

A decorative background graphic on the right side of the page. It features a network of thin grey lines forming a mesh of irregular polygons. Scattered throughout this mesh are several small, semi-transparent colored dots in shades of yellow, blue, red, and grey. The overall effect is that of a digital or data network.

smart+

Identity Indicator

Facing the cookieless future: Market trends on a privacy-first digital advertising ecosystem

March 2021

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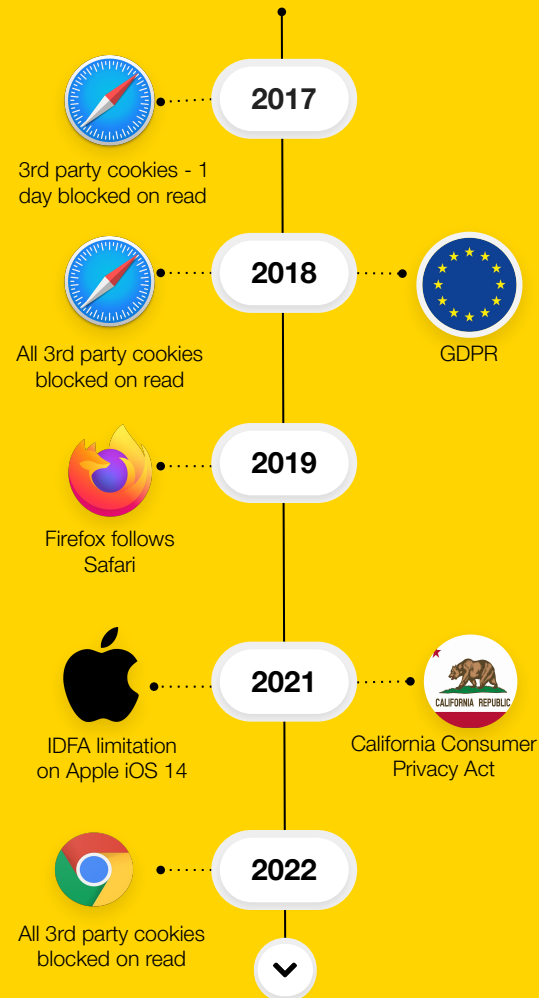
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Countdown to the End of Cookies

Preparing for a cookieless future is top of mind for programmatic buyers and sellers alike as we seek to understand the impact cookie and ID deprecation will have across the digital advertising industry. Our **Smart Identity Indicator** is a quarterly look at key metrics across eight major markets to offer a snapshot of the current state of consent and identity within the industry and highlight overarching trends as we shift towards a privacy-first digital advertising ecosystem.

MARCH HIGHLIGHTS:

- Most desktop and mobile traffic still comes from browsers accepting cookies. When it comes to usage of browsers limiting 3rd party cookies, in general, countries that fall under GDPR show higher rates across both desktop and mobile.
 - One exception is the USA, which ranks highest in mobile browser usage limiting cookies at 34% - likely due to the large percentage of iPhone users in comparison to other markets.
- Germany, which in 1970 was the first country to introduce data protection regulation, ranks highly across multiple metrics, highlighting how their long history of data protection has shaped user expectations and behaviors.
 - Highest desktop browser usage limiting 3rd party cookies at 34%, a number 9 percentage points higher than France, who comes in second at 25%.
 - Largest share of auctions taking place without user ID at 45%, a number 12 percentage points higher than the USA coming in second at 33%.
- 22% of the auctions in France currently register without consent to use personal data. This number is significantly higher compared with the other GDPR countries - and a market we are watching - as we expect this number will rise as the latest CNIL recommendations go into effect April 1.



Browser Cookie Policy

BROWSERS AUTOMATICALLY LIMITING 3RD PARTY COOKIES:



Safari: Intelligent Tracking Prevention (ITP) is in place and blocks sending cookies to third parties determined to be “trackers.”



