

Household targeting's role in the cookieless future

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As the advertising industry plans for the removal of third-party cookie support and moves toward adopting more privacy-centric solutions, marketers will need to identify the types of audience data and targeting solutions that best fit their objectives. Household targeting, which has been a mainstay of TV advertising for years, is one component that can fit into a layered targeting strategy. In this piece, Tim Sleath, VP of product management at VDX.tv, discusses household targeting's role alongside other identity solutions and how advertisers can create an effective household strategy for their campaigns.



How household targeting works

Household targeting works by targeting a grouping of individuals in an apparent household unit, i.e. residing at a single domestic location. Most household targeting leverages an IP address, which represents a broadband router located within a specific property. Machine learning can match an IP address and multiple devices into a domestic unit and enable ads to be delivered to all connected devices within the household.

Part of the industry's drive toward cookieless solutions is the need to shift away from singling out an individual user. Household targeting addresses that issue, as it is an inherently less granular approach that relies on information about multiple individuals simultaneously within a household, rather than an individual user's actions. Household targeting is also a solution that leverages the wide penetration of connected TV (by default a non-cookie environment) and its role at the center of many households to help create a broader focal point, useful for effectively delivering campaigns because it supports both targeting *and* measurement.



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How household targeting can improve engagement

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A complement to other identity solutions

There are several cookieless identity solutions already in use and also in the pipeline – for example, first-party data, contextual targeting, initiatives like Google's FLoC (Federated Learning of Cohorts) and Unified ID 2.0 – so how does household data fit into the picture?

We believe there'll be a layered approach, and it's almost certain that for a time at least, different environments will support different identifiers. Indeed, while we think of cookies as ubiquitous, in reality Chrome web browser has been the only supporter of cookies. Apps, CTV devices, some mobile operating systems and a few browsers have all been functioning sans cookies. Thus, multiple mechanisms will have a part to play in a wider identity solution. Contextual can be a useful backup on pages containing text, FLoC may be useful in browsers and on sites that support it, Unified ID 2.0 and similar initiatives will be handy on sites with logged-in users (i.e. those who share their email addresses). Alongside these options, household targeting will be a robust and relatively interoperable mechanism to provide a fair degree of targeting and attribution. It is technologically the most widely available, affording maximum measurable and targetable reach of the population, without requiring unproven new frameworks or niche identifiers.

Some brands may take time getting used to the lower level of granularity that household data offers and may also come upon the challenge of targeting users who are no longer within the confines of the household, but the alternative identity schemes mentioned previously can be used to extend an ad's reach beyond the home environment.

Creating an effective household targeting strategy

When it comes to implementing a household targeting strategy that works, brands need to think about the message and its delivery. Delivery of ads on each device can't be executed in silos; you need the ads on the different devices in a home to work in harmony. The ad message ideally needs to resonate with all the members of the household, although some products and services (for example, quick-service restaurant offerings, automobiles, travel bookings) are more suitable than others for household consideration. Delivery to digital devices in the household should build on and reinforce the TV version of the ad. Many brands today are thinking about linear TV, online streaming TV and 'classic' digital ads (think display, in-stream, web and in-app) together – because that's how their customers behave! More and more, consumers expect a consistent brand experience across platforms as they move fluidly between their devices. Agencies will need to facilitate this synergy across devices and formats if their efforts are to be effective.

As we get closer to Google's 2022 deadline for the withdrawal of third-party cookie support, we look forward to seeing the innovative ways that the advertising industry comes together to develop better targeting solutions that also respect consumer privacy. The cookieless future is near, but in some ways, it is already here.

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