly aware of the use and value of data online, including in advertising. According to **Google & Euroconsumers research**, 69% of them expressed the view that the amount of personal data collected online makes it difficult to protect their privacy.

Combined with the gradual demise of third-party cookies in some browsers, this increased focus has profound implications for publishers, advertisers and broadcasters, which have spent the last few years preparing for a more private internet.

Gathering and leveraging first-party data, which, as we found out, required a fundamental shift in mindset, data strategy, commercial approach, and operating model, has been a central to their efforts.

In line with its other **efforts to bring together the broader web community to design and implement new privacy-preserving technology, without compromising the vitality and sustainability of the open web**. Google commissioned Deloitte to produce a research report to better understand how publishers can thrive in a privacy-centric digital ad sales ecosystem.

Building on the Deloitte's **2019 research on data maturity in publishing**, this paper, based on our conversation with 30 leading publishers and broadcasters (together "publishers", unless stated) around Europe, aims to:

- Provide a high-level overview of recent privacy-related changes and their impact on publishers

- Share lessons from leading publishers on how to achieve ad sales success in an increasingly privacy-centric digital ecosystem

- Provide a framework to help publishers define their strategy at a time of great uncertainty

- Look ahead to what the future might hold

It will focus primarily on digital advertising, which still represents a significant share of publisher digital revenues and, due to its reliance on data, is impacted by privacy-driven changes.

We hope it will help fuel discussions on how publishers can thrive as their ecosystem continues to evolve.

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Context
The journey towards a more private internet

Whilst the discourse on privacy has reached fever pitch over the past few years, it is important to note that changes have been afoot for many years, starting with a gradual shift in consumer outlook.

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Context – The journey towards a more private internet

The erosion of trust

The **2020 EBU Trust in Media Study** showed a clear downward trend of trust in almost all levels of society.

According to recent **Deloitte research**, this lack of trust has led *81% of consumers to report some action due to data privacy concerns in the past year, with 40% deleting an app and 43% deleting their browser history*.

Evolution of the net trust Index in the EU (EBU Trust in Media 2020)

25						21	Radio
5						2	TV
-6						-1	Written press
-8						-23	Internet
-33						-45	Social networks

2014   2015   2016   2017   2018   2019

Net Trust Index =
*'% of people who tend to trust' – '% of people who tend not to trust'*
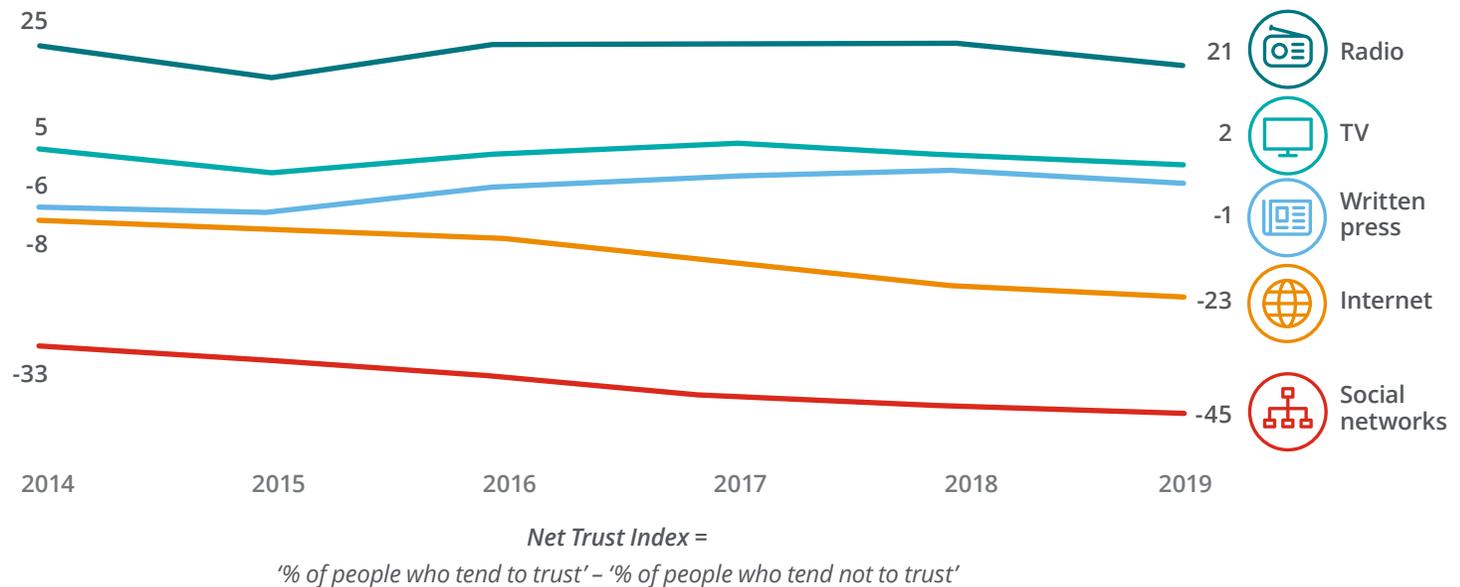
Context – The journey towards a more private internet

The long road towards privacy protection

The growing concern for privacy has also led to a steady increase in regulatory focus over the past fifty years, but it is the inexorable rise of the internet that has brought the issue towards the top of many governments' agenda.

A brief history of privacy regulation in Europe

1995
EU Privacy Directive introduced.

2016
EU-US Privacy Shield replaces Safe Harbor agreement. EU adopts General Data Protection Regulation.

2021
ePrivacy Directive discussions begin.

1970
First data privacy law created – Hesse Data Protection Act.

2000
Introduction of EU-US Safe Harbor agreement.

2018
All EU member states fully implement GDPR.
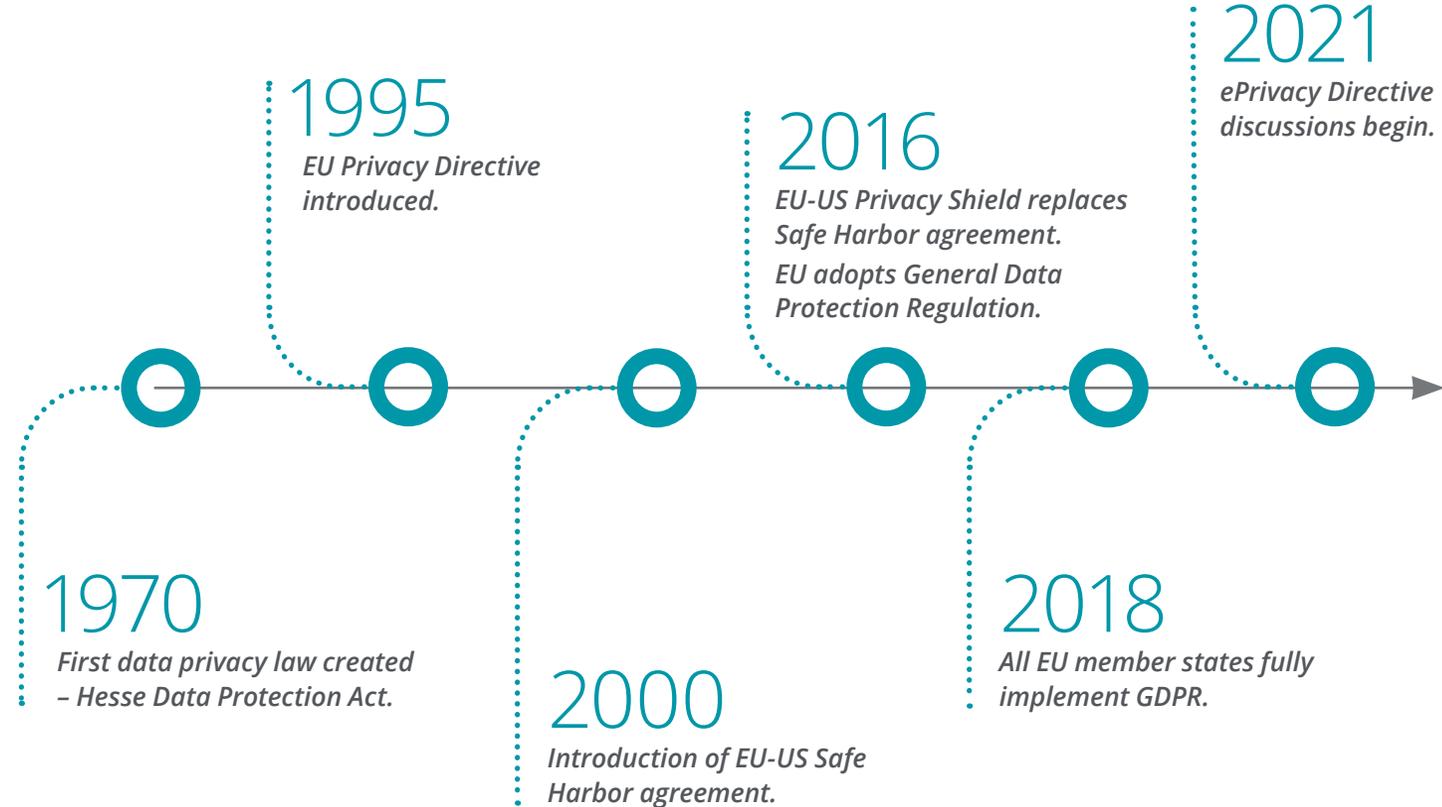
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GDPR – A landmark on the road to privacy and consumer protection

The General Data Protection Regulation (GDPR) ushered in a new era for privacy and data protection for all European publishers. Combined with the ePrivacy Directive, soon to be revised with the ePrivacy Regulation, its impact has been significant, especially in the following areas:

Transparency and fairness
Clarity, openness and honesty with users about how and why their data is collected and processed as well as a shift from how to use personal data towards questioning whether it is reasonable to do so in the first place.

