



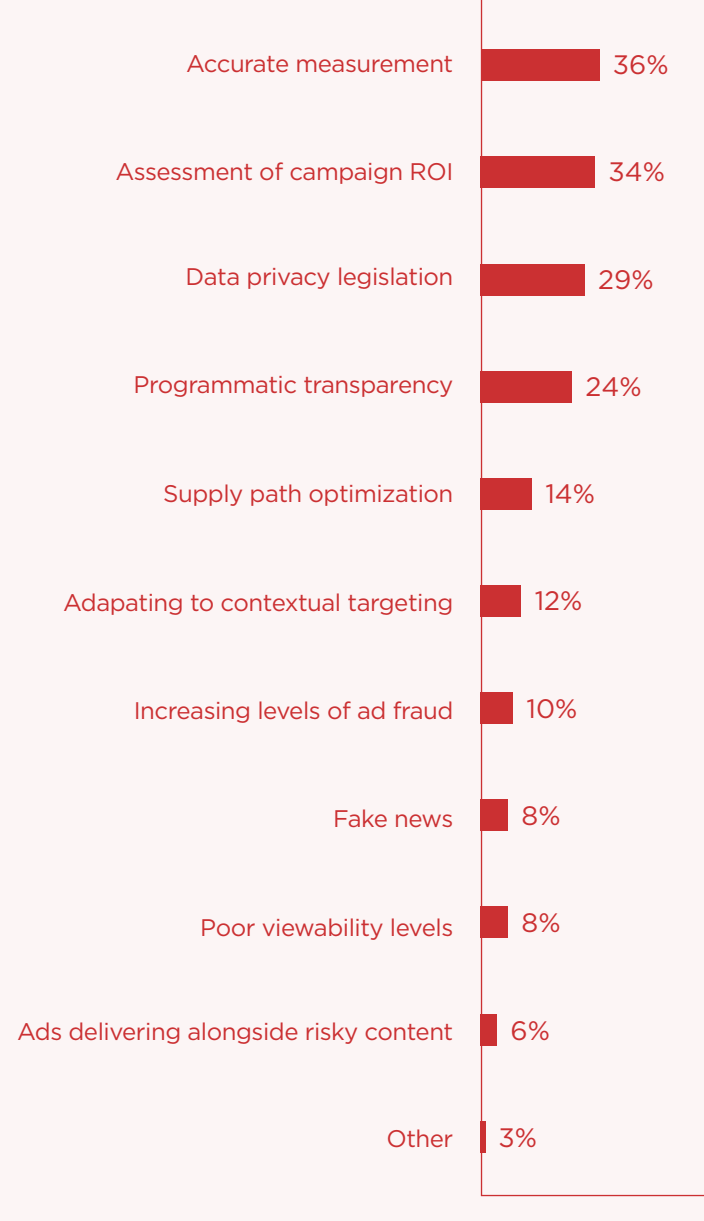
A COOKIESLESS WORLD

How to Prepare for the Next Step in Data Privacy and Measurement

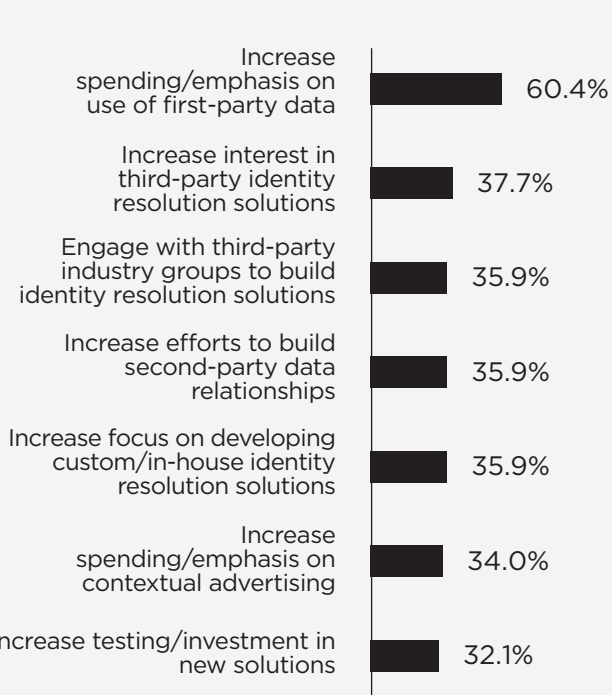
For several years, privacy advocates have pushed for greater data security. Since last spring, cookies have been blocked on Safari, with the new Apple iOS going one step further – requiring apps to ask users for permission to collect and use their data. Google is one of the last big players to still allow third-party tracking and recently delayed its deprecating of third-party cookies. While this delay has been seen as a relief to marketers, it is only a matter of time before cookies go away. The time has finally come for marketers to prepare for a cookieless world.

