

THE BIG RESET

Remaking marketing
for a new age

Quantify Culture

EntityX harnesses customer insights, enabling advertisers to profile, target and track the cultural interests of their most valuable audiences, improving performance and ROI.

EntityX believes that the next era of marketing will be driven by using technology to analyse audiences' interests, building rich cultural audience models. Understanding semantic technology to build culturally relevant communication will be an essential part of every marketer's toolkit. This report explores the global factors driving these changes and provides practical advice on preparing for the future of marketing.

Table of contents

The big reset	01
How marketing lost its way	02
Marketing re-loaded	03
Getting started	04
Conclusions	05

01

Introduction: the big reset

Introduction: the big reset

The history of industry is marked by unintended consequences that have driven structural change. Fossil fuels are a glaring example. Used to power industrialisation while all the time poisoning the planet they are now being replaced by more sustainable alternatives. Plastics are another case in point. Having contributed to the huge leap in the global standard of living post World War II they have also polluted the water supply and done untold harm to wildlife.

The marketing industry is going through a similar paradigm shift, as the tracking cookies that have been used to spy on web users are phased out. Ethically ambiguous at best, the data that has fuelled marketing's digital transformation is being cut off, and the industry will need to change, and fast, if brands are to continue to reach their audiences.



“..return to the fundamentals of marketing, rebooted with the latest technology to bring audience insights to life”

In this critical moment for the industry, marketers need to understand exactly what is changing and what options are on the table to create a new, more sustainable approach to advertising. Senior marketers are championing a return to the fundamentals of marketing, rebooted with the latest technology to bring audience insights to life. Knowing the people you need to serve is the first, foundational step towards addressing them.

The reset button has been pushed. Now it's time for marketing to rebuild and renew.

02

How marketing lost its way

How marketing lost its way

Once, marketing was about people. Marketers sought to understand their customers inside out, and employed the skills of psychologists, sociologists and researchers in doing so. They painstakingly sifted through extensive research and data to piece together culturally rich audience profiles that revealed their customers in all their complexity.

These profiles and personas were the foundation of marketing, providing the means through which marketers could design creative and measure the effectiveness of advertising campaigns. In this first age of marketing, the profession was a perfect blend of art and science focused on meeting human needs.

But then marketing lost its way. First cookies and then Mobile Advertising IDs provided a means for publishers to track people around the web. On the back of this tracking technology a vast ad tech industry emerged, promising to enable hyper-personalised, behavioural targeting that would serve the right marketing message to the right person at the right time.





“Ever greater volumes of tracking data was harvested to feed the advertising beast, sacrificing user privacy in the process”

Marketers were offered a vision of a world where programmatic delivery would remove the need for audience research, and where every dollar of ad spend would deliver value.

In the event, targeted advertising led to nothing less than a digital dystopia - if by accident rather than design. And as a result, the ethics of online tracking were largely ignored. Over two decades, ever greater volumes of tracking data was harvested to feed the advertising beast, sacrificing user privacy in the process. When privacy was considered, it was simply assumed to be the price of admission to the ad-funded internet.

Marketing’s advertising machines had turned people into the product.

The turn of the tide

“one data vendor had identified 84% of individuals as both male *and* female based on cookies”

