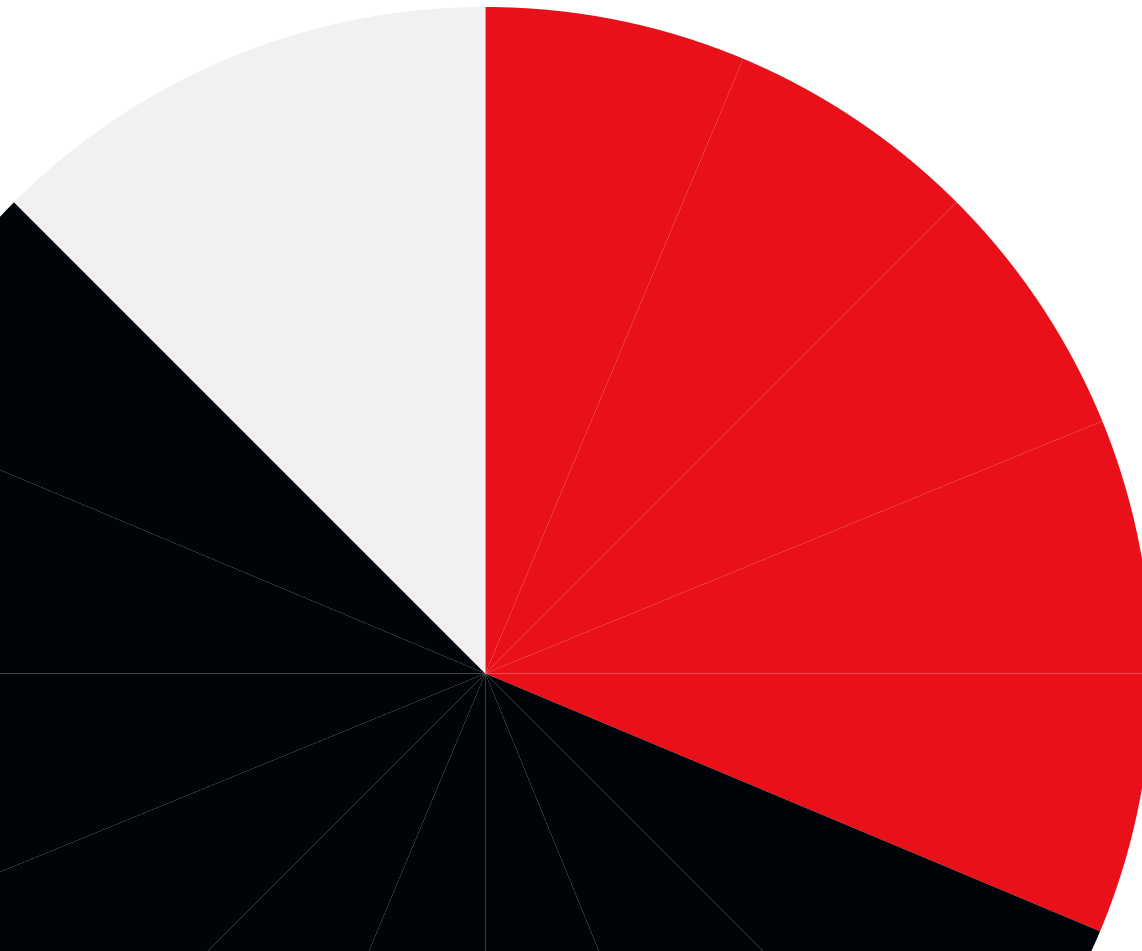


# Publisher Ad Monetization:

## Ad Buyers and Sellers Are Rewriting the Rules of Engagement as Privacy-First Era Dawns

After nearly two years of tests, about three-quarters of publishers say they are ready for life after third-party cookies. However, a recession could further delay ad buyers' interest in testing new methods of targeting their ads, which could limit the progress that the ecosystem makes in preparing for life without third-party cookies, significantly increase ad costs, decrease effectiveness, and so much more. This eMarketer report reveals the trends advertising sellers and owners need to know to capitalize on advancements beyond third-party cookies.



Presented by



Dear eMarketer Reader,

eMarketer is pleased to make this report, **“Publisher Ad Monetization: Ad Buyers and Sellers Are Rewriting the Rules of Engagement as Privacy-First Era Dawns,”** available to our readers.

This eMarketer report reveals how a recession could further delay ad buyers’ interest in testing new methods of targeting their ads. You will also learn the trends advertising sellers and owners need to know to capitalize on advancements beyond third-party cookies.

We invite you to learn more about [eMarketer’s approach to research](#) and why we are considered the industry standard by the world’s leading brands, media companies, and agencies.

We thank you for your interest in our report, and we thank **LiveIntent** for making it possible to offer this report to you today.

Best regards,

*Nancy Taffera-Santos*

Nancy Taffera-Santos  
Senior Vice President, Media Solutions and Strategy, eMarketer

# Publisher Ad Monetization 2022: Ad Buyers and Sellers Are Rewriting the Rules of Engagement as Privacy-First Era Dawns

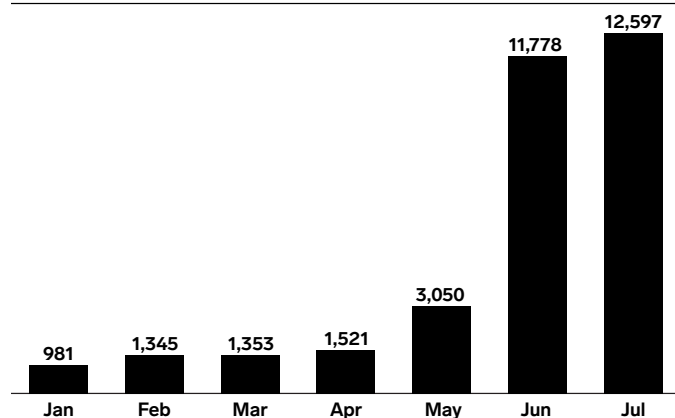
With their game plans (mostly) in place, publishers are beginning to reap rewards as the ad industry slowly moves beyond the third-party cookie. But questions about how much power publishers can take back remain unanswered.

## 3 KEY QUESTIONS THIS REPORT WILL ANSWER

- 1 Where is the industry in its preparation for third-party cookie deprecation?
- 2 How have privacy shifts (recent and scheduled) affected publisher ad monetization?
- 3 How can publishers capitalize on these changes?

**WHAT'S IN THIS REPORT?** Updates on where publishers, advertisers, and intermediaries stand in the move away from third-party cookies and updated figures on adoption of third-party identifiers.