Through an audit conducted by Integral Ad Science, an ad verification partner, **nearly half of US media professions see the deprecation of third-party cookies as the industry's biggest challenge in the coming year.**¹ Yet, experts estimate that fewer than one-third are testing and investing in new solutions.²

DIGITAL MEDIA CHALLENGES ACCORDING TO US DIGITAL MEDIA PROFESSIONAL, OCT 2020



HOW WILL THE CHANGE IN SUPPORT FOR THIRD-PARTY AUDIENCE COOKIES AFFECT THE USE OF DATA FOR DATA PROFESSIONALS IN NORTH AMERICA?

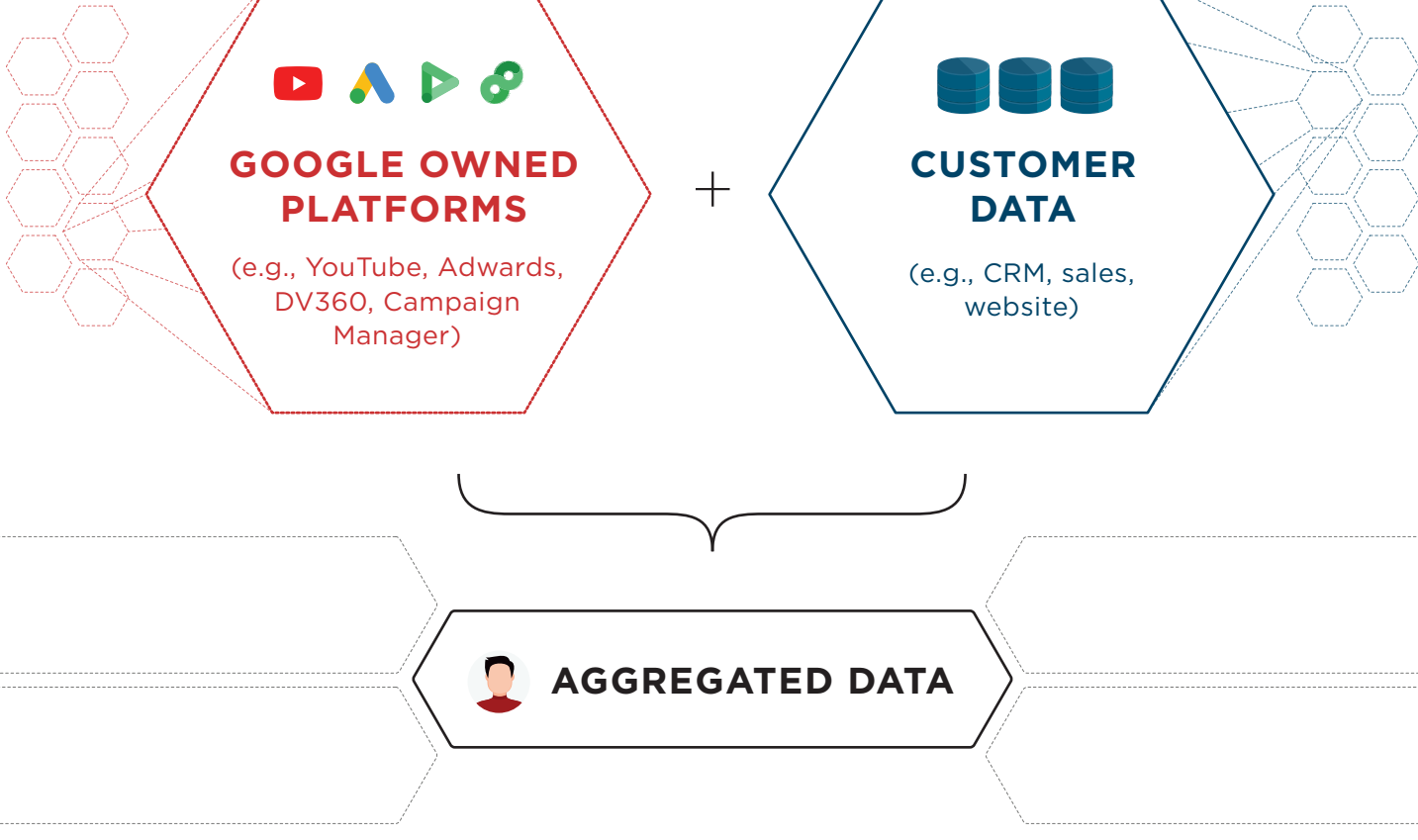


Source: Winterberry Group, "The State of Data 2020" in partnership with Interactive Advertising Bureau (IAB), July 22, 2020
eMarket.com