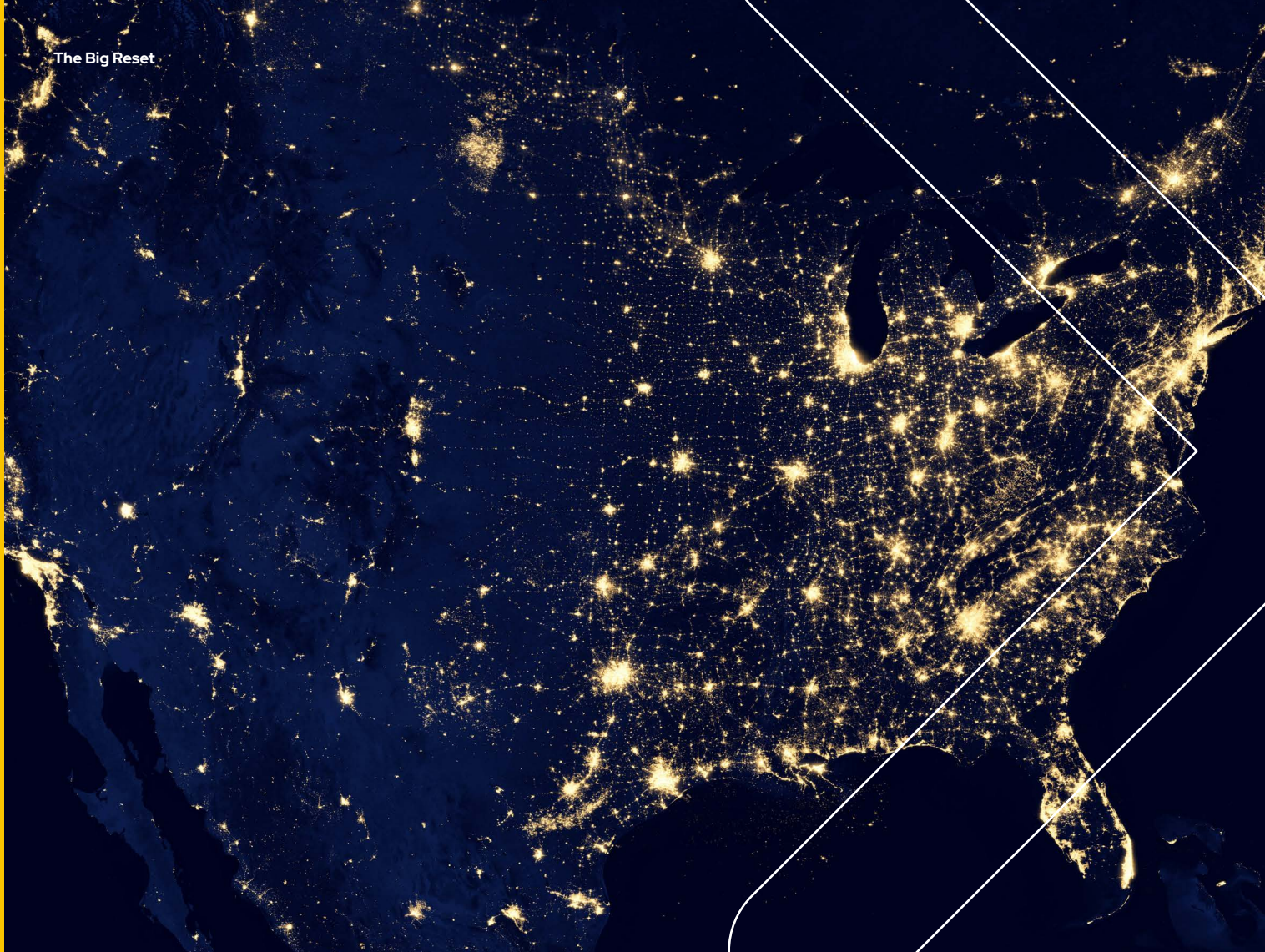
Now, things are beginning to change. One reason is that the promise of hyper-personalised targeting turned out to be an illusion. Far from being the perfect tool for identifying audiences, data derived from cookies is more often than not low quality and inaccurate.

For a start, they often expire too late, to provide timely audience insights (most third party cookies are stored either for more than a month)!¹ That means any profiles built from them will reflect an outdated view of a person’s internet activity.

At times, the profiles are outright wrong. A recent analysis by Choice Stream found that one data vendor had identified 84% of individuals as both male and female based on cookies. Comparing across vendors, Choice Stream also found in 33% of cases, two different vendors recorded different genders for the same individual. More worrying still, Media Smith analysed 11 vendors and found that for four of them, the gender they had recorded was no better than would have been achieved through pure chance.²

1 - [The life of a third party cookie](#)

2 - [Why is third-party data still often wrong?](#)



“most of the behavioural targeting data is derived, approximated, dirty, wrong, or outright faked”

Dr. Augustine Fou

Another problem stems from ad fraud, where bots are used to mimic web users' activity. As one industry expert puts it: “most of the behavioural targeting data is derived, approximated, dirty, wrong, or outright faked”.³ In one instance, a company had to purge 400 million profiles having discovered they were entirely the creation of bots.⁴

These and other issues mean that tracking cookies have a very low accuracy rate of between just 40% and 60%.⁵

3 - [Forbes - Are Marketers Wasting Money On Adtech Myths?](#)

4 - [Ibid](#)

