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Season 2 Episode 3: The Battle for the Soul of the Internet_ - Adweek's Ronan Shields on the Coming War Between Apple and Google Over the Future of Digital Advertising

Mike Shields (2s):

Hi everyone. This is Mike Shields and this week on Next in Marketing. I got to talk to Adweek's Programmatic Editor Ronan Shields. Ronan knows the Ad Tech world better than most and we covered a ton of ground including what he sees is the battle for the soul of the Internet between tech titans, Apple and Google. Let's get started.

Narrator (19s):

Everything we know about the media, marketing, and advertising business is being completely upended thanks to technology and data. We are talking with some of the top industry leaders as they steer their companies through constant change. Welcome to Next in Marketing presented by AppFlyer.

Mike Shields (38s):

Hi everybody. This is Mike Shields, welcome to Next in Marketing. Today I've got a very special guest, my oldest son Ronan Shields is here from Adweek.

Ronan Shields (47s):

Thank you very much, Mike. Perhaps we should put some rumors to rest out there. Thank you for having me.



Mike Shields (53s):

Yes. No, you are the Programmatic Reporter at AdWeek, right?

Ronan Shields (58s): Editor, you could say, but,

Mike Shields (1m 0s): Editor, I'm sorry.

Ronan Shields (1m 1s):

No, that's all right. I still write quite a bit. It's no difference, it's just a different title.

Mike Shields (1m 7s):

I am an Adweek alum and we do have the same last name, but we are not related to be clear. Although people have asked you about that, right?

Ronan Shields (1m 13s):

Several people. Yeah. It's kind of quite funny because Yeah, we're from a very different parts of the world. So there we go.

Mike Shields (1m 21s):

I was excited to have Ronan on the show because he's one of those people that covers these really important, super complicated parts of our, of the digital advertising business that I feel like a lot of people need to understand, probably know that they are really important, but don't always take the time to spend enough of their time, just examining how these macro change is going on digital advertising effects that are gonna affect everything, but they are really complicated. And I



think it's easy just to brush past this stuff. So glad you're here. Let's start, you know, it's the still the beginning of the year, in your mind, there are so many things going on. What's the biggest story you're watching for in 2021?

Ronan Shields (2m 2s):

So the biggest story almost for, well, it's a bit of a coin toss to be frank and it centers on two companies, Apple and Google. Pretty much the war for the soul of the Internet some of the sources I speak to, you know, when you go down the premium route and the app route? Or do you go down an ad funded web route? We both know Apple obviously goes down the app route or a premium, actually have my own thoughts, which we can get to in a while as to their attitude towards the advertising business. But Google is really having to almost solo, try to reinvent the business model of the internet.

Ronan Shields (2m 44s):

I hear a really targeted advertising, which they owe through search and all of the online display that the Programmatic sector. And there are almost having to do that solo with the privacy sandbox stuff while at the same time having the US government and governments around the world, looking over their shoulder with the antitrust cases. So I think that, and then the mobile advertising stuff with Apple and iOS 14, I think those are the two big ones for me.

Mike Shields (3m 17s):

Right? And that's a perfect example that Google trying to almost rebuild the rules of, or the fundamental way the business operates. I don't know if everybody is totally paying attention to that. I think it's just, everyone knows there are changes coming with cookies and regulation and such, but I don't know that they really are dialed into the, all the Google is trying to do to insure that behavioral targeting works, that their golden goose keeps printing money. And I think it's assumed that they are not under any kind of real threat, but things are changing.

Ronan Shields (3m 49s):



Yeah. But I think I would say not even everybody at Google knows what Google is to, from the people I speak to, they do seem to suggest that there's almost this internal division within Google. So you have the Google Chrome team and the project team. These are the people that are driving the privacy settings. And then the same time you have the advertising team. But I think, I think, I don't know, this is just the impression I've been given that they are very much kept separate, internally. I think probably the optics wouldn't look good if they were seem to be colluding in any way, given the whole antitrust stuff that I mentioned.

Ronan Shields (4m 33s):

So yeah, and when I speak to buyers and sources, they just say, Google's not doing a very good job of articulating it to the important stakeholders and the industry that sort of an almost universal a thing that I hear.

