

The Power of AI for Effective Advertising in an ID-free World



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Proximic by Comscore



The power of AI for effective advertising in an **ID-free world**

How artificial intelligence-powered targeting and measurement is unlocking incremental opportunities for marketers



▶ **Rachel Gantz**

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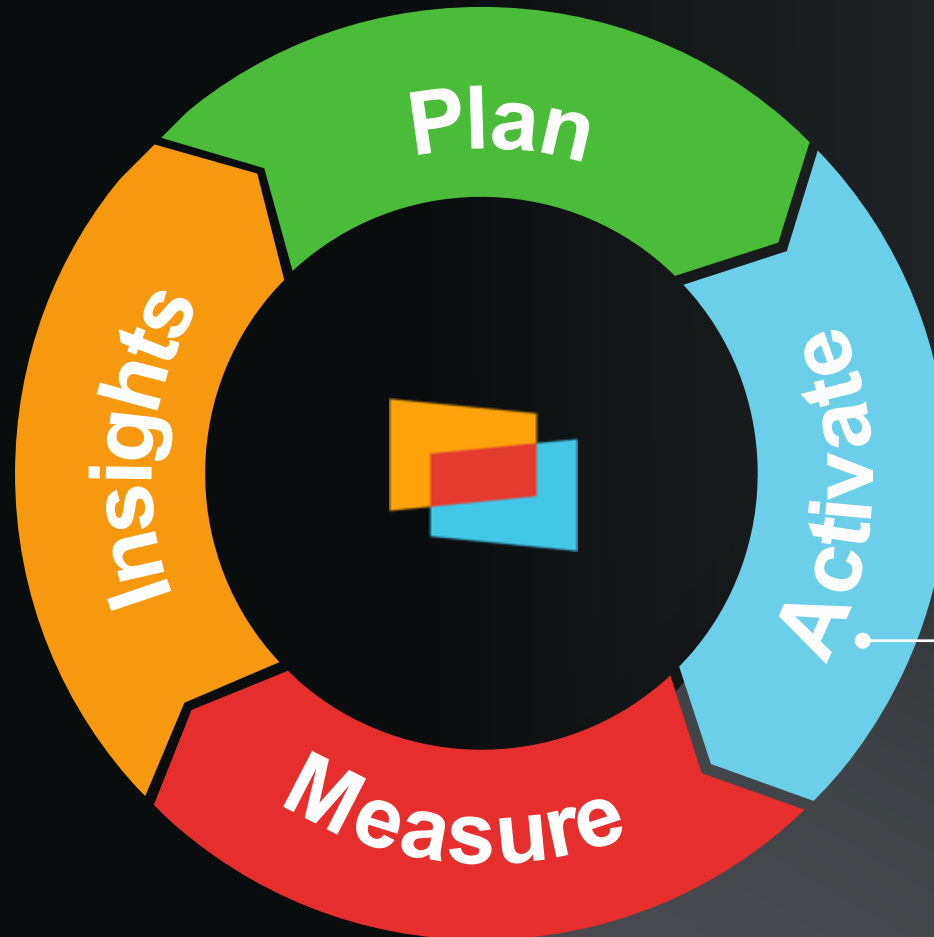
Comscore: one cross-platform solution focused on unifying audiences across screens.

Insights

Shape content for mindful communication and audience building

Measure

Accurate incrementality, ROI across screens



Plan

Cross-screen insights for comprehensive audience engagement

Where scale meets precision

Activate

Privacy-friendly cross-channel targeting with segments covering every vertical, while solving for signal loss

Agenda

- 1 Spotlight on Signal Loss
- 2 Contextual's AI Opportunity
- 3 Key Takeaways



Agenda



Spotlight on **Signal Loss**

The industry is undergoing revolutionary changes to data privacy and regulation.

