



## Next in Marketing | AppsFlyer

### Episode 7: Why It's Becoming Much Tougher For Brands to Use Consumer Data for Marketing Purpose in the Shift Toward a Privacy Centric Ecosystem

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Mike (19s):

Hey guys, this is Mike Shields. And this week on Next in Marketing, I got to talk to Peter Randazzo, who is the global Chief Technology Officer at Merkle. I asked Peter to try and help me understand what Apple is doing with IDFA and what that means for the mobile app world. How the ad industry is dealing with both the death of the cookie and lots more regulation, and why it's going to be that much more challenging in the coming years to track consumers across devices. And just to figure out what parts of your ad spending actually working let's get started.

Mike (43s):

Hi everybody. My guest today is Peter Rendazo. Peter, you've a really big title, you're global chief technology officer, correct.

Peter (50s): That's right.

Mike (51s):

And that's for Merkle?

Peter (52s):

That is for Merkle as well as for the CRM line of business for the Dentsu Aegis network.



Mike (58s):

So that's all of Dentsu, all of global. So I imagine that means you help people keep their printers connected. That's where my mind first goes - chief tech guy.

Peter (1m 7s):

That's exactly right now, I'm all in the client side, data and technology. So for my line of work, it's all about ensuring that the right data and the right identity get used to drive the right outcome for our clients.

Mike (1m 23s):

Which is an extremely big issue in industry to begin, with and now all of a sudden, the reason we wanted to talk to you now is there's so much interesting stuff going on when it comes to tracking consumer's identity and the future of digital marketing. And I feel like you and I talked before the podcast - there's so much else going on, obviously with the coronavirus and the economy and now in our world, the Facebook advertising boycotts. I don't know if everyone's totally paying attention to these. Some big things are happening. And at the top of the list, I think is what Apple's doing with IDFA. Usually, I, I like to play dumb with my questions.

Mike (2m 0s):

In this case, I don't actually have to pretend like this is confusing this topic, but I know it's a big deal. They are changing the way that brands can use tracking identifiers with marketing apps and other things. Maybe you can just tell about, tell us what's going on with Apple.

Peter (2m 14s):

So this is the latest in Apple's volleys towards limiting what identifiers can be used on their devices. It's all really about their user experiences, which is usually what they put forward first. So it started with cookies. In which case several years ago, over the course of the last few years, they



have been whittling away the efficacy of third party cookies and third party tracking in the Safari browser. That's right. This is now similar thinking now in the app ecosystem.

Peter (2m 44s):

So this first foray, which should be coming out with version 14 iOS later this year, it will make the use of IDFA for tracking or force the IDFA's for tracking to be an opt in regime would mean that whenever an app wants to use it for tracking a popup will come up saying, are you sure you want to allow this for tracking? Yes or no? It will be used and shared in the way that say some of those cookie popups at the bottom of browsers do, and it's opt-in meaning that someone can say no.

Peter (3m 17s):

So that means that the IDFA, which has been on the op side, tracking of all these different third parties, sharing device IDs, without users knowing are starting to be brought to the light.

Mike (3m 25s):

Okay. So what happens now? I come out with a really cool social app. I launch it, I want to market it. And I'm able to use some kind of third party to help me figure out, okay. If I use paid advertising, it worked, it got X amount of people to install things I'm using in app advertising, stuff like that. And maybe it's not as powerful as using retargeting with a cookie, but it's pretty good. And now it's going to change, right? What does that look like?

Peter (3m 50s):

So there still will be in-app advertising and there still will be people who say yes, you know, like of course track me or they just click it without thinking about it. So that's true. So set that aside. What we're going to talk about is for the people who say no. So for the people that are saying, no, there still will be like, you can incite behavior. You still can target by, they are interested in this type of app and the content that it brings, what you just won't be able to do is to match that ID to some other third party.



Peter (4m 21s):

So they can get this person thereafter represented by the device ID in that app. So if I own an app, what that means is, is that for the subset of my marketers that are targeting by specific person or data, that's third outside to my app that will have less efficacy by definition.

