WTF is composable identity?

Sponsored by Adstra

This WTF guide, sponsored by Adstra, explores how composable identity is changing how marketers target and engage consumers across a fragmented ecosystem, future-proofing their marketing strategies against industry and regulatory changes.

TABLE OF CONTENTS

1. **Wait, do I know what identity resolution is?**
2. **How have brands been using traditional identity solutions?**
3. **Got it. So what is composable identity?**
4. **What different identity elements can be used for a composable identity strategy?**
5. **What does composable identity mean for my targeting and personalization strategies?**
6. **What role does composable identity play in measurement and attribution for better marketing performance?**
7. **Why is now a good time to make the switch to composable identity?**
8. **How can marketers transition from traditional identity to composable identity?**

Amid evolving privacy regulations, signal loss and the ongoing fragmentation of user identities, brands face growing challenges around targeting and measurement. Since brands can no longer rely on a single persistent identifier to link their disparate efforts — 86% of e-commerce users are not logged in, and thus anonymous — they struggle to create a holistic and comprehensive view of their prospects and customers.

To keep up with these rapidly changing digital landscapes and consumer journeys, brands need flexible identity frameworks that ensure continued audience addressability, personalization and measurement.

"Marketers are tasked with maintaining an omnichannel presence, and they're expected to deliver a consistent brand experience from one touchpoint to the next," said Lance Brothers, Chief Revenue Officer at Adstra. “Each channel and opportunity has its own set of identifiers, and effective consumer identity resolution has become more and more

challenging. That's why Adstra designed a composable approach where organizations can take ownership over their data and configure identity resolution to best optimize both their current and aspirational capabilities."

By embracing a flexible and nimble approach to identity, brands can seamlessly integrate various identifiers and build unified customer views across all channels. Enterprise identity platforms (EIPs) are designed to clean and harmonize data types for accuracy and usability across a brand's tech stack.

However, not all these solutions are flexible and comprehensive enough to meet marketers' needs. Most legacy or end-to-end identity solutions either offer too broad a set of capabilities and are thus prohibitively expensive and complex to implement, or are too limited, lacking the flexibility to adapt across the various data systems brands use.

"Identity being flexible is critical to enable brands to communicate with consumers, regardless of where that interaction may take place," said Patrick Roman Gut, svp and head of new business at Adstra. "If identity solutions can't keep up with that fluidity, there's no way for brands to truly and holistically connect with their consumers."

In this WTF explainer guide, Digiday and Adstra explore what composable identity means, how brands use it to engage consumers and how it will be used in the future.

Wait, do I know what identity resolution is?

Identity resolution is a method for reconciling different identifiers, both online and offline, to create a coherent view of a person's identity. In this sense, identity is a comprehensive and unified view of an individual or household, one that enables marketers to understand customer behavior and deliver personalized interactions. However, this can get complicated with dozens of different types of identifiers.

Identity graphs are valuable tools that help brands determine how the different components of a fragmented identity fit together into a unified, actionable and privacy-compliant whole. Essentially, identity graphs hold consumer portraits and all their correlating known identifiers.

“Digital identifiers, in particular, are exploding and proliferating,” said Todd Schoenherr, svp, head of product at Adstra. “To be able to recognize someone in the digital world and tie them back to an actual — yet still anonymous — individual and household is very important for marketers.”

How have brands been using traditional identity solutions?

From email addresses and device IDs to login credentials, identity resolution tools allow brands, advertisers and publishers to create a unified view of prospects and customers. Having an accurate and connected view of a user’s identity across platforms, devices and interactions enables personalized marketing, analytics and measurement.

However, brands have had limited control over traditional identity resolution because these solutions are centralized and vendor-dependent. This centralized and rigid identity graph-based approach limits customizations and reduces data transparency for brands.

“Historically, identity is this huge endeavor that brands have to undertake — a black box they don’t have ownership of,” Gut said. “And if a consumer gives consent for a brand to communicate to that consumer, that information should be housed in a brand's environment, because they're ultimately the ones that are responsible for it.”

As brands’ needs shift due to business goals and priorities, traditional identity resolution solutions risk locking them into specific technologies that may soon become outdated. For instance, expanding data capabilities often requires overhauling existing infrastructure. Additionally, as more matching signals and identity elements are used, the complexity of identity resolution only increases.

“The way that brands engage with identity right now, they're unfortunately beholden to partners that own and control their identity,” Gut said. “If you’re beholden to that and your supply chain gets more complex, brands aren’t able to evolve as quickly as their customers would expect them to.”

Got it. So what is composable identity?

Composable identity is a modular approach to identity resolution that allows brands to build, adapt and customize identity solutions based on their unique needs and tech stacks.