Third-party cookies are blocked:

- ✗  iOS/Safari
- ✗  Firefox
- ✗  Android/Chrome
Deprecation expected end of 2024

Privacy regulations are stacking up:

- 🛡️ EU General Data Privacy Regulation (GDPR)
- 🛡️ California Consumer Privacy Act (CCPA)
- 🛡️ American Data Privacy & Protection Act (ADPPA)
- 🛡️ Children's Online Privacy & Protection Act (COPPA)



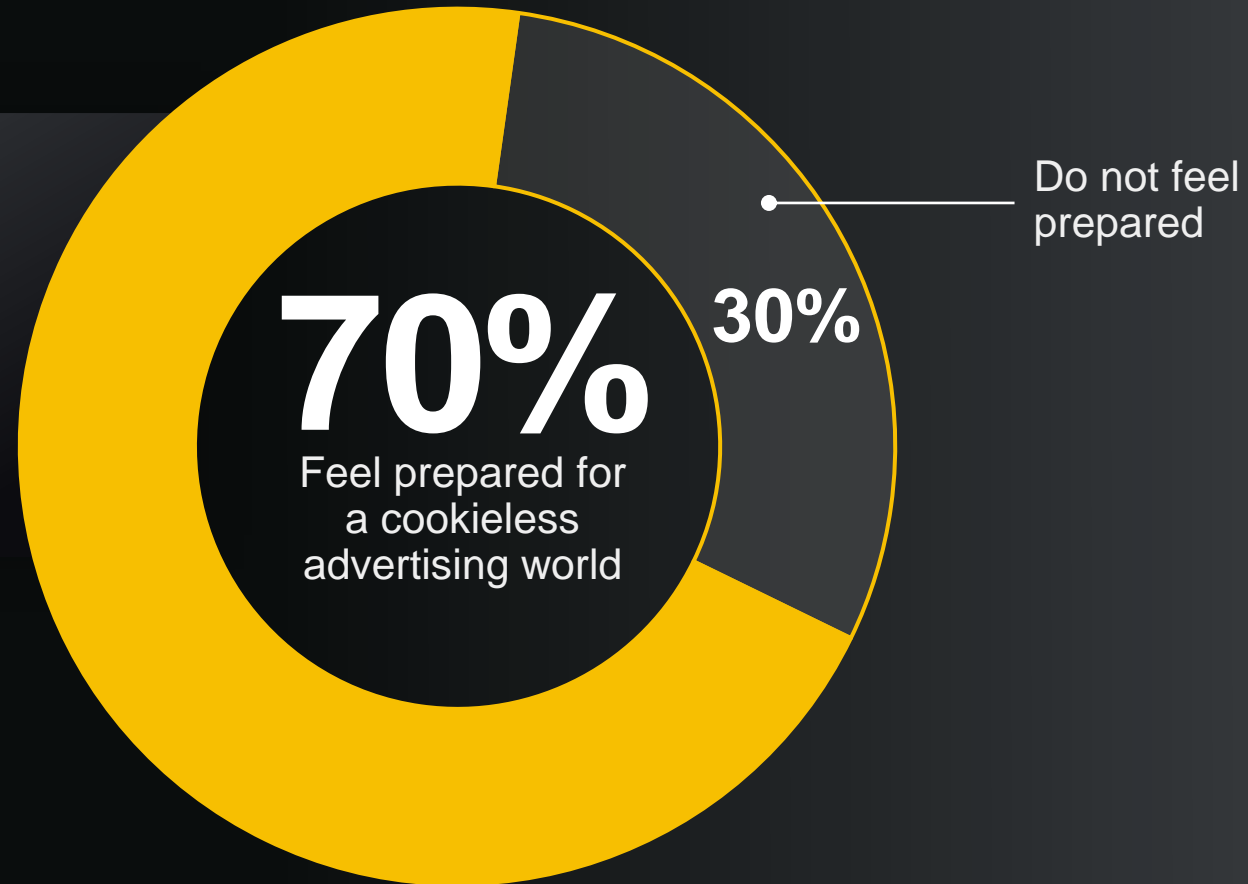
50-60%

of programmatic inventory has no IDs associated with it, including alternative IDs¹