Mike Shields (4m 51s):

It reminds me of that the same kind of dynamic played out years ago at Microsoft when they were making changes to the way that ads worked in this. And their browser, but it wasn't nearly as massive of an advertising business when the stakes were not as high. It didn't like rock the industry where this is that potential. What about, okay, so I want to come back to Google a second, but look, going back to your earlier comment about the soul of the internet. Is it, you described it as apps versus advertisement, is it, more than that? Is it, I'm sorry, Apples point of view, I think is their, or at least their marketing messages are all about privacy and we're kind of inherently against targeting or are we, they don't say that, but it's a little bit of an anti advertising or targeted advertising position.

Mike Shields (5m 39s): Is that the battle?

Ronan Shields (5m 40s):

Yeah. I think the battle is Apple and Google. Yeah. So this is what I alluded to earlier. I don't believe for one second Apple's narrative around, we respect your privacy. No way. Absolutely not. Mike,



you and I both know, we talked about the days go by. Remember I asked in the early part of the 2010s.

Mike Shields (6m 1s): Yep.

Ronan Shields (6m 2s):

Back when I could call myself a rookie. I remember they were coming out and pitching heart and some of my sources went to work there and all the buyers where like, we would love their data where all the iTunes data, et cetera, et cetera, are absolutely we'll have that, but they weren't offering it. And especially for the money they were commanding. What was that?

Mike Shields (6m 23s):

It was like a million bucks a day or something for the first sponsorships, if I remember correctly.

Ronan Shields (6m 26s):

Yeah. It was a minimum million dollar spent. And I remember it was just some of that language is that the media buyers use to use when they were describing the arrogance of the Apple sales people. When they would come into a well at that time I worked in London. So it is all around Charlotte Street, which was, you know, the British equivalent of Madison Ave. And they will just say that they would come in, and they would say, this and they're like, no, no, no, what we needed you to go see it. <inaudible> no negotiations. And then they, obviously they want that back in kind of like the mid-part of the decades, they kind of very silently closed it, but I think we're going to take another run at this advertising market. I think they're doing it very slowly.

Ronan Shields (7m 7s):

If you look at some of the T's and C's that they were burying done, and there are terms of service for consumers, they are starting to alleviate the language. So yeah, I think Apple will take another



run at the advertising market, not this year, maybe next year, because apparently it's a bit of a difficult, difficult job.

Mike Shields (7m 29s):

And that's interesting because if you are describing the cultural challenges inside of Google, it's got to be even more challenging at Apple, I would imagine because I feel like there's a, there was a faction, even at the time you were describing with iAds and Steve Jobs is still running the company that was really not interested in advertising at all. You see some of that reflective today, like, they don't really have an ad business on Apple TV that I know about Apple News, they outsource it.

Ronan Shields (7m 54s):

Yeah. Again, when I speak to sources that work quite closely with Apple, they are reliant on the iOS ecosystem. They were saying to me that they think probably the big structure is, you know, Apple as primarily a user experience company first. So if they don't think they can get the right UX for the ad experience, they will delay, you know, pulling the trigger and launching that as a service, you know, it's got to be right before it's brought to market. And I think, that's one thing that Apple do best to meet every device.

I'm looking at right now it's an Apple device. They do brilliant design. So while I got the sincerity of their marketing messaging, I would absolutely believe that there are probably going to come up with a very sleek product.

Ronan Shields (8m 42s):

And I think iAds, 10 years ago, was quite a sleek offering. It was just business propositions, you know, as I see it.

Mike Shields (8m 50s):

Yeah. The market, it was awfully early in the mobile advertising. Yeah. I guess, the other significant difference is that Apple's products are expensive. Google's are largely free, now, but Apple also has



to keep growing beyond just the, you know, selling devices. So that will be fascinating to see how that plays out.

Ronan Shields (9m 6s):

Yeah. Well, I looked at, I saw in the last year on their July earnings or was it August? Anyway, it was the Q2 earnings call. And one of the things that they were trumpeting to investors was how their services division was increasing in revenue. And so, you know, that sustainable revenue, et cetera, et cetera, as anybody listening to this will know. So that's why I think they are going to take another run eventually, but not this year.

Mike Shields (9m 35s):

Not like, you know, Amazon having this quiet little ad business and there are other category and then all of a sudden, it starts becoming a big deal and then it gets serious about it.