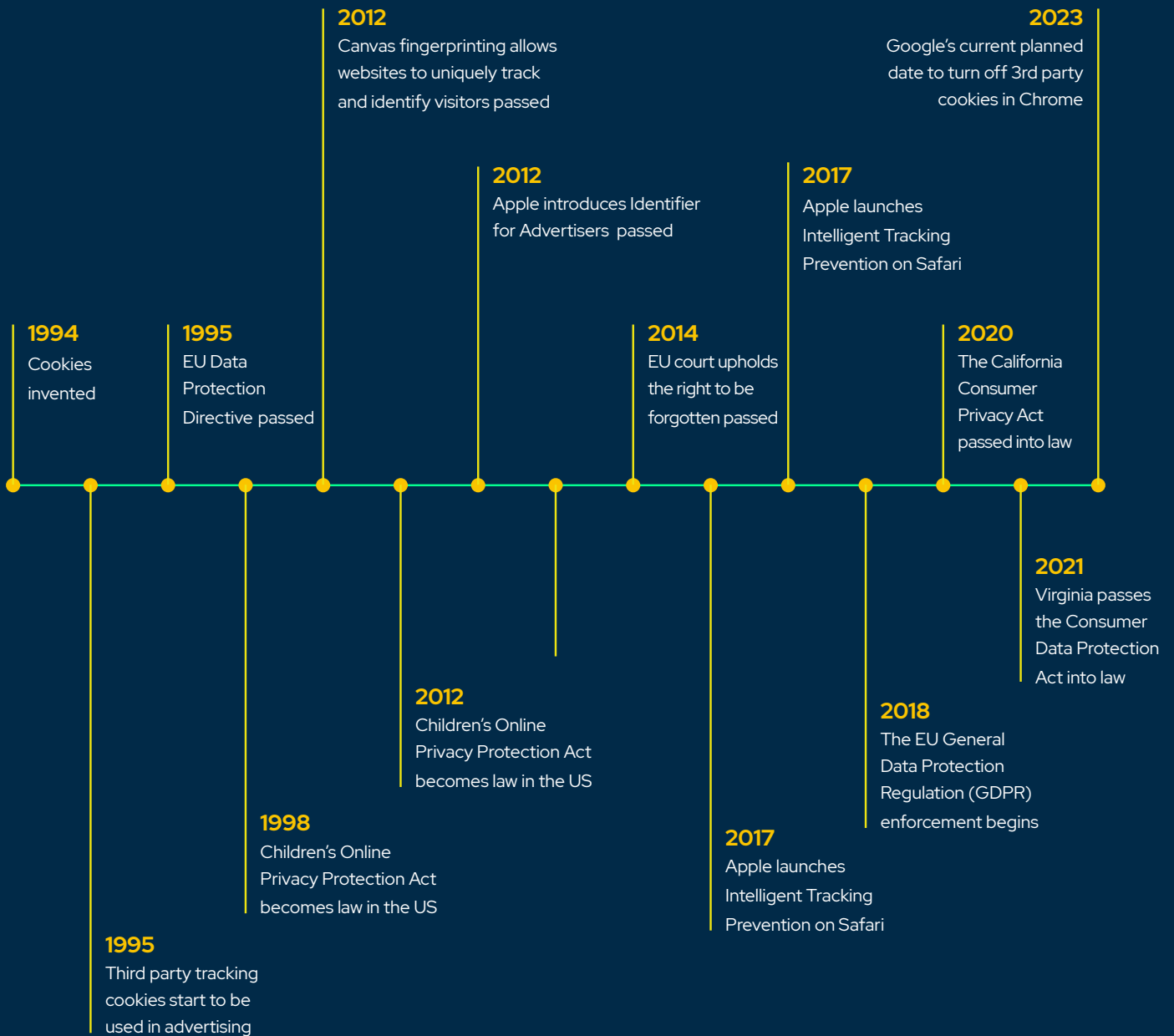
5 - [Quartz - The digital ad industry is rewriting the bargain at the center of the internet](#)



The other driver for change is that consumers are taking back control of their privacy. Over the years, people have become increasingly aware of the extent of surveillance on the internet. Today, people are more aware than ever of the privacy tradeoffs associated with digital content, and many are wondering whether the bargain works out in their favour. As one 2018 survey found, 52% of consumers think there should be no reason at all for companies to collect their personal information.⁶

⁶ - https://blog.treasuredata.com/wp-content/uploads/2018/12/ATD_StateOfPrivacy_Survey18.pdf

A timeline of digital privacy



7 - <https://qz.com/guide/the-end-of-third-party-cookies/>
8 - <https://safecomputing.umich.edu/privacy/history-of-privacy-timeline>
9 - Ibid
10 - <https://now.avg.com/history-digital-privacy>
11 - <https://www.adexchanger.com/mobile/mobile-device-ids-will-be-the-next-ad-tracker-to-bite-the-dust/>
12 - Ibid
13 - Ibid

14 - <https://digiday.com/media/wtf-apples-latest-anti-tracking-update/>
15 - <https://safecomputing.umich.edu/privacy/history-of-privacy-timeline>
16 - Ibid
17 - Ibid
18 - <https://www.theverge.com/2021/6/24/22547339/google-chrome-cookiepocalypse-delayed-2023>

Enter the regulators

Having taken note of growing public disquiet around privacy, regulators have stepped in. In 2018, the EU's landmark General Data Protection Regulation (GDPR) came into force. Thanks to the GDPR, data privacy standards across the EU have been boosted and standardised - although it has come at the cost of user experience. Some content has been lost to EU and UK web users, as extra-territorial publishers have blocked access rather than go through the hassle of compliance. Where publishers have complied, surfing the web now means clicking away an endless barrage of consent forms before being able to access content.

This is not how the internet was supposed to be.



However, there can be no denying that the GDPR has raised the international bar when it comes to protecting the personal data of netizens. The regulation has already served as a template for new privacy legislation in other jurisdictions, most notably The California Consumer Privacy Act (CCPA), Virginia's Consumer Data Protection Act, and the amendments to Japan's Act on the Protection of Personal Information.

"[GDPR] creates an onus on companies to understand the risks that they create for others, and to mitigate those risks. It's about moving away from seeing the law as a box ticking exercise, and instead to work on a framework that can be used to build a culture of privacy that pervades an entire organisation."