Mike (4m 42s):

So I'll still be able to know if certain ad channels drove downloads, right? I guess I'll still know. It's not like I will have no idea what happens with my marketing and mobile, but it will be far more limited than it is now.

Peter (4m 55s):

IDFA is one form of pseudo anonymous ID similar to the way a cookie might be. It stands in as a proxy for a person. Some of those ID's end up in reporting and attribution systems so that you can get a very detailed and granular measurement of what happened over the course of the last few years. Both of those particularly on the cookie side has been under, under a tax, probably the wrong word, but it has increasingly yes, exactly. Getting squeezed. So this way you can see less and less in the grain, larger platforms keeps that data more to themselves.

Peter (5m 28s):

And it means that you can't get as much as data in the grain, in the individualized grain. But that doesn't mean that you don't get reporting out of platforms for downloads and you don't get reporting from your own application of usage and advertising platforms don't know about spend. It just means that the grading of the individualized homework is more difficult.

Mike (5m 49s):

I can. I can completely see the worry here. I remember tell me if you read, there was so much worry about when GDPR was coming along and then I'm not saying it didn't have any



ramifications, but so many people just started checking those boxes and didn't think about it. And it doesn't seem to be like a huge consumer upswell or of interest. And that could this play out the same way, where we were all, we all just start doing that on our phones and nobody thinks about it or is, or is Apple different? Are phones different?

Peter (6m 13s):

Well, there are two parts. First on the GDPR itself. Let's get into that. That is, the jury's still out on GDPR. It's just, we have this thing where you have, you know, a lot of these problems are long term changes. So it kinda like, like a frog in a boiling pot. It takes a little while, right?

Mike (6m 30s):

Yeah. We just move on to the next thing and we forget about it.

Peter (6m 32s):

So in this circumstance with GDPR there, if you read the guidelines, it does seem like, you shouldn't gate content for the checkbox, like make it so that you're holding back the content and force people to check. Yes, you can use my cookie. Right. But that said,

Mike (6m 50s):

You can't, you can't nudge somebody into compliance by coercing them.

Peter (6m 56s):

Yeah. Like it's effectively coercing for their desire right. Now on my advertising hat, I'll say that's a trade of value. Right. But that's the logic therein, however, that is subject to interpretation by the local governments within the EU, right? So there is all these little suits going on. That would be a whole different podcast if we spend a lot of time talking about it. But the end result is the jury is still out about whether or not content can be gated. And if content can be, there is still a very



strong third-party cookie marketplace, regardless of those plugins, it's just basically an annoying gate that everyone's going to click, just like you said.

Peter (7m 30s):

That said, if it comes to pass that you can not gate content more and more people will uncheck that box or not have it at all.

Mike (7m 39s):

Okay. So we think that might play out in mobile a little bit differently.

Peter (7m 44s):

So in mobile, it is a opt-in meaning it is the user's choice, affirmatively. It's not just, can't be by default, you have to check it. And there is no governmental rule on this meaning apps can gate better functionality hiding behind this choice. Right? Right. So what if we were running an application and that application was it's success for monetization was predicated on IDFA, what you would do is gate your better content behind that choice.

Mike (8m 13s):

I'm going to give you the, the crap version of my game, unless you really opt in. So I can do what I wanna do, whatever.

Peter (8m 18s):

That's exactly right. So that, and there's nothing to stop that from happening. And from Apple's point of view it's a matter of the transparency, at least in this current moment in time is the most important part making users aware of which application can use their IDs beyond the bounds of the app itself.



Mike (8m 36s):

So what are you telling clients right now when they ask you about this? Is this a much bigger deal if you're in a pure app company versus like, if you're a marketer that has a lot of different channels and it's not a big deal, what does it look like?

Peter (8m 49s):

Well, in our world, we really see this as another step towards kind of an inevitable place where a lot of the, at least the ad tech ecosystem is heading. And in that circumstance, what Apple seems determined to do, and a few government regimes seem to determine, to do as well, meaning local governments - to bring as much transparency into the choice of identification as possible. The ramification of that is going to be that you've got your walled gardens, like the Facebooks and the Googles of the world.