These identity solutions integrate into brands’ existing systems, quickly delivering value and complementing existing tech investments. Because of their modularity, composable identity solutions offer more flexibility than legacy systems — allowing them to be interoperable within brands’ existing data stacks, as well as adaptable to external data systems, such as those of premium publishers.

“All of these brands have their own technology stacks, their own tools in place and they all work differently,” Schoenherr said. “Rather than making them conform to a certain way of doing things, we enable the brands to perform identity resolution within their own environment, and that’s the composability aspect.”

By adopting a composable identity strategy, brands combine different elements to create an identity strategy best suited to their business. This gives brands greater control and flexibility over their data and identity signals for better customer understanding.

“The problem with rigid legacy identity solutions is that there is no composability. You can’t configure things based on how your brand evolves or how privacy regulations change how you can use data,” Gut said. “Composable identity is the foundation that enables brands to

meet the expectations of their consumers, while maintaining integrity when it comes to privacy and data handling."

The modern multi-ID landscape requires a crosswalk solution that maps anonymous digital identifiers to personally identifiable information to unify online and offline data for a comprehensive view of customer behaviors. With composable identity, brands enable interoperability without solely relying on third-party cookies or device IDs.

"Folks were really investing in this concept of authenticated IDs, but those identifiers don't have as much industry adoption as hoped," said Gut. "From an agile perspective, if a brand has the underpinned building blocks of all of those IDs from walled gardens and the open web, they can then crosswalk or be interoperable through all of them.

"Part of the interoperability of Adstra's composable identity solution is that there are no custom integrations that have to happen," he said. "By not transcoding the identifiers, brands can look at consumers holistically, regardless of which channel they are in."

What different identity elements can be used for a composable identity strategy?

Composable identity dynamically uses multiple signals and privacy-first methods, including third-party cookies and/or device IDs. These solutions are built to comply with privacy regulations by using implied and express consent-based first-party and third-party data.

Data sources include first-party data, universal IDs, probabilistic signals and contextual data. Probabilistic matching infers user identities with statistical modeling, behavioral patterns and contextual signals, allowing brands to recognize users without deterministic identifiers like emails or logins. Probabilistic data is made of individual pieces of information, such as a device's operating system or IP address, and compiled to piece

together a probable conclusion. Deterministic data is information that is known to be true and accurate because it is supplied by people directly or is personally identifiable, such as names or email addresses.

Matching existing first-party data with these additional identity elements is essential for brands to scale their efforts and effectively reach audiences. And by relying on a wide range of identifiers, composable identity is a critical piece for future-proofing marketing strategies.

“Privacy is front and center of all the data sourcing. We source data from offline and online providers,” Schoenherr said. “We’re one of the few identity resolution companies that has its own match network, so we see a large volume of traffic across the internet. We’re able to collect those digital identifiers and then, through our technology, we’re able to build the online and offline views of individuals and households — and do all of that in a privacy-compliant manner.

“We’re somewhat agnostic to the specific digital signals. What we care about is if they’re available and pass the privacy review, then we support them and operate with them,” he said. “We're not dependent on third-party cookies, and we can include any available privacy-compliant ID as part of our identity resolution capabilities.”

With composable identity solutions that analyze content, engagement and behavioral trends, brands are better equipped to serve relevant ads without tracking individuals.

What does composable identity mean for my targeting and personalization strategies?

In today’s fragmented and fast-paced digital ecosystem, the ability to identify users successfully across touchpoints allows brands to build direct relationships with customers.

By linking multiple identifiers across channels — including web, mobile, CTV and offline — composable identity solutions enable consistent personalization regardless of where a user engages with a brand.

This also improves brands' retargeting efforts, since matched audiences across marketing channels can keep marketers from unintentionally bombarding the same users with duplicate ads. Addressing silos between channels with composable identity improves brand consistency and boosts omnichannel ROI. Data enrichment allows brands to append first- and third-party attributes to enhance customer insights, leading to more granular targeting and improved performance

For instance, consider a consumer shopping for shoes on their smartphone while commuting by train. They then go online on their work computer to complete the purchase. If the consumer did not authenticate or provide information that allows the brand to associate those two activities — browsing and purchasing — to the same individual within the brand's own first-party view of that consumer, it could lead to suboptimal marketing, according to Schoenherr.

"Everyone has those stories of buying a pair of shoes and still getting advertisements for that exact same pair of shoes all over the web," said Schoenherr. "That's a failure in identity resolution."

While inconsistent or anonymous data makes personalization difficult, composable identity enables cross-device and cross-channel user recognition. This allows brands to deliver personalized experiences and relevant ads based on user preferences and behaviors.

Contextual data, including page content and engagement patterns, is among the privacy-compliant elements composable identity solutions use to infer user identity.