Ronan Shields (9m 45s):

That's an interesting one. I looked at their jobs pages to see what the things are on there constantly, well they're constantly hiring anyway. But yeah, it's definitely, I know some people internally that work in the ads business and that one's not going away.

Mike Shields (9m 60s):

Yeah, no they're quite serious. They don't do, they're not demonstrative like, you would know better than I do, but they don't do the big splashy canned part. Not that I know has any parties anymore. They don't shout about their ad business. Like the others, but they are very serious.

Ronan Shields (10m 15s):

Yeah. Can I ask a question of you, Mike and <inaudible> et cetera. I remember at the start of a year, you know, where we were always being asked to write forecasting pieces, et cetera, et cetera. One of the things that I put into a contact was like, ow, do you think Amazon will, you



know, surpass Facebook this year? And they were like, no, no, no, no, no, no. It's much bigger than it did look at it. There is a big Delta between the earnings, even though Amazon is number three behind Facebook. When do you think, do you think that Amazon might eventually surpass Facebook as the number two in the market?

Mike Shields (10m 49s):

You're not talking, you're strictly talking about advertising revenue, not marketing and advertising?

Ronan Shields (10m 54s):

Yes, advertising. Not mark-ad. No, no, no.

Mike Shields (10m 55s):

That's really interesting. Because, yeah, on the surface that sounds insane, right? Facebook is so far ahead. But given, you know, I mean, look at, look at how this year has gone. E-commerce is going through the roof. Their data only gets richer. More people are using them all the time. Every brand is, seems to be pushing towards e-commerce and then, you know, they have barely scratched the surface of what they can do in advertising with FireTV, which is, you know, a lot of households, they have powerful data, they can connect there, it's not insane. I mean, Facebook, you know, and of course you don't know what's going to happen to you know, Facebook and Instagram are going to split up at some point, or the government's going to go after them, I don't know.

Mike Shields (11m 38s):

But Facebook has, I mean, sorry, Amazon has a lot of head space, that's not crazy. And then they can also start outsourcing some of their data in a bigger way and take away, you know, like Google's businesses isn't just what Google property, it's so much of the rest of the web, now Amazon could have a play there. I don't know. That's an interesting question. I like that.



Ronan Shields (11m 56s):

Partly, it won't be happening this year, but according to my sources, but I'll be interested in trying to forecast as to when Nexus Point will be. Because yeah, going back to our experience and I can remember the day that Facebook eclipsed MySpace as the other social network and that they feel like a moment. So I'd be interested on another one of those.

Mike Shields (12m 18s):

Yeah. And it's still, at that time, it felt like, MySpace will have a move somehow to get back in this. And you know, they've been sold like nine times since then, which was funny.

Ronan Shields (12m 28s):

Right, Justin Timberlake didn't pull it off.

Mike Shields (12m 30s):

If he couldn't do it, who could. I'm going to come back to all of the stuff we talked about with Google, but I wanted to come back to, you know, this is a year, we constantly keep talking about the big changes and ad targeting and Google was trying to get around them. But if you, when you talk to people, if you had to rank, okay, you know, there's the cookies are going away thing, which is on the horizon, but not this year immediately. There's what Apple's doing with IDFA and mobile targeting. And then there's this broadly regulation in the US and all over the place. What's giving people in this industry more anxiety right now, or are causing them to scramble more. And that answer might vary by category. But what are you, what are you, what are you feeling the most?

Ronan Shields (13m 11s):

When I speak to the holding group, the media buyer contacts. They say their clients, our clients are losing their stuff about cookies and maybe actually under appreciating the idea Apple IDFA



stuff. Hala is actually more of a, more immediate threat because it is coming any day now and that they are like a little bit under appreciative of that. So cookies first and foremost, but the big under appreciation of Apple and IDFA and quite what that means.

Mike Shields (13m 43s):

Do you think that's because that's confusing where they know cookies well or is it because they are not, if you're not a pure app advertiser or a game or Uber or some of that, it does it affect you as much.

Ronan Shields (13m 55s):

Yeah. I do think it is. A case of a lot of them thinking like, Oh, well, in-app advertising, that's just performance is not about branding. The branding stuff is a lot more reliant on cookies. But I think the big brand campaigns are actually probably a little bit more reliance on the iOS ecosystem. And they might realize.