- Elizabeth Denham, the UK Information Commissioner at the Information Commissioner's Office¹⁹

Originally, the EU planned to introduce the GDPR alongside a sister regulation - the ePrivacy Regulation. This equally ambitious law would have led to third party cookies being blocked by default in internet browsers, putting an end to the endless stream of consent forms that have eroded the online experience and effectively killing off third party cookies.²⁰ The regulation has been making a rather tortuous way through the EU Council and is still being worked on.

In the intervening period, however, browser companies have decided to act on cookies themselves.

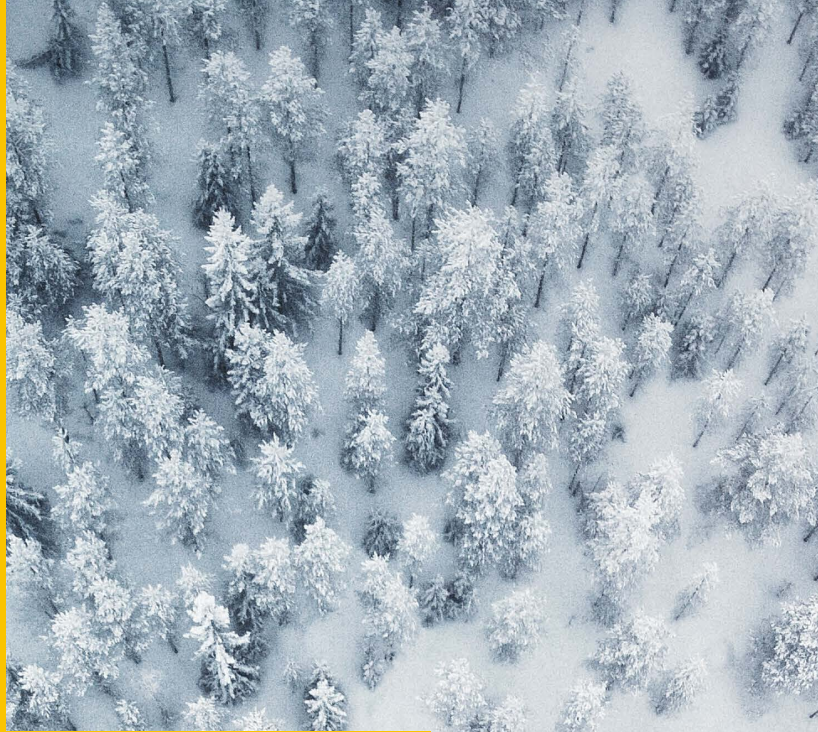
¹⁹ - <https://ico.org.uk/about-the-ico/news-and-events/news-and-blogs/2017/01/information-commissioner-talks-gdpr-and-accountability-in-latest-speech/>

²⁰ - <https://www.cookiebot.com/en/eprivacy-regulation/>

The cookie winter

Reading the direction of travel, all of the major browser companies are cracking down on third party cookies. Companies like Apple, Microsoft and Mozilla already block third party tracking cookies by default on their browsers, (respectively Safari, Edge and Firefox).

Google had announced that it will block third party cookies on Chrome in 2022, although the company has now said it will provide a stay of execution until 2023²¹. This is an important move, as the delay may mean that some marketers delay making the necessary changes until closer to the new cut off date. To do so would be a mistake however. The experience of GDPR shows what happens when the industry leaves significant change until the last moment - even now companies are struggling to comply with the regulation (one study found that 90% of businesses say its too difficult to delete customer data and that 60% do not have the systems in place to help them do so)²². Experience suggests that the sooner marketers prepare for the post-cookie future, the better prepared they will be to reach their audiences when it does arrive.





What's clear is that marketers will need to look beyond a new range of third party identifiers that are being designed with GDPR compliance in mind. Google has already said that it will end the use of all third party identifiers on its ad stack - even those that are compliant with GDPR - a move that's been described as a "privacy bomb on independent adtech".²³ Apple has also recently announced that it plans to hide Safari users' IP addresses from third party trackers.²⁴

Similar moves are underway in the mobile app space. Apple, for instance, has made its Identifier for Advertisers opt-in, rather than opt-out, which has caused

opt-in rates to plummet to somewhere between four and 38%, depending on which analysis you believe.²⁵

Such moves are not entirely altruistic, and they will help the firms involved to secure competitive advantage and grow market share. Regardless, the unethical tracking data that fed the marketing machine for 20 years has been cut off. Marketers and the ad tech sector are going to have to go cold turkey.

21 - <https://blog.google/products/chrome/updated-timeline-privacy-sandbox-milestones/>

22 - <https://www.superoffice.com/blog/gdpr-marketing/>

23 - <https://www.adweek.com/media/google-privacy-bomb-independent-ad-tech-advertising/>

24 - <https://www.forbes.com/sites/augustinefou/2021/06/08/the-cookieless-future-just-got-closer-more-privacy-tsunamis-hitting-adtech-island/?sh=37a30bb5711d>

25 - <https://videoweeek.com/2021/05/06/reported-idfa-opt-in-rates-on-apple-devices-range-from-4-to-38/>

A false dawn

The combined impact on the ad tech industry of GDPR and the cookie winter is severe. Many have pulled out of the EU,²⁶ merged to shore up their defences,²⁷ or gone out of business. In the years ahead, the loss of third party cookies will continue to redefine the market.