## Number of Publishers Worldwide Using Google's Publisher Provided Identifier (PPID), Jan-July 2022



Note: represents activity on the Sincera platform, broader industry metrics may vary  
Source: Sincera, July 13, 2022

276609

eMarketer | InsiderIntelligence.com

**KEY STAT:** The number of publishers worldwide that incorporated Google's publisher provided identifier (PPID) into their bid requests grew more than twelvefold so far in 2022.

## Contents

- 3 Publisher Ad Monetization 2022
- 4 The One-Pager
- 5 Key Points
- 5 Publishers' \$10 Billion Problem
- 7 Publishers Enter New Phase of Testing Identity Solutions
- 9 The Open-ish Web?
- 11 Publishers Betting on the Upside of Their Own First-Party Data
- 12 How Publishers Can Approach the Third-Party Data Challenge
- 15 Insider Intelligence Interviews
- 16 Editorial and Production Contributors

# Publisher Ad Monetization 2022

## Ad Buyers, Sellers Rewriting Rules of Engagement as Privacy-First Era Dawns

**Where are publishers in their journey to move on from third-party data and identifiers?** After nearly two years of tests and prep, about three-quarters of publishers say they are ready for life after third-party cookies. The average publisher site has five different identifiers running on it, more than 60% of publishers are using their SSPs' identity graphs, and a majority say they have or will have enough first-party data to adapt.

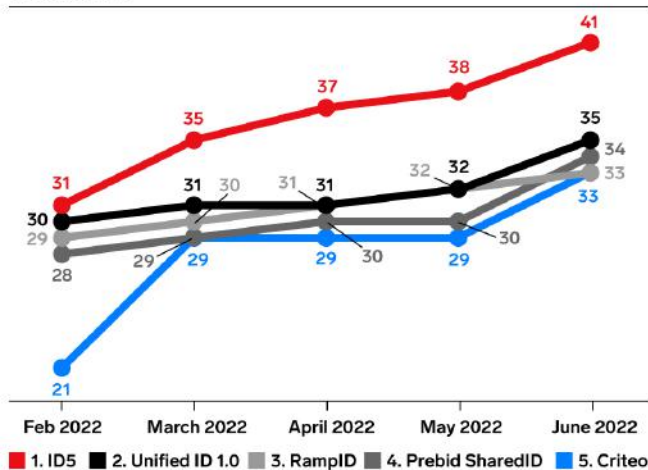
But how publishers' plans align with what the rest of the ecosystem wants remains an open question. Publisher-centered projects, including seller-defined audiences, must make the case that they belong at the center of digital ad buying in the years to come.

### Key Stat

PPID use has expanded twelvefold since the start of 2022. More than 12,000 publisher domains are now incorporating PPIDs into their bids, according to Sincera data.

#### Number of Publishers Worldwide Using the Top 5 Identifiers, Feb-June 2022\*

thousands



### Our Findings

The earlier challenges of moving away from third-party data have given rise to more mature ones.

- **There are still too many identifiers on the market.** Most experts agree the market will support about a half-dozen identifiers, but about 90 are currently available for publishers to choose from.
- **Buyers and sellers are trying to take each other out of the loop.** SSPs are constructing more private marketplaces to entice buyers; DSPs are trying to forge more direct relationships with publishers.
- **A recession would slow this process, not stop it.** The ease with which programmatic spending can be turned off makes it easier to test and learn.

#### How US Data Leaders Expect the Coming Changes to Third-Party Cookies and Identifiers Will Affect Their Company's Use of Data, 2021 & 2022

% of respondents

	2021	2022
Change our approach to attribution modeling (e.g., model types, teams to run the models)	26%	42%
Expand our engagement with third-party industry groups seeking to build "post-cookie" identity resolution solutions	27%	43%
Increase focus on developing custom/in-house identity resolution solutions	39%	42%
Increase spending/emphasis on contextual advertising	24%	42%
Centralize all customer/customer relationship management (CRM) data into one repository (or begun efforts to do so)	35%	41%
Increase spending/emphasis on use of first-party data	42%	41%
Increase interest in third-party identity resolution solutions	30%	37%
Change our approach to campaign and audience measurement	45%	34%
Conduct an audit of our third-party data providers and other supply chain partners	18%	32%
Increase use of AI solutions for consumer insight development and marketing decision-making	31%	31%

### Your Opportunity

Publishers have a chance to orient ad monetization around their own data.

- **Make your own patchwork quilt.** Each publisher will have to configure a unique mix of solutions.
- **Publishers must make the case for publisher-led initiatives.** Trust in initiatives such as seller-defined audiences will be won one deal at a time.
- **Get closer to partners.** Publishers' relationships will get stickier, thanks to supply path optimization as well as deprecation of third-party data.

Also in this report: **Updates on contextual** | **Programmatic spend forecast** | **Programmatic deal types**

## Key Points

- **Publishers' game plans are mostly unchanged, but buy-side adaptation remains sluggish.** The industry's reliance on third-party cookies is declining, but advertisers are still heavily dependent on them for targeting and measuring their campaigns. Case studies showing incremental value for several identifiers have begun to emerge.
- **Fears of a recession lower the possibility that experimentation and testing among ad buyers might accelerate.** Advertisers will face pressure to prove their ad spending works, which may minimize their appetite for testing identity solutions.
- **Publishers' relationships with advertisers (and other ad-selling partners) will continue to get stickier.** Demand-side platforms (DSPs), looking for efficiency, are forging more direct relationships to key areas of supply; supply-side platforms (SSPs), trying to preserve relevance, are going directly to large advertisers and media agencies. And middlemen are expanding their feature sets to ensure they remain part of a changing process.
- **Publishers' attempts to take greater control over the ad buying process face challenges.** While some publisher-centric tools—such as SharedID—have gained traction in the market, others—such as seller-defined audiences—are too new to have gained the trust of ad buyers. Unanswered questions about data leakage and measurement may curb publishers' ability to maximize any leverage from using their own first-party data.

### A Word on the Current Uncertainty

While many parts of the digital media landscape are bracing for the prospect of a recession, the impact on the programmatic market should be milder. Because of how quickly advertisers can start and stop spending in those channels, and how relatively measurable the outcome of that spend is, programmatic display should be less vulnerable to decreased spending than other advertising channels, particularly legacy ones.

However, a recession could further delay ad buyers' interest in testing new methods of targeting their ads, which could limit the progress that the ecosystem makes in preparing for life without third-party cookies.