Peter (9m 22s):

They are ginormous. They are ginormous because they apply all, they deliver a lot of value for clients and that, I mean, for users and that means they come and they're willing to have advertising on their behavior. And that's okay. So that means that those walled gardens that have a lot of scale do well, this will also create the scenario where other potential walled garden behavior can occur. So think the larger publishers of the world, the Hearst, the Conde Nast, the enormous publishers that have had scale and continue to have scale, but traditionally have not tried to gate their content, not try to get a lot of logins, not try to get a lot of authentication because they're trying to have a frictionless experience.

Mike (10m 3s):

Right, right. Unless they've got to pay a wall or something, they don't want to stop you from coming to the sites. It's too scary.



Peter (10m 8s):

But in this universe, what'll happen is, is that authenticated traffic, when, you know it's the person, because there isn't going to be a lot of, it will be highly valuable, meaning that there'll be some decent CPMs there. And then the rest will be about the power of content. So that means that potentially publishers will gate more of their content because they get higher CPMs there. And they will also benefit from the value of content in one place. Like they used to way back before, you know, the cookie became a rampant thing.

Peter (10m 40s):

So the way I see this is that you've got walled gardens and then you've got a next tier of premium publishers with enough scale for that behavior. And then you've got context as the rest, meaning that the current world of the very small blog that doesn't really get a lot of traffic, but you can pick off the same user that you find.

Mike (10m 60s):

They won in an audience targeting world, they did great. To spend a lot of money to build their site. And they got, and they got the same awesome car market guy.

Peter (11m 6s):

Right. Yeah. And to me, that's like, well, I have a soft spot for publishers. I was, I, they provide something of value in the first round of this. A lot of their value got leached out by, by that ecosystem. I think this is a round two, at least that's where they have a chance to use the value of their scale again. And that would mean that yes, the losers, I think, will be the small publishers that, and will likely be at least initially on their own. I believe it'll force a consolidation in which case they'll need to be banded together in some way or acquired, or that kind of thing will probably play out in their role.

Mike (11m 40s):



That's interesting. Do you think, you know, the digital publishing industry has been getting hammered for a couple of years now, even before the economy went South, and now they're having a really tough time layoffs, et cetera. So they could sort of reassert their power, but you worry that they're almost too beaten up to take that kind of bold step. I mean, that would take a leap, right. To start pushing people to register or identify themselves in some way.

Peter (12m 5s):

To some extent I've made a living out of trying to wake them up. Right. I know exactly what you mean in that way. Like, they in many ways during this first foray of programmatic advertising, they became quickly so dependent on low CPM type of behavior that they just needed eyeballs, that it became an eyeball game, but in this world, I mean, just if they're addicted to it, to continue with that metaphor, they are being forced to be taken off of what they're addicted to the ubiquitous world of the cheap CPMs that is driven by targeting anymore.

Peter (12m 38s):

They won't exist. It's just like, so that means there'll be cheap, what will occur. They'll be, they don't want to be that those, their context to not have any value. Right. So it's not tied to the cookie can only be tied to the place, right? Like, so, so at the end of the day, that means that publishers would scale that, you know, if you remember, I don't mean to oversimplify it, but in, in the old days prior to cookies being the thing, you know, you knew that a car and driver had car enthusiast. You knew that like, that kind of contextual behavior becomes when it's not addressable.

Peter (13m 13s): The next best thing

Mike (13m 15s):

People will hear that. And wonder if it's a, that means you're going back to like a 1990s magazine non-scientific era. It's just contextual targeting. You have to be kind of dumb and blunt. And we, we've kind of seen this coming for quite a while



Peter (13m 29s):

But to continue with this thought process, if I've got a lot of context, let's say my premium publisher with 200 million people a month, let's say that's true. And I have a seed of addressability. I've taken my premium content, the better pages. And I have put it behind a, say a paywall, but at least a login page or something like that. I gave it a small amount of my content based on my appetite for higher CPMs on those pages, those pages themselves, or in the app, same concept.

Peter (13m 59s):

They become a seed to use my content, to do a look alike on not a, not a cookie based third party data look alike on, but on the behaviors of my site, it has issues associated with it. But again, if you take into the concept that the only data that can really apply is the context around the impression. That's what you'll have to do, will look like on, right?