Privacy by design and by default
The requirement to integrate data protection concerns into every aspect of data processing activities. Privacy can no longer be an afterthought.

Individual rights
Granting users the right to be informed about the collection and use of personal data, now extending to algorithmic decision-making and online advertising.

A few years on, privacy standards seem to be aligning across jurisdictions amid strong demands from consumers and legislators alike.

Regulators unite
Driven by growing privacy and data protection concerns, privacy, competition, AI and consumer lawmakers are increasingly joining forces to protect the rights of individuals.

This evolving relationship across types of law will be an important feature of regulation moving forward, impacting product features, data practices, commercial strategies and M&A across the digital advertising ecosystem.

Context – The journey towards a more private internet

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The deprecation of the third-party cookie

For more than two decades, cookies carrying third-party data have played a pivotal role in driving personalisation, monetisation and marketing efforts in digital publishing and eCommerce.

In the context of the erosion of consumer trust and regulatory scrutiny, Apple, Mozilla, Microsoft and Google spurred what one of our respondents described as "an exponential growth" in activity to prepare for a more private web over the past four years.

The gradual deprecation of the cookie

May 19
*Chrome announces a series of measures that would **limit user tracking**, making it easier for users to delete third-party cookies and harder for trackers to fingerprint users.*

Aug 19
*Chrome announces the **Privacy Sandbox** –developing a new set of web standards "to fundamentally enhance privacy on the web... to create a thriving ecosystem that is respectful of users and privacy by default."*

Apr 20
*Apple announces that as part of iOS 14.5, app developers wishing to leverage the device's ID for Advertisers ("IDFA") would have to first obtain explicit **opt-in permission** through an Apple-designed popup box.*

Apr 21
Apple ITP comes into force

Jun 17
*Apple announces **Intelligent Tracking Prevention** ("ITP") feature in its Safari browser.*

June 19
*Mozilla launches **Enhanced Tracking Protection**, which blocks third-party cookies by default and includes features to address browser fingerprinting.*

Jan 20
*Chrome announces its plan to **phase out support for third-party cookies** once privacy-safe tools to replace them have been developed.*

Mar 21
*Chrome makes it explicit that it will **not build alternative identifiers** to track individuals as they browse the web, **nor will it use them in its product.***

Context – The journey towards a more private internet

Implications for publishers & broadcasters
In line with their desire to create long-term, trust-based relationships with their customers and to future proof their presence in the market, leading publishers we spoke to were universally supportive of the developments mentioned.

"At the same time, they also confirmed that failure to find replacement solutions to third-party cookies would likely lead to a **drop of up to ²/₃ in yield on open-market programmatic trading**."

While this number may be inflated by the fact that third-party cookies are still available on Chrome, publishers we spoke to still pointed to a meaningful risk for those failing to take action. More encouragingly, they also mentioned that, whether through trials or long-term experience, they had evidence proving that their existing **first-party solutions could mitigate most of this impact.**

Though it must be noted that our research focused on leaders in the market with the ability to invest in such solutions, this finding is hugely encouraging and should serve as a catalyst for investment.

Four paths to success

Selecting the right path – a framework for decision-making

Speaking to such a wide range of publishers, one cannot help but be struck by the breadth of strategies employed around Europe. Whether driven by differences in regulatory interpretation, competitive position or internal realities, this diversity in approaches serves as a powerful reminder of the need to align a company's strategy to its unique context.

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Four paths to success

To quote one leading publishing CEO, it is essential to **"embrace the trade-offs you currently face"** and define a strategy that fits the organisations particular capabilities and market context. With the stakes so high, figuring out **where to play** (e.g. ad sales, subscription, new products) and **how to win** (e.g. data and technology, ad sales sophistication, partnerships and M&A) has never been more important.

This being said, at a high level, publishers can be seen as having embarked on a few distinct paths to success, sometimes combining multiple approaches to maximise value creation and hedge against uncertainty.

Two major factors stand out in determining the suitability of a particular approach:

- The **sophistication** of a publisher's data and digital ad sales capabilities

- Publisher **ability to compete at scale**

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Four paths to success

As highlighted above and in our 2019 paper on [data maturity in publishing](#), **sophistication** is driven primarily by:

01. The sophistication of commercial approach

02. Strength and depth of buy-side relationships

03. Plentiful access to first-party data (and other privacy-compliant data)

04. Analytical capability to enhance this data

05. Advanced, scalable system infrastructure (including partner systems)

06. Agile operating model to keep up with the pace of change

07. Data-centric culture and ways of working

08. Robust approach to privacy and data governance

Meanwhile, the **ability to scale on one's own** appears to stem from:

01. Clear, sophisticated strategy anchored in audience and customer needs

02. Large audience that is valuable to advertisers

03. Differentiated brand

04. Ability to invest in required capabilities, inc. to attract and retain talent

05. Strength and depth of buy-side relationships

06. Becoming an ad sales platform

Four paths to success

As we map our respondents against these two dimensions, 4 key approaches come to light:
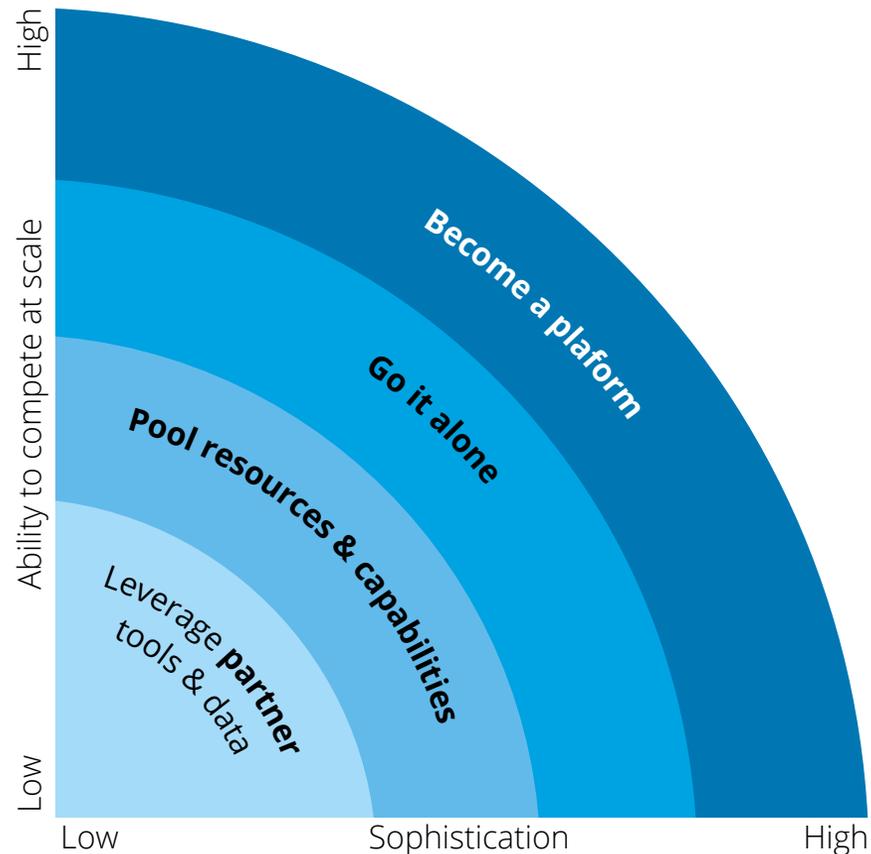
Leverage partner tools & data – Suitable for publishers missing the scaled audience, investment capacity and/or access to sufficient data. This path would see these smaller publishers leverage the commercial, data and system capabilities of leading players to monetise their audience. **Many tools** are already available with **more on the way**. Along with new data-sharing technology, they will help smaller publishers face a privacy-centric future.

Pool resources & capabilities – Enabling publishers to share the investment burden and gain access to advanced data, commercial and technical capabilities in an effort to achieve scale in buy-side dialogues. This approach is becoming increasingly popular across Europe.

Four paths to success

Go it alone – Common to most of the large, premium publishers we spoke to, this path requires a high-level of sophistication and ability to continue investing over the long term.

Become a platform – Reserved for only the most sophisticated publishers with the ability to invest in the relevant editorial, technical data and/or commercial capabilities, this approach opens new sources of revenue through the provision of ad sales, creative and data services to a broader set of smaller players.

Becoming an ad sales platform
One of Northern Europe's leading publishers has started **operating as a platform** making its ad sales capabilities available to smaller players.

Through three separate agencies, it offers smaller publishers and other local players with media buying, design and targeting services.

Capitalising on its scale and strong buy-side relationships, it reported working in partnership with agencies and directly with brands to deliver the best commercial outcomes for its customers.

Beyond additional revenue, this platform contributes to its owner's own data capabilities, thereby creating a **virtuous cycle** in a privacy-centric world.

An above average amount of the company's turnover has been set aside for the development of its digital capability, cyber security and new platform initiative. This confirms the assumption that this approach is only a viable play from the largest of organisations.