Advertisers are feeling the pressure

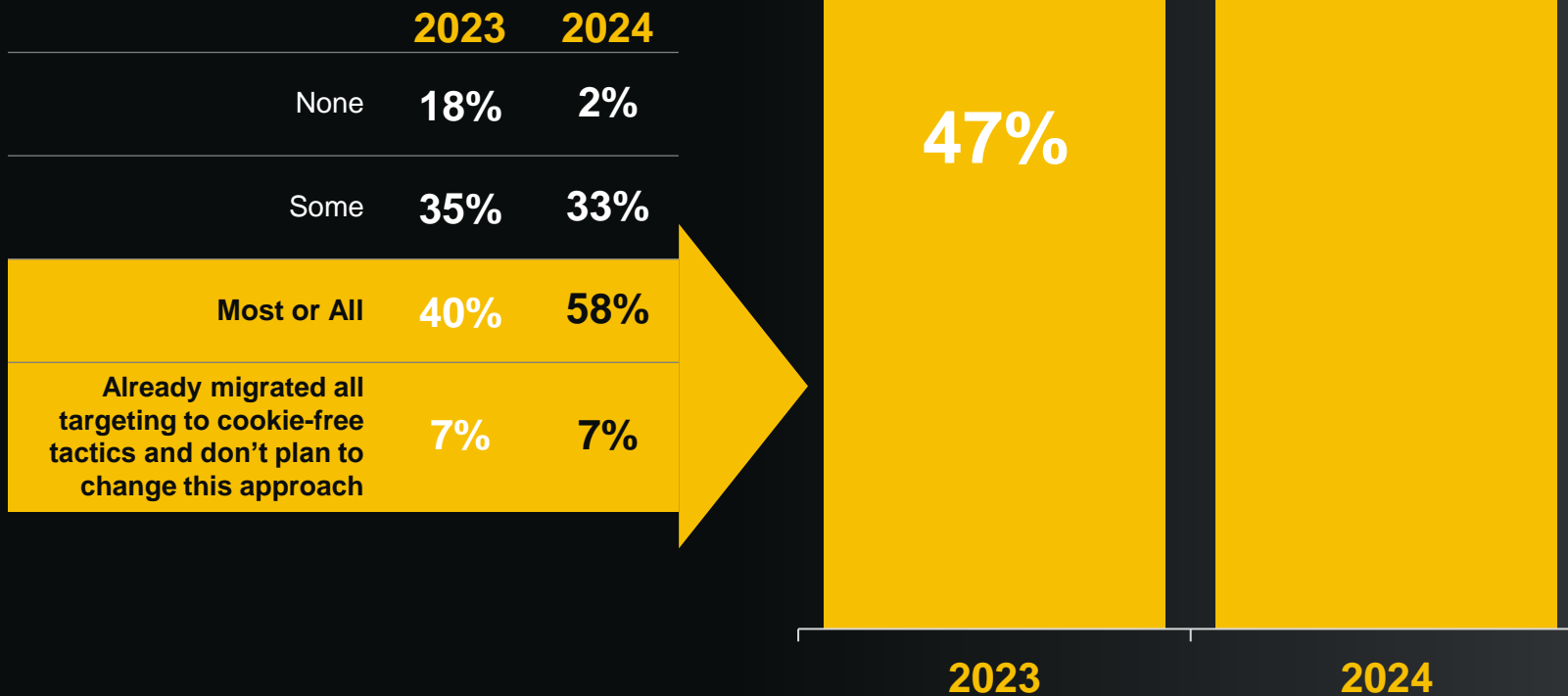
What is keeping advertisers up at night in 2024?

Marketer sentiment on feeling prepared for the full deprecation of cookies expected by the end of 2024



The soon-to-be cookie-free reality is setting in

By the end of the year, how much of your targeting do you expect to migrate to cookie-free tactics?