However, the ad tech industry is not taking this existential threat lying down. A number of alternatives have been proposed including:

- **ID graphs.** A collection of customer identifiers such as hashed emails, phone numbers, addresses, IP addresses, etc., that can be associated with one another.²⁸ This approach is effectively dead in the water as Google and Apple will not support ID graph based approaches.
- **Probabilistic targeting.** Probabilistic identifiers use a range of signals across multiple channels to create likely user profiles by matching anonymous data points with data from known users who exhibit similar behaviours.²⁹
- **Google Sandbox.** Google plans to enable ad targeting, measurement and fraud prevention through standards set by its Privacy Sandbox, where cookies are replaced by five application programming interfaces.³⁰
- **Data clean rooms.** Areas where insights gleaned from walled gardens are mixed with first party data from advertisers, allowing the sharing of consented data for measurement and attribution.³¹

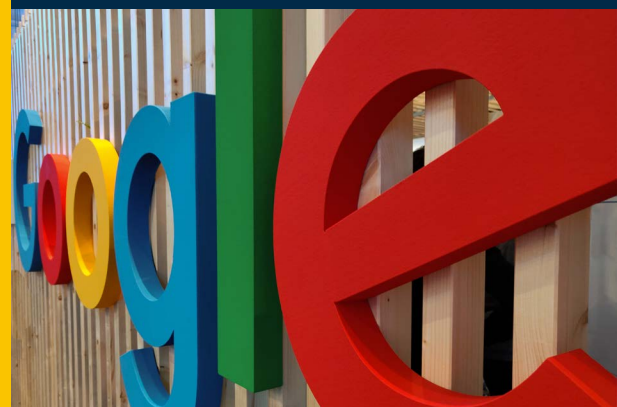
26 - <https://digiday.com/media/ad-tech-firms-quitting-europe-blaming-gdpr-often-scapegoat/>
27 - <https://digiday.com/marketing/ad-techs-latest-consolidation-wave/>
28 - <https://signal.co/resources/identity-graphs-demystified/>
29 - <https://www.admonsters.com/ad-ops-decoder-what-are-deterministic-and-probabilistic-ids/>
30 - <https://digiday.com/marketing/wtf-googles-privacy-sandbox/>
31 - <https://digiday.com/marketing/data-clean-room/>
32 - <https://arstechnica.com/gadgets/2021/06/google-delays-floc-rollout-until-2023/>
33 - <https://www.gov.uk/government/news/cma-to-have-key-oversight-role-over-google-s-planned-removal-of-third-party-cookies>
34 - <https://arstechnica.com/tech-policy/2021/06/eu-antitrust-regulators-launch-probe-into-googles-floc-plan/>

The trouble with Google

Many markets will be waiting on Google's Privacy Sandbox as a scaled alternative to tracking cookies. To do so risks betting all on a horse that might not yet run. Already privacy advocates and major websites have combined to condemn one of the pillars of the sandbox, a tracking system called Federated Learning of Cohorts (FLoC), due to antitrust concerns, and Google has subsequently delayed rollout to consult with the industry.³²

Google's plans are also facing close regulatory scrutiny. The UK's Competition and Markets Authority (CMA), for example, is to take up a role in the design and development of Google's Privacy Sandbox proposals to ensure they do not distort competition.³³ The EU, meanwhile, has launched an antitrust probe into its plans.³⁴

The future of Google's Privacy Sandbox is therefore far from certain and marketers should look for alternatives.



“Build a new digital advertising model that respects privacy and which will therefore build a strong foundation for the future of the industry... It will require a return to fundamentals. That means returning to what matters most: people.”

Each of these alternatives come with limitations. However, there is one limitation they have in common: they all seek to replicate the old model of user targeting using new technologies. Marketers need to kick the tracking habit and find an alternative that respects the concerns of all parties in the ecosystem: brands, publishers, browser companies, regulators, consumers and privacy advocates alike.

Right now is the perfect opportunity to build a new digital advertising model that respects privacy and which will therefore build a strong foundation for the future of the industry. Building it will require a return to fundamentals. That means returning to what matters most: people.

