stirista

The Power of Context + Identity

A New Era of Targeted Advertising

Ok, so Google didn't kill cookies.

But users still value their data privacy, and understanding intent-plus-context makes for better marketing than identity data alone. How can marketers flex both contextual and identity data jointly for the best marketing outcomes?

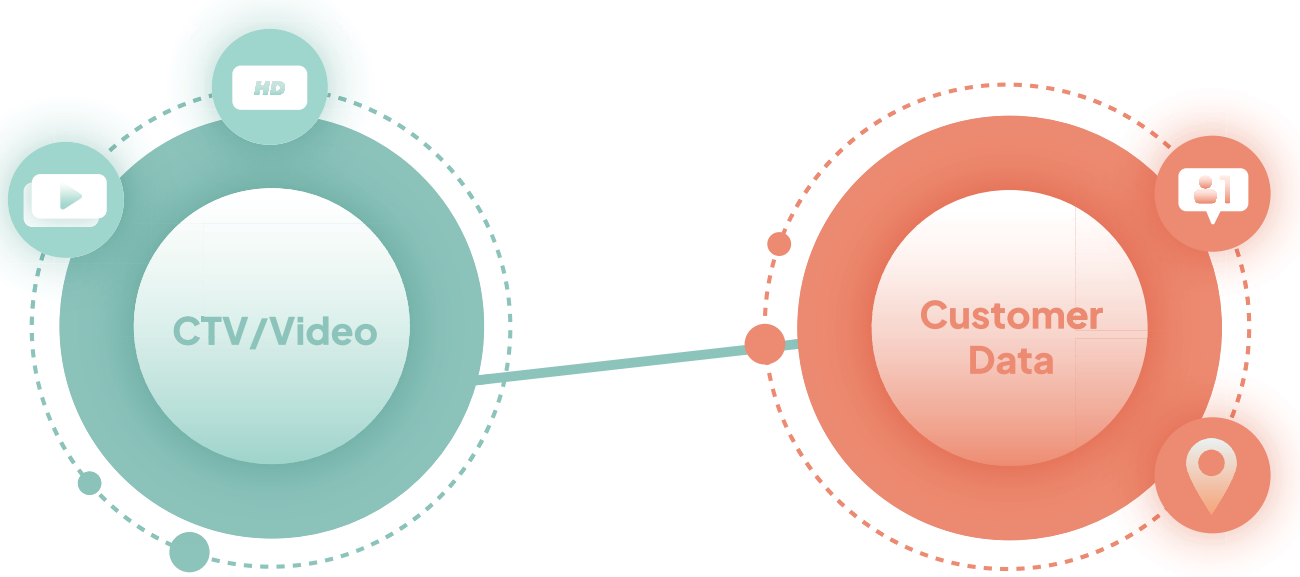
When Google killed their plans to go cookieless, a lot of marketers breathed a sigh of relief. If things had gone that way, billions of dollars of ad spend would've been lost globally. Publishers, for example, could've lost up to 60% of their Chrome revenue if cookies disappeared, far more than Google's 5% target.

Yet even so, data privacy laws continue to grow in the US and users are becoming increasingly protective of their own privacy. Marketers are still facing signal loss, relying on first-party data and tried-and-true marketing plays (e.g. context) to fill in the gaps.

And additionally, AI tools are making it much easier to "listen" to context signals within both written and visual media. We could even call it Context 2.0, as one Amazon manager frames it.

So, why not combine contextual information – stuff that has nothing to do with user data and is becoming increasingly easier to understand in real-time via machine learning – and identity data, often backed by first-party intent signals, that allows you to understand what exactly a consumer may be in the market for?

Below, we'll examine why context + identity data makes for better marketing than either tactic alone, and why now is the best time to start using a two-front marketing strategy like this one.



The Fluid Cookieless Horizon

This is it, folks. Google killed its cookieless venture. In April 2025, the conglomerate finally put the nail in the cookie coffin – no, not to get rid of cookies – but to end the long saga of the company dragging its feet on cookies deprecation, and ending its Privacy Sandbox initiative, too. Third-party cookies will still be around, at least on the Chrome browser.