Firefox: Enhanced Tracking Protocol (ETP) limits cookies by default for desktop and Android users.

BROWSERS STILL ACCEPTING 3RD PARTY COOKIES:



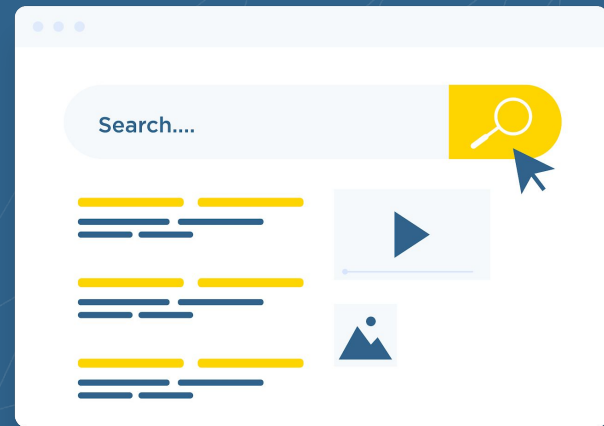
Internet Explorer 11 and Microsoft Edge: Do not restrict 3rd party cookies by default.



Google Chrome: Does not block 3rd party cookies by default, but plans on doing so in 2022.

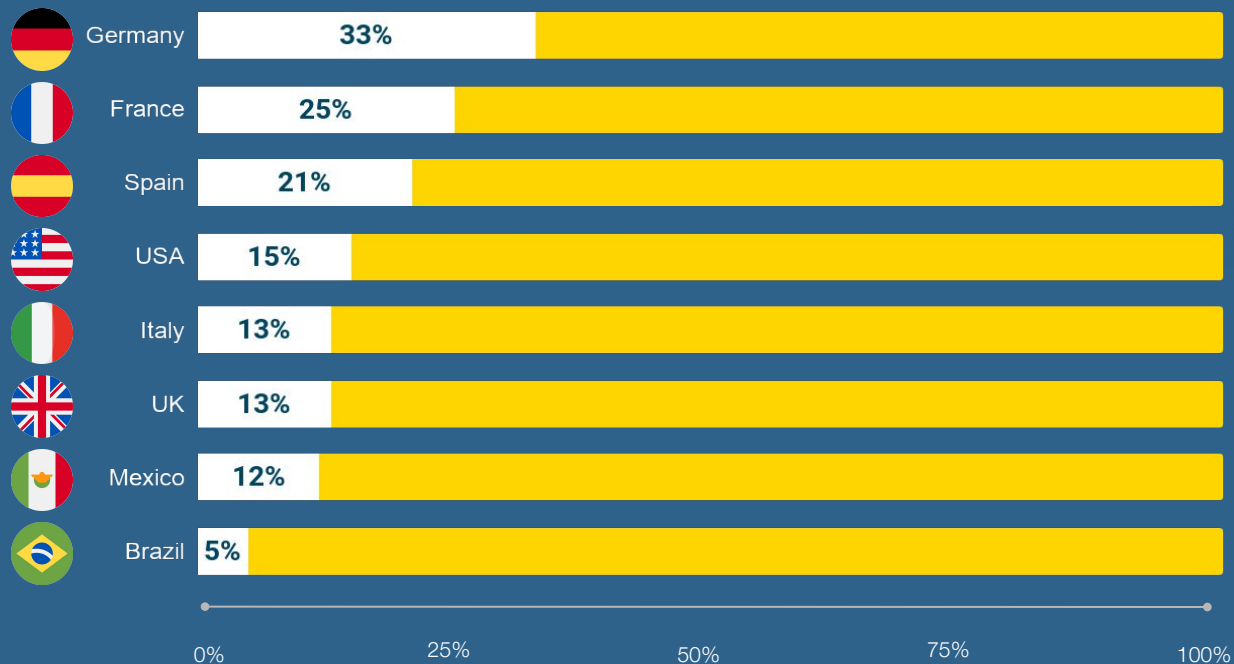


Opera: Has no restrictions concerning 3rd party cookies in their policy.



