



COVID-19 BROUGHT MORE CONSUMERS ONLINE – ARE BRANDS READY?



By

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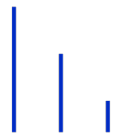
COVID-19 BROUGHT MORE CONSUMERS ONLINE – ARE BRANDS READY?

There is no aspect of life or business that Covid-19 has not affected, and advertising is no exception. In the way brands message to their audiences and also how much budget they can now allocate, everything turned on a dime in mid-March, with 2020 barely out the door.

Now, we can expect to see a staggering drop in ad investment in 2020. According to the Interactive Advertising Bureau (via Tasty Ad), "Almost a quarter (24%) of media buyers, planners and brands have paused spending until the end of Q2, while 46% indicated they would adjust their ad spend across the same time period. Three quarters expect the pandemic to have a bigger impact than the 2008 financial crisis."

So where are advertisers spending their limited budgets? Well, there's no place like home.

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SHIFTING TO THE DIGITAL HOMEFRONT

The World Economic Forum reported that as stay-at-home measures rolled out across the globe, out-of-home advertising contracted almost immediately, and print advertising also quickly declined. On the other hand, the usage of in-home media increased, with digital consumption such as social platforms, streaming services and gaming outpacing traditional media dramatically.

It's hard to believe we weren't already at full saturation in our digital lives, but since Covid-19, there are more people online than ever before (at the start of the pandemic, internet usage was up 70%). Consumers are buying more online rather than braving brick-and-mortar stores (e-commerce spending in the U.S. was up more than 30% from the beginning of March through mid-April compared with the same period last year), and they are staying online for longer stretches (in an eMarketer survey, 32% of respondents are spending longer on social media, while 42% of respondents are spending more time watching streaming services, and Nielsen reported a 59% increase in game console usage).

And of course, advertising dollars are following.

The opportunity for marketers to reach those people with a laser focus is the highest it's ever been. And while the need to stretch an ad dollar in this economic climate is no doubt challenging, the upside is that marketers now know exactly where to spend it.

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BUILDING CUSTOMER IDENTITY IS STILL A CHALLENGE

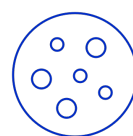
Now that digital use is at an all-time high, digital identity resolution – or reconciling an anonymized person's behavior across channels and devices – is more important than ever to brands. Identity in this sense should not be mistaken for collecting personally identifiable information such as name and address, but rather a unified view of a person's behavior across their devices while their true identity remains private.

Identity resolution is meant to be a gold mine to advertisers – and in theory, it should help them properly measure ad effectiveness and attribute business outcomes (e.g., purchases) to the correct consumer touch point, whether it's an online ad, email, print ad or commercial. It's also meant to be helpful to consumers because it helps with what is known as frequency capping, or making sure one person doesn't keep seeing the same ad multiple times to the point of annoyance.

Yet according to a report published by BCG in 2019, 83% of CMOs and advertisers are still not able to make those important connections across consumer touch points and devices. The issue lies in the fact that the whole digital advertising industry was built on and optimized for third-party cookies – or pieces of code from digital providers that help track anonymized users’ browsing behavior on behalf of brands. These identifiers were superb at recognizing web browsers, but they fell short when it came to recognizing individuals.

Now, with Google announcing the phasing out of third-party cookies on its Chrome Browser, identity resolution is becoming even trickier. And with Apple’s recent announcement in June that it will now make its IDFA (identifier for advertiser) “opt in” only – meaning a customer has to proactively enable it – identity resolution efforts took another blow.

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SOLUTIONS FOR BRANDS

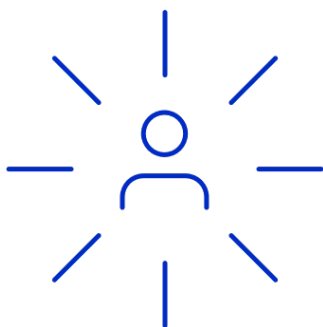
With all that in mind, brands are left with the task of investing in and further building out their first-party cookies (tracking code they put down themselves) and their customer login data. There are many advantages when utilizing these identification techniques: They are persistent and cannot be blocked, and they are easy to integrate with privacy notices. They can be linked by publishers to their login profiles as well. The only caveat is that they are trickier to use across websites because they only work in a brand’s proprietary or closed environment, which affects attribution, reach and frequency capping.

Now we're getting a lot more "inside baseball," but it would be remiss not to mention the rise of universal IDs – or the same ID used by multiple digital advertising vendors – as a way to better identify customers online and reduce all complexities. They could be leveraged along with a brand's first party and customer login data. Google, Facebook and other tech behemoths would continue to rely on their own identifiers as they built upon their empires, so any universal ID would be limited in scale in that regard.

However, the universal ID is one of the better solutions in an increasingly challenging advertising and customer identity environment. And of course, privacy has to be at the forefront of any identity initiative – or you can be sure companies will get ensnared in regulations violations.

Covid-19 may be bringing more people online, but brands have to wade through a very complex new digital environment to reach these consumers and deliver them the most relevant and personalized messages to achieve their goals. But they can – and will – adapt. The digital marketing opportunities have never been better.

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CUSTOMER INTELLIGENCE UNLEASHED

Zeotap is a Customer Intelligence Platform (CIP) that helps companies better understand their customers and predict behaviors, to invest in more meaningful experiences. We enable brands to build on a nucleus of first-party data to win new customers and grow their loyal base. Our independent but integrated modules include customer data unification, identity resolution, enrichment, analytics/modeling (including in data clean rooms), and activation to 100+ partners in the marketing ecosystem.

Recognized by Gartner as a "Cool Vendor" (2020) and by AdExchanger as the "Best Data-Enabling Technology" (2019), our platform meets the highest enterprise data privacy and security standards, including GDPR, ISO 27001 and CSA STAR. We serve the world's top brands, agencies and publishers across a dozen countries in Europe, North and Latin America, and APAC. Zeotap is also the founding member of [ID+](#), a universal marketing ID initiative.

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