Mike Shields (14m 14s):

Why is that? Actually, I think you're right. People think, Oh, if I'm not trying to drive installs of my app or trying to pull together data from various transactions and the app stores, I don't really care, but brands should care. Are they going to be affected by this more?

Ronan Shields (14m 27s):

Yeah. I think it just might be a bit of a, unexpected both, short, sharp, shock. Yeah, for them. So I think it might be one of those. I just think a lot of people still see mobile advertising, regardless if it's in-app or of a web advertising as primarily a performance based article, a proposition.

Mike Shields (14m 48s):

Right, they compartmentalize it a lot, I think.



Ronan Shields (14m 51s): Yeah.

Mike Shields (14m 52s):

Okay. So come back, explain to people what Google is trying to do right now if you can. They're getting, everyone knows, they're getting rid of the cookies. And it's, I think it's often presumed, well, they'll be fine. They've got, you know, they've got your, most people's data and you tell them what you want anyway with search advertising, who cares, but they are going through this massive exercise to try and help either facilitate the industry, having some kind of new identity product or leading it. Can you maybe talk about what they're doing and with the sandbox and all these things that people need to understand.

Ronan Shields (15m 25s):

Sure. Well, it was about this time a year ago, shortly after Google confirmed that they were, got to depreciate third party cookies in the Chrome browser in 2022. I wrote this piece afterwards, just talking about the balancing act. And I remember like a lot of our great art team at Adweek to this graphic of a trapeze artist and, you know, walk this like really difficult tightrope. I think they're trying to a.) please Wall Street, by having this amazing returns in the guise of Alphabet, the parent company, yet trying to please the Privacy Lobby, which is being led by Apple in my opinion, as a means of trying to hamstring Google for my earlier thesis <inaudible>.

Mike Shields (16m 15s): Interesting.

Ronan Shields (16m 16s):

They are also trying to sustain the web because if they seem to be like crippling, the advertising revenue for publishers, such as a news core and all those, legacy mass test that kept the print world, the government's, the regulators across the world will just come on down on them like a ton of bricks. So it is quite a difficult job that they're trying to pull off. And all of my, sort of like,



critical of them, but it's not easy. I mean, yeah. They must have been trying to have to spend those three points.

Mike Shields (16m 47s):

Are they sincere in trying to presumably, if cookies went away tomorrow, advertising on google.com and YouTube would be okay? The Google display network and all that stuff they do to support the web would take a hit, is that, but I guess obviously they care about that revenue, but it's not as nearly as big for them. Is it a sincere or is it really trying to look good for the regulator? Is that they're trying to.

Ronan Shields (17m 10s):

It's not trying to look good. I mean, you speak to marketers and say, Oh, we care about funding, journalism, blah, blah, blah. That's BS.

Mike Shields (17m 20s):

Well they care about purpose, right? Don't they?

Ronan Shields (17m 24s):

Whatever. But you know, they are going about getting, they looked at it from a Math angle. They don't look at it from a societal angle. Google is exactly the same. They looked at it, they're like, okay, we have to be seen to be funding journalism. Great. I believe them and their sincerity when we say we have to be seen to be funding journalism, blah, blah, blah. But Mike look what happened. So we are recording this on the, what is the date? 22nd of January, just yesterday they threatened to remove all services from Australia, but it, because they think, they proposed to tax Google for using the news content in there are a search results. And he said, well, we will just remove our search engine from Google. Right. So there's a sincerity there.

Mike Shields (18m 3s):



Yeah. And that's a good example, like the US ad market are as totally distracted by, you know, your age and all these other things going on. That I don't even know if people realize that you have to pep the marketers like they ought to not screw around with those things. So what they're doing, tell us what the privacy sandbox is, why does it matter? And maybe get into the W3C if you can.

Ronan Shields (18m 26s):

Privacy sandbox is a way of sustaining an ad funded ecosystem within the Chrome browser, using a, with enhanced targeting tools. One such thing is a, one of the source proposed methods is called Flocks. So as opposed to the one-to-one targeting, which you can currently do, then as things are right now, we're going to happen, a flux, stands for you. Let me get this right in my head. Sorry, federated learning of cohorts. So what that does is that the browser will identify you as part of a cohort, depending on the behavioral signals that you are sending out that will then periodically use some of the behavioral signals, but they will send to you to go to the let's, just call it the ad part of the business, where you can be targeted.