Note: top 3 responses; in the next 12 months
Source: Integral Ad Science (IAS), "The 2021 Industry Pulse Report: US Edition," Dec 8, 2020
eMarketer | InsiderIntelligence.com

The Impact of a Cookieless World

In a cookieless world, most data will sit inside clean-rooms. A clean-room is a space where platforms like Google, Facebook, and other walled gardens, pool their valuable consumer data. Marketers can create a full customer profile by working with clean-room providers, matching up first-party data with data that sits inside the clean-room. The development of clean-rooms such as Google's Ads Data Hub opens up exciting opportunities for data collaboration that have not yet been available to marketers before due to the walled garden approach these platforms have previously taken.



The most immediate impact marketers will face with the disappearance of third-party cookies is at the targeting level. Today, most brands leverage one or more of the following targeting tactics:

- 1 Prospecting Targeting**
 Also known as look-alike targeting, prospecting is a cookie-based tactic that locates audiences similar to existing customers.
- 2 Retargeting**
 Leverages cookies to find users that have already interacted with the brand (website visit, advertising exposure, etc.) and hits them with another ad.
- 3 Audience Based Targeting**
 Separates customers into key segments based on purchase, demographic, and/or interest behaviors.
- 4 Contextual Targeting**
 Places advertising in an environment where your users are likely to be based on their affinities.

The only tactic that does not rely on cookies is contextual targeting. Meaning, the absence of third-party cookies eliminates the use of three of the top four targeting tactics as they currently function. In a cookieless world, prospecting and audience targeting will take place via clean-room integrations, while retargeting will only be available to users that 'opt-in,' a difficult practice as many people do not willingly sign up for continuous advertising.

Preparing Your Brand for a Cookieless Future:

Creating first-party data solutions that allow you to own your data is the only way to come up on top when third-party cookies retire. Marketers that have started preparing for a cookieless world have centered efforts on enabling their ad tech to be first-party centric, while looking into emerging solutions.

“ First-party data is more accurate, provides better insights, has higher conversion rates and is a priority for maintaining customer relationships. ”

– Forbes³

STEPS TAKEN BY US MARKETERS' COMPANIES TO ADDRESS THE IMPACT OF THE DEPRECATION OF THIRD-PARTY COOKIES, SEP 2020

	1	2	3	4	5	6
Building a customer data platform (CDP)	66.7%	62.5%	70.8%	66.7%	70.0%	67.3%
Strategizing around first-party data	88.9%	58.3%	58.3%	38.9%	55.0%	61.9%
Building out a private ID graph	44.4%	58.3%	58.3%	77.8%	70.0%	60.2%
Moving to contextual targeting strategies	59.3%	54.2%	58.3%	55.6%	40.0%	54.0%
Getting a data clean room	22.2%	12.5%	29.2%	33.3%	30.0%	24.8%

Note: n=259
Source: Epsilon, "Preparing for a world without third-party cookie in partnership with Phronesis Partners, Oct 27, 2020
eMarketer | InsiderIntelligence.com

Tierney recommends a three-pronged approach for success in a world without third-party cookies:

- 1 Take Canvas of What You Have**
 Assess your current state. Where does the information you have now come from? What will go away without third-party cookies? Clean up any CRM data to use for planning, optimization, and prospective targeting.
- 2 Embrace the First-Party Future**
 Build an environment of trust and transparency. Then, invest in site engagement, creating new ways to collect information on consumers (email distribution lists, opt-in notifications).
- 3 Go on a Roadshow**
 Access to clean-rooms and data warehouse solutions will be vital to building and measuring advertising campaigns. Test new technologies and partner with vendors that fit your criteria for transparency and effectiveness.

Sources:
¹ Integral Ad Science (IAS), "The 2021 Industry Pulse Report: US Edition," December 8, 2020.
² Winterberry Group, "The State of Data 2020" in partnership with Interactive Advertising Bureau (IAB), July 22, 2020.
³ Forbes.com, "First-Party Data Will Reign Supreme For Marketers in 2021."