03

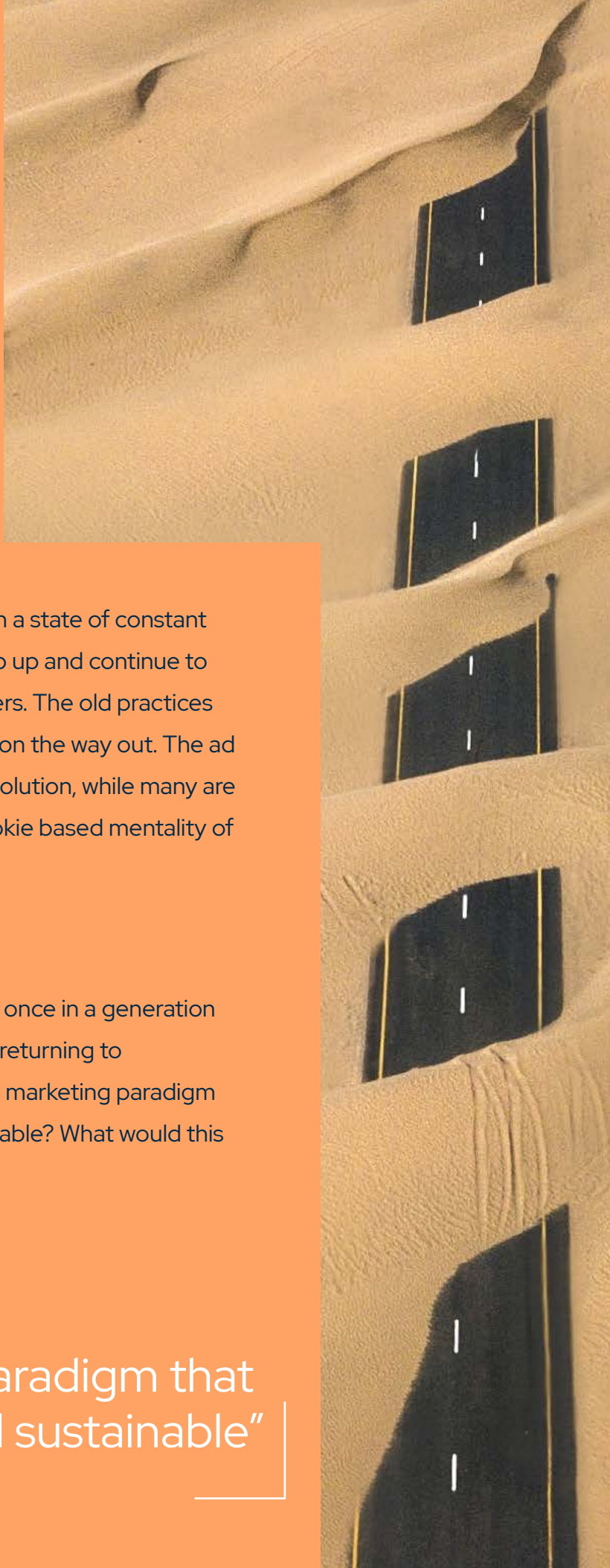
Marketing reloaded

Marketing Reloaded

The digital marketing industry is in a state of constant flux, with marketers trying to keep up and continue to deliver revenue and new customers. The old practices of ad targeting using cookies are on the way out. The ad tech industry is scrambling for a solution, while many are struggling to break out of the cookie based mentality of the past 20 years.

What if the industry took this as a once in a generation opportunity to build back better; returning to fundamentals, and building a new marketing paradigm that is human-centric and sustainable? What would this new model look like?

“... a new marketing paradigm that is human-centric and sustainable”



When Audience Meets Big Data

The solution lies in bringing together the rigorous focus on customer insight from marketing's pre-cookie golden age and marrying it with the latest in machine learning and big data analytics. This would mark a return to marketing fundamentals, but a return that's underpinned by powerful new technology, unleashing the opportunity to understand the cultural profile of your most valuable audience personas and put these to work at the centre of your marketing.





“By using robust artificial intelligence (AI) and customer analytics solutions, businesses can deliver differentiated, truly contextual experiences that ultimately build stronger brand loyalty and drive growth.”

Accenture ³⁵

Big data derived customer insights are increasingly seen as the secret sauce to business success. With more data available than ever, and new technologies enabling this data to be analysed at scale and in real-time, businesses in all sectors are uncovering insights that can be used for a wide range of purposes such as product development, customer care and financial planning.

35 - <https://www.accenture.com/gb-en/insights/artificial-intelligence/understand-customer>

For marketers, this approach is not new. It is the audience profiling of old. What is new is that thanks to machine learning, exponentially larger datasets, from potentially limitless sources, can be analysed and previously undiscoverable insights unlocked. In this world, tracking people across the web or leveraging their PPI is not only redundant, it's positively unsophisticated.

“Human meaning-making is grounded in culture. EntityX’s technology is rooted not in the statistical black-box neural network engines of ‘standard’ AI, but a vast human-curated pool of knowledge about the world, based on explicit and comprehensive human understanding. This drives better performance and ROI and makes marketers more powerful than ever.”

- Tom Quick, **Founder, EntityX**



"The challenge for AI is that great marketing resonates with culture at a point in time. This isn't something AI is good at, as culture is entangled with a lot of complex dynamics in psychology, society, and contextual human experience that are hard to represent holistically in data. It's even hard for humans to do this!