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Four paths to success
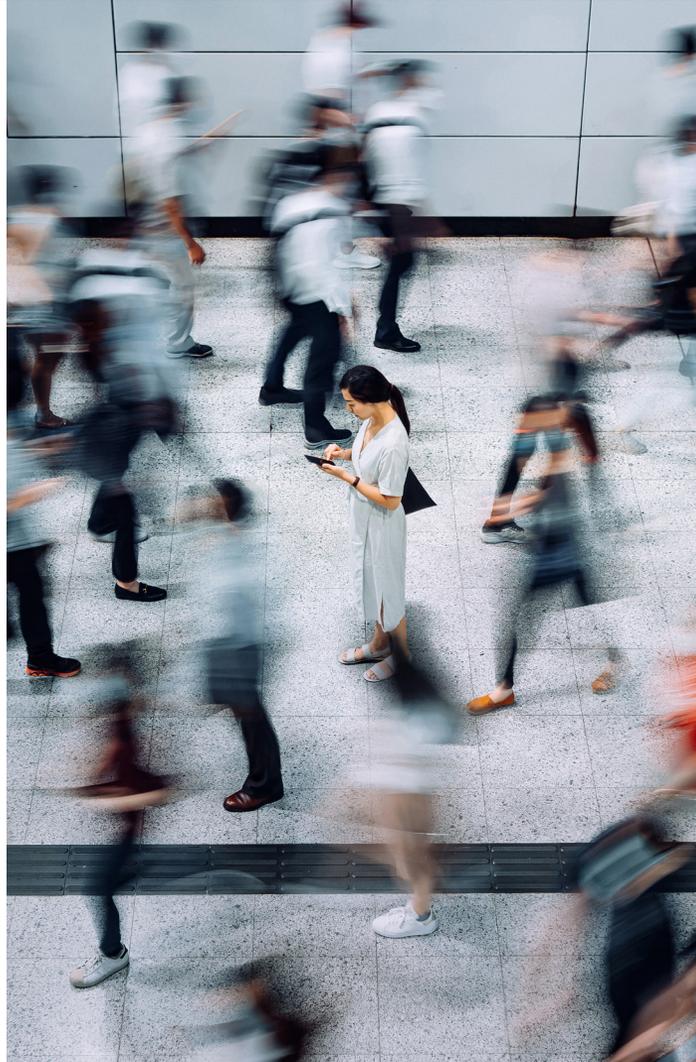
When to partner for scale and capability

In using this framework, the hardest decision for publishers to make is whether to try to win on one's own or to form a partnership. As a result, many are doing both.

Our discussions also unearthed the lack of consensus on the value of collaborative initiatives and the fact that those experimenting with alliances seem to do so with a varying degree of commitment and integration.

On the one hand, some of the publishers we spoke to lauded the benefits of coming together as part of increasingly sophisticated alliances:

- Lower investment in world-class technology
- Access to scarce talent
- Sharing of data and insights by design
- Best-practice sharing
- Increased relevance to the buy-side *(see below)*
- Ability to develop a stronger partnership with suppliers

Four paths to success

Interestingly, respondents also reported no drop in the rate of consent when moving to an alliance model, which bodes well for their ability to retain access to plentiful first-party data.

The benefits of scale in buyside relationships

- Bigger seat at the table leading to prioritisation of direct/programmatic guaranteed deals
- Deeper and broader audience leading to higher share of advertiser budgets
- Higher share of spend allowing for higher attribution

At the same time, our research also unearthed a series of challenges with such initiatives:

- Complexity in managing multiple shareholders, each with its own values, objectives and self-interest
- Operational complexity of servicing shareholders with various level of commitment
- Inability to leverage brand halo, leading to a significant drop in CPM compared to an own-brand site for leading publishers
- Disproportionate value capture and attention given to the largest players

Based on the above, it seems partnerships may yield the most value if partners are:

1. Aligned in terms of values and objectives

2. Of similar size and market power

3. Willing to trade only through the ventures

4. Highly incentivised to make the venture a success

"This is the case for regional press publishers who are likely to find it hard to invest in the capabilities required to trade profitably in a privacy-centric world."

Four paths to success

Regional press coming together

Aligned in their vision of advertising as information that helps bring life to local communities, 10 regional press players, who could not have afforded to do so on their own, came together to build the tools and commercial competence required to thrive in the digital advertising ecosystem. In doing so, their main objective was to combine the power of close to **100 publications and sites** into one simple client offer: one contact, one bill, one performance report.

The focus of the new entity was simple:

- *Accompany* – winning hearts and minds and upskilling commercial teams that were yet to embrace digital tools and ways of working

- *Aggregate* – gaining a seat at the buy-side table and building a supply optimisation tool that allows them to direct traffic to the most appropriate title for each campaign

- *Catalyse* – Creating world-class capabilities and driving change at the shareholder level by:
  - Simplifying UX
  - Driving up the quality of inventory
  - Securing digital trust certification
  - Creating bespoke audiences
  - Augmenting them with contextual and semantic targeting
  - Optimising Quality of Service (QoS)

As a result of this ambitious programme, the company has **quadrupled digital ad sales in a mere 4 years**. It has also achieved to shift **18% of sales through programmatic guaranteed, from a standing start**.

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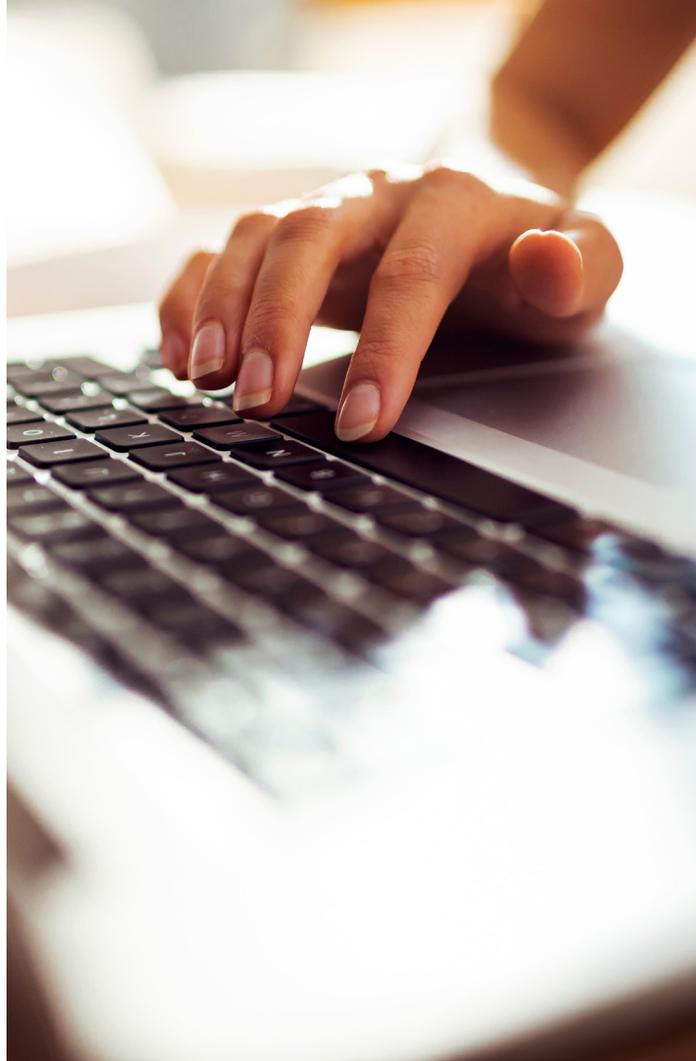
Identifying the right path

Making the value-maximising choice at a time of great change and uncertainty requires that publishers honestly assess their capabilities and ability to win in a highly-competitive, fast-changing global marketplace. In that context, the coming together of telecommunication players, broadcasters and publishers into deep, committed partnerships bodes well for local ecosystems.

Meanwhile, half-hearted attempts at coming together may, based on our conversations, meet with some scepticism.

Regardless of what ensues, it is clear that the manner in which publishers and broadcasters choose to position themselves across this framework will have a profound effect on the shape, size and vibrancy of local markets around Europe.

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Key lessons from industry leaders

Our recent dialogue with leading publishers around Europe points to an ecosystem that has done and learnt a lot in adapting to a more private ad sales marketplace.

Key lessons from industry leaders

Below are lessons that, we hope, can help steer publisher strategies and tactics as they adapt to this fast-evolving landscape.

While they are all relevant to publishers are any stage of their journey, we have grouped them in line with three specific objectives:

01. Getting started on a first-party data journey (developing the right mindset, capabilities and approach) ❯

02. Building data maturity ❯

03. Driving commercial sophistication ❯

Driving commercial sophistication

Engage with the buy-side

Develop your own audiences

Enable an informed choice

Build a two-way value exchange

Getting started on a first-party data journey

Make privacy a priority

Make it a company wide effort

Build a robust, cloud-based backbone

Thriving in a privacy-centric ad-sales ecosystem

Partner to augment your data

Prioritise securing verified data

Data is to be developed

Building data maturity

Key lessons from industry leaders

Getting started on a first-party data journey

Enable an informed choice

80% of users grant publishers permission to capture and utilise their data for analytics, marketing, targeting and site optimisation.

Aware of the importance of trust, best-in-class publishers **do not try to achieve consent at all costs**. Instead, they aim to **enable customers to make an informed choice**, explaining why they are asking for permission and how data will be used in the clearest, most transparent way possible.

