THE CONNECTED CAMPAIGN
The Next Generation of Digital Advertising

Mobile’s rise to dominance has broken legacy ad systems that were not designed for cross-device targeting and attribution. As spending becomes more inefficient, advertisers need to answer: What technology can solve the cross-device dilemma? Built on a new era of advertising infrastructure, the Connected Campaign is poised to deliver on every advertisers’ dream—true customer journey management.
Part I
PRIMER
Introduction

When the first banner ads launched in 1994, no one could have predicted the $570 billion industry (Source: eMarketer) that would emerge around a cookie ecosystem. From analytics to programmatic buying, retargeting, verification systems and more; advertisers rely on capabilities built around cookies to construct, execute, and measure their pursuit of customers. The complex system, which an AOL executive famously argued in 2013 amounts to an "ad tech tax" on advertisers and publishers, could undercut the ability of marketers to fully capitalize digital advertising’s promise if it hardens in its current state.

Advertisers adopted ad technology built on the cookie layer because it was a big step forward from reporting fed by click tags alone. The cookie layer enabled new capabilities such as retargeting, view-through attribution, and programmatic buying. Up until the last few years, the majority of ads were served on desktop computers, so a device used to be a useful proxy for an individual. In 2001, only ⅓ of the U.S. population was connected to any mobile device. (Source: Statista). Today, however, mobile is now ubiquitous. In fact, the average consumer in the U.S. carries an average of three devices at any given time. (Source: Statista). The increased adoption of mobile devices has challenged the cookie layer because cookies do not share data across devices and they do not operate in mobile apps.
The Modern Customer Journey

The modern customer journey from awareness to intent to purchase involves multiple devices. The next page shows an example of a simple customer journey, the conclusions an advertiser makes from cookie layer ad tech, and the results from their decisions based on the cookie layer data.
Cookies Campaign

CALEB'S JOURNEY

Sees ad, doesn't click

Clicks, doesn't buy

Searches and buys

Video Ads (on Laptop)
Advertiser sees low click-through on these ads. They decide to decrease spend on video ads.

Social Ads (on Phone)
Likes the engagement, but not the low conversions. Advertiser decides they need a new social ad partner.

Search Ads (on Desktop)
Advertiser loves the ROI from their search ads, and decides to increase spend.

ADVERTISER CONCLUSIONS

Result from using anonymous cookies
Advertiser sees a decrease in brand searches from decreasing reach on awareness campaigns, which results in higher costs per conversion on their search ads. Advertiser is confused as they thought they made a data driven optimization decision. They decide not to shift additional budget into digital.
Cookies, being restricted to a single device, have 3 key challenges:

1. Cookies **overstate reach and understate frequency**.
2. Cookies are limited to last-click attribution.
3. Cookies don’t allow for retargeting across devices.

The current media landscape and the journey customers take across it, requires cross-device advertising technology to communicate in a contextually relevant way along the consumer’s path to purchase. Targeting and attribution models based on individuals, which we call the identity layer, recognizes a single person as they navigate across devices using a common identifier. Facebook is the first to have a large-scale identity layer, which they call **People Based Marketing**. The emergence of the identity layer enables advertisers and publishers alike to execute campaigns with more accurate reporting, attribution, and targeting. The following page shows an example of a simple customer journey, the conclusions an advertiser makes from identity layer ad tech, and the results from their decisions based on the identity layer data.

**People Vs. Cookies:**
Estimated Delivery, Spend And Reach

<table>
<thead>
<tr>
<th>Spend</th>
<th>CPM</th>
<th>Age</th>
</tr>
</thead>
<tbody>
<tr>
<td>$100K</td>
<td>$3.00</td>
<td>18-35</td>
</tr>
</tbody>
</table>

**Delivery and Spend**

- **45% OFF TARGET**
  - Off Target
  - On Target

**Reported Reach**

- **60% OVERSTATED**
  - Overstated
  - Actual

Source: Atlas by Facebook internal date, August 2015
WEN'S JOURNEY

Connected Campaign

Sees ad, doesn't click

Clicks, doesn't buy

Searches and buys

**Video Ads (on Laptop)**
Advertiser sees that video ads increase clicks on social ads. Decides to increase spend.

**Social Ads (on Phone)**
Advertiser can see that high engagement social ads are increasing searches for their website.

**Search Ads (on Desktop)**
With more brand searches and higher click throughs, they lower their bid amount, which lowers their cost per conversion.