Marketing as a craft and an art will continue.. continually evolving based on culture and communication mediums available. At the same time, however, AI will increase in its abilities to assist humans in the creative process, using machines as force multipliers for human talent."

Scott Brinker, Chief Martec & VP Hubspot

Read More in the Martech 2030 Report: <https://cdn.chiefmartec.com/wp-content/uploads/2020/10/martech-2030-brinker-baldwin.pdf>

Advanced data technology delivers significant advantages to marketers:

Today's marketing	Marketing reloaded
Data and tools siloed and disconnected.	Data and tools unified in a holistic approach.
Basic insights, unclear conclusions.	Data and research made actionable.
Lack of visibility into impact and performance of campaigns.	Clear and transparent measurement of the impact and performance of campaigns.

The opportunity for marketers to get ahead through advanced analytics is significant. According to data from McKinsey, just 14% of marketers are using AI for customer segmentation³⁶. Yet in 2019, 79% of marketing and sales professionals using AI reported a revenue increase for their company³⁷. And according to research from Adobe, top-performing companies are more than twice as likely to be using AI for marketing (28% vs. 12%)³⁸.

36 - <https://www.mckinsey.com/business-functions/mckinsey-analytics/our-insights/global-survey-the-state-of-ai-in-2020>

37 - Ibid

38 - <https://www.adobe.com/content/dam/acom/uk/modal-offers/pdfs/Econsultancy-2018-Digital-Trends.pdf>