These contextual signals enable non-intrusive targeting so that advertisers and publishers deliver relevant ads.

Take the consumer who buys a pair of shoes. If those are hiking boots, that individual may be preparing for a camping trip and there might be additional upsell opportunities for the brand.

“If a brand tries to reach that individual on the platforms they care about, a brand needs additional identifiers, which we can provide,” Schoenherr said. “Brands are trying to do this within the context of a small slice of the customers they see, and we round the capability for them and supercharge their ability to do this.”

What role does composable identity play in measurement and attribution for better marketing performance?

Because composable identity equips brands to track and analyze customer journeys across platforms, channels and devices, it ensures accurate, privacy-compliant measurement.

Tracking online and offline conversions and enabling multi-touch attribution allows brands to optimize campaigns more effectively.

And as measurement solutions evolve, composable identity works with clean rooms, cohort-based modeling and first-party data for privacy-first measurement that meets the requirements of changing regulations.

“While it’s not based on as much personal-level exposure data, mixed modeling is still king when it comes to performance because there are so many black boxes, and black boxes don’t speak to black boxes,” Gut said. “From a measurement standpoint, if you have transparent, non-transcoded data and you can reduce your supply chain dependency on rigid black boxes, you should have a cleaner view for more real-time action with the

measurement attribution solutions that your brand is bringing into market to optimize immediately."

Why is now a good time to make the switch to composable identity?

Brands are best served by blending and integrating data over time. Composability allows them to build and scale without disruption, giving brands the ability to meet their needs now and in the future as the digital landscape evolves.

Composable identity solutions can be customized to brands' tech stacks, integrating only the necessary identity capabilities while providing control over data and workflows. By only using identity solutions that complement existing systems, brands avoid unnecessary costs.

"Composable identity solutions enable businesses to scale without incremental cost, and modular add-ins can better realize ROI from existing systems," Gut said. "The way identity is currently structured in the market makes it so that every brand is essentially penalized or has to pay more every time that they engage with an identity solution, which prohibits or stunts growth. From our perspective, we look to set up brands to scale their identity foundation and business as they see fit."

Integrating composable identity solutions with cloud ecosystems and other environments equips brands with the data and insights needed for a flexible, brand-directed approach that improves customer interactions and campaign performance.

"The business outcomes of composable identity for marketers are quicker turnaround times and reducing the overall cost of the supply chain or ad caps," Gut said. "Ultimately, it enables brands to scale without penalizing them for using the identity components."

The shift toward composability is already well underway in related areas like CDPs, where leading brands are experiencing accelerated innovation and improved outcomes by adopting composable identity solutions. Delaying the move to a modular approach risks leaving brands with inflexible, outdated systems that struggle to keep pace with rapid change. The longer a brand waits to adopt composability, the greater the risk of missed opportunities for real-time personalization, reduced match rates and less effective omnichannel marketing.

How can marketers transition from traditional identity to composable identity?

Transitioning from traditional identity solutions to a composable identity framework requires that brands embrace a strategic, phased approach.

“What stifles a lot of brands is their perception that the cost of change is too high to get a better solution,” Gut said. “That’s where composable really helps, because you don’t have to change everything at once. You can take the parts you need to start building a road map and a playbook, and start essentially working the process to get to where your aspirational goals are without disrupting anything.”

This starts with auditing existing identity infrastructures and investing in robust first-party data strategies. Selecting a flexible composable identity partner will enable brands to choose the tools they need and swap out components as their needs evolve.

“We collectively put a playbook together of how to start integrating identifier by identifier, use case by use case, application by application, into the mix over a period of time that is comfortable for the brand, with the ultimate goal of them again owning and controlling their identity,” Gut said. “These playbooks are customized specifically for brands, with the goal of mitigating the disruption and minimizing the friction of change.”

As the digital landscape becomes even more fluid, composable identity will play an even larger role in equipping marketers with the ability to control their data, build a unified view of consumers and improve marketing performance.

“Composable identity is going to start filling the gap between first-party customer data and the total addressable market,” Adstra’s Gut said. “Composable identity has enabled brands to rethink customer data and move past just their customers to the total addressable market, which will enable them to see greater outcomes from growth strategies as they interact with current customers and prospects.”

Sponsored by Adstra

About Adstra

Adstra is a leading provider of composable identity solutions, empowering brand marketers, advertising agencies, publishers and platforms with flexible, scalable options that seamlessly integrate within today’s data ecosystems. Adstra’s preconnected omnichannel identity graph and readily available digital audiences enable clients to recognize and engage customers across all touchpoints with unprecedented precision. By bridging fragmented data and comprehensive identity resolution needs, Adstra unlocks deeper customer insights, enhances personalization, and maximizes ROI across channels.

For more information, visit www.adstradata.com