## Publishers' \$10 Billion Problem

The US advertising market is being dragged by the ear into a new, more privacy-focused era. Thanks to regulatory scrutiny in Europe and the US, the market's largest players—particularly Google and Apple—are making it harder for third-party firms to surveil the browsing behavior of internet users, chiefly by ending support for third-party identifiers and requiring users to consent to being tracked online.

These changes have significant implications for how and where advertisers deploy their digital ad budgets, and as much as \$10 billion of publisher ad revenues are at risk, according to a January 2022 Interactive Advertising Bureau (IAB) study.

### US programmatic advertising faces some of the greatest possible disruption from these changes.

The market, which will more than double in size from pre-pandemic levels to \$129.48 billion this year according to our estimates, has grown to its current size thanks in large part to the targeting and measurement facilitated by third-party data.

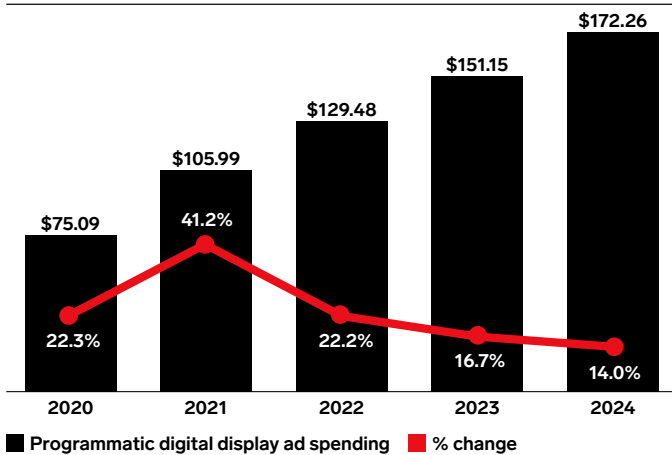
---

For a primer on how the programmatic market functions, read our July 2022 report, "[Programmatic Advertising Explainer: What You Need to Know About the Automation that Dominates Digital](#)."

---

## US Programmatic Digital Display Ad Spending, 2020-2024

billions and % change



Note: digital display ads transacted or fulfilled via automation, including everything from publisher-erected APis to more standardized real-time bidding (RTB) technology; includes native ads and ads on social networks like Facebook and Twitter; includes advertising that appears on desktop/laptop computers, mobile phones, tablets, and other internet-connected devices.

Source: eMarketer, May 2022

276604

eMarketer | InsiderIntelligence.com

### Removing third-party data will increase costs for marketers and publishers.

For all the complaints that have been lodged against third-party data, it is the bedrock of the behavioral targeting that powers advertising, and removing it creates significant consequences.

According to an April 2022 Emodo survey, 80% of marketers said the effectiveness of their ad campaigns declined when they lost identifiers. Additionally, the IAB survey found that ad buying costs could rise by as much as 200% because of a lack of access to addressable audiences.

### Those increased costs pose an especially grave threat to the open web, a key revenue source for thousands of publishers.

While publishers strive to sell as much of their ad inventory as possible directly, the reality is that many rely heavily on indirect sales to move what's left. A February 2022 survey by Advertiser Perceptions found that 58% of publishers' display revenues came through programmatic channels as opposed to direct sales; 42% of those programmatic revenues came from open auctions.

And rather than eat the increased targeting and measurement costs, many advertisers will spend that money in walled gardens instead. A majority of marketers (62%) responding to a survey by Lytics and Sapio said they'd simply spend more money in walled gardens, where the cost increases are less significant. Among consumer packaged goods advertisers, a group that includes some of the heaviest ad spenders in the US, the share of respondents who said they'd move their budgets into walled gardens was even higher (75%).

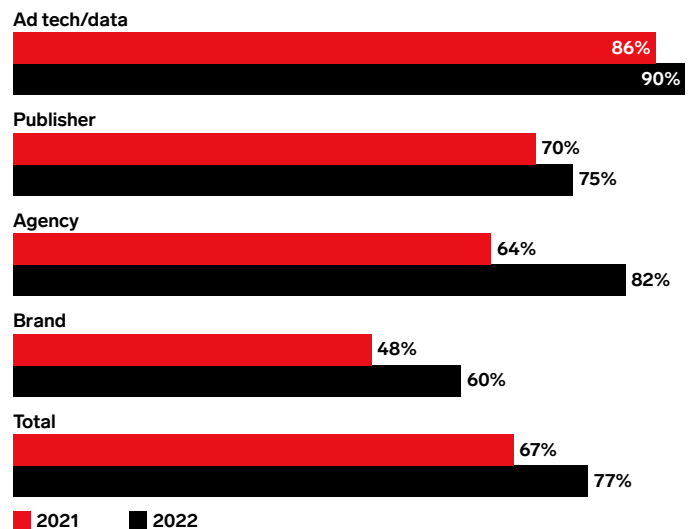
### Publishers' readiness for these changes is increasing, but as a group they are not fully prepared.

In 2020, Google first announced its intent to end support for third-party cookies within two years; in 2021, Google extended the timeline to 2023. (Many industry observers believe Google may move its deadline again.)

Three-quarters of publishers surveyed by IAB in 2022 indicated they were at least somewhat prepared for the loss of third-party identifiers. But just as students don't always take full advantage of extensions on their homework assignments, there are still publishers that aren't ready for Google to end support for third-party cookies.

## US Data Leaders Who Were Somewhat/Very Prepared for the Loss of Third-Party Cookies/IDs, by Company Type, 2021 & 2022

% of respondents in each group



Note: 2021 n=203; 2022 n=204; top two responses

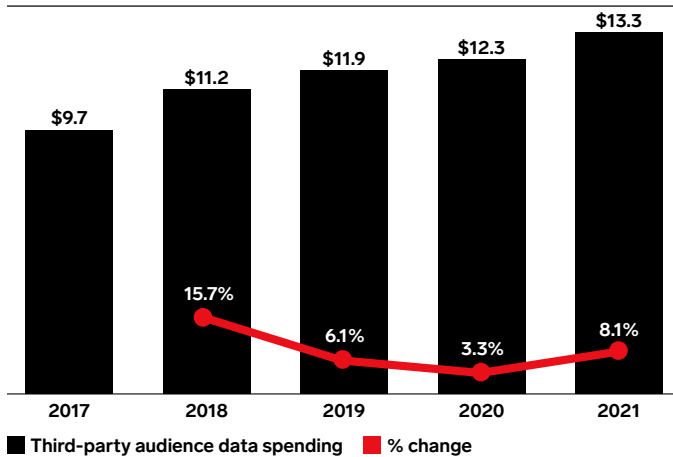
Source: Interactive Advertising Bureau (IAB), "State of Data Report" conducted by Ipsos, Feb 8, 2022

273123

eMarketer | InsiderIntelligence.com

**The buy side (still) isn't helping in the transition from third-party data.** Publishers are having trouble solidifying their plans, partly because most advertisers are content to use third-party cookies for targeting and measurement until Google takes that option off the table. In fact, the amount of money spent on third-party audience data rose 8.1% to \$13.3 billion last year, according to IAB.