Mike (14m 19s):

So that's still more sophisticated than just running car ads in-car car sections. There is, there's a real science to that. Yeah.

Peter (14m 26s):

If I were on the publisher side, I would be running straight ads creating a nexus of identity and arraign my content around it in different tiers of value. We're helping some publishers without on the identity side, that, to start that story, the rest is really their play to do.

Mike (14m 44s):

Interesting. I want to get back to Apple and maybe this is I'm deliberately naive here, but why are they doing this? It's just, is it really about customer experience or do they like being on the side of privacy and the populist issue that that is, or what's their mission?



Peter (14m 59s):

Well, they are a very, very wealthy company. Let's start with that. Right. But I don't mean to be jaded in any way. The truth is, is that they have found it very good for them to be on the side of privacy. And it started with user experience. It started with cookies. This other stuff existed for awhile. But what they found is that wearing the cloak of privacy has been good for business too. So lately I would argue it started as straight up user experience. And it's morphed into it is very good for their brands to be on the side of privacy.

Mike (15m 31s):

And of course there they are not ad-dependent. They are not a Google or Facebook. Would you almost characterize them as anti advertising or is that too strong?

Peter (15m 39s):

I would make it more indifferent if it was not, they make no money from it. Right. And they generally don't have partnerships about advertising, you know, that are big, that I'm aware of. Right? So from their point of view, they care the most about people loving their devices, loving their experiences on the devices and anything that's antithetical to that as an enemy of theirs.

Mike (15m 57s):

They're not trying to stick it to anybody with this move you think?

Peter (16m 0s):

No, they're not in the same kind of war. I mean, I mean, you could look at Google as someone that they, and that they're not overly fond with. They have always have a war about what apps exist in what ecosystem, like the car play kind of fun stuff that they did with each other. But that said, you know, I mean, Apple devices dominate in the US and Android devices dominate in a lot of the rest of the world. Right. And that is because of price point more than anything.



Mike (16m 26s):

Right. They're just more expensive machines generally.

Peter (16m 29s):

Yeah. Apple is not after the part that they're not getting.

Mike (16m 35s):

Right. Okay. What about, you know, we talked a little bit about GDPR, but the California privacy law went into effect. Finally, it became a law in January, I believe. And now it was in effect as of July - what's going on there. What's the latest that you can tell us?

Peter (16m 47s):

So yes, the enforcement started July 1st. So there are very important differences about CCPA relative to say, GDPR. It is an opt out. So they mainly merely have to warn you that your data could potentially be sold and you can opt out of it. They being the user. So if the users on the publisher or on an app, they need, there is a requirement for... actually before I open my mouth any further, I just start with, I'm not a lawyer. So take nothing that I'm about to say as legal advice.

Peter (17m 18s):

But it is in its simplest of terms. It is more of an opt out meaning that you can have a default check box that if by default can enable that sharing of IDs, as long as it's transparent to the user and they have the choice to delete or get rid of, or do not sell, then you can be compliant with that. I can tell you that.



Mike (17m 39s):

Sorry to interrupt you. That kind of by nature puts the burden a little bit on the consumer. Like you got to care about this.

Peter (17m 46s):

You got to care. Yeah. So, so I can tell you that in digital spaces, on the digital side of our equations, cause we have terrestrial identity and we have digital identity. It's really, really, really low bar to just uncheck a box and say, I don't want that. I don't want that. So there's a lot of ephemeral IDs like cookies that from California where the signals for do not sell, came through initially, although that's starting to wane over time, it was like very exciting in the beginning and then not so much, but on the terrestrial side, which is where a lot of this stuff gets attached to things like email things like the person ID that is a lot, you know, it takes a longer time.

Peter (18m 27s):

You gotta go find the company. You gotta send them an email. Like you have to get verification. So at the end of the day, there has been less traction than what was worried about and much more transparency to consumers. So I think it's been a lot of work, but I don't think it's been like the nightmare scenario relative to advertising.

Mike (18m 47s):

What about, I know that there's an aspect of that law where customers have the right to see everything that you have on them basically, essentially. And it seemed like that was gonna be a real headache for publishers and brands. At one point, has most of the industry has done the work on that? Is it a big deal?