SHARE OF AD INVENTORY FROM BROWSERS ALREADY LIMITING 3rd PARTY COOKIES

DESKTOP



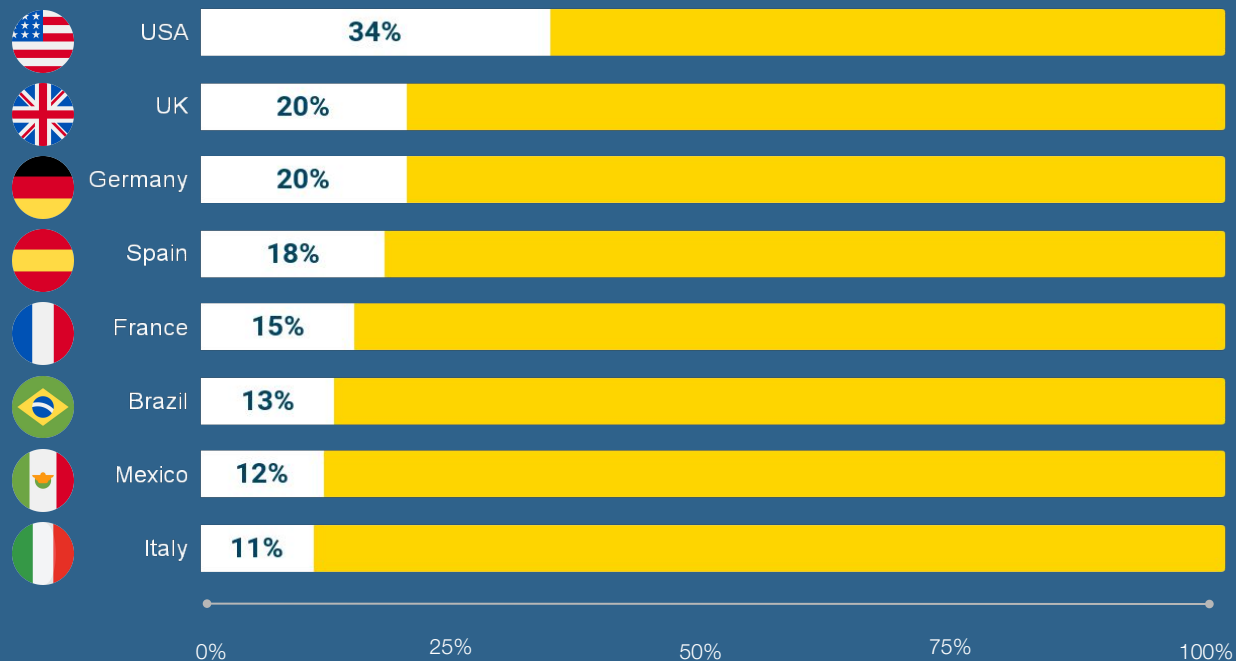
Auctions coming from browsers limiting 3rd party cookies. (Safari and Firefox)



Auctions coming from browsers still accepting 3rd party cookies. (Google Chrome, Internet Explorer, Microsoft Edge and Opera)

SHARE OF AD INVENTORY FROM BROWSERS ALREADY LIMITING 3rd PARTY COOKIES

MOBILE



Auctions coming from browsers limiting 3rd party cookies. (Safari and Firefox)



Auctions coming from browsers still accepting 3rd party cookies. (Google Chrome, Internet Explorer, Microsoft Edge and Opera)

User Identification

WHAT IS A USER ID?

A single identifier associated with an individual or household across different platforms. Provides insight used to deliver more relevant ads.