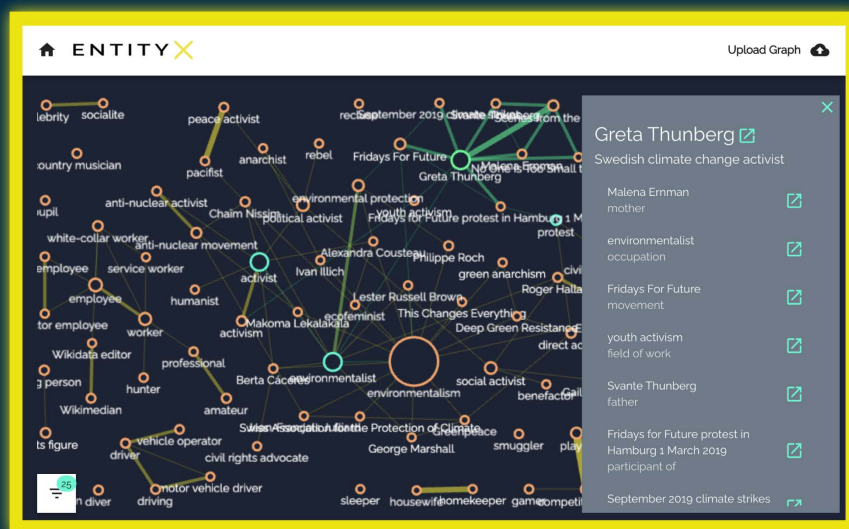
Advanced semantics

A case study in technology-derived audience profiling

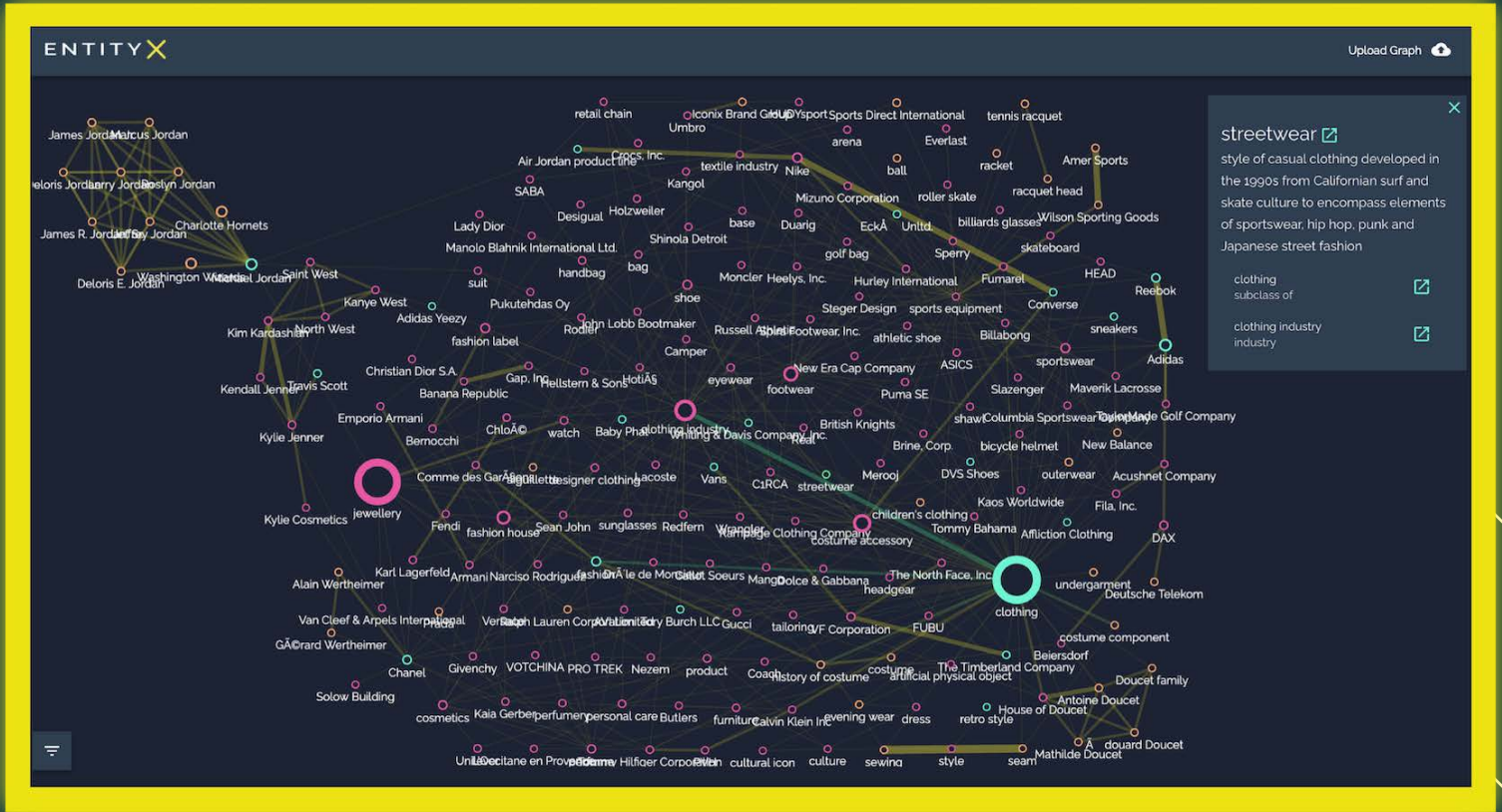


How do Google and Facebook make sense of content and audience data? They have developed advanced semantic technology, based upon knowledge graphs that contain millions of entities (things) and the relationships between those things. In this way, they can analyse and classify web content, based upon a deeper understanding of its meaning. However, these companies only allow marketers to access this data within their own advertising walled gardens.

Understanding semantic technology is to the internet, what data science is to 'data'. Marketers need to acquire this skill for the future of marketing as it will enable them to understand the meaning and context of every page on the internet. With this knowledge, combined with big-data derived customer profiles, marketers will be able to optimise their own web content (SEO) and place their ads on the most relevant pages (display advertising).



“By quantifying culture marketers can now target cultural segments, bringing their most valuable audiences to life.”



Knowledge graphs give marketers a mathematical model of culture. They will know in intimate detail what matters to their customers, even the most abstract of connections, and more importantly where to find these contexts on the web. Armed with data and machine learning, tracking identities is redundant. What matters is the convergence of audience insight and semantic technology to drive culturally rich profiling and targeting. By quantifying culture marketers can now target cultural segments, bringing their most valuable audiences to life.

04

Getting started

Getting started

Replacing long established practices and rebuilding an industry from scratch can seem a daunting prospect.

For those that want a hand in shaping the industry's future, there's an exciting opportunity. Right now, there are five immediate steps every marketer can take to embrace richer audience profiles that are privacy centric.

01

Focus on your first party data. Gather all your information on the customer, no matter where that data is found. Even half-forgotten PowerPoint presentations will include useful data to combine with other sources such as CRM, social sentiment, etc.

02

Profile your customers. Leverage machine learning based technology to bring your data together, to build a mathematical model of your audience personas and to bring these personas to life.

03

Create a holistic 'single audience view'. Interrogate the data for Insights that allow personalisation (audiences are important for content creation from messaging to design and SEO).

04

Test your audience/ experiment. Look for overlaps and differences between audience personas. Use as a tool to evaluate your marketing, target these cultural segments in your online campaigns,

05

Leverage your profiles across the organisation. Audience profiles should be used as the common currency for all marketing, delivering deep cultural insight into your campaigns.

05

Conclusion:

A new marketing machine for a new era



“The reset button has now been pressed, and marketing has a chance to build back better.”

The much publicised cookie winter is overwhelmingly seen as a threat to the marketing industry. It shouldn't be. The use of PII and tracking people across websites is manifestly problematic. It is unsustainable, and the only surprise is that it has taken so long for the practice to end.

The reset button has now been pressed, and marketing has a chance to build back better. The opportunity at hand is to put people back at the centre, using the latest technologies to super-charge the fundamental principles of marketing and build rich culturally rich audience profiles that deliver better marketing performance and optimised content.

The next great age of data driven marketing requires us to have a technology driven audience model, where audiences become the common currency for cultural insight. For their part, marketers need to relearn the science of the audience and its new technology-powered form. Those that do so the fastest stand to lead the industry forward.

ENTITYX

EntityX quantifies culture enabling advertisers to target and profile their most valuable audiences

Bring your audience to life with a free audience visualisation, contact

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