**US Third-Party Audience Data Spending, 2017-2021**  
billions and % change



Note: 2017-2019 in partnership with Winterberry Group and 2020-2021 provided by mdrk Consulting  
Source: Interactive Advertising Bureau (IAB), "State of Data Report," Feb 8, 2022  
273125 eMarketer | InsiderIntelligence.com

**Even with improvements in preparedness, 4 in 10 brands cannot say they are even "somewhat" prepared for the loss of third-party cookies,** according to IAB. That lack of buy-side engagement, combined with Google's continued delays, have created a market where many publishers lack the urgency needed to test their way to a game plan.

"The number of tests has slowed down," said Nicole Perrin, vice president of business intelligence at Advertiser Perceptions. "[Google's] extended timeline came at a moment when they were dealing with really tough comps and trying to increase revenues."

Half of publisher respondents (51%) to the Advertiser Perceptions survey said they'd "hit pause on some of the initiatives" they'd undertaken to prepare for the end of cookies. That lax attitude extends to the attention publishers are paying to some of the solutions currently being tested by the industry's biggest players, Google in particular.

**Only 41% of publishers are paying close attention to Google's efforts to replace the third-party cookie as part of its Privacy Sandbox,** according to IAB's survey. That makes them one of the least informed constituents in the advertising ecosystem, well behind ad tech vendors (68%) and ad agencies (54%).

The irony of this sluggish response is that Google's support for third-party data is in some ways an exception rather than the rule. Other browsers, including Apple's Safari and Mozilla's Firefox, have already ended their support for third-party cookies. Only Chrome's outsized market share in the US—50.2%, according to StatCounter—has kept advertisers reliant on third-party data, though advertisers with global brands have been focusing more on strategies that do not rely on it.

## Publishers Enter New Phase of Testing Identity Solutions

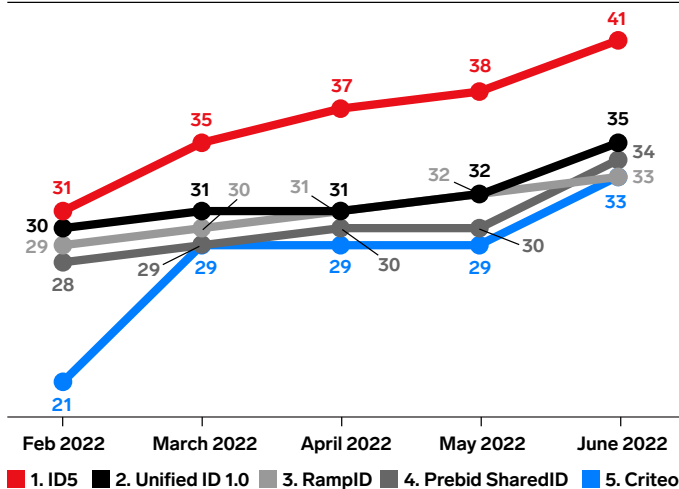
**Despite how unsettled the future landscape looks, the early challenges that defined the industry's effort to move away from third-party data—a lack of scaled demand, limited understanding of the different solutions—have given way to more mature ones.**

Industry participants are resigned to the thinking that replacing third-party data will require a patchwork approach, with some combination of deterministic and probabilistic IDs, contextual targeting, supply-side audience cohorts, and more all stitched together in different patterns, depending on the strengths and weaknesses of a particular advertiser or publisher.

**Most medium-sized and large publishers have begun at least testing different identity solutions.** Today, the average number of identifiers running on a publisher's domain is over five, according to Sincera data. And a small number of solutions, including Unified ID 2.0, SharedID, ID5, and RampID, have established the relationships needed to operate their systems at workable scale. LiveRamp, for example, claims that 48% of consumers' time spent on the open web is spent on site domains that are, or will be, live with the company's Authenticated Traffic Solution, or ATS.

## Number of Publishers Worldwide Using the Top 5 Identifiers, Feb-June 2022\*

thousands



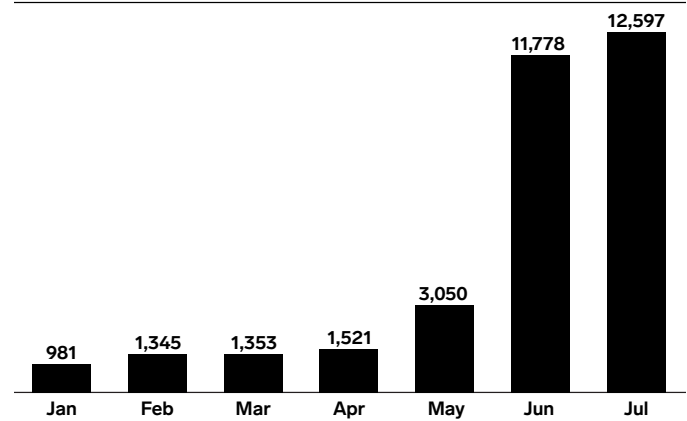
Note: based on activity on Sincera's platform; broader industry metrics may vary; \*data was pulled for the 25th of each month  
Source: Sincera, July 13, 2022

276616 eMarketer | InsiderIntelligence.com

That level of scale has given enough publishers and advertisers the trust needed to participate in tests aiming to prove that these identifiers can make incremental improvements to publisher costs per thousand (CPMs). Google noted in a blog post last year, for example, that attaching PPIDs to publisher inventory raised the revenues generated by those impressions in Google Ad Manager by 15% or more. "We can see, and we know, there's an increase in revenues from it [today]," said Mike Racic, president of Prebid.

**Since Google's announcement, the number of publishers attaching PPIDs to their inventory grew more than twelvefold,** according to Sincera data. Those kinds of case studies, when they come from partners with access to significant demand, can help motivate publishers quickly.