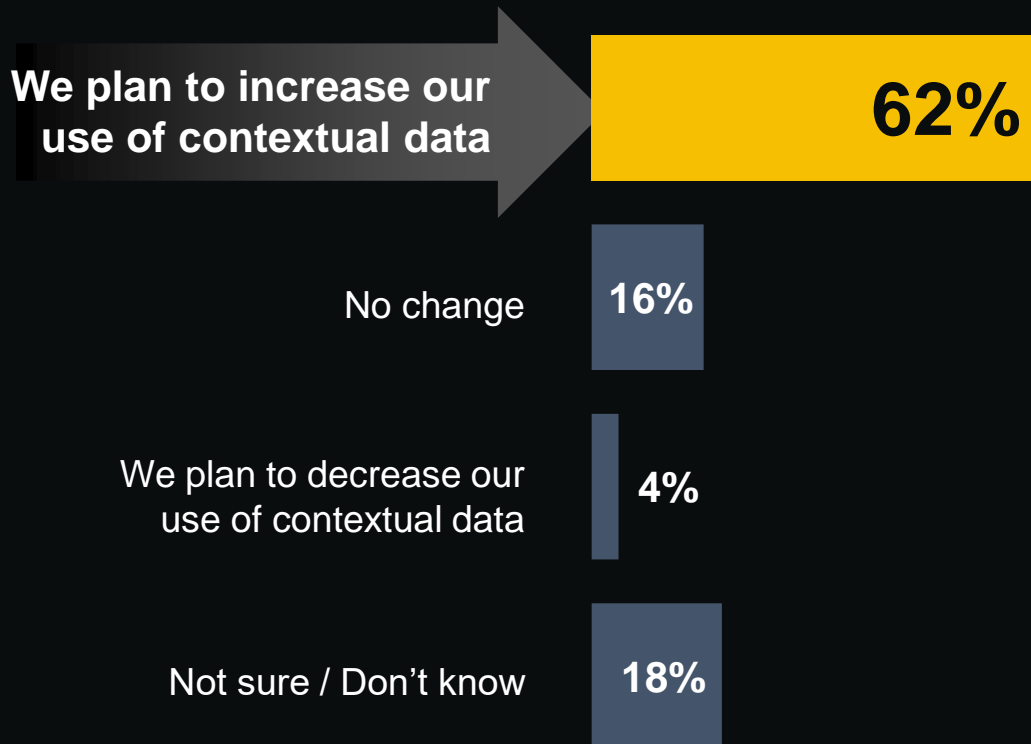
How advertisers plan to combat signal loss

Primary data strategies to maintain targeting effectiveness in 2024 in the face of signal loss