**ADVERTISER CONCLUSIONS**

Result from using a connected campaign
Advertiser sees an increase in total conversions and a lower cost per conversion across digital. Advertiser is pleased with their multi-channel ad tech vendor and decides to shift additional budget into digital.
Part II

SOLVING THE CROSS-DEVICE DILEMMA WITH CONNECTED CAMPAIGNS
The Connected Campaign

For advertisers and publishers, the identity layer addresses the limitations of the cookie layer because it operates across devices and channels. Campaigns that are built on top of the identity layer can coordinate the activity of ads, audiences, pages, and apps across devices and channels, which we call the Connected Campaign. Connected Campaigns allow advertisers to sequence messaging across the customer journey, which improves the customer’s experience and reduces wasted spend for the advertiser.

A Connected Campaign is different than integrated marketing, which is simply consistent messaging across channels. It is also different than previous approaches in digital advertising—see the comparison below:

**Click tag attribution campaigns**

Click tags were a breakthrough for digital advertising because they were the first solution to provide advertisers with attribution data. These campaigns are designed for last-click attribution. They work by including a click tag on the link from an ad to a web page that sends the activity from the visit to a reporting system. Advertisers read the reports and then manually optimize the campaign.

**Cookie layer campaigns**

The cookie layer was a useful improvement because the supported additional attribution models such as view-through and multi-touch attribution. In addition, cookie layer campaigns allowed advertisers new methods for targeting, most notably retargeting and programmatic buying. They work by the ad placing a cookie that can be accessed by the advertiser for attribution and targeting.

**Connected Campaigns**

Leveraging the identity layer, Connected Campaigns extend the same capabilities enabled by the cookie layer to work across devices and channels.
EVOLUTION OF CAMPAIGN TECHNOLOGY

1995

CLICK TAGS

Using click tags, which is campaign data included in the click-through link in an ad, unlocks attribution for the first time for advertisers. At this point, campaigns have no connection to one another.

Attribution is now possible

2000

COOKIES

Campaigns are connected through the use of cookies placed by the ads, which enables new capabilities for advertisers. There is still no connection between devices.

Retargeting, view through, and programmatic are introduced into campaign strategies.

The cookie layer allows data to be shared between campaigns but not devices.
IDENTITY LAYER

Campaigns are connected and data is shared between assets.

Retargeting, attribution, and other cookie layer features now work across devices.

2015

User is logged in to a universal platform (ie. Facebook)

The identity layer allows the connection of campaign assets across devices

INTEROPERABLE IDENTITY LAYERS

2020

The Connected Campaign Is Born

A Connected Campaign is a group of assets such as ads, audiences, pages, and apps that exchange data through the identity layer to stay coordinated as the customer moves across devices and channels. Connected Campaigns allow advertisers to sequence messaging across the customer journey, which improves the customer's experience and reduces wasted spend for the advertiser.
Local and regional advertisers commonly ask publishers for creative help for their campaigns. Recently, publishers have been criticized by advertisers for not offering enough audience segmentation as well as complaints from readers about the amount of data consumed by ad tech integrations.

Publishers can address concerns from readers and advertisers by offering Connected Campaigns. For advertisers, Connected Campaigns generate audience segments for retargeting and lookalike targeting—both of which increase the audience segments a publisher offers. Connected Campaigns also improve attribution, which can help publishers demonstrate their role in the journey toward a customer purchase. Publishers desperate for premium CPMs have turned to more invasive ad formats. Conceivably a better attribution model enabled by Connected Campaigns would allow publishers to maintain the value of their inventory with less invasive ad experiences. Also, identity layer providers replace the functions of multiple third-party cookies, which would decrease the amount of data used by ads thereby improving the reader experience.
Part III

THINKING TOWARDS THE FUTURE
Building On the Identity Layer to be Future Proof

Advertisers that want the value of the identity layer can currently work with multiple providers. Identity layer providers use different methodologies. The common approaches are: deterministic, probabilistic, or a hybrid (see sidebar for more detail).