Seeking to minimise the impact of consent forms on user experience ("UX"), they experiment with various formats and language to minimise the inconvenience caused to users without compromising on transparency.

Capturing consent in a user-friendly way
In an effort to build trust with customers and create more transparency, a global publisher moved beyond the standardised **IAB framework**. Finding this framework too broad and, at times, AdTech focused, it created its own consent approach based on **customer-focused, transparent language**.

Explaining how consent will be utilised, the new forms enable readers to opt-in solely for **analytics and attribution cookies**. By removing the option to allow AdTech players to build user profiles, it has created a consent framework that gives users control over how their data is used.

UX was also preserved by making the **consent window** roughly **25% of the size of the home screen**, thereby allowing readers to skim the home page without having to grant any permission.

A great example of user-centric design balancing user experience, transparency and privacy!

Key lessons from industry leaders

In an effort to meet their goals more effectively and reliably, a large proportion of publishers also set up **Consent Management Platforms**.

Finally, and maybe most interestingly, a growing number of players were experimenting with privacy-by-design tools, like 100% pseudonymised Data Management Platforms, which, they argued, would not require consent in the first place.

It is too early to tell whether such tools and techniques will match the letter and spirit of greater regulatory scrutiny.

What is a Consent Management Platform ("CMP")?
A CMP is a software tool enabling businesses to remain compliant to consent legislation - e.g. GDPR or the California Consumer Privacy Act (CCPA). It allows users to decide and communicate their consent preferences to a publisher, ahead of any personally identifiable data being disclosed. They can be used to provide logs of consent and store preferences from consumers. They can also provide transparency into the data practices of the organisation.

They significantly enhance the efficiency with which consent data is used across marketing, content personalisation and/or CRM tools.

At the same time, they will not mitigate one of the key challenges of a consent-based privacy system for data scientists: the fact that their base table, the very foundation all analysis sits on, is subject to change on a daily basis. This could be based on changes to a consumer consent decision or a third-party decision such as the recent decision by Apple to move consent from an opt-in to an opt-out default.

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Key lessons from industry leaders

Build a two-way value exchange
Regardless of the wide differences in tactics across companies, all first-party data strategies start with the establishment of a two-way value exchange with users.

As mentioned, **individuals are becoming increasingly aware of the value of their data and the risk associated with sharing it**, leading to a declining privacy tolerance threshold. **Consciously or unconsciously, they trade-off the value of what is being offered to them and the cost of accessing it**. The more a publisher asks of them (e.g. consent, login, payment), the more it will need to offer in exchange.

Failure to remember this will lead either to poor access to first-party data, or worse, to customers feeling the trade-off imposed on them is unfair, which can undermine trust, impact usage and drive down Customer Lifetime Value.

On a more positive note, publishers reported using this dynamic to guide where to place "consent gates" and "login walls" in line with the value being offered.

Login walls – The value exchange in action
One way publishers are deciding where to put login walls is dependent on the **type of content** that is being offered:

A Benelux publisher decided that the only area where logins should be required would be in the **video streaming** elements of its portfolio, which was deemed sufficiently attractive to expect users to log in.
As video ads command a much **higher CPM than display advertising**, this part of the portfolio also accounted for the bulk of the company's profits, making it worthwhile for the company to take user experience risk in the hope of achieving higher yields and better conversations with users and advertisers

Another way is based on the **volume of consumption**, with multiple publishers reporting asking customers to log in once they had read a number of articles.

Similarly, a French publisher is experimenting with the use of **functionality** (e.g. the ability to share content or to save it) to drive an increase in logins and subscriptions.

All these methods are great examples of the value exchange in action.

Key lessons from industry leaders

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Make privacy a priority
With 72% of respondents to our survey sharing that changing privacy legislation is their main concern in capturing value from first-party data, it came as no surprise that making privacy a priority came up repeatedly in our conversations.

Given the wide range of GDPR interpretations across Europe, these privacy compliance efforts were primarily driven at the country, rather than continental level. As a result, approaches varied greatly among the respondents we spoke to. Still, our conversations point to a few common solutions:

1. *Clear Data Governance:* Determining and overseeing in an unambiguous way who, within and outside the business, has permission to access and work with first-party data is the bedrock of any first-party data strategy. It is also a foundation of any efforts to democratise the access to data.

2. *Top-down leadership:* For several years, the need for senior leadership has led to the appointment of empowered **Chief Data Officers** ("CDO") to companies' top governance bodies. Since the advent of GDPR, the overwhelming majority of companies have also taken the next step and appointed **Data Protection Officers** ("DPO"). As explained in a recent **ThinkwithGoogle report**, the growing importance of privacy and the increased agility with which marketers will need to respond to changes in consumer and market dynamics requires that a company's first-party data strategy be understood, bought into, supported and led at the highest level of any organisation. To that effect, **it is essential that board and C-suite executives keep abreast of the latest data and privacy developments**.

"72% of respondents to our survey shared that **changing privacy legislation** was their main concern in capturing value from first-party data."

Key lessons from industry leaders

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Connect with the best and learn

Given the speed at which the ad sales ecosystem is evolving, executive teams are increasingly turning to their broader network, including **advisers, suppliers and competitors** to stay up to date on the latest developments. Some even set up regular sessions with both internal and external experts (including vendors) to ensure they remain current on data-related matters.

Many of our respondents were also involved in **communities and industry bodies** (e.g. IAB, W3C) where they contributed to the industry's perspective on how a privacy-centric publishing ecosystem should operate. Many played the same role in conversation with regulatory bodies like the European Data Protection Board.

Encouraging this kind of exchange and making time for team members to report back findings either through reverse mentoring and/or dedicated learning sessions can go a long way towards **filling any knowledge gaps**. It can also help keep data and privacy at the forefront of commercial and strategic discussions.

Key lessons from industry leaders

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3. Privacy-first processes: Working in partnership with their DPO, or equivalent, executives should also ensure that privacy is considered at all relevant steps of the company's core processes. For example, one publisher set clear guidelines on the type of data they would never collect. It also ensured that, through pseudonymisation and aggregation, all the data it shares with third parties as part of its programmatic ad sales efforts is devoid of personal data such as email addresses or phone numbers. Though the development of privacy-first processes will undoubtedly require some upfront investment, it will also make privacy management systematic and, in so doing, reduce both compliance cost and risk exposure.

Building a Data Governance Council
One of the global publishers we spoke to had set up a Data Governance Council composed of senior executives that serve as the **conscience and key decision-makers** on all data and privacy matters.

Having given up third-party cookies five years ago, the company built on its deep connection to a hard-to-reach audience to gather first-party data, which it used to inform both customer interactions and a diversification of its offering into conferences, targeted newsletters and personalised data feeds.

In turn, each of these new "mini brands" have contributed more data that the publisher uses to "**empower editorial teams and decision-making with data**."

Targeting a mix of Engagement (measured by recency, volume and frequency) and Customer Lifetime Value, this publisher has delivered strong performance over the past few years, showing that privacy does not have to come at the expense of profitable growth.

Key lessons from industry leaders

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4. Privacy protection tools and audits: Whether by installing cloud-based or cyber security tools that protect the company's data against external attack, it seems the need to embed privacy in system selection is well understood. Still, given the nature of the external threat and evolving regulation, publishers we spoke to recommended staying abreast of the latest development and conducting regular audits of existing systems. As advertising and marketing operate as ecosystems, these audits should also include a **review of partner and supplier compliance and readiness**.

Third-party audits

One UK publisher is proactively partnering with suppliers to mitigate any future risks associated with the fast-changing data and privacy landscape. Most recently, these efforts have included audits to **gauge the impact of the demise of third-party cookies** and their suppliers response to it:

1. Does your technology rely on third-party cookies?
    – If yes, why?
    – If yes, do you have plans for when third-party cookies are removed?
    – If yes, are there any services you will no longer be able to provide?

2. How are you approaching universal identifiers in the short to medium term future?

The company uses these responses to craft its own plan of action, including in conversations with suppliers in a simple and straightforward way:

3. How much revenue is this technology responsible for?

4. How should we respond? (assign a colour to each partner)
    – Red: partner requires immediate action
    – Amber: less urgent but still requires attention
    – Green: no action required

Key lessons from industry leaders

*5. **On-going training and testing*** – No amount of governance, process optimisation and system readiness can ensure sufficient protection against the risks inherent in holding personal information about individuals. As a result, companies are well advised to **develop and roll out regular training programmes for all teams coming in contact with and utilising first-party data**. These programmes should aim to embed a privacy-first mindset in teams leveraging first-party data so as to ensure appropriate use is always top of mind.

Regular company-wide training and testing of **personal and company readiness for cyber-threats**, such as phishing, should also form part of any company's privacy checklist. Indeed, company liability extends to the abuse of privacy law by external parties who, by one means or another, have gained access to the personal data the company holds.

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Key lessons from industry leaders

Make it a company wide effort

The publishers we spoke to were planning on investing approximately **5% of their revenue in data-fueled growth**, making this one of their top priorities and demanding a strong return on investment.

According to the experts we spoke to, the key to delivering such a return is to **align around a single data strategy with clear objectives and to capture the benefits of first-party data across the entire company**.

Our conversation helped us identify steps to take in doing so.

"The key to delivering such a return is to **align around a single data strategy with clear business objectives and to capture the benefits of first-party data across the entire company**."

Key lessons from industry leaders

Establishing the role of first-party data

Free of the shortcomings of third-party cookies, first-party data can serve as the foundation of all key digital publisher activities.