Ronan Shields (19m 15s):

So they won't know it's, Mike, they'll know that you are a man in the North East of America. That is, you know, submitting these kind of signals that would indicate that you are.

Mike Shields (19m 29s):

I'm an avid hiker and an ace Archer.

Ronan Shields (19m 32s): Yeah, exactly.

Mike Shields (19m 33s):

But so, okay. So let's be clear that the sandbox is an industry initiative, but it's Google's. Right?



Ronan Shields (19m 41s):

Yeah. In same way, that if we were talking about advertising targeting initiative's the same way as unified ID is the true desks, but it's not. There, it's an open source. Anybody can play with it. It's primarily driven by Google. It's all coming out on Google.

Mike Shields (19m 59s):

So, okay. It seems obvious, but why don't people like this, assuming, okay, Google is obviously is going to take care of themselves, but if this, could this work theoretically, and they are the ones with the browser, what are they supposed to do? I know there in the ad business, what's the problem here?

Ronan Shields (20m 14s):

Well, yeah, as you say, everybody thinks that Google is going to take care of Google first. Yeah. And then they'll work on some way of, they'll say this, but then if you go down and do the T's and C's like, Oh, right. So the answer for all of this is to keep advertising with Google or keep Google plugged into your ad sack. I think a lot of people are thinking that it's just going to be kiss of, meet the new boss, same as the old boss.

Mike Shields (20m 37s):

But Google lets or it gives the appearance of letting the folks from the industry participate in the sandbox or how its development. Right?

Ronan Shields (20m 46s):

Well, yeah. They are using to the point in, you mean the W3C, which is a Internet standards body that is primarily driven by a certain burners, Lee, the founder of the world wide web, not the founder of the, the inventor <inaudible> probably a better way in a public. And they kind of use it to rubber stamp, a little bit of their ideas already. So this is kind of like a lot of the criticisms are certainly that it's just that I'm going to get themselves a big pat on the back and say, well done



you. Yeah. And the rest of the world agrees with you. As you know, with the congressional report that was published in, I believe in October of last year, the author's of that report.

Ronan Shields (21m 27s):

So in the US Congress. They called out what they perceived to be an outsized influence of Google on that web standards body.

Mike Shields (21m 35s):

Okay. Let me ask you a stupid question. Why did we have this other standards body? Like, why wouldn't this be an IAB thing? Like, why isn't the ad industry all do this together. Is it seeing it as more of a neutral, more nonprofit-y or something like, what's the word?

Ronan Shields (21m 47s):

Yeah. It's nonprofit. And it's got obviously the patronage of Sir Tim Berners-Lee, I mean a man who is of like, just literally fundamentally changed everybody's life.

Mike Shields (21m 58s): Right.

Ronan Shields (21m 58s): In the world right?

Mike Shields (21m 59s):

He's got a cert in his name, so.

Ronan Shields (22m 1s):



Yeah. You know, they love a little bit of patronage over in the, in Great Britain, but yeah, again, what I actually, what I speak to some of my sources for a recent article that I wrote, they told me that there was a bit of a separation internally within the W3C members and that there is, it is founded by the academics, Mr. Tim Berners-Lee's of the world. And the, you know, the web engineer is the real purists and that they see themselves increasingly being polluted by the ad funded people. So let's just face it, everybody listening to this podcast.

Mike Shields (22m 35s):

They're the polluters in this case.

Ronan Shields (22m 39s):

I'm talking about this is the perception within the W3C that somebody from an ad funded <inaudible> was explaining to me. Things like, yeah, we got to limit the influence of these ad guys. Apparently the, I guess the privacy hawks, shall we call them? And he said, yeah, we got to limit these ad guys and what they're doing to our beautiful world wide web. And there was a recent W3C election took place over the wholeness, so how do we transition from 2020 to 2021, and Google put a candidate up and they didn't get voted in.

Mike Shields (23m 12s):

Interesting. Now, okay. All of this stuff you're describing, it's fascinating, but it's a little weird. It's a little, I don't know if its the same, headlines that the industry, if your following, Oh, the Disney Plus just launching all these crazy cool things. Is the average ad sales person and media agency executive, big brand, are they paying you or is it hard for them to pay attention to this stuff? And should they be more dialed in?