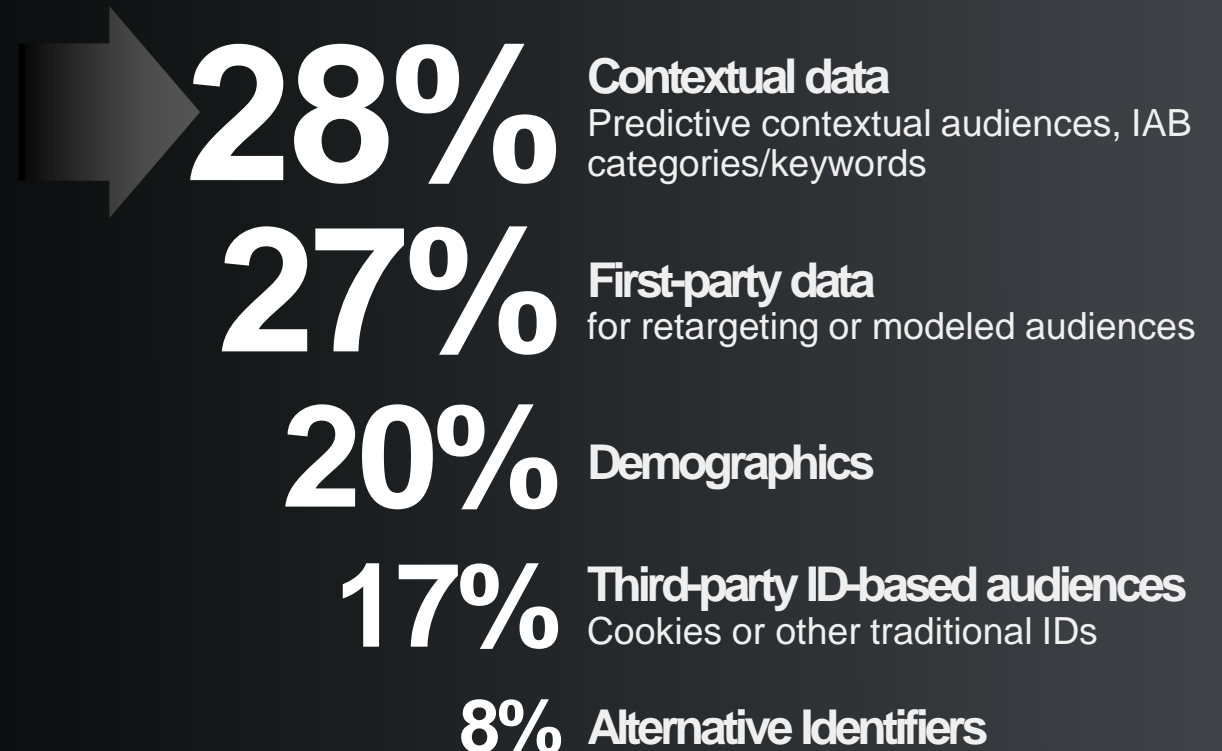


Contextual data projected to top ID alternatives ranks for targeting

▶ Expected use of contextual data in 2024 compared to 2023



▶ Expected average budget allocation across data types for targeting in 2024



🔍 The Research



We sought to answer the question...

How does the performance of AI-Powered, ID-free audience targeting compare to ID-based targeting?

We looked at:

1. Audience Reach
2. Cost Efficiency
3. In-target Accuracy
4. Inventory Placement Quality

Test Setup

2 Simultaneous Campaigns Were Run

Campaign **A**

ID-based "Online Holiday Shoppers" audience

Campaign **B**

ID-free "Online Holiday Shoppers" Predictive Audience

Holding all factors constant across both

- Spend
- Duration
- Campaign parameters (no-geofencing or other inventory parameters)

▶ Truth-set data utilized:

Comscore's double opt-in panel of over 2 million users, observing the totality of digital behaviors and content consumption

▶ Measurement:

Comscore Campaign Ratings, our cross-platform ad measurement solution was leveraged to measure campaign KPIs

Key definitions:

ID-based audience: based on cookies, MAIDs, CTV IFAs or other user identifier

ID-free audience: based on privacy-friendly contextual signals no user identifiers utilized

AI-Powered ID-free Audiences: How it works

Reach audiences using high-intent behavioral inputs, without scale limits

1 **Seed Set:**

 Online Holiday Shoppers



Online holiday shoppers identified in double opt-in 2M+ person panel

2 **Content topics identified**

 Online Holiday Shoppers

 Online Content Consumption


 TV & CTV Content Consumption


 Content Topics

-  Green Cleaning Products 
-  Smart Home Technology
-  Women's Winter Fashion 
-  Meat Substitutions
-  Home Brewing
-  Winter Entertaining at Home 

Panel users' content consumption analyzed by Proximic's AI contextual engine as a predictor of user behavior

3 **Inventory with identified categories is flagged**

 **Available Inventory Flagged**
Inventory with identified categories is flagged as eligible for laundry care purchaser segment and ad is served

 **Ads Served to Online Holiday Shoppers**

Predictive Audience technology flags inventory with predictive content as eligible for ad

What we analyzed:



Reach

How many users and/or impressions were reached for each campaign



Cost Efficiency (eCPM)

For the same spend, what was the average effective cost per thousand impressions (eCPM)