Editorial

01. **Content personalisation** – leveraging AI to power both a tailored content experience and recommendations.

02. **Editorial optimisation** – based on onsite data and customer feedback.

Commercial

03. **Ad sales** – underpinning much more reliable and privacy-safe targeting.

04. **Customer relationship management** – powering the shape and focus of all customer relationship management.

05. **Strategic marketing** – powering churn management and growth strategies.

General Management

06. **Research and insights** – creating a more accurate picture of the user.

07. **Management reporting** – fuelling Key Performance Indicators on all the activities above.

Key lessons from industry leaders

At every step of their journey, publishers should therefore **prioritise activity based on value-at-stake and urgency in line with strategy, objectives and market context**. All the publishers we spoke to had clearly followed this approach, leaving them at various levels of sophistication across marketing, ad sales and editorial optimisation.

A clear "why"

Change is hard, and the move towards a more digital, more private ecosystem is no exception. As a result, it is critical that the company's most senior leadership articulate why the company is embarking on this journey.

Unsurprisingly, the most inspiring people we spoke to were all, without fail, able to articulate such a rationale to us and how it contributed to their success. As shown in all the examples below, this rationale goes beyond the realm of mere compliance and lays out a reason for the whole company to get involved.

To avoid becoming a soft aspiration, this "why" must be translated into clear, well-understood KPIs and other metrics that are cascaded to all relevant teams. As Peter Drucker, the world-renowned business thinker put it: "If you can't measure it, you can't change it!".

"It is critical that the company's most senior leadership articulate **why the company is embarking on this journey**"

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Key lessons from industry leaders

Finding your "why" – Inspirations from our conversations with publishers

Creating a burning platform

- After nearly reaching the point of bankruptcy, one large Scandinavian publisher *needed* to use its wealth of first-party data to change its fate. Under the banner of "saving the company", it rallied the whole organisation around its new strategy, breaking down silos and leveraging data to shape decision-making

Reinforcing company values or a higher purpose

- "We are at the service of the reader"
  - The purpose of any company should be to best serve its customers. For one global publisher, this mantra underpins its approach to first-party data. Reinforced from the top down, this approach sees leadership personally conduct regular interviews with readers to better understand their needs, opinions and experience with the brand.

- "Our efforts make our great content possible"
  - The drive to create high-quality content has always been the raison d'etre of publishing. Prioritising the customer over the bottom line, one UK publisher sets KPIs individually by journalist. Quoting "we don't want to turn journalism into a clickbait factory", it focuses on the quality rather than the quantity of content it produces. This has enabled it to retain a loyal readership of over 10 million unique users per month

- " We are here to bring life to local communities"
  - Regional newspapers have always been a powerful contributor to the vibrancy of local communities. In setting up a joint sales house, the founders of one partnership made sure it stressed this heritage, internally and externally

"Reinforced from the top down, this approach sees leadership personally conduct regular interviews with readers to better understand their needs, opinions and experience with the brand."

Key lessons from industry leaders

Hiring, deploying and retaining the right talent

Hiring and retaining talent that is able to develop and get the most out of data is the very foundation of first party-data success.

In light of the current competition for talent and in line with a recent Harvard Business Review article, **publishers should find every opportunity to develop talent from within**. Developing and living up to a clear and attractive employee value proposition will help support these efforts and supplementary recruiting, clearly differentiating them from competitors.

Technical talent, such as data analysts and systems developers, will certainly be an area of focus, but as we found out in our conversations, this challenge goes much beyond technical specialists.

In particular, experts we spoke to stressed the importance of building the commercial capabilities to supplement the work of data, systems and algorithms. As one of them explained, "Selling programmatic ads is a skill, and too few companies have it!"

Highly capable **digital ad sales specialists can create significant value**. Armed with data and relationships, they engage brands and their agencies to differentiate a programmatic offer and negotiate the right kind of deal, making up for and adding to technical sophistication.

Finally, in light of the silos that still plague most media organisations, some respondents recommended **developing and hiring multi-skilled connectors who can serve as a liaison between data, technical ad sales and editorial teams**. These individuals, well-versed in both digital marketing and traditional publishing, are seen by one respondent as "the most important people in the company". They are also critical to gradually embedding new, data-based ways of working. Unfortunately, their contribution is also often overlooked by senior management in both recruiting drives and performance reviews.

Key lessons from industry leaders

Data democratisation

In successful digital organisations, data is set free to ensure that everyone works on the same problem with, at least, a certain degree of alignment on what the company knows about its customers.

"Senior management requesting that answers be fact-based and celebrating insight-driven successes will go a long way towards making organisations more data-led"

This journey of data democratisation is one that takes a little upfront work, as team members at all levels need to develop new, data-centric ways of working:

- If teams are not used to working with data, they will need encouragement to start doing so. Senior management requesting that answers be fact-based and celebrating insight-driven successes will go a long way towards making organisations more data-led

- Some respondents saw that the development of user-friendly, interactive dashboards significantly decreased barriers to adoption

- Finally, purposeful upskilling to ensure the relevant parts of the organisation master data-fuelled marketing and advertising are also likely to be required

Interestingly, once this initial resistance is overcome, the nature of the challenge changes entirely. "It's like the floodgates have opened", exclaimed one of our interviewees. "We can no longer meet all data requests we are receiving". They are now exploring use cases where AI could assist them in tackling this enviable challenge.

Breaking down silos

Having put the above foundations in place, most of our interviewees took on the challenge of leveraging their data assets across the company. At times, this conversation started between the digital and ad sales teams; at times between the data and the editorial team. In most cases such conversations started small, focusing on a single use case to create a track record of delivery.

Key lessons from industry leaders

A successful dialogue between data and editorial teams

A Scandinavian publisher embedded a **cross-functional data and insights function** in their editorial development team, tasked with analysing the best performing successful content and offering observations on the potential drivers of editorial performance over the previous period.

In doing so, great care was taken not to drive the conversation towards "click-bait"-like operational practices. For example, all data is carefully translated into "editorial feedback loops" that are now shared on screens across the newsroom.

The company now credits the editorial improvements that ensued, along with a shift in monetisation strategy, with a turnaround of the company from the **brink of bankruptcy to €50m in EBITDA in a mere three years**.

Regardless of the path to get there, the key is reaching a point where **the entire organisation is utilising the data at its disposal to make strategic and optimisation decisions**.

Reaching this level of maturity will require a company-wide effort, which cannot rest solely on the shoulders of data, technology or ad sales teams. It will, however, create a competitive advantage that should only grow in a privacy-centric world.

Extending an olive branch – messages that help break down silos

Publishers we spoke to found that making very **public internal statements** aimed at demonstrating their good intentions to their colleagues went a long way towards breaking down silos. In all cases, these statements proactively highlighted the team's respect of their colleagues' priorities and served as the foundation for future collaboration:

- We will never collect certain types of data
- We will not take a position in politics
- We will never book "a bad ad" that goes against our values
- We will not resort to "click bait"
- We will not bombard our users with intrusive marketing
- We will never betray our readers trust

Key lessons from industry leaders

Build a robust, cloud-based backbone
Most of the publishers we spoke to recommended choosing reliability over creativity when building their programmatic ad sales infrastructure. They advised partnering with well-established players with tried and tested technology. As one interviewee put it: "Complexity is simply not worth it!"

"Privacy-friendly technology also led most publishers we spoke to to build 90% of their infrastructure in the cloud"

This does not mean that experimentation with new trustworthy vendors is not advisable, merely that, it should only be conducted:

- Following robust due diligence

- If genuine operational or competitive advances can be expected with a high degree of confidence

- In a way that does not run the risk of compromising the broader technical infrastructure

This emphasis on leveraging robust, efficient, secure, privacy-friendly technology also led most publishers we spoke, to build **90% of their infrastructure in the cloud**, without major difference in systems architecture.

The one exception to this rule is the way publishers have chosen to integrate the data that feeds their marketing and ad sales efforts. This decision, which was primarily driven by the time and focus of historical investment resulted in two types of approaches:

01. **Separate Customer Relationship Management ("CRM") and Data Management Platform ("DMP")** informing marketing and ad sales efforts respectively.

02. **Integrated Customer Data Platform ("CDP")** driving both activities.

Whilst there are no hard and fast rules on the topic, we were certainly able to notice a trend towards a single CDP. In fact, all of the digital-only publishers we spoke to had used this approach when building their "green-field" platform.

Key lessons from industry leaders

The Customer Data Platform – Making your platform work for you

By breaking down data silos and bringing all data in one place, CDPs can help publishers create:

- **A single source of the truth** – Building alignment around a 360° view of the customers, enabling a much richer, more productive dialogue internally and with third-parties about commercial strategy and tactics
- **Effectiveness through scale** – Building the kind of data set necessary to generate new insights, especially those enabled by Machine Learning
- **Efficiency** – Saving time and money, by reducing the need for complex integrations across data

Over time, the above can also lead to stronger revenue generation through speed of response, audience targeting and/or higher engagement.

Given the increased security inherent in cloud platforms, this approach also offers cyber-risk mitigation and compliance benefits vs. on-premise systems.

"Over time, CDPs can lead to stronger revenue generation through **speed of response, audience targeting and/or higher engagement**."

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Key lessons from industry leaders

Building data maturity

Start thinking of data as something to be developed

Algorithms with advanced capabilities have made the delivery of insight much more immediate and sophisticated. Machine Learning has also automated the creation of new data sets from existing ones.