Standardizing on a single identity layer may reduce the upfront implementation effort, but would be restricted to a subset of the Internet covered by single identity layer as well as the risk of dependence on a provider that isn’t a guaranteed market winner.

It’s not yet clear whether one or some combination of approaches will dominate the market. On face, the deterministic model appears to have an advantage because it is built on personally identifiable information and therefore appears to be the most accurate. Deterministic approaches require a person be connected to an identity layer by a universal login, such as being signed into a service on each device. Facebook’s identity layer currently has the most coverage for people online. However, not everyone is on Facebook and they do have declining desktop usage. For example, Google also has massive reach to support their identity layer. Upstarts like Drawbridge are taking a statistical approach and report that they have connected 3.6 billion devices to 1.2 billion people (see the Identity Layer Models sidebar for more).1

The lack of clarity about the future of the identity layer means that early adopters looking to avoid an investment in an approach that may fall out of favor in the future will want to maintain optionality. Advertisers looking to maintain optionality should evaluate technology that can support multiple identity layers. Systems supporting multiple identity layers also need to comply with policies from the various identity providers that restrict data sharing across systems.

Identity Layer Models: Deterministic and Probabilistic

The “deterministic” model, used by large-scale platforms like Facebook, relies on personally identifiable information (PII) like an email address or user ID to establish an individual identity. An anonymized identifier is present across the different devices on which a person uses the platform. Building a deterministic database requires scale, which explains why Facebook, Twitter, Google and other big tech companies with vast troves of consumer data currently dominate this approach. They also carry the burden of ensuring the privacy and security of detailed PII.

The “probabilistic” model uses sophisticated probability algorithms to match anonymous data points — such as device type, IP address, and login times — and links them with a high-degree of certainty to a theoretical individual. No personally identifiable information is necessarily collected while assembling a user profile — a big advantage when it comes to privacy and security concerns. It also has the promise of being more comprehensive since it is not limited to only the people who have an account with a single service. But it remains to be seen whether a probabilistic platform can match the accuracy level of a deterministic database, as well as the value of additional data that deterministic players bring such as demographic and behavioral data.

1. Identity Layer Models: Deterministic and Probabilistic
Conclusion

The identity layer is providing the catalyst for the biggest leap forward in digital advertising since the inception of the first display ad over 20 years ago. With the emergence of identity based targeting and attribution, advertisers are now able to bring new meaning to the notion of delivering the right message, to the right person at the right time.

Identity-based advertising is simpler than cookie-based tracking, requiring fewer systems across the campaign. Companies embracing the new efficiencies are breaking through the lines of the marketing technology Lumascape. Mixpo believes that this process will accelerate and that the industry is poised at a “threshold of simplicity”—a new day in which varied digital advertising functionalities will be consolidated and streamlined in ways that will greatly enhance ad messaging and reduce waste. This is the technology that will truly enable the Connected Campaign.

Digital entrepreneur, author and journalist John Battelle uses the language of biological evolution to describe digital advertising’s metamorphosis: “The industry emerged with the first organs that we needed, then we developed a more complicated and integrated ecosystem that is more of a whole,” he says. “We have a lot more to build, but the basic shape of the animal seems to be emerging.”

By favoring tools that allows advertisers to leverage multiple identity layers instead of relying on one, advertisers can future-proof their advertising technology stacks—especially since there is currently no consensus on the identity layer approach and people access various platforms and media. In the end, it’s not a question of if advertisers need to embrace the multi-device landscape and identity based advertising, but rather it is a question of how to do it effectively. Advertisers who act on the trend now will enjoy first-mover advantage amongst their peers and consumers alike.
About Mixpo

Mixpo streamlines the production of Connected Campaigns, by combining a creative studio, ad server, media buying, and campaign analytics. Display, video, and social campaigns built on the Mixpo platform are engineered to perform across devices and channels. In 2015, Deloitte named Mixpo a Technology Fast 500. Mixpo was also selected by Forbes as one of America's Most Promising Companies in 2013 and 2014.