Ronan Shields (23m 33s):

Yeah, it is difficult for them and to keep at peers of things, I mean, it is literally my job, full-time job and I struggle and I don't have to sell anything. Right. So.



Mike Shields (23m 43s):

I think Google probably likes it that way.

Ronan Shields (23m 46s):

Divide and conquer. Right. If I can conquer

Mike Shields (23m 48s):

Well, just to see a little bit murky it's okay. You know, don't worry about it.

Ronan Shields (23m 51s):

Yeah. What is that? The engine room in Panama or Kansas just to get that riding circuses and it will be fine. Yeah. It is murky out there and that's very good for business if you are big tech because they have just all the answers, just write that to keep the checks coming and they'll just do it for you.

Mike Shields (24m 7s):

Okay. And you mentioned what the tray desk is doing on another, also a very important could be fundamentally have huge ramifications for the business thing there trying to come up with, I think aside from the sandbox thing that you described the cohort's, they want to have a universal identifier that it isn't a cookie where you know that I'm Mike the Hunter, but no one knows who I am and everybody knows that. And you can use that information, explain that to us. And what do you think its prospects are?

Ronan Shields (24m 36s):



So the trade desks Unified ID first came about in late 2018 when the writing was kind of on the wall, that those that can see the chess boards and how the pieces would lay out, that they could see those moves ahead. So they came up with the trade desks, unified ID, that was the trade desks. Then after Google confirmed that they were going to remove the support for the third party cookies within the Chrome browser come 2022. The trade desk start to come up with a UD ID. OPh, sorry. Unified ID 2.0, and this is initially going to be based off hashed email addresses.

Ronan Shields (25m 17s):

And so they're having to go to publishers and say, Hey, can you see this? Look, if you signed up to this will be able to give you more money. Because, we'll be able to better target audience, audiences. And that's it for a theory of how it will work it is open and interoperable with other solutions such as pre-bid. But as I mentioned earlier on, they are trying to distance themselves from being seen as the owners of a Unified ID 2.0, because again, from sources were telling me there was a little bit of kickback. They were getting from the market saying that, Oh, well, why should we just use the trade desk stuff?

Mike Shields (25m 55s):

Right. Because presumably if everyone uses this ID, everyone will use the trade desk to buy other media. That that would be my theory, right.

Ronan Shields (26m 1s):

Yup. That's how you become a \$40 billion company.

Mike Shields (26m 3s):

Right. The Google approach to me sounds a little more data, science-y, probabilistic guessing who people are, where this is like a little bit more weird to know who that person is, they're not gonna know your name or whatever, but it's going to be more precise. Is that fair way to look at it?



Ronan Shields (26m 19s):

I think that will be an accurate assessment per my understanding.

Mike Shields (26m 21s):

Okay. So how is that going in your eyes? Are publishers going to want to share all this gold they have. If you've got some email addresses, do you want anybody to share that? Is that how likely is the cooperation?

Ronan Shields (26m 35s):

I've heard a few different things from different sources. So the trade desk at last count had eleven partners signed up to it, probably the most notable of which for your question is the Washington Post.

Mike Shields (26m 47s):

Okay. Which is owned by a guy who is, maybe has a thing against some of these other companies.

Ronan Shields (26m 54s):

Yeah. Exactly, exactly. So there's that. But then if you remember to 12 months ago, again, just after Google confirmed that it was going to post move into 2022 and then the IAB called for, was it project <inaudible> or The Great CoLab or something like that. But I think that must've been the terminology they were using. Well, I remember just coming back from that conference, I thought, okay, well it's very US centric conference. You know, <inaudible> some of my contacts from around the world is, and try and get out what they think about that. And, I was talking to a contract or to a contact that was based in the UK, a publisher contact and what that person or this person said to me, it was like, hold on.



Ronan Shields (27m 35s):

Why would I contribute sort of my data that can be used to target audiences all around the web. I would just be, you know, putting the dagger and the hand of my assassin. Because if there's a solution where you can target audiences all around the web, on the long tail. Well then that's going to diverge spend a way.

