Cross-channel and cookieless: How measurement will evolve in 2021

30-second summary:

- The pandemic has caused major shifts in the way that advertisers operate, making it more critical than ever to be able to prove ROI and make every ad dollar count
- The inability to track reach and frequency is one of the biggest problems with cross-platform ad measurement that marketers face
- As marketers enter the new year, they will need to have measurement solutions in place that account for cross-channel, cookieless, privacy, and walled gardens
- Early adopters of cross-channel measurement, truly cookieless solutions, privacy, and consumer-centric policies, and data collaboration will gain insights needed to ensure future success

Marketers have faced an incredible number of challenges over the past year. The demise of third-party cookies, the loss of device identifiers, and evolving privacy regulations have forced the industry to come up with new solutions for identity. With consumer behavior shifting rapidly and market volatility expected to continue this year, proving ROI with accurate measurement will be more important than ever. Half of U.S. marketers say the inability to track reach and frequency is still one of the biggest problems with cross-channel ad measurement. Better measurement solutions are needed.

Advertisers need to take the time now to evaluate their

measurement solutions in order to ensure every dollar spent has a purpose. Marketers should look for solutions that overcome measurement challenges and form a single view of the customer journey. Only then can they truly improve the customer experience by delivering personalized messages and offerings based on insights gleaned. In 2021, measurement solutions will evolve and improve to account for cross-platform, cookieless, consumer transparency, and walled gardens.

Cross-platform measurement will enable flexibility and control for TV and other mediums

Recent trends indicate that consumers are purchasing multiple streaming services and cutting the cord at an alarming rate. As consumer behaviors and viewer fragmentation across a range of digital mediums and streaming platforms accelerate, it’s important for advertisers to measure cross-platform reach and frequency in real-time and adjust course quickly if needed. This is nearly impossible to do using traditional TV metrics.

To determine where and how to best reach the consumer, measurement offerings must capture cross-channel metrics and normalize disparate data sets to better understand the actual viewer. For example, one spouse might be responsible for all the streaming subscriptions in a household while another manages cable and internet. To further confuse the issue, their online and offline purchases might be equally mixed.

With more accurate cross-screen metrics and measurement tools, including impact and reach, advertisers can track spend against specific KPIs to determine true ROI within a set audience. As advertisers and distribution players adopt new measurement solutions in 2021 and report these metrics more

accurately, the industry will be forced to embrace flexibility in areas that have traditionally lacked agility and required firm budget commitments.

More accurate measurement gives advertisers key insights that require flexibility for optimizations and the need for more real-time control with TV and premium video. Measurement offerings that capture metrics across OTT and linear and link impact to actual outcomes will take center stage in the new year as advertisers are forced to prove ROI and can no longer rely on traditional TV metrics.

The deprecation of third-party cookies acts as a catalyst to better measurement

With less than a year before Google pulls the plug on third-party cookies and the simultaneous restrictions placed on certain mobile identifiers such as IDFAs, the advertising ecosystem is responding with a flurry of identifiers of their own. Despite this, the industry has yet to establish a standard for a universal way to measure reach without cookies, creating confusion in the marketplace and reinforcing the need for secure, privacy-conscious, and interoperable identity solutions that maintain neutrality.

Campaigns using people-based identifiers rooted in authenticated user data perform better across key metrics such as return on ad spend, cost per view, and cost per mille. In fact, certain types of cookieless solutions make it easier to measure results and prove ROI. Campaigns will be people-based and nearly 100 percent addressable—allowing advertisers and publishers to uncover undervalued inventory and see an improvement in their overall performance.

The industry is working diligently to build a better ecosystem

– one with trust and transparency – that isn't reliant on unstable identifiers like third-party cookies. A stronger, trusted ecosystem will ensure advertisers can measure across all consumer touchpoints long after the third-party cookie disappears. This helps to ensure the most relevant, tailored messages reach customers across channels – which ultimately leads to an increase in brand loyalty that will help strengthen businesses and improve outcomes for marketers and publishers alike in the post-cookie world.

Measurement evolves with privacy at its core

As privacy regulation continues to evolve, our industry faces a complex challenge – regaining consumer trust. There's a conscious effort and trend towards consumer transparency, and that's not going away. Thus, in addition to adhering to the law, advertisers are updating their policies to ensure transparency about how consumer data is being used. We need to do a better job of explaining that the data individuals share is part of a mutually beneficial value exchange that's essential to developing products and services that serve consumers better.

As consumers engage across media – they opt-in, log-in, subscribe – and identify themselves in different ways. This data can be used to build and scale the right audiences and enhance measurement to better under which tactics are moving the needle on business outcomes. Advertisers should only use measurement solutions with privacy at the core to ensure the delivery of a seamless customer experience on the individual's terms.

One example of where measurement is headed is LiveRamp's integration with Google's Ads Data Hub. This approach enables first-party data linkage to Google data within the ADH environment in a privacy-first way. An individual's data

cannot be directly viewed, edited, or manipulated in ADH, but actionable insights can be extracted.

Amazon sets the bar when it comes to understanding and measuring the customer buying journey and then executing against that data. Marketers are looking to create that type of measurement engine, without moving data or comprising privacy, that will form data partnerships to fill in the gaps in their line of sight, leveraging data from outside their four walls to measure the customer journey along with all endpoints.

The industry will embrace data collaboration to improve measurement

Walled gardens offer a prime example of how access to data at every point along the customer journey unlocks measurement of the whole customer experience. Following this example, consumer brands will seek to build a strong data foundation to form a unified view of the customer, then to optimize marketing touchpoints as part of the larger improvement to the customer experience. We're seeing CPG brands analyzing sales lift by comparing data from retail partners to understand the holistic shopping journey of each customer.

As The Winterberry Group found in their January 2021 report 'Collaborative Data Solutions', one of the areas with the greatest adoption today is for insight and analysis. Data collaboration will only become more important as marketers strive to measure results and optimize budgets. With the right privacy-conscious structures in place, data science and analytics teams will be able to work across data sets, accelerate analysis, and forge a level of insight that is deeper than ever before.

Conclusion

After the year we had, evolution in measurement is imminent. In what will likely be another financially-difficult year, proving return on advertising investment will be the driving force behind this progression to more accountable metrics delivered with more speed.

Early adopters of cross-platform measurement, truly cookieless solutions, privacy and consumer-centric policies, and data collaboration will provide customers with the best in class experience today and reveal insights needed to ensure future success.

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More about:

https://www.searchenginewatch.com/2021/02/23/cross-channel-and-cookieless-how-measurement-will-evolve-in-2021/