Can be one of three types:

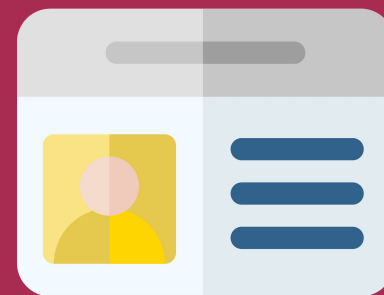
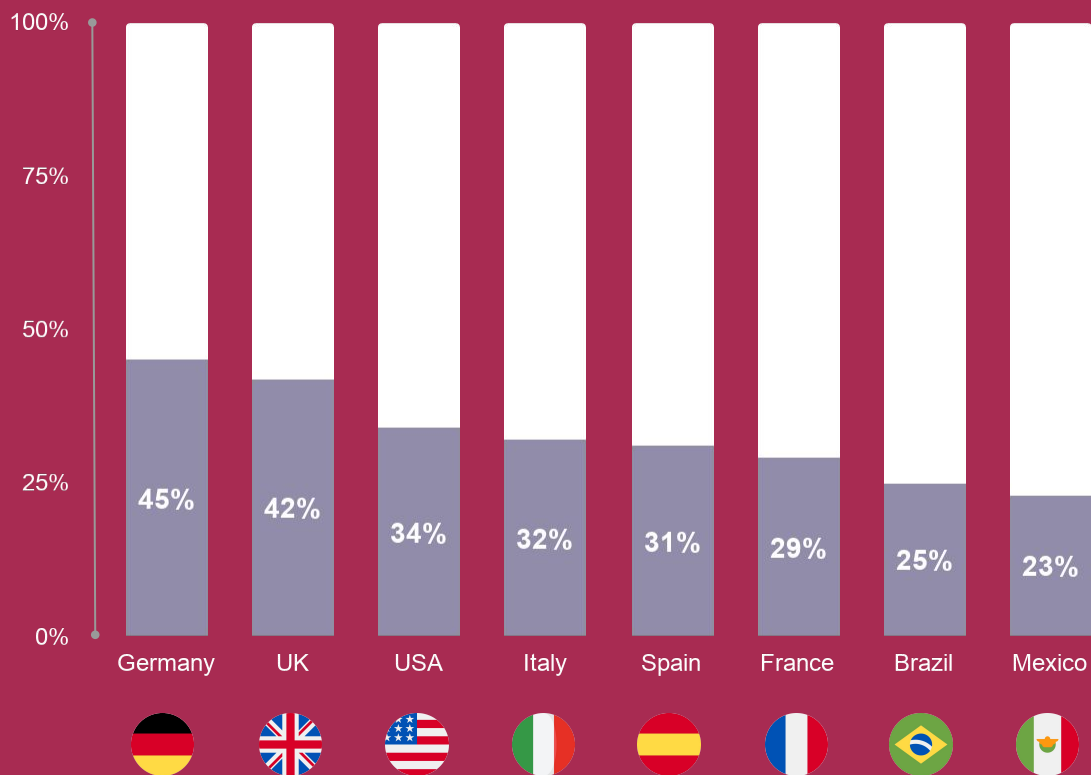
- First-party (created by a publisher)
- Third-party (created by a tech provider)
- Industry ID solution



EXAMPLES OF USER IDs USED FOR DIGITAL ADVERTISING:

- Cookies
- Device IDs
- IFAs (Identifier For Advertising) on mobile/OTT devices



SHARE OF AD INVENTORY WITHOUT USER IDENTIFIERS



-  Auctions with user ID - cookie, mobile ID or other user ID sent in the bid request
-  Auctions without user ID - no cookie, mobile ID or other user ID sent in the bid request

Alternative IDs

Alternative IDs aim to replace 3rd party cookies/IDs by using a same shared ID across the whole advertising chain.

HOW?

Two methods:

- **Inferred / Probabilistic:**
Uses passive identification signals, such as an IP address, to create a unique pseudonymous identifier.
- **Deterministic:**
Uses a user-provided piece of information, such as an e-mail address or a phone number, to create an anonymized identifier for all the websites and brands that have collected it.