Mike Shields (27m 55s):

Right. It's going to put everybody on the same playing field. Where's my, that's my I don't know how many advantages anymore as a publisher. That's one thing I got. Right?

Ronan Shields (28m 2s):

Yeah. So that was a really, really interesting point that I haven't read it in any press release, but yeah.

Mike Shields (28m 9s):

Right. Do the trade desk and Google like each other, are they enemies in this one? Are they at odds or are they just doing their own thing?

Ronan Shields (28m 15s):

I think they are at odds. I was at, what is the, what does the phrase to Morton Soul uses. Frenemies. So yeah. I think they have to be in business together, but if few just listen into any of the trade desks, our quarterly earnings calls. As soon as they go, they don't talk about being an independent ad tech, you know, their needs to be realistic contender to rival the google of the world, et cetera, et cetera. So, yeah.

Mike Shields (28m 43s):



Frenemies. Yeah. They want to subtly suggest that the world of the walled gardens is not good and we need to change that. Okay. Just two part questions. There is a lot of other, there are several other companies trying to do some kind of universal ID, do we think that will work? Any of those we'll have chance. And do any of these things, the trade desk included, do they answer the IDFA problem with Apple or are they really strictly a desktop web thing?

Ronan Shields (29m 9s):

Yeah. Okay. So two, the first part, there are several initiatives, but they are all interoperable. I think we all realize that we're better together. We have to do this. Otherwise we'll just get crushed by the big ones.

Mike Shields (29m 20s):

But so, okay. So those are all going there. They don't think, they are not trying to beat the trade desk thing necessarily. They're all trying to work doing the same mission?

Ronan Shields (29m 28s):

Yeah, yeah. Live together or die alone type stuff.

Mike Shields (29m 31s):

But do any of them have an answer for what Apple is trying to take away?

Ronan Shields (29m 37s): Honestly, I think no.

Mike Shields (29m 37s):

Interesting. Okay. So how many of the things were talking about are regarding advertising targeting? I think for the most part, I wonder how this, all of this swirl affects attribution in your



mind if it does, because that's such a key question. I think, you know, I think the ad world has been trying to have a perfect solution for <inaudible> forever or Facebook is very good at it, Google is good at it. The fervor for performance advertising of the last six months has gotten so many brands hooked on being able to prove every dollar has done something. Does all this change contribution make it harder, easier, better? Don't know?

Ronan Shields (30m 12s):

It definitely makes it harder. But one other thing I would say from what I understand that not many people were very sophisticated with it in the first place. And that last click attribution is still the predominant model in the market.

Mike Shields (30m 25s):

Over mostly, we think over credit's the last thing you saw often it's a search ad or something like that. So it's not that's. That's over sold in your mind, right?

Ronan Shields (30m 34s):

Yeah. Yeah. So it will make it harder, but there weren't doing a very good job in the first place.

Mike Shields (30m 38s):

Okay. A couple more things, I don't want to keep you forever. This is terrific. One thing I was thinking, you mentioned Amazon, and how could they become as big as Facebook? All of the sudden you have, like, every retailer is trying to co-op the Amazon playbook. It seems where they're, they're either trying to use ads to keep, just to promote products on their own marketplaces and sites, or they're maybe seeing a bigger opportunity here, like, you know, between Target, Walmart, now like CVS, Walgreens.

Ronan Shields (31m 6s): Yeah.



Mike Shields (31m 7s):

What do you make of that explosion? Are there too many of these at once is a good for the industry because they have data. Like where is that going to go?

Ronan Shields (31m 15s):

I think it's a really good development for the industry. You know, it's not illegal to make money. And, those retailers are figuring out what to do, how to monetize this data that they were just sitting on anywhere and usually fighting over it with their CPG partners. And, you know, they're kind of, the stuff that is actually on the shelves, right?

Mike Shields (31m 35s): Right.

Ronan Shields (31m 35s):

Admittedly, I will say I haven't spoken to too many media buyers about it to see just how seriously are they taking it in terms of putting it on their media plans, but you look at it on paper and it looks good and let's face it competition is good for <inaudible> right? So yeah.

Mike Shields (31m 53s):

I wonder if from the media buyer perspective, does it just become a specialty thing if you sell stuff in CVS, you buy some ads to promote it, or is it become like a bigger play where they can use all this data and find different people and avoid the walled gardens if they don't love? I don't know.