Peter (19m 3s):

It was a big deal meaning there was a lot of work. It was not a big deal. At least in the parts of the ecosystem that I personally touch in terms of the number of requests that are coming through. From my point of view, it was somewhat easier to deal with because since most of our identity



starts with a person ID, then we had a lot of things in place that are very similar in terrestrial. You do things like suppressions. You do like, like there's a lot of care about a person ID, like terrestrial data that digital wasn't good at per se, but in our connections to digital ecosystem, the signals we've been getting through most publishers have been completely on the ball and the ones that aren't just put a lot of manual processes upfront and have been automating to get rid of them.

Peter (19m 47s):

So there's no one that's not taking it seriously. It's just been, some of them did it manually. And some of them were so far ahead of the curve. It was easy for them.

Mike (19m 55s):

Would you assume much like GDPR and the California law, you kind of have to see how it gets enforced over a few months before you can really assess how it's going to go.

Peter (20m 6s):

There are two specific things that are important between these two rules. So one there's GDPR was a set of guidelines effectively that each local market had to decide. And through case law, what it really was, it was suit happens. And then a court weighs in, in their world, in the United States, or excuse me, in California, what has occurred is the law got passed. And then there were regulations, you know, defined by the attorney general of California.

Mike (20m 38s):

So a lot less of you, you figure this out kind of thing.

Peter (20m 42s):

There was a delay, meaning law then regulations and several revisions. But every time the revisions came more and more specific, the AG was trying, you know, at least in my humble



opinion, just trying to be as specific as possible so that everyone knew what his intentions and his department's intention would be in enforcing those laws.

Mike (21m 1s):

Okay. So, you know, what's interesting about that is if you go back a few, let's go back six months, there's still talk about, okay, CCPA will lead us to a national law of some kind. There was a lot of talk in the presidential campaign about, you know, this Warren kind of wanted to do a big, some kind of regulation nationally, even Trump was talking about, you know, like cracking down a big tech. Now all of a sudden, no one is talking about this because of the, you know, obviously the COVID and, and the economy. I don't know if you can answer this, but do you think we're going to gain or lose momentum in terms of more regulation in this country, national law re-interpretation?

Peter (21m 39s):

I don't know about the national appetite for the law. That's hard. What I can say that I do believe that it is, we are on inevitable track, speed is a question, but to moving towards a marketplace where we are dealing with data handoffs and the transparency they're in. So I think that it's eventually going to be true, that most of the data siphons that can exist in digital and in any sort of data marketplace will be much more transparent to the user.

Peter (22m 12s):

California. There are big markets, California, New York. Like if you get a few of those big states, which they all have some measure of this, that put in something in place like CCPA, you've already like ad tech has to react to that because it's, it is the lion's share of the digital ecosystem. And that means that regardless of the national law, there'll be transparency, there'll be controls about who can sell what data. And generally speaking, when someone like California or New York puts a stake in the ground, it generally is like a big planet that the others kind of orient around until national steps in.



Mike (22m 51s):

Although there's been some recent evidence that states do what they want to do in our world, but that's a whole nother

Peter (22m 56s):

That's a whole different conversation I'm using, I'm using clean air, tight logic in my head, right? Although that got messed up to some degree, too.

Mike (23m 7s):

Logics to maybe a dangerous word to use in this regard. We talked about what's going on with cookies and what that means for the industry. Google's, you know, eventually got to eliminate that from Chrome. It was a really interesting article this week at ad exchanger about this effort to develop an alternative by the brow, by the browser community, the W3C organization. And it was pretty grim. It didn't seem like there was, I mean, they have a lot of time, but it did not seem like there was a lot of optimism. What do you know about these various efforts to develop some kind of different alternative and where it's going?

Peter (23m 41s):

So it was a grim article and frankly, the people I know in that particular position, hoping, hoping that these efforts bear some fruit are pretty pessimistic at the time at the moment that let me just explain why. So the, if you think about what's occurring with Google pulling around it's cookie, it's not just pulling the cookie into its world, it's promoting the idea of a sandbox upon which this type of data can be at least queried and understanding or reports being under a scene, an aggregate, right?