EXAMPLES OF ID PROVIDERS:

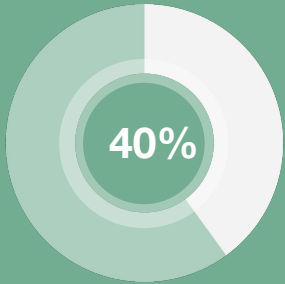
ID5, LiveRamp (IdentityLink), Unified ID (The Trade Desk), LOTAME (Panorama ID), Publisher Common ID (PubCID)



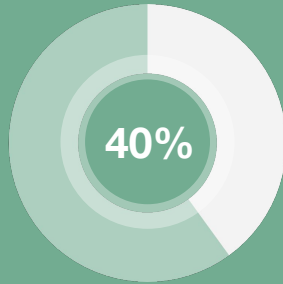
SHARE OF AD INVENTORY WITH ALTERNATIVE IDs

White: Auctions with Alternative ID sent in the bid request (header bidding traffic)
Light Green: Auctions without Alternative ID sent in the bid request (header bidding traffic)

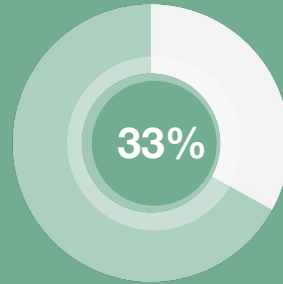
USA



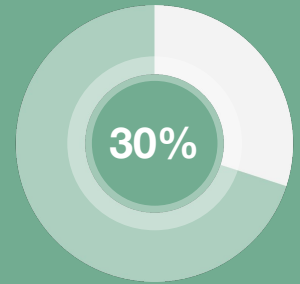
UK



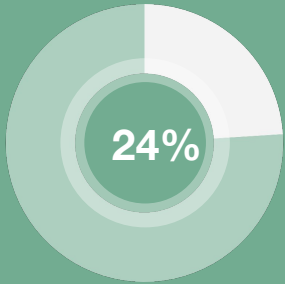
FRANCE



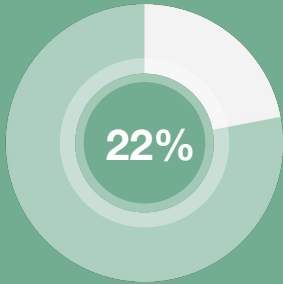
ITALY



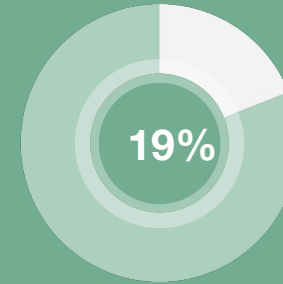
MEXICO



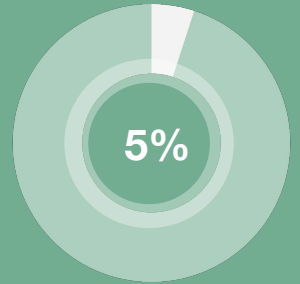
GERMANY



BRAZIL



SPAIN



Consent

WHAT IS CONSENT?

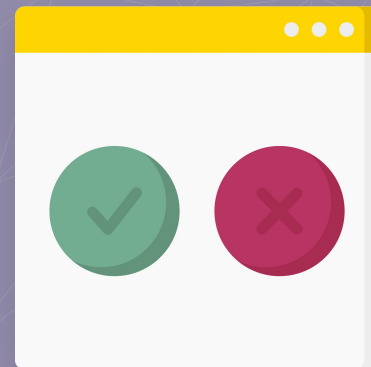
Consent relates to whether or not users authorize the website visited to process their data. This access is granted through a **Consent Management Platform** (CMP). Publishers use CMPs for: requesting, receiving and storing user consent; preferred vendors; and communicating why they are collecting user information.