Ronan Shields (32m 9s):

Well, you know, when you do talk to buyers in general they say they want to limit their exposure, limit their reliance on the walled gardens. So again, that's good.



Mike Shields (32m 18s): Yep.

Ronan Shields (32m 18s):

Given that this whole pandemic stuff is, so we're going to play out for another while and I don't know how, how easy it will be for them to an inference. You know, guessing there's not too many jeans, parties, or fancy dinners or lunches growing on these days, that plays a big part, and harmony, but just to get allocated right.

Mike Shields (32m 38s):

No, this is a business of networking and relationships, it's hard.

Ronan Shields (32m 41s):

You know what Mike, since you asked, I'm going to revisit that one at some point.

Mike Shields (32m 46s):

Right. I just gave you an awesome story, my God.

Ronan Shields (32m 47s): Thank you.

Mike Shields (32m 48s):

The last thing is a big, it's kind of a big one to end on, but it's important, you've alluded to the pressure that Google feels from the Feds and both Google and Facebook are, have some, you know, they either have state's Attorney General's going after them or the government going after them for the federal level. You know, but all of a sudden we have a new administration. I don't



know whether this, that changes everything. If regulation fades into the background, because COVID such a big deal. Or maybe that doesn't matter because the, outside the US, the pressure is going to be so strong anyway.

Mike Shields (33m 27s):

So like, how do you think about regulation in 2021? And what's really going to happen?

Ronan Shields (33m 32s):

Undoubtedly, we all know this, there is a push for a national, a US national and federal privacy law, which I think makes sense. You know, it just is a bit bonkers, especially the way the world is to think that, you know, you have to have different privacy laws from some of you in Delaware, in New Jersey, New York, et cetera.

Mike Shields (33m 49s):

Ronan, have you seen how we've handled the vaccine over here and the testing and things like that?

Ronan Shields (33m 54s):

I don't think anybody has heard of a South Korea or New Zealand and Germany has been making a great job of it. So, but yeah, so undoubtedly, there will be another punch when I speak to some sources within the IAB who are acting as the lobbyists and chief on our privacy for America, I believe is the umbrella group taking the IAP for as ANA etcetera. They said, they led me to believe that they got quite far along, but then, you know, the world went the way it went after March, 2020, and that it just got scrapped.

Ronan Shields (34m 33s):

So I think undoubtedly, there will be a push is better that this stuff is regulated. And I can, so that the players at least brought a book as opposed to having a Wild West or a patchwork of different



laws. So I think that one will, you know, obviously be pursued when we talk about an antitrust stuff. I think nothing has changed those, you know, it's with the courts now. And so it's.

Mike Shields (34m 59s):

No, it's not like Biden's here and they go those, the suits go away. That's not how it works.

Ronan Shields (35m 6s):

Yeah. Yeah. Think about it. Like he was Vice-President under Obama and big tech did okay. Then I know that things have changed now. I think that will be a little bit more pairing as well. This is starting to get a little bit problematic, if you want a prediction. I think Google will either voluntarily or be forced to divest off the double click business or the business that was known as DoubleClick.

Mike Shields (35m 29s):

That can happen. That can have a lot of ramifications. That's not a small thing.

Ronan Shields (35m 38s):

Yeah. I think it is comparatively small for Google because search is still what? At 90% of the revenue.

Mike Shields (35m 46s):

For the rest of the industry maybe, for them. Right.

Ronan Shields (35m 50s):

Yeah. Huge, great opportunities. I think that'll be a very, very good thing for the market.



Mike Shields (35m 53s):

I like that. Alright. Let's end on a big ball prediction. Ronan, awesome stuff. Thank you for taking some of the time out to take us through these really complicated thorny issues. Great conversations appreciate your being here.

Ronan Shields (36m 6s):

Thank you, Mike. And thank you everybody for listening.

Mike Shields (36m 9s):

Thank you. A big thanks to my guests this week Adweek Programmatic Editor Ronan Shields and of course my partners at Appsflyer. If you liked this episode, please take a moment to rate, leave a review. We have lots more to bring you. So be sure to hit that subscribe button and we'll see you next time for more on what's Next in Marketing.