As one respondent put it: "Using Machine Learning on predictive models, we are able to generate new insights every day, it seems!"

One key use case for this kind of capability is the creation of **bespoke audiences** from the analysis of data across multiple data sets, whether across titles or monetisation channels. Another is finding patterns in customer behaviour that can assist publishers in managing both engagement and Customer Lifetime Value.

Embracing this kind of analytical power can be a major source of competitive advantage. It also requires a fundamental resetting of ambition: **In today's marketing world, data is no longer just a static source of insight to be queried, it is a living asset that can be developed over time**, leveraging a combination of Machine Learning and human judgement.

Key lessons from industry leaders

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Building your data muscle

Most of the companies we spoke to still had separate data repositories within their organisation (e.g. pertaining to onsite customer behaviour, consent management, advertising, subscription management and/or CRM). They also had access to multiple external data sets stored in third-party systems (e.g. in ad manager or DMP).

To make the most of their finite budgets, data teams had to make tough choices about which data sets to bring together and which to leave well alone.

Having done so, many reported using algorithms to continually query their data. At this stage, most of this work tended to be descriptive and diagnostic in nature, which can still yield great insights. For example, in linking data from its consent management engine and its site analytics platform, a French publisher found out that its **lightest users** (who are least valuable to them) tended to **provide consent more readily**, while more engaged users paid close attention to which permissions they granted. This apparent paradox has been of great use in prioritising their efforts around ad sales, login walls and subscription.

Meanwhile, a few advanced publishers did report great success in leveraging Machine Learning to drive more predictive and prescriptive work.

"To make the most of their finite budgets, data teams had to make tough choices about **which data sets to bring together and which to leave well alone**."

Key lessons from industry leaders

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Prioritise securing verified data

Verified data is data that has been checked for accuracy. In the case of publishers, this data is often captured through the registration process, during which users set up a login and provide key demographic and location data about themselves. Almost all of the players we spoke to leveraged a **Single Sign-On ("SSO") across all company sites** to allow them to capture information across a broader footprint.

Given its value to various commercial pursuits (inc. higher-yielding ad sales and more reliable marketing), **most participants in our research saw gaining access to verified data as a core priority.** The degree to which they did so depended solely on their strategy and ability to incentivise users to go through the added complexity of signing in.

Setting "login walls" in line with strategy

There is no such thing as a benchmark for the optimal percentage of logged-in users. To illustrate the point, let us take the example of two publishers in different geographies across Northern Europe.

The first, a German multimedia publisher made it **compulsory for users to login to access long-form content**, which accounts for 20% of all traffic. The reason for this seemingly low rate, which the publisher aims to increase significantly, is that, like a Benelux counterpart, this publisher makes most of its profits from **video advertising**.

Meanwhile, another publisher, which did not have a plentiful supply of video content, set a strategy to focus on core, mostly high-end users. This strategy called for significant improvement in the monetisation of this audience through a mix of **premium advertising and subscription**. Prepared to "lose" any casual users who would have only generated limited incremental revenue, it set a very public target for both online registered users and for subscribers; the former being 10x the latter. In line with this strategy, this player is no longer chasing unwanted traffic and has put a login wall in front of all of its articles, with subscription offers pushed on many pages. Its **login rate is therefore close to 100%**.

Key lessons from industry leaders

Aware of the disruption that – even when tiered – "login walls" represent for their customers, publishers are experimenting with other means of capturing verified data:

- **Newsletters, games, polls, crosswords and other ancillary products:** A tried and tested approach to gaining access to email and other information to fuel ad sales and marketing

- **Cross-site content propositions:** It is early days still, but one of the more innovative ways one of our respondents is trying to gain access to additional verified data is by offering theme/genre-specific content to authenticated users across its portfolio of sites. Whilst this content is not always monetised in the same way or to the same extent as the user's core product, it does allow the company to gain more insights into the interests of its core audience, making better use of its scale

Given the value in securing verified data in a privacy-centric world, we can expect a significant increase in activity and creativity in this space over the coming years.
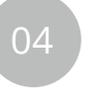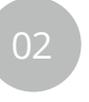
Key lessons from industry leaders

Partner to augment your data

The demise of third-party cookies does not mean publishers can no longer access valuable second-party data. Most of the publishers we spoke to still accessed this source of insight and matching tool in a more privacy-minded way. Mitigating the impact of the deprecation of third-party cookies without running afoul of regulatory concerns, these techniques are poised to become an increasing part of publisher strategies going forward. Above and beyond the techniques recommended by GDPR, publishers are already using a wide range of privacy-preserving technologies ("PPTs") to share data. Two solutions stood out in our conversations:

01. **Clean rooms:** Secure, isolated platforms that link anonymised marketing and advertising data from multiple parties. "Programmed to receive and protect data", they are used to both create new audiences and to measure campaign effectiveness. Highlighted by Gartner as one of "Three Privacy-Preserving Alternatives for AdTech", clean rooms seem to be an important solution for data-sharing going forward, especially when used to share anonymised or pseudonymised data. At the same time, it is important to note that data clean rooms are complex and require data scientists that can understand and use the statistically heavy algorithmic systems that underpin them.

02. **Identifiers:** Allowing publishers and advertisers to collect data across multiple sites or match it with third-party data.

Key lessons from industry leaders

An identity crisis?

The concept of cross-site identifiers is naturally appealing to advertisers in search of simplicity and publishers looking to monetise the power of the combined data it would allow them to gather. Still, we encountered skepticism about their attractiveness and compliance with the spirit of recent privacy developments:

- **The consumer case for single sign on ("SSO") across sites is yet to be made** – publishers will need to provide their users with a clear rationale and a fair value exchange to drive adoption
- Though they either do not know and/or do not seem to mind at this stage, **consumers may be unhappy to share their data with the publications that do not share their political, religious or ethical views**
- **Attribution to the site that delivered the impact may prove challenging** in the context of recent announcements by leading platforms

According to some of our most advanced respondents, experimentation with third-party identifier solutions should therefore take place within the confines of data clean rooms where no persistent identifying data is shared.

This, in turn, will require investment in more advanced analytical capabilities.

"According to some of our most advanced respondents, experimentation with third-party identifier solutions should therefore take place within the confines of data clean rooms **where no persistent identifying data is shared**."

Key lessons from industry leaders
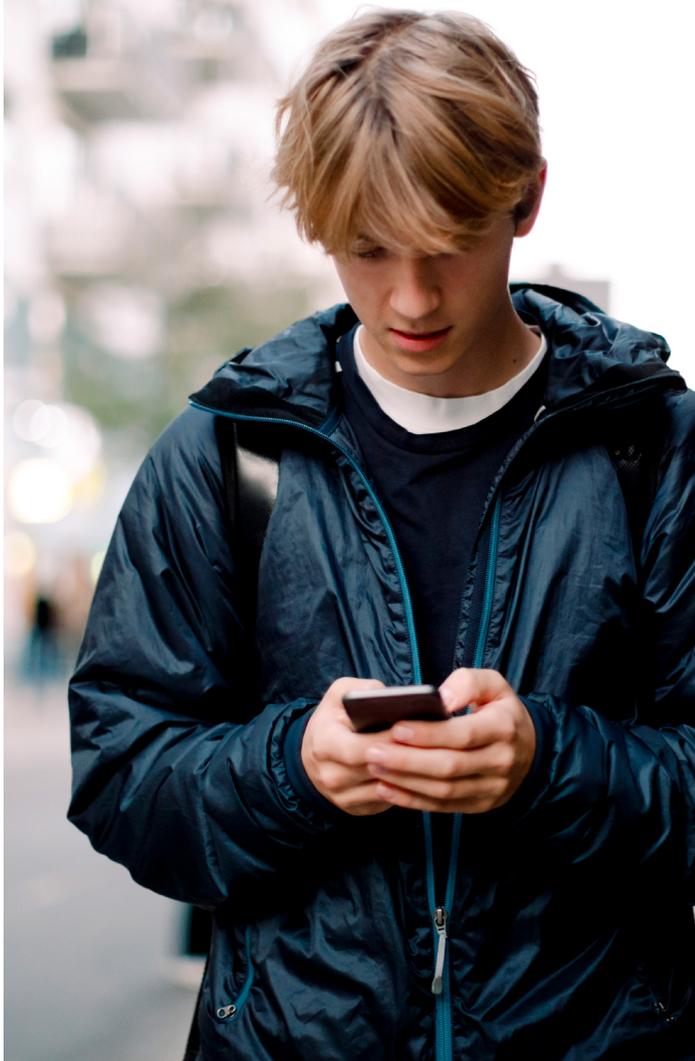
Driving commercial sophistication

Develop your own audiences

In an effort to achieve premium CPMs and drive higher demand, most of the publishers we spoke to created bespoke audiences that they could trade programmatically. The sophistication of these efforts varies greatly across publishers, implying this is a significant source of differentiation.

Leveraging these techniques, some of the publishers we spoke to were able to *deliver yields that were over 15 times higher than those in campaigns without audiences.*

First-party and second-party data is increasingly serving as the foundation for these efforts, which have historically relied, at least in part, on third-party cookies.

The basics

- **Demographic segments:** The most basic form of ad sales segmentation, allowing advertisers to target users based on age, gender and income

- **Location-based segments:** Allowing advertisers to target users based on where they live or work or where they are at a particular point in time, using IP addresses or other location-tracking data

Key lessons from industry leaders

As previously mentioned, the value of such targeting increases significantly when supported by verified data (as opposed to analytical extrapolation).