With the cookieless future disappearing into the horizon, some data trends will remain in play, and some will change.

While it's a good thing for most marketers (no need to drastically switch away from cookies), users still want privacy and control over their data. And it makes sense to protect against cookie deprecation, since many browsers already have cookies turned off by default (Firefox and Safari, for example). That, and many marketing platforms already have cookieless solutions (like us!).

And while cookies may not be going away, signal loss – due to growing privacy laws and user behavior – continues to be a growing problem for marketers.

Most marketers cite both context and first-party data as their prime choices in the face of signal loss, according to a November 2024 study from Proximic cited by eMarketer. Marketers weighed "contextual targeting" and "first-party data" roughly equally at 41% and 40%, with alternative identifiers making up the remaining 16%.

As of May 2025, 20 US states have comprehensive consumer data privacy laws, and more may be on their way. As for "a continued loss of persistent user identifiers" affecting signal, this loss includes the weakening of tools like third-party cookies, the appearance of Apple's App Tracking Transparency, and the wavering effectiveness of browser fingerprinting tools. While this may impact some aspects of behavioral data and identity resolution, there are ways to augment this information, especially with the help of a data provider.

First-party data is obviously a good solution – you can track user behavior on your own site and determine what individuals are browsing for and thus what products they may be interested in. And context is increasingly becoming a better tool, as machine learning makes contextual insights more accurate.

The Rise of Context

With more states initiating privacy laws (and more users opting for privacy), context is becoming the first alternative solution many point to in order to address marketing data problems. After all, it doesn't track user behavior or demographics – rather relying on information about the content surrounding the ad. For example, an ad for dog food in the middle of a blog about pet nutritional needs is probably context-based.

Users also prefer that ads are relevant to the context in which they appear. **In fact, 79% of consumers may prefer contextual advertisements to behavioral ones.**

What is contextual advertising?

Here's a fact: contextual advertising is old. In fact, it's one of the oldest forms of "targeted" advertising. Newspaper ads used to (and still do) have sports-related content on sports pages, for example. Ads for name-brand shoes would appear in fashion magazines. Yet contextual advertising has developed far beyond that nascent stage. Since the mid-2000s, when Google AdSense allowed for online contextual advertising with keywords, the practice has developed into a sophisticated, privacy-friendly targeting method powered by natural language processing, computer vision, and AI — capable of analyzing not just text, but tone and sentiment as well.

The definition of contextual advertising used to be: a form of advertising where ads are displayed based on surrounding content (usually understood through keywords and semantic analysis), whether that be a webpage, a newspaper, or a video. Instead of relying on user data, the ads were "targeted" based on the relevance of surrounding information.

The market for contextual advertising is already on a growth trajectory, projected to reach $673.5 million by 2033, up from $205 million last year. This is due to both an increased interest and consumer demand for "personalized" content that doesn't register as creepy, and that doesn't overstep privacy boundaries. It's also driven by the growth of AI-driven marketing tools (which we'll get to soon).

Like we've mentioned, contextual ads may also be perceived as less bothersome than behavioral or traditional ads, because they fit the context in which they appear – reflecting user interests. When it comes to CTV, 63% of consumers prefer ads that align with the content they're watching (and three-fourths also prefer ads relevant to their interests). But keyword targeting hasn't always been accurate with contextual advertising, and contextual targeting used to fail when it came to CTV placements. In short, contextual advertising lacked nuance.

However, with the rise of AI and machine learning tech, we can have more accurate, real-time contextual ads, boosting campaign relevance both on display and in CTV.

AI brings contextual advertising into the new age

In May 2025, Amazon announced an AI-based contextual ad placement that effectively used AI-driven contextually-relevant advertising. **Amazon's latest venture involves CTV ads that respond to the context of the show they're in – not just the genre, but individual moments within the show understood by AI tools**, that way when the show is paused, they can show hyper-relevant ads to the moment.