Peter (24m 17s):

So it's got a privacy sandbox box type of behavior. So would have access to the raw, to produce reports. But what you look at is not in that kind of grain, it's in an aggregate bite audience, or what have you. And the, the, what it's trying to do is to make a safe place. That's all true, but it's



also true that internal to a big profit farm, like Google, it's going to still have that grain of information. Like it drives its business off of it. So it basically knows something that the rest of marketers do not.

Peter (24m 50s):

So that sandbox idea makes other marketers, other ad tech partners nervous, in which case it's effectively the, all of the parts of the ecosystems being controlled by the owner of that browser in most cases, Chrome.

Mike (25m 8s):

Let me see if I understand that on the surface sandbox sounds like everybody shares it. It's one nice little place. It's not controlled by one company. That's good for, it's good. Right. But it's Google's. Is that sort of the conflict there or the worry?

Peter (25m 24s):

Google is very large on both the buy and sell parts of our ad tech equation, right? And yes, there are structures within their universe from a business point of view to keep those things separate. And I'm not suggesting anything nefarious, but I am saying that history is replete with examples where having both sides of that in the same organization, even with structural barriers proves to be problematic,

Mike (25m 52s):

at least it doesn't make you comfortable.

Peter (25m 54s):

Yes, that's right. So in this circumstance, you have Google putting port the idea of a browser based sandbox so that everyone can share in that data. It also has its own concept of ads, data hub, which is a, another form of sandbox, but within the Google environment where it gets all of



its grain of data. So to some extent it's taking the cookie away, it is promoting a sandbox that is some see as oddly hobbled. And it has all of the data within this world of ads, data hub, right? So it kind of is one of the few partners because of its size as an ecosystem that can have the data in the grain, but also is forced to give something to marketers that aren't playing in that arena for them.

Peter (26m 33s):

Right? Like it's cause it's browser is ubiquitous. It's nearly half the internet.

Mike (26m 38s):

Right. And growing. So Yeah. Are you hopeful that could somebody else emerge a totally neutral third party that comes up with some magic ID thing that works for everybody? Or is that not realistic?

Peter (26m 51s):

Consortium's that the real dilemma with all of them, there have been many efforts to do an ID based one between different advertising partners. There's many, this is a, now another one to try to figure out how to not give it to the browsers and instead make it something that maybe the, the sell side has or that kind of thing. But the real dilemma is that every, they all have vested interests. The problem with the agreements is that they don't agree.

Mike (27m 15s):

Right? All these are all companies that are trying to show his lunch on a day to day basis.

Peter (27m 19s):

Yes. Which is why I get back to, I was saying before, that's why I find it inevitable that you've got walled gardens of scale for which you will work with directly to do very good advertising on and measure within the universe. And then there will be other larger players that can have similar behaviors, but maybe share a little bit more of the data within a safe confine that they're



comfortable with. Right. And then there'll be the, the rest for right now. I've been living on the value of those pseudo anonymous IDs and are looking at something very different in their future.

Mike (27m 48s):

All right. Let me ask you a stupid question because I've heard I've had people ask me this. Why you're often here. Okay. In this scenario, just like, here we go again, the wall gardens, when, why doesn't this hurt Facebook and Google. If you leave, if you lose the cookie and mobile is getting harder to track and all of these laws are coming, you might assume that, Oh, they're not gonna be able to track all the stuff they do that makes them so powerful. Is that naive?

Peter (28m 10s):

Well, let's, let's separate them out. Facebook is easy. It's all within Facebook. Like, like, so they have ad tech touches outside,

Mike (28m 17s):

Right? They're not really an ad tech company. Yeah.

Peter (28m 20s):

In their role. Most of their money is made within their platform.

Mike (28m 24s):

Tell them who you are and what's not



Peter (28m 26s):

Right. So they're just addressable by their own. They have, they see your behavior so they can make segments. And they, that you log in and tell them who you are. It's like, okay,

Mike (28m 34s):

The cookie doesn't matter to them that much long term.