More advanced techniques being used many publishers

- **Interest-based segments:** Allowing advertisers to focus their campaigns on the most relevant users, based on the kind of content they consume on owned and third-party sites. Without third-party cookies, this technique requires a significant amount of data to be accurate

- **Time-based segmentation:** Aware of differences in consumption patterns and attention throughout the day, some publishers are allowing advertisers to target a particular audience at a particular time of day, when it is most receptive or most likely to engage in a particular activity (e.g. shopping online, researching specific items)

- **Contextual targeting:** Linking ads to the content around which it is served (e.g. car-buyer on a car-review site)

- **Semantic targeting:** An evolution of basic contextual targeting, semantics help advertisers have higher confidence that their ads are served on sites that align with their brands and campaign objectives, based on the semantic analysis of content on a particular site

Layers lead the way

One leading UK publisher **built its own custom set of products** to provide a detailed view of their customers. Utilising its rich base of first-party data, it has used multiple contextualisation tools (including a sentiment engine) to offer hyper-contextualised trading audiences, without falling foul of its own brand safety guidelines.

This approach has allowed it to claim up to 44% increases in Click-Through-Rate ("CTR").

"Utilising its rich base of first-party data, it has used multiple contextualisation tools (including a sentiment engine) to offer hyper-contextualised trading audiences, without falling foul of its own brand safety guidelines."

Key lessons from industry leaders

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Keep it simple!

Publishers we spoke to stressed is the need to **avoid over-engineering segmentation and targeting solutions**, quoting:

- Examples of failures to gain traction with more targeted products

- Difficulties in achieving a price premium on highly targeted products

Similarly, respondents mentioned that they had struggled to employ ultra-sophisticated algorithms provided by third-parties. Such algorithms were built to leverage huge data sets that publishers do not always have at their disposal and may therefore not be fit for purpose. Nowhere is this more true than in a situation where virtually nothing is known about the user.

First impressions count

A UK publisher was struggling with the challenge of how to drive ongoing usage for a first-time user. To solve this issue, it reached out to one of its advanced technology partners who provided a series of advanced recommendation algorithms that it thought could assist with the task.

As it turned out the algorithms were ineffective in driving any increase in content consumption, as they required a much deeper knowledge of the user than was available to make an accurate recommendation.

As a result, the publisher **built its own algorithms** based on simple logic such as: "If they arrived at the site for this kind of content, they might like more of it" or "People who like this kind of content tend to like this other kind of content".

This approach also allowed the publisher to **take into account its specific context** of how its readers behave and the precise business problem it was seeking to solve.

Key lessons from industry leaders

Engage with the buy-side

Many respondents echoed recent **research** by the IAB showing that 40% of marketers were not ready for upcoming changes. Indeed, our conversations unearthed a concern with what was perceived as a rather passive approach from the buy-side in tackling upcoming privacy-centric changes.

To solve this issue, many of the publishers we spoke to proactively initiated conversations with agencies and, where relevant, brands, to test:

- The impact of third-party cookieless trading on CPM or yield (e.g. running the same campaign with and without cookies or comparing performance on Chrome and Safari)

- The effectiveness of their first-party solutions (e.g. running the same campaign with first and third-party cookies)

- Their interest in joint planning for a privacy-centric world

The benefits of these initiatives are many:

01. Gauge readiness for a privacy-centric ad sales future
02. Create a culture of collaboration with the buy-side
03. Increase the quality of first-party data-based solutions
04. Drive the speed at which they are developed
05. Ensure that these solutions will work for all key parties
06. Increase the odds of a risk-free transition to privacy-preserving trading

"Many respondents echoed recent research by the IAB showing that 40% of marketers were not ready for upcoming changes."

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Key lessons from industry leaders

Publishers who engaged in such a dialogue about first-party data reported its key role in:

- *Accessing new budgets and customers*, especially from advertisers who demanded the accuracy and reliability inherent in first-party data

- *Start new conversations* with existing customers

- Secure *longer and more sizable commitments from the buy-side*

This, in turn, de-risked their earnings and gave them confidence to invest.

Thankfully, it seems that now is an excellent time to call on clients to compare notes on the myriad developments taking place in the ecosystem. To do so at scale, one of the publishers we spoke to built a new type of team that is fit for their data-fueled future.

Client team for a data-fueled age

In line with a strategy to build longer term (1 year+) partnerships at a scale that would allow it to secure more direct attribution, a Scandinavian publisher created an innovative **Growth & Performance team** composed of:

- Project Lead

- Yield optimiser

- Data analyst

In line with the above, the role of this team is to:

- Ensure advertiser needs are met from account management to ROI to reporting

- Maximise yield for the publisher

- De-risk earnings and build competitive advantage through buy-side collaboration

Marrying commercial awareness and technical know-how, these teams speak an advertiser's language, e.g. by showing a car manufacturer just how many cars their campaigns helped them sell.

Key lessons from industry leaders

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"We were therefore encouraged to hear that, despite turning their back on third-party cookies, multiple publishers we spoke to were able to **quadruple or even quintuple digital revenues in a period of 3-4 years**."

Significant value at stake
In a sector that has been under revenue pressure for over a decade, revenue growth remains at a premium.

We were therefore encouraged to hear that, despite turning their back on third-party cookies, multiple publishers we spoke to were able to **quadruple or even quintuple digital revenues in a period of 3-4 years**.

Creating a virtuous cycle of investment and profitable growth, this also allowed them to invest more aggressively in content, capabilities (e.g. new talent, customer data platforms, privacy-first processes, new algorithms, or access to data) and M&A.

Per the example below, this increase in performance was primarily driven by a broad range of commercial and editorial moves like:

- Leveraging data in editorial decisions
- Launching new, more compelling ad formats, such as welcome pages
- Increasing the visibility of ads by decluttering sites
- Developing the skill of sales teams
- Managing yield more effectively
- Building closer buy-side relationships
- Growing ad sales management maturity, e.g. through the use of better metrics

Key lessons from industry leaders

Driving yield and campaign size through customer centricity

After years of slowly declining CPMs, an established UK publisher looked to overhaul its commercial strategy, focusing on:

- Prioritising core customers
- Encouraging registration and subscription
- Favouring direct deals and programmatic guaranteed over open market auctions

Abandoning conversations based on what the publisher delivered (centred on reach and CPM), the commercial team started emphasising **the impact of advertising on its site on advertiser KPIs**.

In turn, this led to the development of a proprietary method for **tracking engagement**, which the publisher uses to continuously improve its editorial approach and engage in better conversations with advertisers.

18 months ago, this strategic decision also led to an alignment of the look and feel of their inventory with brand and editorial guidelines and an eradication of ad clutter.

Well on its way to meeting its registration and subscription targets, the company was able to significantly grow revenue through a meaningful uplift in yield and a **40% increase in average campaign size**, despite a drop in reach. Having completed its move away from third-party cookies a year ago, it has now set its sights on its next challenge: to exit open-market programmatic.

"In that context, it seems that, above all else, the **use of first-party data allows publishers to hold on to these gains and continue benefiting from the digital transformation of their business**."

Where to next?

In light of our research, it seems fair to say that we are only at the beginning of a fundamental evolution in the digital ad sales ecosystem. This being said, there are a few things we would see as, at least, likely to ensue.

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Where to next?
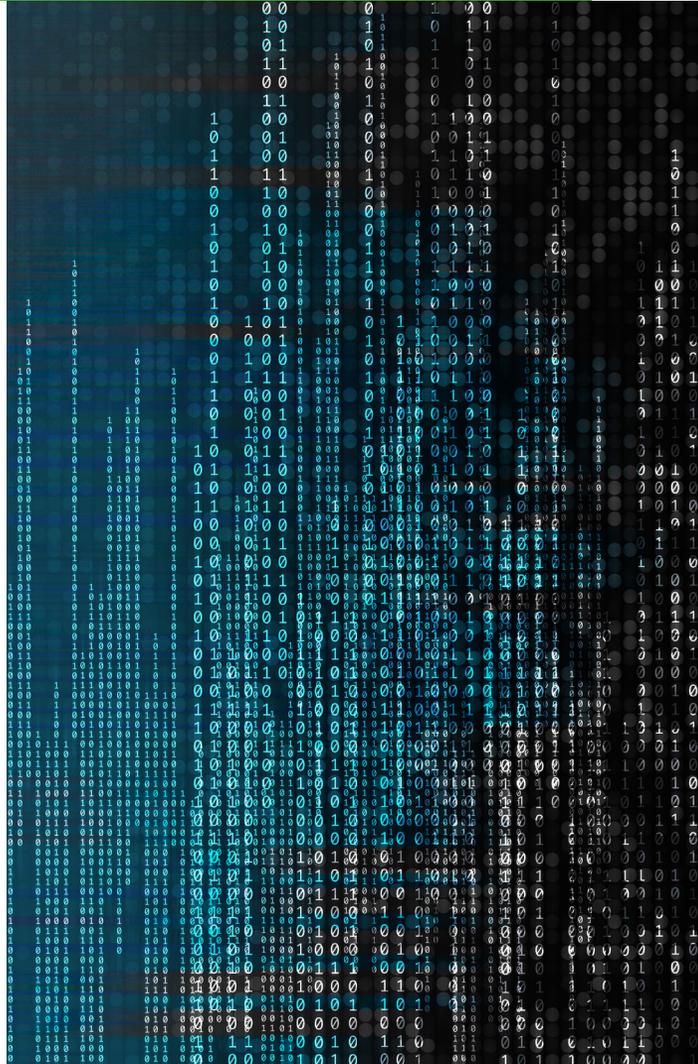
Regulation will get more stringent and complex

According to **Gartner**, 65% of the world's population will have its personal data covered under modern privacy regulations by 2023, up from 10% in 2020.