No doubt, AI is making context better. You can even call it "Context 2.0." However, just because someone is watching a show, and the scene features a spill, and the user pauses the TV and gets an ad for name-brand paper towels on their screen, doesn't necessarily mean they will buy. Who are they? What are they in the market for? When you fold in identity resolution as well, you can launch relevant ads – that fit in the context of the content they appear in – and additionally make sure they fit both identity signals for the user and intent data, making for a hyper-relevant solution.

Understanding the user behind the screen

To understand the user behind the screen, you need to understand three things, all of which are interrelated: intent, context, and identity. Intent may be signaled by context, and identity may also point to intent signals. Intent data is wrapped up in first-party information, and can additionally rely on context. And with context and identity solutions, you can have it all.

The continuing importance of identity resolution

Many marketers believe that intent is more important than identity. You want to know what someone is in the market for, not necessarily who they are. Intent goes beyond context, however – and identity resolution and intent share common sources, like first-party data and other signals.

Robust identity resolution is still important. Creating unified profiles for customers is still important. Just because cookies aren't "going away" anymore doesn't make identity resolution any less so. If you want cross-channel campaigns among a fragmented ocean of channels, you need identity solutions that can bridge the gaps between them.

What is identity resolution?

Identity resolution is the process of connecting data points from multiple sources to build a unified, accurate profile of a consumer. It helps brands recognize that the same individual who clicked an email, browsed a website on their phone, and purchased in-store is, in fact, the same person. Identity resolution can be done using first-party data, as well as other kinds of data.

Context + Identity = Superior Targeting

Some advertisers and some forms of advertising rely solely on context, like influencer advertising. Or maybe ads in a newspaper. Some rely on identity or intent only – like cookie-based display ads. But the best ads will do both.

Using AI in the mix

AI is one of the tools that makes context and identity together possible. As we've already discussed with Amazon, it can be leveraged for better contextual ads – far beyond looking at keywords and basing information off of that.

That's especially true when it comes to CTV. With AI-driven contextual advertising, and AI-driven identity resolution, marketers can drive relevant ads based on the details of a scene in a TV episode – a far more granular approach than based contextual ads on genre.

Stirista's Solution: Bridging the Gap

Context and behavioral advertising are often framed as opposing options, rather than two solutions that can work together. Do you put a CTV ad about dog food on a show about dogs, or do you put it on the TV of a dog owner?

Why not use both data points – and put that ad on an episode of a show featuring a dog, on the household TV of a family with furry friends? What if contextual CTV ads could be based not only on what a user is watching, down to the fine details of what's happening in a scene when a consumer paused the show, but on what the consumer is in the market for?

With AI supercharging context and identity resolution tools becoming increasingly robust, bridging the gap between context and identity may be the best solution both for consumers who value their privacy and relevant ads and advertisers who want to deliver the best ROI.

However, integrating contextual tools into existing tech stacks and high implementation costs, may make marketers steer away from jumping into AI-driven, identity-enhanced contextual advertising. However, Stirista makes it easy. We provide a highly-refined identity resolution tool, and we can help you integrate contextual advertising, too.

By using our superior identity data and the power of contextual solutions, you can create the ultimate marketing solution.

The future of targeted advertising?

Hyperpersonalization is a buzzword that comes up a lot. But with users wanting privacy protections, hyperpersonalization may not mean what we thought it would.

Ads will be hyperpersonalized, sure – but half-personalized to the user (using existing data signals) and half-personalized to the context in which the ads are viewed.

We don't want to see ads left and right that may be relevant to our identity but not to what we're watching – and yet, ads that are relevant to what we're watching and yet featuring a product we're not interested in won't work either.

Combining both context and identity may be the compromise advertisers have been looking for – both privacy-compliant, yet relevant enough to deliver on spend.

And what's even more important is that marketers are willing to adapt – constantly trying to stay one step ahead of both competitors and incoming privacy or data-tracking changes.

With Stirista, you can stay two steps ahead. We're constantly monitoring changes in the data marketing field and acting proactively to develop the best solutions for the current market.

Build Best Customers With Stirista

Learn how Stirista's data-driven customer retention can help you create more profitable customers and increase your revenue.

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