## Number of Publishers Worldwide Using Google's Publisher Provided Identifier (PPID), Jan-July 2022



Note: represents activity on the Sincera platform, broader industry metrics may vary  
Source: Sincera, July 13, 2022

276609 eMarketer | InsiderIntelligence.com

Identity providers ranging from Lotame to LiveRamp to Prebid (which administers the free, open-source SharedID) have begun publishing case studies showing publishers there is an economic incentive to attaching more IDs to their inventory.

## Still Too Many Identifiers in Market

Most stakeholders interviewed for this report agree: When the dust settles on the post-third-party cookie landscape, the market will support a small handful of identifiers, somewhere between five and 10.

- There are currently about 90 available on the US market, according to research conducted by Prohaska Consulting.
- The market conditions that will spur consolidation—venture capital drying up, insurmountable differences in scale—are still far away on the horizon.
- Publishers looking to test a variety of identity solutions often pay significant financial and development costs.



While publishers can test the effectiveness of identifiers in isolation, their ability to compare them with one another is limited. Because of the way SSPs and DSPs communicate with one another, any publisher that attaches multiple identifiers to their inventory has no way to tell which identifier led to one of their impressions being sold, making it difficult to assess which identifiers are worth the technical and financial investment.

**“If I can’t tell which vendor is providing the lift, I don’t know where to invest.”**—Scott Messer, Senior Vice President, Media, Leaf Group

## The Open-ish Web?

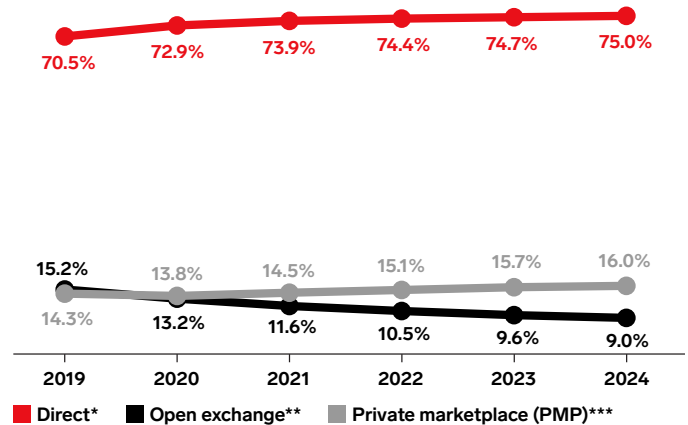
Removing third-party cookies will eliminate the scaled addressability that marketers rely on. And while some identity providers claim they can deliver scale that marketers are used to, the industry’s largest buyers and sellers are also changing the way they do business—partly as a hedge against coming scale challenges and partly to achieve other strategic goals.

Display budgets have begun to shift away from purely open auctions and into more controlled ones. This has been the trend over the past decade, as programmatic has grown into the dominant model for deploying digital advertising. In 2013, one year after Facebook went public, 74.5% of programmatic display ad spending happened in open auctions. Today, the opposite is true: direct spending, the kind done with large social platforms such as Facebook, will account for 74.4% of programmatic display ad spending this year.

Even with direct spending taken out of the picture, the market is growing increasingly private. In 2020, the amount of money spent in open auctions and private marketplaces was close to equal, with each representing more than 13% of US programmatic ad spending. In 2022, private marketplaces will represent about 15% of programmatic ad spending in the US, and that figure will continue heading upward, according to our estimates.

## US Programmatic Ad Spending Share, by Transaction Method, 2019-2024

% of total programmatic digital display ad spending



Note: includes native ads and ads on social networks like Facebook and Twitter; includes advertising that appears on desktop/laptop computers, mobile phones, tablets, and other internet-connected devices; \*includes all programmatic ads that are transacted as blocks of inventory using a non-auction-based approach via an API; \*\*includes programmatic ads transacted through a public real-time bidding (RTB) auction in which any buyer or seller can participate, also known as open auction or open marketplace; \*\*\*includes programmatic ads transacted through an invitation-only RTB auction where one publisher or a select group of publishers invite a select number of buyers to bid on its inventory  
Source: eMarketer, May 2022

276229 eMarketer | InsiderIntelligence.com

That shift has coincided with a significant increase in spending. Between 2020 and 2022, the US programmatic ad market for publishers will grow 65.3%, per our estimates.

## Supply Side Is Building Stronger Relationships Through SPO

SSPs have been key figures in the spending increase.

Over the past couple years, many ad buyers have been trying to eliminate waste and inefficiency from the programmatic landscape by cutting different intermediaries out of the buying process. This effort to streamline, referred to as supply path optimization (SPO), has motivated SSPs to forge more direct links to buyers.

To catch and keep the attention of brands and agencies, SSPs are both building deal-making interfaces and operating their own specialized marketplaces. They have continued to make those moves in 2022, and the results are beginning to show up on their balance sheets.

In Q1 2022, for example, PubMatic disclosed that 27% of its revenues came from what it described as SPO deals: direct commitments from agencies and brands to spend minimum amounts of money through PubMatic’s platform. For comparison, PubMatic generated just 10% of its revenues from SPO deals two years ago.

SSPs have launched numerous initiatives in 2022 designed to bring advertisers closer to the ad inventory supply they aggregate:

- **Larger SSPs are finding ways to partner directly with large demand sources.** In some cases, they are using their technical expertise to forge partnerships. In February 2022, media agency GroupM launched the GroupM Premium Marketplace, using Magnite and PubMatic as the connective tissue.
- **Others are trying to give ad buyers more ways to use their first-party data to find potential publishers to partner with directly.** In May 2022, PubMatic launched Connect, which allows advertisers to use their first-party data to find direct matches or build cohorts that can be targeted across the publishers that use PubMatic.
- **Some SSP moves have been focused on curation.** Magnite, for example, recently launched Sustainable Stream, a private marketplace designed to bring together advertisers and publishers that are focused on environmental issues.

**SSPs are also leaning further into their roles as technical facilitators.** By providing infrastructure for publishers to easily implement identifiers and other vendors, SSPs have kept themselves integral to publishers' planning.

PubMatic was the first SSP to add this functionality with Identity Hub, but it's not the only one. In 2021, Amazon's SSP, Amazon Publisher Services, launched a marketplace that, among other things, allows publishers to attach identifiers to their inventory.

In the Advertiser Perceptions survey, 62% of publishers said they were using SSPs and other monetization partners' audience authentication/ID graphs, up 10 percentage points from 2021.