Peter (28m 37s):

No, no. So they're, they're off to the side in this conversation. Really. Google's a little different, Google is well on search. There are known that operated property, right. But beyond the bounds of search, they are the major player in the ad tech ecosystem that doesn't actually own the property. You go to, it all runs through them, but they're not the one you're going to then YouTube, I guess, other than you should have good point. Right. But if you go to like, again, Conde Nast, or New York times or anything like that, Google might be your measuring you or sending you an ad or something along those lines, but they, it's not clear to you as a user that that's what's occurring.

Peter (29m 14s):

Right. So they're in a unique position, which is that they're pulling away the thing that drives their ecosystem, that the cookie has been the ubiquitous thing that tied together, what used to be DFP and what used to be DFA. And yes, yes. Now what is different between when they took over those platforms and bought them and grew them, and now is the dominance of Chrome. So they have a browser that is all of those touch points. And they have an operating system Android that at least beyond the bounds of the United States, although it is still half of the United States, it's still not small, but it dominates in most of Asia, for sure.



Peter (29m 53s):

That means that they have a window into behavior and targeting that no one else does because of just the dominance of those ecosystems. So although

Mike (30m 2s):

Site, they were, they were already there with you know, their ad server and cookies and other, even if that gets messed up they're still there

Peter (30m 9s):

They're still there, which means they have plenty of opportunity to decide how best to take advantage of. And also just leverage, I don't take advice as negative leverage while still making sure that they are not messing up their dominance in those ecosystems to do so. Right. Like, so it could be browsers having an identifier of their own. Although they've said that they don't want to have that. So that means Google can track what no one else can, it could be just simply from the events in their ecosystem, tying them together on the back end for better smarts about how to do advertising on the low end of this.

Peter (30m 44s):

But at the end of the day, they're in a position that few are in. And so I do not worry about Google losing its dominance.

Mike (30m 53s):

I want to wrap up on sort of a more macro question that ties a lot of what we've been talking about together. And tell me if this makes sense. We've been talking so much in this industry over the past five, seven years, everything's gotten more programmatic and more software-driven, everyone's a data driven marketer now, and there's a, everyone's pushing towards more tracking outcomes. And, you know, it's supposed to be an industry where we're going to be, Be able to



gauge the value of every time and be super scientific. So, that's one macro trend that's happening yet.

Mike (31m 24s):

At the same time, all these things we're talking about seem to be choking that ability off potentially, you know, Apple changing their identity and cookies and just all the different things that are going on with the identity. How are we going to reconcile this desire to be, to track cross platform attribution as an industry when it seems like everybody wants to do more and it's gonna get harder?

Peter (31m 47s):

Well, that's a good question. And I probably could wax poetically about that for like an hour. But what, what I'll start with is saying that the, the absence or the changing of how many data points you have, doesn't move it from science to not right. Like, so like, like a good example would be, you know, real life is to like black holes. Like you, you, you measure a black holes existence by the absence of something. You know what I mean? Like you can never measure it directly, right? So you, you infer its existence.

Peter (32m 18s):

Similarly, if the world is on the digital side is limited to some of its inventory being tied to very specific, authentic authenticated traffic. That means the value of that goes up. And the value of that measurement goes up because it will be used not only to drive higher CPMs there to drive the building of first party grass for larger brands, but then even more so it will be used as the seed to project out. The more authentic, the more you can get authenticated done, the more the rest is useful, right?

Peter (32m 53s):

So the bigger the black hole, the easier it is to measure, right. Same kind of thought rights. So what I would argue is that, yes, we built an ecosystem built on pseudo anonymous IDs and that ran for long periods of time, right. But the days of that machine is ending. And now you're getting



towards a world where you've got to several tiers of traffic, but the biggest single one is you've got authenticated. And then you've got highly trustable because it's tied to that authenticated in some way. And then you've got the rest. And the goal is to get as much authenticated both in your world and in publishers as possible.

Peter (33m 26s):

And that's what should drive the value because that makes sense. That's people choosing to be tracked, that's people, choosing to sell their inventory. It's not hidden.

Mike (33m 35s):

Listen, Peter, this is terrific, very timely, topical, illuminating conversation. So thank you so much.

Peter (33m 40s): Pleasure.