Inventory Placement Quality

For the same spend, how did the quality of the inventory where ads were placed compare



In-Target Rate

Share of users in the ID-free audience can be confirmed as Online Holiday Shoppers when validated against the truth set



The Results

Incremental Reach

► The Results

ID-free targeting nearly doubled the advertiser's reach vs the same audience with ID-based tactics



Users reached with ID-based audience

Incremental users reached with AI-powered contextual audience

+96% Incremental users reached compared to ID-based targeting

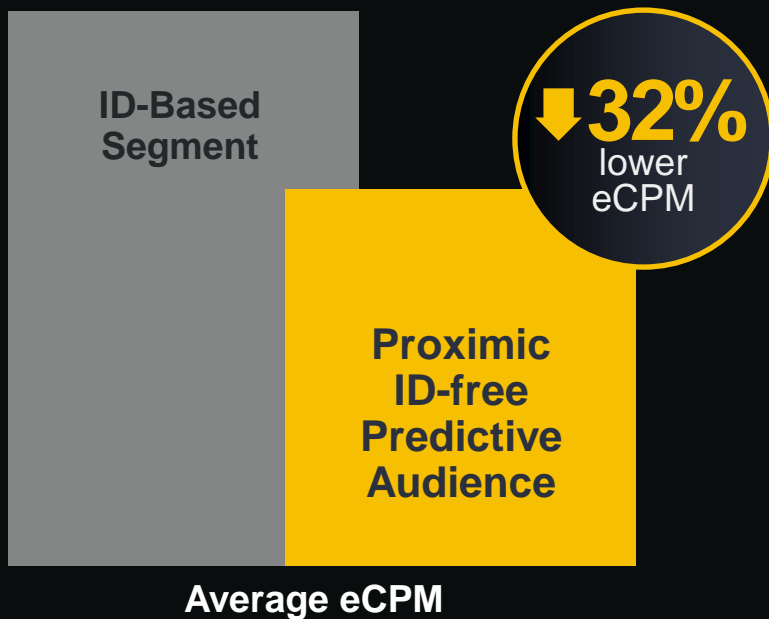
► The Impact

- ✓ Maintain reach KPIs despite ID-driven signal loss
- ✓ Leverage AI-driven new tactics like ID-free Predictive Audiences to reach advanced audiences in a cookie-free world

Cost Efficiency

► The Results

ID-free AI-powered contextual audiences saw 32% lower eCPMs than ID-based counterparts



► The Impact

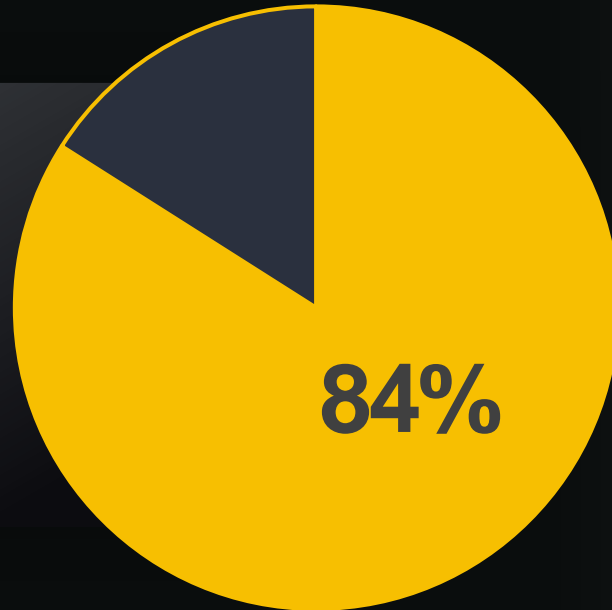
- ✓ Advertisers can reach the same audiences with greater cost efficiencies than with ID-based targeting
- ✓ Better overall campaign ROI with reduced investment cost

In-Target Rate

► The Results

Significant accuracy was confirmed when validating if users reached with the ID-free audience matched the targeting criteria