**When asked which external partners they're involved with for discussions on addressing a future without third-party identifiers, 70% of publishers said SSPs.** That was the leading response ahead of advertisers, measurement partners, marketing technology partners, agencies, and ad networks/exchanges, among others.

The industry's broader embrace of SPO, as well as the coming privacy reorganization, have created an opportunity that SSPs are embracing: to become curators and packagers of sought-after ad inventory for ad buyers.

"The SSPs are pushing really hard to make sure they can help provide that ad network layer," said Bruce Biegel, senior managing partner at Winterberry Group. "There's a feeling like we may see consolidators as opposed to auctions. We could very much see aggregators of open web inventory—not RTB [real-time bidding], more white-glove service, more data applied against segmentation, but done in a privacy-safe way. If they can act as the consolidator of inventory, plus identity, they're going to pick up traction."

## Demand Side Is Flexing Its Muscle

As the ad buying interfaces of choice for many of the largest advertisers, DSPs have market-making power rivaled only by large platforms, including Google (which itself operates Display & Video 360, a market-leading DSP). In a mirror image of SSPs, some have sought to bring some of the most sought-after sources of supply closer.

**Over the past six months, The Trade Desk has significantly expanded the number of publishers set to participate in OpenPath.** Billed as a way of supporting high-quality journalism, OpenPath is a private marketplace that more than 100 publishers are hoping to participate in. OpenPath also helps The Trade Desk lower its costs, giving its clients an easier path to some of the internet's most coveted sources of display inventory.

**Rather than having to keep tabs on industry resellers, OpenPath only offers access to publishers large and sophisticated enough to accept bids directly.** "The industry is moving toward more efficiency," said Chris Kane, founder and president of the programmatic consultancy Jounce Media. "Listening to the bidstream is very expensive."

## Other Vendors Battle SSPs and DSPs for Publishers' Attention

**In ad tech, it is not uncommon for partners to eventually become competitors, as vendors seek to broaden the role they play in the ad tech ecosystem.** The coming privacy changes, as well as the industry's current preoccupation with SPO, have intensified this dynamic. In addition to SSPs and DSPs cozying up to the opposite sides of the market, other intermediaries are expanding their offerings, hoping to forge direct connections to both buyers and sellers as the market rethinks how it accesses supply and demand.

For example, Permutive, a data management platform that built its customer base by helping publishers manage their first-party audience data, spent 2022 aggressively marketing Vaults, a clean room-type solution that allows marketers to upload their own first-party data into a secure environment where it can be matched with relevant publisher audiences.

**“A lot of what we’re thinking about is how we can better enable a new infrastructure for the open web. We’re really trying to think about existing use cases and rearchitect them.”**—David Reischer, Product Manager, Permutive

Similarly, vendors that had been focused on ad buyers are taking the opportunity to build relationships with publishers. For example, both Integral Ad Science (IAS) and DoubleVerify, the rival ad verification firms, now offer supply-side contracts, where each company guarantees a certain amount of demand to publishers.

Those supply-side deals are the fastest-growing revenue stream for both businesses, according to recent regulatory filings. In Q1 2022, IAS’s supply-side business grew more than 80% and now accounts for nearly one-sixth of IAS’s business; DoubleVerify’s supply-side business grew 61%, faster than any other segment.

## Publishers Betting on the Upside of Their Own First-Party Data

**Publishers see the coming changes as an opportunity to wrest control back from marketers and intermediaries. After watching an entire industry of middlemen slow their sites down and diminish the value of their audiences, publishers are now focused, first and foremost, on making sure the pendulum swings as far back in their direction as possible.**

Despite industry consensus that it will take multiple solutions to overcome third-party cookie deprecation, publishers are more focused on their own data than anything else.

- More than 8 in 10 publishers (81%) are using their own first-party data to prepare for the loss of targeting, according to Advertising Perceptions. That figure is 19 points higher than the next most common response.

- Less than half (45%) of publisher respondents to the IAB survey said they had enough first-party data to weather the storm caused by the end of third-party cookies. Another one-third said they’d get there in 2022.

**That fixation on first-party data is at odds with the more balanced approach now being taken by the advertising ecosystem at large.** The IAB survey found that increased spending on first-party data is in a virtual tie with several other choices, including increased spending on contextual targeting and increased engagement with third-party industry groups looking to build post-cookie solutions.

### How US Data Leaders Expect the Coming Changes to Third-Party Cookies and Identifiers Will Affect Their Company's Use of Data, 2021 & 2022

% of respondents

	2021	2022
Change our approach to attribution modeling (e.g., model types, teams to run the models)	26%	42%
Expand our engagement with third-party industry groups seeking to build "post-cookie" identity resolution solutions	27%	43%
Increase focus on developing custom/in-house identity resolution solutions	39%	42%
Increase spending/emphasis on contextual advertising	24%	42%
Centralize all customer/customer relationship management (CRM) data into one repository (or begun efforts to do so)	35%	41%
Increase spending/emphasis on use of first-party data	42%	41%
Increase interest in third-party identity resolution solutions	30%	37%
Change our approach to campaign and audience measurement	45%	34%
Conduct an audit of our third-party data providers and other supply chain partners	18%	32%
Increase use of AI solutions for consumer insight development and marketing decision-making	31%	31%

Note: 2021 n=121; 2022 n=125

Source: Interactive Advertising Bureau (IAB), "State of Data Report," Feb 8, 2022

273124

eMarketer | InsiderIntelligence.com

Those shifts partly reflect the reality that, after making spending on first-party data a top priority last year, several marketers and publishers ticked that box and simply moved to the next item on their privacy to-do lists.

### Clean Rooms Have a Hard Ceiling

But the changes also reflect two separate problems with publisher first-party data, neither of which can be solved quickly.

## How Publishers Can Approach the Third-Party Data Challenge

**In an industry known for changing rapidly, the end of support for third-party data can seem surreal. But even with Google's deadline more than a year away—and uncertainty swirling around whether that deadline will even stick—there are many things publishers can expect.**

### Make Your Own Quilt Pattern

Most everybody interviewed for this report agreed that the third-party cookie will not be replaced by a single solution. Publishers will have to figure out a combination of solutions that allows them to capitalize on changing advertiser attitudes toward a number of ad targeting practices, including contextual targeting, retargeting, matched audiences, and others.

### Participate in Initiatives that Build Industry Power Around Publisher-Centric Solutions

Many of the products and initiatives that publishers are most excited about are quite new and have yet to gather traction among ad buyers. Building advertiser trust in things such as seller-defined audiences must be built one deal at a time, and they will be crucial, especially for publishers that do not have the scale or technical expertise needed to test and incorporate different identity solutions.