CONSENT UNDER GDPR:

Over the last three years, consent and the use of personal data have become major topics of discussion. In response, guidelines have been established in many markets to ensure the respectful use and protection of internet user data.

The **General Data Protection Regulation** (GDPR), which became a model for many national laws outside the EU, was implemented in 2018 and provides guidelines for the collection and processing of a user's personal data within the European Union and also around the transfer of personal data outside the EU.

The following charts represent Smart's auction share under GDPR guidelines for European traffic only.



SHARE OF AD INVENTORY WITH NO POSITIVE CONSENT

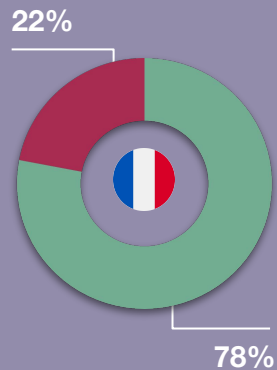


Auctions without consent to use personal data (GDPR applies)

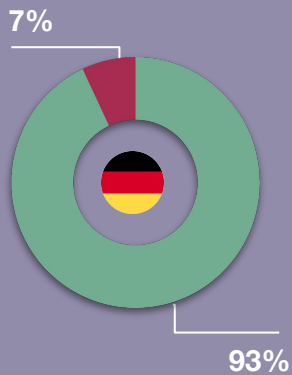


Auctions with consent to use personal data (GDPR applies)

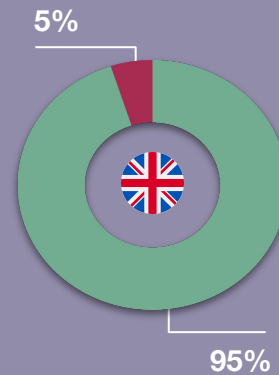
FRANCE



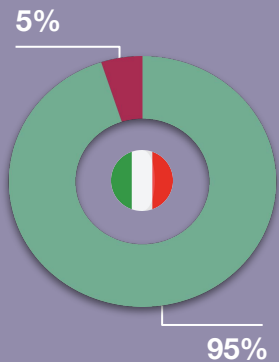
GERMANY



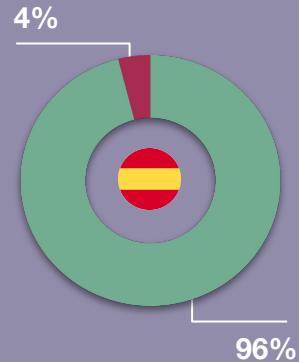
UK



ITALY



SPAIN



Methodology and Sources

All data in this report comes from Smart's SSP and was collected from March 8, 2021 through March 28, 2021 on web and/or mobile inventory across all Smart's publishers for selected markets.

Data was collected for the following markets: Brazil, France, Germany, Italy, Mexico, Spain, the UK and the USA.

Information was retrieved from the following sources:

[The IAB](#)

[Clearcode](#)

[GDPR.EU](#)



About smart+

As one of the leading independent adtech players, we work directly with hundreds of buyers and more than 1,000 publishers worldwide. Our independent ad tech platform and shared-interest business approach enables brands and publishers to get their fair share of ad value at every opportunity, on their terms. We prioritize accountability and transparency throughout the ecosystem and **we are helping our publishers and demand partners succeed in a cookieless future through three main initiatives:**

- ❑ **Targeting without user IDs.** We are developing contextual and performance-driven cookieless targeting options, and are actively testing in parallel cohort-based approaches like Google FLoC.
- ❑ **Vertical integration and first-party data activation** to deliver a true value exchange and enable the user to share their data with the publishers and brands they trust.
- ❑ **Support of alternative IDs.** In a fragmented market, publishers and buyers will need a common way to share data in compliance with user consent.

Visit smartadserver.com to learn more.