In-target accuracy rate
for ID-free audiences



► The Impact

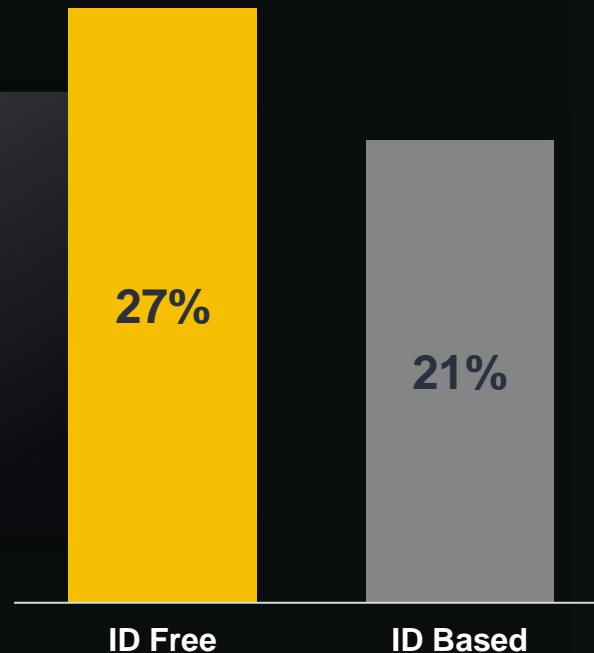
- ✓ AI-powered contextual audiences maintain accuracy vs ID-based alternatives
- ✓ Advertisers can be confident they are reaching their intended audience with AI-powered contextual

Inventory Placement Quality

► The Results

ID-free audience ads appeared on higher quality inventory compared to the same ID-based audience

Percent of inventory in
Comscore MediaMetrix
Top 100



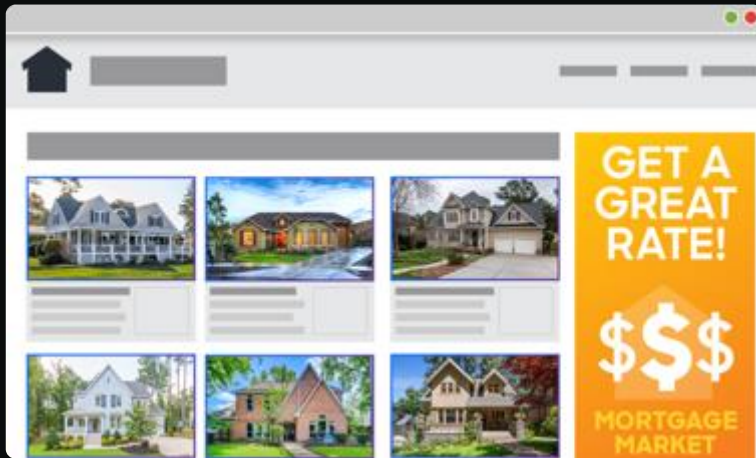
► The Impact

- ✓ Advertisers can reach their target audience for a lower price on higher quality inventory with ID-free targeting
- ✓ Due to scarcity of ID-based inventory, the placement quality-to-cost ratio is low

The Takeaways

The Marriage of Audience & Contextual Targeting to form ID-free Audiences

▶ Standard Contextual Targeting



- ✓ Targeting with ads related to endemic content

▶ AI-Powered ID-free Audiences



- ✓ Targeting with ads related to audience behaviors with context enriched by first-party data and AI

▶ Benefits of AI-Powered Contextual

- ✓ Optimized scale
- ✓ Reach outside of endemic placements
- ✓ Engage audiences based on their interests and purchase intent
- ✓ Respects consumer data and complies with privacy laws

Takeaways

- ID-free audiences are a viable, arguably superior alternative to reach the same audiences we once could -- at scale, with IDs -- while respecting consumer privacy
 1. Better reach and cost efficiency
 2. Maintain accuracy of audience targets
 3. Improve inventory placement quality

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Thank you

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www.proximic.com