### Continue to Stay Focused on Solutions that Minimize Data Leakage

Publishers will have to test and optimize their approach to selling in ways that minimize data leakage. As the market acclimates to its more balkanized state, publishers have an opportunity to shape how ad buyers access the inventory they want.

**The first issue involves scaling first-party data to the level reached with third-party data.** Among publishers that can attach their first-party data to audience email addresses, the coming era has many of them dreaming about forging direct data-matching partnerships with advertisers, using clean rooms to sync their audiences with advertisers' customers or prospects, then surgically targeting those people with well-tailored, high-CPM ads.

- **Publishers have invested in the opportunity.** Sixty percent of publishers are already using more than three different clean room solutions to sync data up with advertisers. "The adoption's been rapid," Biegel said. "We do think that when you look out over the next three years, clean rooms will be as ubiquitous as CDPs [customer data platforms]."
- **But clean rooms can't duplicate the reach of third-party data.** Despite continued efforts from publishers and marketers alike to amass more first-party data, neither side is close to achieving the scale that third-party data offered, even though the quality is better. Internal research conducted by Yahoo, which operates its own DSP and has both deterministic and contextual identity solutions in market, estimates that 75% of the internet's users will still be anonymous by 2024.

**The second issue involves gaining industrywide trust on the buy side.** Many publishers remain excited about seller-defined audiences, a standard developed by IAB for describing and identifying cohorts of audiences, which publishers can use to identify their audiences without third-party cookies.

But the gatekeepers to the largest sources of demand will need to be convinced that seller-defined audiences work before they invest in them. "The only way we get there is buyer adoption," said Brian Chisholm, senior vice president of strategic partnerships at OpenX.

## In the shift to a more equitable digital world, email newsletters rise to the top

This sponsored article was contributed by [LiveIntent](#).



*Rachel Rubin, Vice President,  
Customer Success, LiveIntent*

Whether it's Google promising to deprecate third-party cookies or Apple killing the Identifier for Advertisers, publishers have good reason to monetize their digital properties in ways that are less susceptible to third-party disruption and market volatility. The good news is that publishers don't need to reinvent the wheel to protect their futures.

Solutions live in the logged-in media that publishers already own and operate, not within walled gardens. We're talking about email newsletters, which provide audiences with innovations like native ads and direct-sold deals.

Today's audiences see newsletters as an extension of a publisher's digital properties. By investing in email newsletters, publishers create more valuable experiences for their audiences, build stronger one-to-one relationships, and grow their first-party data footprint. This is critical to an identity-driven future and for mitigating third-party disruption. Savvy publishers are already investing. In fact, **65% of publishers** believe email is a vital component of their first-party data strategy and are building robust newsletter programs to prepare for the future while also driving revenues today.

With newsletters, publishers can access a plethora of first-party data signals that drive revenues. They can construct deals focused on audience quality or customers' engagement with specific categories—like sports fans or health and wellness enthusiasts, for example—in addition to size. Furthermore, newsletter content and ad engagement data can help publishers uncover reader behavior. By examining content engagement in a given category, publishers can create more appealing and relevant audience segments for specific partners.

Publishers can also up the ante with native advertising in email. Those wary of monetizing their newsletters because of reader experience concerns can rest easy.

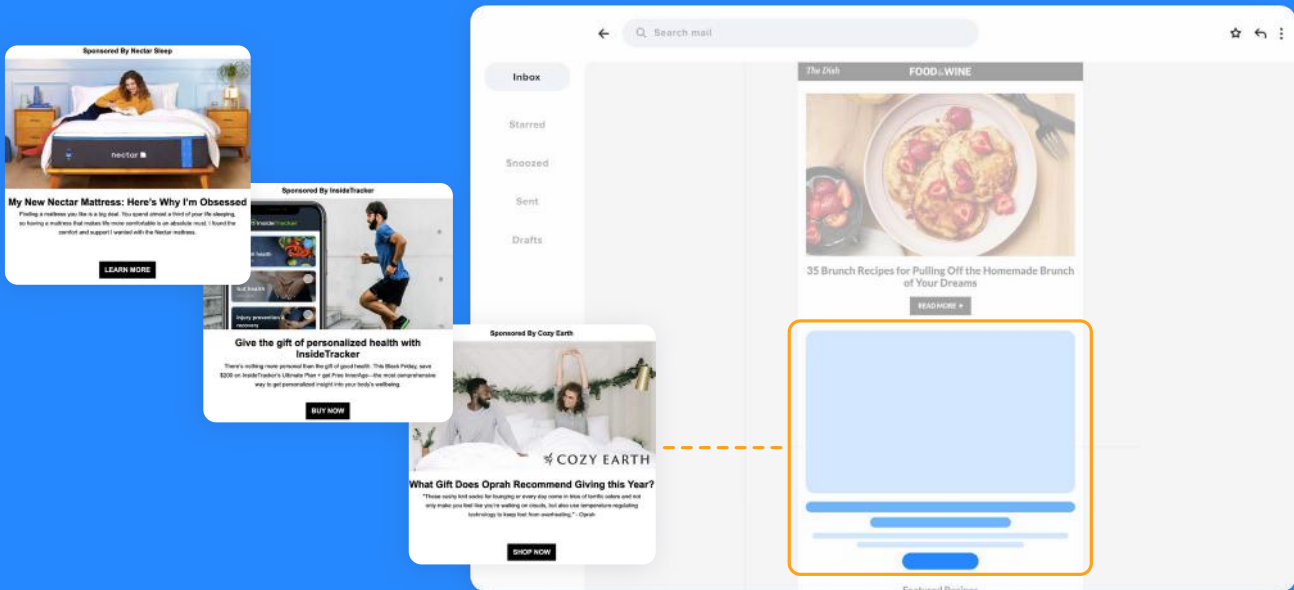
With native ads, publishers can seamlessly blend sponsored content with editorial content to monetize without disrupting the reader experience. Thanks to improvements in technology and solutions like [LiveIntent's Native Ad Blueprints](#), publishers no longer have to hardcode native ads for every email they send.

While third parties continue to shakeup the digital advertising landscape, publishers and advertisers are taking control by moving toward direct-sold deals. Advertisers want direct relationships with publishers because they recognize the benefits of access to rich first-party audience insights, premium inventory, brand-safe content, contextual targeting, and sponsorship opportunities in front of captive audiences. These direct relationships have become so critical to advertisers that more than 70% of publishers with subscription businesses plan to grow direct-sold advertising revenues, according to Digiday+ Research. Moreover, by running campaigns within email, advertisers and publishers can improve their marketing wherever people are paying attention, furthering advertiser and publisher control. By running campaigns within email, advertisers and publishers also get their data back enhanced and ready to be used across the marketing ecosystem.

