

Planning for a world beyond third-party cookies

By Mario de Lima 28 Jul 2021

For years, brands have relied on third-party cookies and mobile identifiers to deliver personalised ads to prospects and customers, and to track engagement with their audiences. However, rapid changes to the privacy landscape will soon demand that they find new ways to get tailored messages to their audiences.



Source: www.unsplash.com

The trend is driven by mobile operating systems and web browser companies restricting how brands can use third-party cookies and mobile identifiers to deliver and track ads. The third-party cookie has already disappeared from Firefox and Apple Safari browsers, partly in answer to consumers and regulators' privacy concerns.

Now Google plans to phase out third-party cookies on Chrome by 2023. The clock is therefore ticking for brands that have heavily relied on third-party cookies for advertising and marketing to come up with new strategies that centre on building and using first-party data to drive engagement.

Before we delve into that in more detail, it's worth looking at why third-party cookies are so significant in digital marketing and what companies like Google plan to replace them with. A third-party cookie is created by a domain different to the one that a user is currently visiting, for example, an advertising network or social media platform.



What's next after third-party cookies?

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The cookie is used to track a user's behaviour, often across multiple sites, so that this data can be used to deliver personalised advertising to them. It differs from a first-party cookie, placed on a website by its owner or publisher to remember information such as the user's log-in, shopping cart and preferences.

Up until now, third-party cookies have enabled marketers to track website visitors and collect data from multiple touchpoints for behavioural and audience targeting, ad retargeting, frequency capping, audience extension and view-through attribution. However, third-party cookies seem set to be relegated to the past.

The third-party cookie crumbles: Google's new approach

Google's approach for a world beyond cookies seems geared towards minimising the amount of personal user data that gets exposed to advertisers and other third parties. It has already stated that it will not be building "alternate identifiers to track individuals as they browse across the web".

Instead, it plans to build a 'Privacy Sandbox' that will include technologies that enable marketers to continue to deliver relevant ads with less access to personal data. Its web products may be powered by privacy-preserving application programming interfaces (APIs) that get results for advertisers and publishers while respecting users' privacy.



And that's how the marketing cookie crumbles



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Google plans to move all user data into the Chrome browser for storage and processing, with the data remaining on the user's device.

It also wants to replace cookies with technologies for:

- Interest-based advertising—reaching people with relevant content and ads by clustering large groups of people with similar interests (hiding personal data in crowds)
- Audience creation
- Conversion measurement
- · Ad fraud prevention
- Anti-fingerprinting

Advertisers will be able to use the APIs to receive aggregated data about conversion (how well their ads performed) and attribution (which entity is credited for a conversion).

Such an approach will enable Google to anonymously aggregate user information to allow consumers to enjoy higher levels of privacy, while also letting advertisers deliver ads that are relevant to users' interests and context without direct access to personalised data.

Plan of action: develop your first-party data strategy

It remains to be seen how Google's roadmap works out and whether it will deliver the same benefits to marketers as today's approach. However, one lesson to take from this sea change is that brands with a strong repository of first-party data will be better positioned to manage shifts in regulation and platform owners' rules in the years to come.

Wise usage of first-party data can help marketers to deliver tailored advertising in a manner that respects consumers' privacy and drives better ROI from ads. One Boston Consulting Group study found that marketers can generate double the incremental revenue from a single ad placement by using all of the available first-party data.



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To get it right, marketers should put solutions in place that let them collect and organise audience data from offline and online touchpoints to personalise digital experiences. They should ensure first-party data is imported into the right platforms by, for example, exporting CRM data into analytics tools and offline conversion data into ad platforms.

Here are some steps to consider:

Use Google's sitewide tagging

Implement Google's Global Site Tag to ensure that Google Ads can measure conversions more accurately across the Google family of products.

Align your Facebook advertising account with iOS14.5

Those that advertise on Facebook should do the following if they haven't done so already:

- · Verify the brand's domain for web
- Update the Facebook SDK for app
- Configure and prioritise pixel events
- Implement Facebook's Conversion API

Update your cookie consent policies

Ensure consent mechanisms and tracking complies with local legislation. Brands could test Google's consent mode (beta) which "allows you to adjust how your Google tags behave based on the consent status of your users."

Adopt next gen analytics

Adopt an analytics solution designed for cookie-less tracking like Google Analytics 4, which uses machine learning and statistical modelling to fill in gaps in data.

Seizing an opportunity to build better customer relationships

First-party data presents an opportunity for businesses to nurture closer relationships with customers. When done transparently and with care for and consent from the customer, using first-party data to create better experiences will encourage consumers to share more personal information because they believe their data is safe and will be used responsibly. Businesses can use access to these insights to strengthen customer and engagement relationships over time.

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