In Europe, ePrivacy Regulation, the Digital Services Act (DSA) and the Digital Markets Act (DMA) will contribute to a growing body of EU regulation.

Meanwhile, multiple countries including **France** and the **UK** are also creating "super regulators" to oversee the development of this increasingly interconnected regulatory framework where privacy law intersects with competition and consumer legislation.

In short, there is little doubt that regulation will continue to play an important role in shaping the future of digital advertising.

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Where to next?
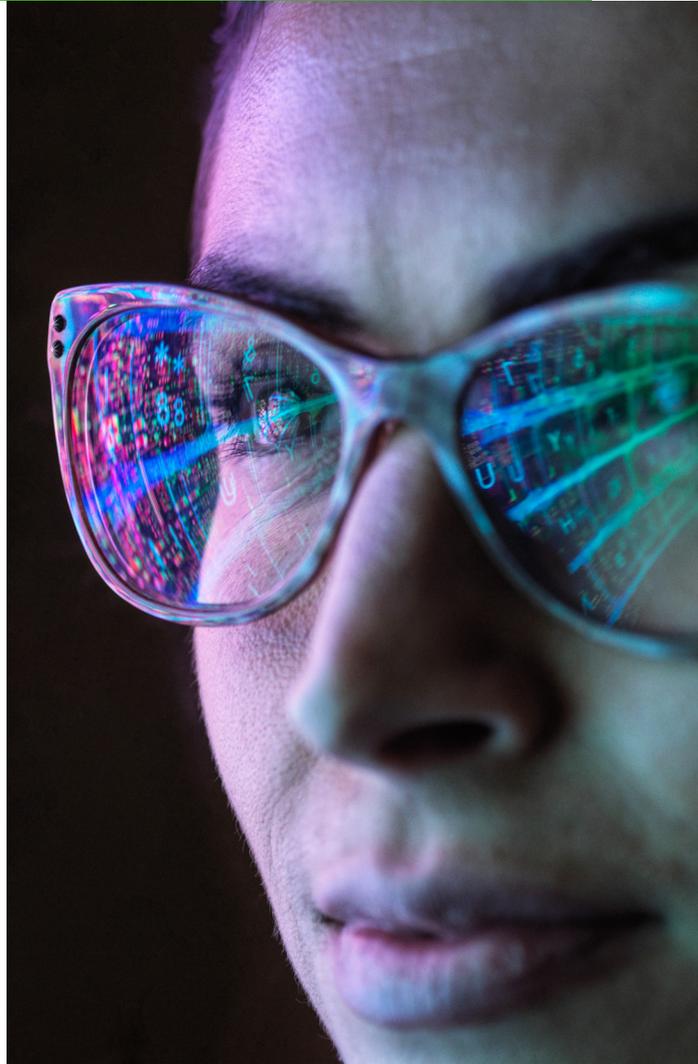
Targeted advertising will survive and evolve

New legislation will not usher the end of targeted advertising, which will simply evolve to absorb regulatory change.

As the IAB highlighted in a recent **article**, though the situation varies by market, the majority of consumers do not favour pay-walls. As a result, they are likely to continue to partake in the two-way value exchange highlighted above. To achieve this, more sophisticated tools developed to meet a new standard in privacy will emerge. To that effect, **Privacy Sandbox**, **PRAM**, **SWAN** and other efforts are already bringing many publishers and the broader web ecosystem together to create a suite of APIs to enable privacy-first digital advertising.

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Where to next?

Meanwhile, other media like TV, Radio and Out of Home will increasingly use programmatic tools to trade inventory. This rise will accelerate with the rise of digital direct-to-consumer distribution platforms (e.g. DAB+, Video On Demand) in broadcasting and as digital screens form the backbone of any Out of Home network. Players in these ecosystems will hopefully learn from the challenges encountered by publishers, setting up data management architectures that strike the right balance between competitive advantage, user experience and privacy, so they can stand the test of time. Conversations with broadcasters certainly point in that direction, but much work remains to be done.

Owning the whole stack in broadcasting

Weary of the pitfalls of open-market programmatic, two broadcasters we spoke to mentioned their intention to leverage their strong buy-side relationships by **developing and controlling an end-to-end programmatic architecture**, encompassing an exchange, demand-side platform ("DSP"), supply-side platform ("SSP") and data management platform ("DMP"), before jumping headlong into programmatic.

This approach will de facto use programmatic tools as optimisers of direct digital ad sales deals, rather than a means of matching open demand and supply through data and algorithms.

Moreover, it will help broadcasters meet advertiser and agency demands for more automated trading, immediate reporting and data-based optimisation, while limiting their exposure to privacy risk. In this privacy-safe approach, no data would ever leave broadcaster systems as part of the ad sales process.

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Where to next?

Companies will continue to experiment with collaboration

Whether to source capabilities, share the burden of investment or develop ecosystem-wide solutions through privacy-first environments, companies will keep experimenting with collaboration.

Most importantly, publishers will find a way to share data across the ecosystem, through clean rooms or other privacy-friendly means. As already witnessed in Belgium and France, they will be joined by new players, like telecommunications firms, who could become increasingly important partners. To make this collaboration easier, they will also likely attempt to standardise taxonomy across the ecosystem.

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Where to next?

A 'once in a generation' opportunity for publishers?

Publishers leveraging first-party and second-party data effectively will be able to offer a better, broader set of products to advertisers. This will allow them to invest in content that will help broaden their audience and/or deepen their relationship with it.

This virtuous circle represents a unique opportunity for publishers who can embrace a privacy-first future.

Their efforts will also settle user unease around privacy and help build a more private web.

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Glossary

Click Through Rate ("CTR")	The ratio of the number of users who click on an advertisement or link, compared to the number of users who view the page, email or advertisement.
Consent Management Platform ("CMP")	A software tool enabling businesses to remain compliant to consent legislation. It allows users to decide and communicate their consent preferences to a publisher, ahead of any personally identifiable data being disclosed.
Content personalisation	The system by which digital content recommendations are provided to the user, as a result of them sharing of data to do with interests and motivations.
Contextual targeting	Linking ads to the content around which it is served e.g. a car buyer on a car-review site.
Cookies	A cookie is a small piece of data, a text file, that is stored on a website, tracking the activities of the user as they browse.
CPMs	Cost Per Mille (thousand) is the cost an advertiser pays per thousand views or impressions of their advertisement.
Customer Data Platform ("CDP")	A unified software system which provides a single data source for an organisation. Multiple sources of data are combined and cleaned to create a single customer profile which can be used across multiple business functions, e.g. relationship management, content targeting or advertising.
Customer Lifetime Value ("CLV")	The amount of money a customer will bring a company throughout their entire time as a paying customer.
Data governance	The organizational models, policies, procedures, and standards to effectively manage and sustain the quality of enterprise data.
Data maturity	The relative ability of an organization to collect, organize, and convert data into actionable business insights.

Data strategy	A set of choices that defines how data will be used in an organization as well as the systems and processes that will be required to store, maintain, and analyse data.
Demographic segments	The most basic form of ad sales segmentation, allowing advertisers to target users based on age, gender and income.
First-party cookie	First party-cookies are created, owned and stored by the host website itself, and allow the host website to collect data, remember settings and continue to support functions which increase the user experience. They serve crucial functions for websites and can also generally be easily viewed and deleted.
First-party data	Data collected by the organisation itself, as permitted by the user granting consent for the data to be gathered. First-party data could include CRM related information, behavioural data, subscription/registration data.
Location-based segments	Allowing advertisers to target users based on where they live or work or where they are at a particular point in time, using IP addresses or other location-tracking data
Login walls	The medium to encourage or demand that users log in to view certain content or visit particular sites.
Machine Learning	The process in which a computer distils regularities from training data. An algorithm "learns" to identify patterns, like occurrence of certain elements (e.g. words, images) or combinations of elements, that determine or inform operational decisions.
Paywall	The point at which a reader is prompted to either subscribe or pay to access further content.
Privacy Preserving Technologies ("PPTs")	Technologies that adhere to fundamental data protection principles, by minimising the use of personal information, maximising user autonomy over their data and maximising data security.

Glossary

Second-party data	Data collected by another firm - essentially another organisation's first-party data. This data can be bought directly from the source and can be used to validate or target an organisation's own first-party data.
Segmentation and Targeting	Dividing a broad market / population into more specific subsets that have common needs and / or behaviours and using these identifiers to serve the most relevant content or message.
Semantic targeting	The placement of advertisements in a relevant environment to the user, analysing and scanning content to best place the ad. Often ads are placed on content which is aligned to the brand and campaign objectives.
Single Sign On ("SSO")	A user authentication method by which the user logs in using one username and password, often which is utilised across multiple sites, without the requirement of secondary authentication methods.
Third-party cookie	Third-party cookies are created and stored by organisations other than those who own the website a user is visiting directly. These cookies are dropped by the website a user visits but are not necessarily stored or owned by the website or its parent company. They are used for cross-site ad tracking, wider audience profiling and targeting, and wider personalisation in advertising (especially when prospecting for new users).

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