Industry forces will continue to drive disruption well beyond the cookiepocalypse—but some things will remain constant. Consumers will always demand an experience that feels relevant to them, advertisers will always want to get their message in front of the right audiences, and publishers will always want to generate enough revenues to support their editorial content while also maintaining a positive reader experience. The way the industry is leaning on existing solutions to navigate third-party disruption tells us everything we need to know about the future and how to successfully adapt. The industry is shifting toward a more equitable digital world to create an improved value exchange for all involved. **Solutions that enable the equitable use of data** and prioritize the user experience—and those that leverage them—will always reign supreme.



# Build premium ad experiences your readers will love



With LivelIntent's **Native Ad Blueprints**, you can elevate ad experiences to further delight your readers and unlock revenue, all while alleviating operational friction. Visit us to learn how Native Ad Blueprints can help your team:



Design ads that match your newsletter template



Save time and effort while expanding your ad products



Drive revenue with premium ads

“Native Ad Blueprints have allowed us to **add native inventory to our email newsletters in an efficient way**. With the Native Curated Package program, LivelIntent has been able to bring us high-quality, content-aligned demand, which has been a good complement to our current monetization efforts. We’re also looking forward to our sales team selling the native package units as a part of our email media kit.”



**Ben Grant**  
Director of Email and Identity Marketing, Media & Technology  
**RED|VENTURES**

[Learn more](#)

## Insider Intelligence Interviews

Insider Intelligence and eMarketer research is based on the idea that multiple sources and a variety of perspectives lead to better analysis. Our interview outreach strategy for our reports is to target specific companies and roles within those companies in order to get a cross-section of businesses across sectors, size, and legacy. We also look to interview sources from diverse backgrounds in order to reflect a mix of experiences and perspectives that help strengthen our analysis. The people we interview for our reports are asked because their expertise helps to clarify, illustrate, or elaborate upon the data and assertions in a report.

**Paul Bannister**

*Chief Strategy Officer*

**CafeMedia**

*Interviewed June 21, 2022*

**Julia Belanger**

*General Manager, Zeus Technology*

**The Washington Post**

*Interviewed June 17, 2022*

**Bruce Biegel**

*Senior Managing Partner*

**Winterberry Group**

*Interviewed June 21, 2022*

**Brian Chisholm**

*Senior Vice President, Strategic Partnerships*

**OpenX**

*Interviewed June 30, 2022*

**Travis Clinger**

*Senior Vice President, Addressability and Ecosystem*

**LiveRamp**

*Interviewed June 21, 2022*

**Mario Diez**

*CEO*

**Peer39**

*Interviewed June 23, 2022*

**Will Doherty**

*Vice President, Inventory Development*

**The Trade Desk**

*Interviewed June 29, 2022*

**Jeff Hirsch**

*Chief Commercial Officer*

**PubMatic**

*Interviewed June 30, 2022*

**Eric Hochberger**

*Co-Founder and CEO*

**Mediavine**

*Interviewed June 29, 2022*

**Chris Kane**

*Founder and President*

**Jounce Media**

*Interviewed June 16, 2022*

**David Kohl**

*President and CEO*

**TrustX**

*Interviewed July 6, 2022*

**Garrett McGrath**

*Senior Vice President, Product*

**Magnite**

*Interviewed June 28, 2022*

**Scott Messer**

*Senior Vice President, Media*

**Leaf Group**

*Interviewed June 15, 2022*

**Nicole Perrin**

*Vice President, Business Intelligence*

**Advertiser Perceptions**

*Interviewed June 22, 2022*

**Matt Prohaska**

*CEO and Principal*

**Prohaska Consulting**

*Interviewed June 15, 2022*

**Mike Racic**

*President*

**Prebid**

*Interviewed June 28, 2022*

**David Reischer**  
Product Manager  
**Permutive**  
Interviewed June 29, 2022

**Mathieu Roche**  
Co-Founder and CEO  
**ID5**  
Interviewed July 14, 2022

**David Spiegel**  
Chief Revenue Officer  
**G/O Media**  
Interviewed June 13, 2022

**Ratko Vidakovic**  
Founder  
**AdProfs**  
Interviewed June 16, 2022

**Briian Wilson**  
Vice President, Media Acquisitions  
**Epsilon**  
Interviewed June 28, 2022

## Editorial and Production Contributors

Anam Baig	Director, Report Editing
Rahul Chadha	Director, Report Editing
Jason Clinkscales	Senior Report Editor
Matthew Corkins	Copy Editor
Justin DeVoursney	Graphic Designer
Joanne DiCamillo	Senior Production Artist
Magenta Fox	Senior Chart Editor
Donte Gibson	Senior Chart Editor
Katie Hamblin	Director, Charts
Dana Hill	Director, Production
Erika Huber	Line Editor
Ann Marie Kerwin	Vice President, Content
Kyndall Krist	Copy Editor
Na Li	Director, Primary Research
Penelope Lin	Senior Copy Editor
Reuben Loewy	Director, Report Editing
Jennifer Merritt	Executive Editor
Stephanie Meyer	Product Specialist
Heather Price	Senior Director, Managing Editor
Erika Skorstad	Copy Editor
Rachel Tatarek	Senior Copy Editor
Amanda Woodman	Copy Editor
Julia Woolever	Senior Report Editor
Ali Young	Senior Copy Editor



# Power your next move with clear and credible insights.



## Stay informed with daily newsletters

Keep up with timely digital trends delivered straight to your inbox.

[Learn More](#)



## Get the bigger picture

Our research is trusted by industry leaders. Over 100,000 business decision-makers, including many of the Fortune 1000 and most major media companies and agencies, subscribe to Insider Intelligence research.

Learn if your company [subscribes](#).



## Learn more about ad spending trends

For more coverage, visit our [website](#).

## We are here to help.

If you are an eMarketer research client and have questions, please contact [ii-help@insiderintelligence.com](mailto:ii-help@insiderintelligence.com).

If you are not a research subscriber, please send inquiries to [ii-sales@insiderintelligence.com](mailto:ii-sales@insiderintelligence.com).

To learn about advertising and sponsorship opportunities, contact [advertising@insiderintelligence.com](mailto:advertising@insiderintelligence.com).